



PO Box 1758
Homer, AK 99603
907-299-3351
info@alaskashellfish.org
www.alaskashellfish.org

April 15, 2019

Representative Andi Story
State Capitol Room 13
Juneau AK, 99801

RE: Support for HB 116 – aquatic farm renewals

Dear Representative Story,

The Alaska Shellfish Growers Association (ASGA) would like to express support for HB 116 an Act relating to the renewal or extension of site leases for aquatic farming and aquatic plant and shellfish hatchery operations.

Alaska shellfish growers have successfully worked to develop their industry with sales doubling in the last 5 years. The industry is still in its nascent stages with around \$1.5m in aquatic farm sales, but it has tremendous potential to develop Alaska's economic diversification and coastal resiliency. And yet, industry growth is being hampered by permitting bottlenecks that could be alleviated through this legislation.

The Governors Mariculture Task Force activities have spurred keen interest for new mariculture farms and there has been a flood of permit applications in 2017 and 2018. This new interest has overburdened existing DNR staff who process lease application requests, resulting in significant permitting delays. These delays can have significant negative impacts on industry growth, and they result in lost revenue to the state.

DNR currently processes lease renewals every 10 years using the same requirements as a new lease, even if the farm has been a responsible steward of state water resources, has successfully met the DNR Commercial Use Requirements, and is not proposing major changes to the lease.



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Additionally aquatic farm leases are significantly shorter than land leases making business planning, and funding efforts challenging. Given that some species require 3-7 years to reach maturity, and given the significant infrastructure costs required to startup a mariculture operation, a 10 year lease with a renewal process similar to a new lease, does not give an operation needed time to become viable.

This bill would accomplish several positive changes: 1) reduce the workload for ADNR staff; and 2) prioritize ADNR staff time on new farm lease applications, which will help grow the industry; and 3) give more certainty for existing farmers who have invested in site infrastructure during the first 10-year lease.

Thank you for sponsoring this important legislation.

Sincerely,

A handwritten signature in black ink that reads "Margo Reveil".

Margo Reveil, President
Alaska Shellfish Growers Association

Cc: Greg Smith, Office of Representative Andi Story
Matt Gruening, Office of Rep. Louise Stutes, Fisheries Committee