

## Betty Tangeman

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**From:** paul fuhs <paulfuhs@earthlink.net>  
**Sent:** Saturday, April 10, 2021 7:04 AM  
**To:** Betty Tangeman  
**Cc:** G.Zaugg\C.Towne  
**Subject:** HB115  
**Attachments:** geoduks in market.tiff; oh boy!!!!.pdf

Hi Betty, the title of the bill is broad enough to consider additional clarifications on mariculture leasing. The problems with the current structure and regulations by DNR have held this industry back. Some of the worst provisions we have been trying to get changed for over 15 years so the legislature needs to step in to provide clarity.

There are three issues:

1. **Renewal of leases.** For all the shellfish mariculture species, their life cycle to market maturity overlaps with the lease renewal timelines. For Geoduks it is 7 years to market maturity, for oysters it is 2-3 years. A lease is for 10 years and must be renewed. If I am farming geoduks and into the fourth year of my lease, I would have to make the decision of whether to plant geoduk seed, knowing that if my lease is not renewed, I would be unable to harvest what I had planted. When seed is planted, a Seed Transfer permit is issued by ADF&G. The law should state that if the Department issues a Seed Transfer permit for species that will mature after the term of the lease, the granting of the Seed Transfer permit is a renewal of the lease if other requirements of the lease have been met. The uncertainty of lease renewal is a substantial barrier to investment in planting seed for shellfish mariculture.
2. **Requirements for showing use of the lease site.** Current DNR regulations state that in order to show use of the lease, annual sales of \$15,000 of harvested mariculture products must be shown or the lease can be cancelled. There are many reasons why you might not harvest in a year, such as market conditions, prevalence of Paralytic Shellfish Poisoning algal blooms, international sanctions and punitive tariffs, etc. Unlike other agricultural products, if we can't harvest one year the animals just grow bigger and can be harvested later. A geoduk can live up to 150 years. While DNR has assured us this provision will be selectively enforced, when we seek investors who ask us how secure our leases are, we have to disclose to them that they could be taken at any time. Site control is obvious criteria for any investor. The law should state that the issuance of a Seed Transfer permit and the planting of a lease site during the term of the lease should be the criteria for showing use of the site.
3. **The current law says that a site lease can only be renewed once.** What happens when you still have seed planted that has not matured at the end of the first renewal? Mariculture leases need to be for long term. However, the Department of Natural Resources says that if a lease is for more than 10 years a full survey must be done. This is an unreasonable requirement as it can cost up to \$40,000 especially in remote locations where there are few locates and monuments. The law should state that mariculture sites can be identified using GPS coordinates. GPS is accurate up to 3 meters, about ten feet so that should be sufficient. DNR also argues that if a lease is for more than ten years it must be a competitively bid lease. This is just more bureaucratic red tape and not necessary in the current situation where there are thousands of miles of shoreline available for mariculture leases. The law should clarify that mariculture leases are not required to be competitive. This is especially true in the developmental stages of the industry. If a competitive situation should arise many years into the future, this policy can be revisited. It should be noted that mariculture sites do not allow any onshore structures to be built and must show that they do not interfere with any other uses before a lease can be granted. They are benign uses of the ocean floor. Mariculture lease holders also must pay annual lease fees to keep their leases current and cannot engage in any activities that degrade the environment of the lease site.

When this bill is heard, I would like to be able to testify as an invited testifier so I can go over these details with the Committee and answer any questions they may have. Attached some photos so the committee can see what these

animals look like.

Paul Fuhs, Alaska Longneck Farms 351-0407 cell