

Representative Andi Story  
Alaska State Legislature  
State Capitol Room 13  
Juneau, AK 99801  
[Rep.Andi.Story@akleg.gov](mailto:Rep.Andi.Story@akleg.gov)



**RE: Support for HB 115 – Aquatic Farming & Hatchery Site Leases**

Dear Representative Story,

March 1, 2021

On behalf of the Alaska Fisheries Development Foundation (AFDF), I would like to express strong support for HB 115 - aquatic farming and hatchery site leases.

AFDF's membership is comprised of seafood harvesters, seafood processors, and support sector businesses. Founded in 1978, AFDF's mission is *to identify opportunities common to the Alaska seafood industry and develop efficient, sustainable outcomes that provide benefits to the economy, environment and communities.*

One of AFDF's recent areas of work is the ***Alaska Mariculture Initiative***, which is meant to accelerate the development of mariculture in Alaska. As a direct result of this initiative, the ***Alaska Mariculture Task Force*** was established in 2016. The Task Force completed a statewide comprehensive plan in 2018 called the [Alaska Mariculture Development Plan](#) ***with the goal of growing a \$100 million industry in 20 years.***

A positive result of the Task Force and its work has been an increased interest by the private sector in aquatic farming in Alaska demonstrated by an increase in the number of new aquatic farm leases submitted to ADNR. In 2017 through and 2020, ADNR saw approximately 400% increase in the number of new applications, when compared with 2016 levels. This has led to a backlog of applications and a longer processing time as ADNR works through them. After 10 years, existing leases must additionally go through a renewal process that is very similar in rigor and processing time to the original application process. Consequently, this adds additional wait time for new applications.

HB 115 is important step toward efficiently developing a mariculture industry in Alaska. The main focus of the bill is to align the lease renewal process for aquatic farms and hatcheries with the lease renewal process for most other types of state leases. For leases that are in compliance, this

**Board of Directors**

**Jan Jacobs – President**  
*Harvester, Region IV*  
*American Seafoods Company*

**Mark Scheer – Vice-President**  
*Service Sector*  
*Premium Aquatics*

**Trevor Sande - Treasurer**  
*Harvester, Region I*  
*Marble Seafoods*

**Tommy Sheridan - Secretary**  
*Service Sector, At-large*  
*Sheridan Consulting*

**Al Burch – Emeritus Director**  
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*Founding Member of AFDF*

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*AquaStar*

**Tom Enlow**  
*Processor, At-large*  
*UniSea*

**Buck Laukitis**  
*Harvester, Region II*  
*Magic Fish Company*

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*Aleutian Pribilof Island Community Development Assoc.*

**Stefanie Moreland**  
*Processor, At-large*  
*Trident Seafoods*

**Keith Singleton**  
*Harvester, At-large*  
*Alaskan Leader Seafoods*

**John Sund**  
*Service Sector*  
*Stellar North LLC*

change would simplify and shorten the process, reduce workload on DNR staff (allowing them to more quickly address new aquatic farm lease applications), and provide businesses with more certainty. HB 115 also includes a simple reporting requirement for DNR which will allow the Alaska Legislature to better understand the growth of the industry in the future. And finally, HB 115 explicitly designates ecotourism and educational purposes as allowable uses on aquatic farm and hatchery sites.

HB 115 has broad stakeholder support and will encourage private investment, without requirements for state financial investment. If you have any questions, I am happy to answer them. Thank you for your consideration and support of this bill.

Sincerely,



Julie Decker, Executive Director

Cc: AFDF Board of Directors  
Greg Smith, Office of Representative Andi Story

Attached: ***Alaska Mariculture Development Plan – In Brief***



## **RESOLUTION of the Board of Directors**

### **Resolution 2021-08: *Support for the passage of Alaska House Bill 115***

#### ***Aquatic Farming & Hatchery Site Leases***

**WHEREAS**, the Board of Directors of Juneau Economic Development Council (JEDC) has assembled in a meeting this the 3rd day of March 2021;

