

**ALASKA STATE LEGISLATURE
HOUSE SPECIAL COMMITTEE ON FISHERIES**

March 11, 2014
10:02 a.m.

MEMBERS PRESENT

Representative Paul Seaton, Chair
Representative Eric Feige
Representative Lynn Gattis
Representative Bob Herron
Representative Craig Johnson
Representative Jonathan Kreiss-Tomkins

MEMBERS ABSENT

Representative Kurt Olson

COMMITTEE CALENDAR

MARICULTURE OVERVIEW: "REGULATORY STRUCTURE & POTENTIALS FOR EXPANSION OF THE INDUSTRY."

- HEARD

Resolution Regarding Community Fishing Associations

- RESOLUTION HEARING CANCELED

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

RONALD JOSEPHSON, Coordinator
Fisheries Monitoring, Permitting and Development
Alaska Department of Fish & Game
Juneau, Alaska

POSITION STATEMENT: Answered questions on the mariculture industry.

ELAINE BUSSE FLOYD, Director
Division of Environmental Health
Department of Environmental Conservation (DEC)
Anchorage, Alaska

POSITION STATEMENT: Testified during the presentation on mariculture.

WYN MENEFEE, Chief of Operations
Division of Mining, Land and Water
Department of Natural Resources (DNR)
Anchorage, Alaska

POSITION STATEMENT: Testified during the presentation on mariculture.

ADAM SMITH, Leasing Section Manager
Division of Mining, Land and Water
Department of Natural Resources (DNR)
Anchorage, Alaska

POSITION STATEMENT: Testified during the presentation on mariculture.

JOSEPH JACOBSON, Director
Division of Economic Development
Department of Commerce, Community & Economic Development (DCCED)
Juneau, Alaska

POSITION STATEMENT: Gave presentation entitled "Mariculture Industry Overview".

RODGER PAINTER
Juneau, Alaska

POSITION STATEMENT: Testified during mariculture overview.

MARGO REVEIL, Co-Owner
Jakolof Bay Oyster Co.
Homer, Alaska

POSITION STATEMENT: Testified during mariculture overview.

ACTION NARRATIVE

[10:02:40 AM](#)

CHAIR PAUL SEATON called the House Special Committee on Fisheries meeting to order at 10:02 a.m. Representatives Herron, Kreiss-Tomkins, Feige, Johnson, and Seaton were present at the call to order. Representative Gattis arrived as the meeting was in progress.

Mariculture Overview: "Regulatory Structure & Potential for Expansion of the Industry."

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CHAIR SEATON announced that the only order of business would be an overview on the regulatory structure and potential for expansion of the mariculture industry.

[10:03:40 AM](#)

RONALD JOSEPHSON, Coordinator, Fisheries Monitoring, Permitting and Development, Alaska Department of Fish & Game (ADF&G), stated his section oversees permitting for aquatic farms and hatchery programs in the state and issues fish resource permits, which are oriented towards research projects for classrooms. Today, he would like to discuss the status of aquatic farming in Alaska, including an overview of the program mission, permitting process, geographic farm concentration, where farms are located, and issues in terms of seed acquisition and efforts to streamline the program.

MR. JOSEPHSON directed attention to slide 3, entitled "Program Mission." The program mission for aquatic farming is to permit and regulate aquatic farming in the state in a manner that ensures the protection of the state's fish, game, and aquatic plant resources and improves the economy, health, and well-being of the people of the state.

MR. JOSEPHSON outlined four elements, such as the operation permit that is issued to an aquatic farm. There are two types of transport permits within the state since a person cannot possess or transport any live animal or aquatic plant in the state without a permit. The second permit allows transport of brood stock. He related a farm in Seward is hatching geoducks to produce larvae, which will grow into spat, and when they are a few millimeters long they will grow into nurseries. He said the hatchery will need a permit to transport the brood stock. He stated that disease-free seed source certification relates to certification of hatcheries in Washington State or from Kona, Hawaii, that provide oyster seed stock.

[10:07:14 AM](#)

CHAIR SEATON asked whether importation is limited to only oysters.

MR. JOSEPHSON answered yes.

MR. JOSEPHSON turned to slide 4, entitled "Permitting Process," and said it is "pretty linear." The applicant applies and the

agency reviews the application. The packet includes permitting from ADF&G and from the Department of Natural Resources (DNR). The agencies assist the farmer in understanding the lease and permit requirements. He said it can take six to nine months to review an application, but it represents a big undertaking, similar to the hatchery permitting process.