**WHEREAS**, the mariculture industry in Alaska is an approximately \$1.4 million annual industry, and mariculture has the potential to provide more year-round jobs in coastal communities, leading to more diversified and resilient local economies;

**WHEREAS**, in 2018, the Governor established a Mariculture Task Force and Mariculture Development Plan, with the overarching goal to develop a \$100 million mariculture industry in Alaska within 20 years;

**WHEREAS**, aquatic farms, including those that produce kelp, oysters, and other shellfish, operate under site leases overseen by the Alaska Department of Natural Resources (DNR);

**WHEREAS**, under current regulations, these leases must be renewed every ten years, through a process that is the same as the initial application process;

**WHEREAS**, it can take five to eight years for a farm to operate at full capacity, making a ten-year lease with a lengthy renewal process a potential barrier to entry;

**WHEREAS**, in recent years DNR has seen an exponential increase in lease applications, resulting in delays in the lease renewal process;

**WHEREAS**, House Bill 115 creates a regulatory framework with which DNR makes aquatic farm lease renewals consistent with other DNR lease renewals, such as those used for agricultural grazing, cabins & lodges, fish processing docks, and hydroelectric facilities;

**WHEREAS**, the changes proposed in House Bill 115 would allow DNR to renew leases *in good standing* using a process that is estimated to take 90 days;

**WHEREAS**, the passage of House Bill 115 is key to the continued expansion of mariculture in Alaska and supported by those in the industry;

**WHEREAS**, JEDC has long supported the emerging mariculture industry in Alaska through various avenues, including the Southeast Alaska Cluster Initiative.

**NOW, THEREFORE, BE IT RESOLVED THAT:** The Board of Directors of the Juneau Economic Development Council expresses support for the passage of Alaska House Bill 115.

**The undersigned hereby certify that the Board of Directors of the Juneau Economic Development Council duly adopted this Resolution on March 3, 2021.**

**Garrett Schoenberger, JEDC Chairperson**

**Melissa Kookesh, JEDC Secretary**

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March 18, 2021

The Honorable Andi Story  
Alaska State Legislature  
State Capitol Room 403  
Juneau, Alaska 99801

Dear Representative Story,

Thank you for introducing House Bill 115, "Aquatic Farming and Hatchery Site Leases." I can honestly say that I underestimated the extent of the challenges I would face when I set out to start an oyster farm three years ago. One of the biggest challenges I faced was the length of time between when I started making significant investments in permitting and infrastructure, and when I had products to sell. I was fortunate to begin to sell oysters in just my third year of operations, but I will not operate at full capacity for another two to three years.

This lag in getting to full capacity is common for aquatic farms. While some aquaculture products grow quickly, others can take three to seven years to reach maturity. Aquatic farmers in Alaska are investing for the long term but operating with ten-year leases. By allowing a one-time renewal for aquatic farm leases in good standing, HB 115 will reduce the risk to new farms, giving them the confidence to keep investing in and growing their operations.

Cooperation and community support are key to the continued growth of mariculture in Alaska, and the industry's potential is huge. Thank you for listening to the issues the industry faces and identifying this simple but meaningful change. I look forward to the passage of HB 115 and am grateful that it will enable farms like mine to keep our focus on growing high-quality, sustainable seafood.

Sincerely,



Meta Mesdag, Owner



Representative Andi Story  
State Capitol  
Juneau, Alaska 99801  
[Representative.Andi.Story@akleg.gov](mailto:Representative.Andi.Story@akleg.gov)

**Re: Support for HB 115 – AQUATIC FARMING & HATCHERY SITE LEASES**

Dear Representative Story,

Marble Seafoods and Hump Island Oyster Company would like to express support for HB 115.

There are lots of really great things within HB 115 including creating a path for shellfish fishery enhancement which is currently allowed on an experimental basis but not for actual restoration activities for area that are in need to assistance because of changing ocean conditions, predation, overharvesting or other external factors.