CHAIR SEATON asked for the average time.

MR. JOSEPHSON replied that it ranges from six to nine months to complete the process.

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MR. JOSEPHSON moved to slide 5, entitled "Permitted Farms Geographic Concentration," and pointed out the locations of the farms. He estimated approximately one-third of the farms are located in Southcentral Alaska, in Prince William Sound, and in the Lower Cook Inlet and Kachemak Bay area. In northern Southeast Alaska, several farms are located in Sitka and in the Juneau area. In southern Southeast Alaska, most of the farms near Ketchikan are geoduck operations. The bulk of the oyster farms are near Naukati Bay on Prince of Wales Island, although some are located near Klawock.

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MR. JOSEPHSON directed attention to slide 6, entitled "Statewide Production by Region," and reported that the farms have been stable and active sales have increased. The number of permitted active farms or farms with sales have crept upward. He indicated that Southcentral Alaska has higher sales, but Southeast Alaska has significant numbers as well.

CHAIR SEATON asked whether permitting was by acreage or animal production.

MR. JOSEPHSON answered that it is both. He explained that all of the farms have DNR leases for a certain amount of acreage so farms have a limited geographic area. The ADF&G permits by species, and the farms submit operation and development plans that inform the ADF&G on the numbers the farm would like to produce. This would be limited somewhat by the number of animals the farmer wants to put on the acreage and how much effort the farmer wants to put forth. The ADF&G has not yet limited the number of animals a farmer wishes to grow, he said.

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REPRESENTATIVE FEIGE asked about the difference between permitted farms and permitted farms with sales.

MR. JOSEPHSON explained that it takes three to four years in Southcentral Alaska and two to three years in Southeast Alaska before oysters are ready for sales. He related that some farmers are hobbyists and may still be in the planning stage.

REPRESENTATIVE FEIGE asked if there are any limits on permits.

MR. JOSEPHSON replied that the ADF&G permits are issued for 10 years without limits although DNR has usage provisions.

MR. JOSEPHSON turned to slide 7, entitled "Statewide Production By Species," noting the largest production is oysters, with gross sales at approximately \$712,345; geoducks have increased in numbers [with sales of \$44,064], and there are a smattering of littleneck clams [with sales of \$2,900].

MR. JOSEPHSON turned to slide 8, entitled "SE Production Percent by Species." The graph highlights two things, first, it shows the changes in permitted farms and permitted farms with sales; secondly, it demonstrates a surge in interest for little neck clams in the 1990s to the extent that it made up 50 percent of the sales, which has tapered off. One reason could be that farmers didn't figure out how to be successful in farming them, although he was uncertain about the decline.

MR. JOSEPHSON directed attention to slide 9, entitled "SE Production Percent by Species," which shows production in Southcentral. He noted that mussels were raised in the 1990s, but have declined. He also pointed out that the number of permitted farms and permitted farms with sales are nearly equal.

MR. JOSEPHSON turned to slide 10, entitled "Acquired Seed," which indicates the farmers' estimated Pacific oyster inventory and new seed from 2008-2013. Inventories have been diminishing over the last five years and obtaining new seed has also been challenging. He said acquisition has been the factor that has most inhibited the industry from growing. He explained that the Lower 48 hatcheries had trouble with acid water, which caused problems in seed and larvae production for export to Alaska as well as for their own production. Further, very little oyster spawning has occurred in Alaska, which has also contributed to lower inventories. He pointed out that sales have increased but

it is doubtful the industry will be able to sustain sales due to the lack of inventory.

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MR. JOSEPHSON turned to slide 11, entitled "State Program Streamlining Efforts." He described efforts made to streamline the program, including joint applications and annual reports with DNR, which are on hold pending DNR regulations.

MR. JOSEPHSON showed slide 12, and explained that the tumbler sorts the oysters, which tends to encourage a cup shaped oyster that has been considered desirable by the raw oyster market.

[10:19:00 AM](#)

CHAIR SEATON asked if there were any permitting problems or negative consequences in the industry.

MR. JOSEPHSON answered that the biggest challenge has been the operation and development plan. The division requests farmers identify the anticipated acquired seed, production, and sales. The division's feedback has been that the aquatic farmers couldn't predict but used the approach of "doing the best they could." He understood this since it's difficult to predict a 10-year plan due to other factors. However, ADF&G regulations require a 10-year plan. In addition, it can be difficult to assess inventory since some seed stock dies, and batches are mixed since the oysters are graded by size. He acknowledged the department needs to balance necessary information and information that the department would like to have. Certainly the farmers like to see the statewide perspective, but at the same time it is difficult for them to provide the data.