HB 115 will greatly impact our businesses through streamlining the renewal process as this is our renewal year. It will also allow eco-tourism which we have been trying to pioneer through a sister company Bonfire Bay Tour Company. Eco tours are currently prohibited within aquatic farming lease sites requiring a very time consuming and expensive duplicate lease application process for the same infrastructure. For our small business, allowing eco-tourism will make our break our business. Not only will it create greater awareness in Alaska's unique aquatic farms but will also create market opportunities and direct tour revenue. This is a great thing for our industry and our region.

Very truly yours,

A handwritten signature in black ink that reads 'Trevor Sande'. The signature is written in a cursive, flowing style.

Trevor Sande, P.E.

# MADE IN ALASKA MARICULTURE

To: Representative Andi Story  
State Capitol Room 403, Juneau, AK 99801  
Phone: 907-465-3744  
[Rep.Andi.Story@akleg.gov](mailto:Rep.Andi.Story@akleg.gov)

***RE: Support for HB 115 – Aquatic Farming & Hatchery Site Leases***

Dear Representative Story,

March 1, 2021

On behalf of the Alaska Mariculture Task Force (Task Force), I would like to express strong support for House Bill 115 – Aquatic Farming & Hatchery Site Leases, which will be a part of a larger plan to fully develop the mariculture industry in Alaska, with a goal to grow a \$100 million per year industry in 20 years.

***The Task Force believes that growth of the mariculture industry can play an important role in Alaska's economic recovery from the COVID-19 disaster, and passage of HB 115 is central to fully enabling that economic potential. The Task Force members recognize the difficult circumstances that cut short the 2020 legislative session in which a committee substitute version of this bill was in its final committee of referral and poised for passage. We thank you for introducing this bill again.***

In 2016, Governor Walker established and appointed members to the Task Force by [Administrative Order No.280](#), and in 2018, the Task Force completed a statewide comprehensive plan in order to accelerate the development of mariculture - the [Alaska Mariculture Development Plan](#) (attached is a [brief summary](#)). The Task Force was re-authorized in 2018 to work towards implementation of the Plan. Upon his election, Governor Dunleavy kept the Task Force in place, as he shares the vision of what mariculture could mean to the state: jobs and opportunities.

HB 115 has broad stakeholder support and is an important step toward efficiently developing a mariculture industry in Alaska. The main focus of the bill is to align the lease renewal process for aquatic farms and hatcheries with the lease renewal process for most other types of state leases. This change would simplify and shorten the process, reduce workload on DNR staff by allowing them to more quickly address other aquatic farm lease applications, and provide businesses with more certainty.

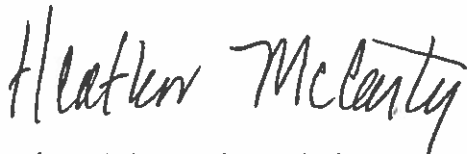
HB 115 also includes a simple reporting requirement for DNR that would allow the Alaska Legislature to better understand the growth of the industry in the future. And, HB 115 explicitly puts into statute that ecotourism and educational purposes are allowed uses on aquatic farm

and hatchery sites, and prohibits charging additional fees for lands leased as aquatic farms and hatcheries.

After the disaster of COVID-19, Alaskans need hope, and a path to economic recovery. The Task Force strongly believes that mariculture can be part of the economic recovery. HB 115 will help enable this potential for private investment, without requirements for state financial investment – a bright spot on the horizon.

Thank you for your consideration of this mariculture bill as part of a package of legislation that creates and supports economic activity for Alaskans.

Sincerely,

A handwritten signature in black ink that reads "Heather McCarty". The signature is written in a cursive, flowing style.

Heather McCarty, Chair, Alaska Mariculture Task Force

Cc: Alaska Mariculture Task Force





612 W. Willoughby Ave., Suite B  
P.O. Box 21989, Juneau, AK 99802  
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SOUTHEAST ALASKA REGIONAL DEVELOPMENT ORGANIZATION

March 2, 2021

Representative Andi Story  
State Capitol  
Juneau, Alaska 99801  
[Representative.Andi.Story@akleg.gov](mailto:Representative.Andi.Story@akleg.gov)

**Re: Support for HB 115 – AQUATIC FARMING & HATCHERY SITE LEASES**

Dear Representative Story,

Southeast Conference would like to express support for HB 115 which is an important step toward efficiently developing the mariculture industry and is a part of a larger plan to fully develop mariculture in Alaska, with a goal to grow a \$100 million per year industry in 20 years.

Southeast Conference is the state and federally designated regional economic development organization for Southeast Alaska. For nearly 60 years, Southeast Conference has served as the collective voice for advancing the region's economy. Southeast Conference has over 200 members from organizations representing business and governments from 32 regional communities. The mission of Southeast Conference is to undertake and support activities that promote strong economies, healthy communities and a quality environment in Southeast Alaska.

HB 115 plays an important role in the development and revitalization of the seafood industry in Alaska. It creates a more streamlined lease renewal process through aligning it with the lease renewal processes of other types of leases. This would subsequently simplify and shorten the process, reduce workload on the Department of Natural Resources staff, as well as provide more certainty for businesses. In addition, this proposed bill also includes reports on the backlog of lease applications, which would allow for more clarity and transparency moving forward.

A leaner aquatic farm and hatchery lease renewal process would diversify and expand opportunities in coastal communities and increase investment in aquatic farming in Alaska. Southeast Conference supports HB 115 as introduced and appreciates your work to provide additional economic opportunities in Alaska.

Sincerely,

Robert Venables  
Executive Director  
Southeast Conference

# Seagrove



KELP CO.

House Fisheries  
The Alaska State Legislature

March 2, 2021

Re: Aquatic Farm Lease Act HB115

To whom it may concern:

Premium Aquatics, d/b/a Seagrove Kelp Co. is an Alaskan company that operates the first and the largest vertically integrated seaweed farming operation in Alaska. We operate a nursery for seed production in Ketchikan and a 127-acre aquatic farm site on the west side of Prince of Wales Island. As part of our business, we have leased offshore tracts of Alaskan submerged lands and made significant investments and improvements to engage in the farming of species of kelp that are native to Alaska.

And, as a mariculture company operating off the coast of Alaska, Premium Aquatics supports the Aquatic Farm Lease Bill (HB115) introduced by Rep. Story - as it allows valuable Alaskan mariculture industries to operate on the same playing field as other similar but land-based operations. HB 115 is an important step toward efficiently developing the mariculture industry and is a part of a larger plan to fully develop the mariculture in Alaska, with a goal to grow a \$100 million per year industry in 20 years.

We believe that mariculture is an industry that is and should be important to the State of Alaska and all Alaskans. However, unlike other types of land based operations, mariculture companies must renew offshore leases every ten years by going through a process comprised of requirements like the initial acquisition of the lease – with a notice and comment period, etc. This has the negative effect of creating uncertainty in a mariculture company's business plan by drawing into question the viability of the company's capital asset after every 10 years. Because mariculture operations are expensive and require considerable initial investment, the present legal process makes it difficult to find and keep investments - in an Alaskan mariculture operation.

The Aquatic Farm Lease Act (HB115) would align the lease renewal process for aquatic farms and hatcheries with the lease renewal process for most other types of leases. This change would simplify and shorten the process, reduce workload on DNR staff (allowing them to address other aquatic farm lease applications more quickly), and provide businesses more certainty. The

A division of Premium Aquatics, LLC  
20308 Dayton Ave. N. Shoreline, WA 98133



@Seagrovekelp

[www.seagrovekelp.com](http://www.seagrovekelp.com)

206-321-3443

# Seagrove



KELP CO.

continued viability of Alaska's mariculture industry is reliant upon each industry's consistent and continued partnership with Alaska – in this case a reliable leasing process for offshore lease that is the same as the other types of leases of state lands. We believe that Aquatic Farm Lease Act (HB115) accomplishes that objective and further provides certainty for mariculture operations so as to best run our Alaskan businesses.

With that, we request that the Aquatic Farm Lease Act HB115 be passed.