CHAIR SEATON asked whether farmers were aware of the flexibility in the overall plan since the department isn't sanctioning them for not adhering to the plan. He assumed the permit wouldn't be lost during the initial term.

MR. JOSEPHSON responded that there is a little balancing. Farmers just need to submit any changes to their operational plans to the department. The department balances farmers' failure to follow their plans with practical and pragmatic considerations and tend to rely on what is practical.

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CHAIR SEATON, with respect to the big problem with contamination in Sitka, asked about regulations for importation of gear from other areas and treating contaminated equipment.

MR. JOSEPHSON replied there was not any specific regulation, although the state could put conditions on permits to protect the natural resources of the state. More specifically, a condition to an aquatic farm permit could require that any equipment acquired from outside Alaska [be subject to decontamination procedures]. He stated that the department would discuss this with the Department of Law.

CHAIR SEATON acknowledged that Elodea [canadensis] has finally been listed as quarantined. He requested the department review its regulatory authority for requiring decontamination of previously used imported gear. He asked the department to advise the committee if it needs statutory changes to accomplish this.

[10:26:38 AM](#)

REPRESENTATIVE KREISS-TOMKINS asked about any problems for mariculture that have arisen with ocean acidification.

MR. JOSEPHSON said he was unsure, but he has anecdotally heard about increased acidity; however, without a long-term consistent measurement, he could not validate the problem.

[10:27:32 AM](#)

ELAINE BUSSE FLOYD, Director, Division of Environmental Health, Department of Environmental Conservation (DEC), reviewed the handout entitled, "Mariculture Overview: Regulatory Structure & Potential of Expansion of the Industry," dated March 11, 2014, included in members' packets. She said that once DEC and DNR's permitting and leasing is completed, DEC is required under its shellfish sanitation program terms to ensure that the shellfish is harvested in a region free of contaminants. She described the process DEC uses to classify a growing area, which is based on an extensive survey that includes evaluation of pollution sources, meteorological facts, hydrographic factors that affect the distribution of pollutants throughout the growing area, and physical dilution factors. She explained that it's an extensive process to initially classify a growing area, which includes taking samples in a variety of environmental conditions over the course of a one-year period. She noted that the growing area would be classified according to the information gathered, and

annual water tests are required. Next, the DEC would test shellfish for pathogens and toxins, in particular, paralytic shellfish toxin (PST), but also for other toxins to certify that harvested animals are safe. Either the area will be certified and ADF&G will authorize the opening of the specific area for a short time, within five days of sampling, or the DEC does "lot sampling."

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CHAIR SEATON presumed the five-day period was related to wild-stock harvest by divers or collectors and the farms do the lot analysis.

MS. BUSSE FLOYD answered that she was unsure of any distinction. She confirmed the wild harvesters harvest within the five-day period but she was unsure of the sampling for farms.

CHAIR SEATON, with respect to the DEC's testing facility in Anchorage, related the testing procedure and efforts to improve testing.

MS. BUSSE FLOYD declared that the department prides itself on its environmental health lab facility.

[10:33:14 AM](#)

WYN MENEFFEE, Chief of Operations, Division of Mining, Land and Water, Department of Natural Resources, said the department received a series of questions to address. He referred to aquatic farm lease fees and reasons these fees are different from other lease fees. He said the department will review lease extensions and renewals and lease terms to ensure farmers are actively using their leases. In addition, the department will address hitchhiker species on gear. Further, the department has been under a scoping process for regulation changes. He said the department recognizes a need to improve certain aspects to better relate to how the industry works.

[10:36:08 AM](#)

ADAM SMITH, Leasing Section Manager, Division of Mining, Land and Water, Department of Natural Resources, said he is the leasing section manager with oversight of the DNR's statewide mariculture program. He reported the department has issued 66 leases statewide. He related he is currently in Homer and that the department had its first scoping meeting to engage the

public and solicit ideas to revamp the mariculture regulations. He said the department plans to hold meetings in Juneau on March 24, 2014 and a web-based meeting on April 22, 2014.