Sincerely,



Markos Scheer  
Chief Executive Officer

A division of Premium Aquatics, LLC  
20308 Dayton Ave. N. Shoreline, WA 98133



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[www.seagrovekelp.com](http://www.seagrovekelp.com)

206-321-3443



March 2, 2021

House Fisheries  
The Alaska State Legislature

Re: Aquatic Farm Lease Act HB115

To whom it may concern,

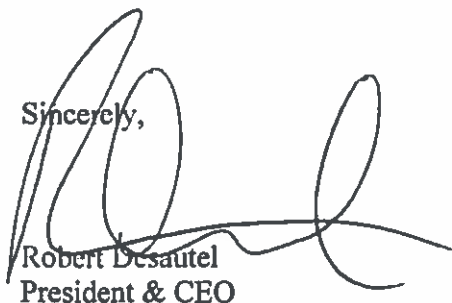
As a maritime company operating off the coast of Alaska, Global Seas supports the Aquatic Farm Lease Bill (HB115) introduced by Rep. Story as it allows valuable Alaskan mariculture industries to operate on the same playing field as other similar but land-based operations.

We believe that mariculture is an industry that is and should be important to the State of Alaska and all Alaskans. However, unlike other types of land-based operations, mariculture companies must renew offshore leases every ten years by going through a process comprised of requirements similar to the initial acquisition of the lease – with a notice and comment period, etc. This has the negative effect of creating uncertainty in a mariculture company's business plan by drawing into question the viability of the company's capital assets after every 10 years. Because mariculture operations are expensive and require considerable initial investment, the present legal process makes it difficult to find and keep investments - in an Alaskan mariculture operation.

The Aquatic Farm Lease Act (HB115) would align the lease renewal process for aquatic farms and hatcheries with the lease renewal process for most other types of leases. This change would simplify and shorten the process, reduce workload on DNR staff (allowing them to address other aquatic farm lease applications more quickly), and provide businesses more certainty. The continued viability of Alaska's mariculture industry is reliant upon each industry's consistent and continued partnership with Alaska – in this case a reliable leasing process for offshore leases that is similar to other types of leases of state lands. We believe that Aquatic Farm Lease Act (HB115) accomplishes that objective and further provides certainty for mariculture operations so as to best run our Alaskan businesses.

With that, we request that the Aquatic Farm Lease Act HB115 be passed.

Sincerely,



Robert Desautel  
President & CEO

**Simpson Bay Oyster Company**

P.O. Box 2465

Cordova, AK 99574

March 3, 2021

Representative Andi Story  
State Capitol  
Juneau, AK 99801

**RE: Support for HB 115 – Aquatic Farming and Hatchery Site Leases**

Dear Representative Story,

I have an oyster farm in Prince William Sound and I strongly support HB115.

HB115 addresses a real need to streamline the lease renewal process for mariculture lease sites. The current lease renewal process creates uncertainty and undue regulatory burden on mariculture companies and on the State. To get an oyster to market it takes years of labor, equipment investment and good growth conditions; there needs to be certainty of State support to make that investment viable.

It is also important that HB115 creates greater economic opportunity for mariculture lease sites by allowing eco-tours to farm sites. Bringing guests to our farm has always been part of our long-term business plan and it's critical to have supporting legislation. A visit to an oyster farm is a scenic and educational experience, and a great way to market Alaska's bounty.

Thank you for your work on legislation that supports shellfish farmers and Alaska's mariculture industry.

Sincerely,

A handwritten signature in black ink, appearing to read 'Seawan Gehlbach', with a long horizontal flourish extending to the right.

Seawan Gehlbach, Owner



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

March 3, 2021

Representative Andi Story  
State Capitol Room 13  
Juneau AK, 99801

RE: Support for HB 115 – Aquatic Farming and Hatchery Site Leases

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.

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.

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.



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

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.

Additionally, allowing farms to conduct tours, as proposed, can add a needed income stream AND educate the public on the positive role that aquatic farms provide. The time lag in lease renewals, **AND reassignments when a farm is sold and the new owner needs to continue operations**, has been significant – so an annual tracking and reporting of this, as proposed, could be very helpful.

Thank you for sponsoring this important legislation.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric Wyatt".

Eric Wyatt, President  
Alaska Shellfish Growers Association

Cc: Greg Smith, Office of Representative Andi Story