MR. SMITH turned to previous questions related to lease rates. He explained that the mariculture program, under AS 38.05.083, dictates that sites for lease on state tidelands cannot be issued for less than the appraised fair-market value of the land. He noted this is a per acre component. The fee currently needs to be re-appraised every five years and adjusted accordingly. One thing DNR has done internally to reduce costs for farmers is to have the appraisal unit develop a fee schedule for different activities, such as aquatic farming on tidelands and uplands. Currently, a minimum entry level farm encompasses an acre, and lease fees are \$450 per acre plus \$125 for each additional acre. The lease rate is intentionally set high to achieve a fair rate of return to the state and reduce the requirements for aquatic farmers to complete appraisals at their expense. He added that if any of the farmers believe that their fees are set too high, they have the option to have an appraisal completed and present it to DNR. He said that the fee schedule is to arrive at a calculated per acreage rate and have that available for fixing the price for acre.

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CHAIR SEATON asked for a comparison of rates between other activities and uses such as agricultural rates for grazing or gold mining.

MR. SMITH referred to grazing leases, which indicates that the value of leased land is determined on the value of the land for grazing. He acknowledged the rates are somewhat lower than other fees, since it is based on the carrying capacity, winter and summer forage, and other factors. The 1970 grazing regulations indicate that the rate cannot be less than three cents per acre. Newer leasing rates under 11 AAC 58.410, indicates that for fewer than 50 animals grazing on state land, the minimum fee will be \$500 and for any other purpose, \$1,000. Typically, grazing leases are for large acreage leases so the per-acre component is typically relatively low; however, if any infrastructure supported the lease, it would be carved out and leased at fair market value.

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MR. SMITH turned to mining leases and to a question related to underwater gold mine leases in Nome. Those leases were offered under AS 38.05.250 (b) under a competitive auction process in which the bid is awarded to the highest cash deposit, since known valuable minerals on the land existed. He pointed out that other mining opportunities include permits, in instances without known sources of valuable minerals. In those instances, a permittee can start out under a permit and perfect that into a non-competitive lease for the site. He said that production or royalty taxes are required for mining based on 3 percent of the net income determined by the mining tax return submitted to the Department of Revenue each year. Thus, in those instances a land fee plus a royalty tax are assessed.

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CHAIR SEATON asked whether the land fees perfected in a non-competitive situation are based on a per acre fee.

MR. SMITH answered yes. In fact, that would be covered under AS 38.05.211, which is the annual rental for mining claims. He explained that the calculation for determining those fees hinges on the number of years since the mining claim was first located and can range from \$.50 per acre to \$2.50 per acre, which is readjusted every five to ten years based on the consumer price index (CPI).

CHAIR SEATON said that gives the committee an idea of the range.

[10:43:58 AM](#)

MR. SMITH turned to the next question, how the current mariculture extension provisions compare to other state land renewals. In 2012, DNR was successful in passing a lease renewal statute, AS 38.05.070 (e), which grants the department the authority to renew a lease term if a lessee is in good standing. He said the renewal could be identical to the original lease term. He explained that under aquatic farming regulations, DNR can renew leases, but it requires a public noticing process. He hoped to bring this in line with the current lease renewal statutes. He referred to proposed Section 16, in HB 77, which is language to bring that into alignment. He related that it will be very similar to the aforementioned statute, in which lessees in good standing at the end of their lease terms are granted another lease without undergoing a public process, although it will be public noticed on the state's public notice website.

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MR. SMITH stated that one question was whether there is a need to escalate lease terms to ensure that people are actively working their leases. Another question is whether a timeframe exists to revoke or terminate the lease. He noted that Mr. Josephson brought up the commercial use requirement, which is a regulation in the aquatic farm regulations, under 11 AAC 63.030 (b), which read, "By year five a farmer has to be producing at least \$3,000 in gross sales per acre or \$15,000 per farm, whichever is less." He indicated that these regulations were adopted in 1998 when the focus was on oysters. One of the challenges is that other species don't grow in five years so "one size doesn't fit all." However, the department has used this measurement tool to engage farmers who reached year five without reaching their production goal. These farmers considered either reducing the size of the farm or trying a different area. One of the things the department has been soliciting public input for during the scoping process is whether a better tool exists. In addition to this the department tries to ensure, by regulation, that farmers are completely utilizing the space since the leased acreage should be commensurate with production.

CHAIR SEATON asked whether there was any requirement for specific distances between farms since farmers need plankton. He asked whether any regulations address adjoining farms.

MR. SMITH answered no; however, the model that Alaska Sea Grant and some of the farmers are starting to explore is the cluster farm approach, whereby two or three farms are placed in a similar area to share transportation, monitoring, and classification costs, if necessary. Thus far, this approach has not taken off.

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MR. SMITH added that another idea to explore is to start an authorization under a land use permit to test suitability and new gear. This has not yet been built into the regulations but it something under consideration with the Alaska Department of Fish & Game and if it moves forward, DNR will make regulatory changes. He suggested this could help new farmers or new technology be successful. In response to a question, he clarified that DNR refers to this as phasing and authorization. He explained that DNR would write a decision for a 10-year lease

but commence the lease under an early authorization for a permit, and if the technology is perfected to meet the benchmarks for production within the first two to three years it will morph into a lease term.

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MR. SMITH turned to prohibition on import of gear. Currently, DNR doesn't have any regulation to address this, but it could be added or stipulated on the leases.

CHAIR SEATON asked whether these were being addressed during the public scoping meetings.

MR. SMITH responded that it has been raised but DNR hasn't had any direct feedback on this year. He reported that public comment for proposed regulations will be open from March 30, 2014 through April 30, 2014. He noted that DNR will take public comments online on the aquatic farm website and during the public meetings.

[10:52:58 AM](#)

JOSEPH JACOBSON, Director, Division of Economic Development, Department of Commerce, Community & Economic Development (DCCED), turned to slide 2, entitled "Mariculture Industry Support" and said DCCED supports the expansion of the mariculture industry in two different ways, through financing and development. He pointed out that DCCED has the Mariculture Revolving Loan Fund as well as other funds that potentially can be used for other assets used on a mariculture farm, including the Rural Development [Initiative] Fund and the Small Business Economic Development Fund, and perhaps the Alaska Microloan for vessels or engine repurchase. In addition to the financial assistance, DCCED can assist through industry assistance and research and outreach to stimulate investment in the industry and expansion. He noted that the department has been working very closely with the Alaska Shellfish Growers Association over the past several years to come up with different initiatives to help advance the industry.

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MR. JACOBSON directed attention to slide 3, entitled "Mariculture Revolving Loan Fund," noting that this is primarily for the planning, construction, and operation of the mariculture business. This program has been specifically designed for

Alaska residents who have established two years of residency. They can qualify for a loan up to \$100,000 per year with a maximum balance of \$300,000 per borrower. He related that the maximum loan term is 20 years. Further, interest rates are fixed at the time of loan approval and payments may be deferred for the first six years of the loan. He characterized the program as being flexible, with the current interest rate at 5 percent; however, all loans must be secured, with an expectation that funds will be repaid. He reviewed internal policies for collateral to help keep the program secure but more flexible for expanding shellfish growers who may have a lot of investment tied up in water or seed and were previously valued differently. He summarized that the division has been working with industry to make it more accessible although due to the newness of the changes he couldn't really assess the effectiveness. Based on feedback from ASGA the growers seem happy with the changes.

CHAIR SEATON has heard that cooperatives could not qualify for the loans. He asked whether any provision will allow for that.

MR. JACOBSON offered his belief that loans to cooperatives are not currently allowed by statute, but he deferred to Mr. Anderson. He did not have any issue with this, noting the main considerations will be securing the loan since it would still need collateral to guarantee the loan.

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CHAIR SEATON asked if a group of mariculture farms could make individual pledges to secure the loan. He explained that the difficulty has been in obtaining seed oyster in Alaska; however, the financing has made it nearly impossible to do since cooperatives cannot qualify for loans. He wanted to explore enhancing mariculture by addressing the seed stock.

MR. JACOBSON said DCCED will be happy to discuss this and suggested it would need to be done in close consultation with cooperatives to be certain the changes will be useful for them.

[11:00:06 AM](#)

MR. JACOBSON turned to slide 4, entitled "Fees and Costs." He explained that loan fees have a \$100 non-refundable application fee, a 1 percent origination fee for closing, and the borrower is responsible for all costs incurred in processing the application.

MR. JACOBSON directed attention to slide 5, entitled "Development Projects," noting that a few years ago the department conducted a mariculture prospectus to find out how to address financing concerns, research, infrastructure, and marketing. The division is working on an audit on both the Alutiiq Pride Shellfish Hatchery and OceansAlaska facilities in Ketchikan and Seward. This recommendation came from the ASGA to identify some individual hurdles that these hatcheries are encountering and how to best address any production challenges that the industry is currently facing. Further, this review is to get down to the hard industry economics to determine what it will take to make it commercially viable and to get commitments for investment dollars to the industry. He pointed out that many of the larger seafood processors in the state have an interest in shellfish, but if there is a limited amount of investment capital, it's important to present a compelling case on how to make this industry a sound investment that will generate good returns from a commercial scale. The division has been developing the scope of work from the ASGA and the Alaska Fisheries Development Foundation. Once this is in place, it would be possible to take these findings to industry outside the state. He pointed out that due to ocean acidification issues, there have been investments in Hawaii to try to keep hatcheries for production. He asked why not Alaska, and responded that the division wants to take that message out and expand the industry but still needs more information to develop a compelling case based on hard facts. In general, the division has been working on a broader maritime industry initiative and how to strengthen Alaska's maritime economy across all sectors, which has included evaluation of infrastructure statewide, with mariculture as one component. He envisioned that the infrastructure investment in different parts of the state would be incorporated into that through a complementary project.

[11:03:50 AM](#)

CHAIR SEATON asked if they were participating in the scoping with DNR to meet with the maritime industry to identify problems.

MR. JACOBSON said they had held discussions, but he has not intimately involved in those changes.

[11:04:38 AM](#)

CHAIR SEATON opened public testimony on mariculture.

[11:05:11 AM](#)

RODGER PAINTER stated that he recently stepped down as president of Alaska Shellfish Growers Association after serving about 25 years in that capacity. He offered some information on questions raised today, including ocean acidification, noting the state increased its surveillance of ocean acidification. He noted that a new permanent monitoring station is in Southeast Alaska and a new one is also in Resurrection Bay. The intake lines are being monitored at the Alutiiq Pride Shellfish Hatchery, and surveillance is being installed at OceansAlaska's facility in Ketchikan. The monitoring has been increased and, although Alaska has not yet experienced the types of problems Washington and Oregon have had, the signs are not good anywhere in the Pacific Ocean, thus, Alaska is bound to have problems at some point. Directing attention to the loan program, he commended Mr. Jacobson. He reported that most farmers had the majority of their assets tied up in their mariculture operations. The department has been willing to accept collateral, such as crops in the water, gear, infrastructure, farm support infrastructure that was previously not accepted. This should allow farmers greater access to the program. Further, over the 30 years in the business the industry had significant struggles with state government, but things have settled down in the past few years. He said that ADF&G repealed a whole slew of regulations and DNR has responded to long standing requests by the industry to address the five-year production requirement. He explained that it takes from eight to nine years for a geoduck to grow to maturity and some other species have a longer life cycle, so it was important to address that five-year wall. He stated that it's easier and faster to get a mariculture site permitted in Alaska than anywhere else in North America, primarily due to Alaska's significant amount of undeveloped coastline compared to most other locations. It takes several months to obtain a permit in Alaska, but it takes years in other states to go through the permitting process.

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REPRESENTATIVE KREISS-TOMKINS asked where the new monitoring station in Southeast Alaska is located.

MR. PAINTER answered it is located in Icy Strait.

[11:10:13 AM](#)

MARGO REVEIL, Co-Owner, Jakolof Bay Oyster Co., stated that she is also the treasurer for the Alaskan Shellfish Growers Association (ASGA). She said that last year Jakolof Bay Oyster Co. was only able to obtain about 25 percent of the seed needed, thus, the number one issue for her company is seed. She brought up ADF&G's efforts to streamline the permitting process, but reported that her company, which is a new mariculture company, has found it fairly easy to work with the various state departments. She asked the departments to consider streamlining the seed certification process and the timing of when this occurs. She reported that a lot of the seed is obtained toward the end of the year, which puts it in the water for the winter. She suggested that having this occur earlier in year would be very helpful. She said that some issues had occurred with the pathology report processing. She personally thanked members for their efforts to get boats out of the water in Jackalof Bay since it made her business possible. She said that type of responsiveness by the state is incredibly helpful to oyster farmers and greatly appreciated.

[11:12:11 AM](#)

CHAIR SEATON pointed out ADF&G is present if she had questions with respect to the seed certification process.

MS. REVEIL said she just wanted to bring this to the committee's attention. She stated that the oceans are changing, and that continuing to look for ways to have the seed facilities in Alaska and figuring out ways for them to succeed will be ongoing. She said she thinks the industry will "take off" since mariculture in Alaska is very promising. She noted that some things are out of the division's control.

[11:13:45 AM](#)

CHAIR SEATON, after first determining no one else wished to testify, [closed public testimony on mariculture.]

[11:14:07 AM](#)

ADJOURNMENT

There being no further business before the committee, the House Special Committee on Fisheries meeting was adjourned at 11:14 a.m.