

ALASKA LEGISLATURE COMMITTEE FILES 1987-1988 8672

5478 SB 482 (file 1)

Position Title Ecologist II		No. of Positions 1	Range/Step 18/A	Barg. Unit G
Time Status P	Staff Months 6	Location Anchorage		Election District
		Justification		
Type of Expenditure		Amount		
1	2	3		
Salary	18.7			
Benefits	6.2			
Premium Pay				
Other				
Total Personal Services		24.9		
Travel		5.0		
Contractual		5.0		
Commodities		1.5		
Equipment		.0		
Other		--		
Total Cost		46.9		
Funding Source for Total Cost		--		
Federal Receipts 1002		--		
G. F. Match 1003		--		
General Fund 1004		46.9		
GF Program Receipts 1005		--		
Other		--		
<p>This position will review mariculture project applications, participate in consistency determinations, inspect sites during the permit process as needed, propose conditions needed to prevent water pollution at individual sites, inspect the mariculture facilities once they become operational, and follow-up on any monitoring required by permit conditions.</p>				

**Request For
New Position**

Agency Environmental Conservation
 BRU Environmental Quality
 Component SCRO

Page 2 of 3
 Revised Date

FY 89

Position Title Ecologist II		No. of Positions 1	Range/Step 18/A	Barg. Unit G
Time Status F	Staff Months 12	Location Juneau		Election District 4
Type of Expenditure		Amount		
1	2	3		
Salary	37.4			
Benefits	12.4			
Premium Pay				
Other				
Total Personal Services		49.8		
Travel		5.0		
Contractual		5.0		
Commodities		1.5		
Equipment		0		
Other		-		
Total Cost		79.3		
Funding Source for Total Cost		--		
Federal Receipts	1002	--		
G. F. Match	1003	--		
General Fund	1004	79.3		
GF Program Receipts	1005	--		
Other		--		
Justification This position will review mariculture project applications, participate in consistency determinations, inspect sites during the permit process as needed, propose conditions needed to prevent water pollution at individual sites, inspect the mariculture facilities once they become operational, and follow-up on any monitoring required by permit conditions.				

**Request For
New Position**

Agency Environmental Conservation
BRU Environmental Quality
Component SERO

FY 89

Page 1 of 3
Revised Date

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: An Act relating to the farming of aquatic plants and aquatic animals:*
Sponsor: Resources Committee
Requestor: Resources Committee

Agency Affected: Environmental Conservation
BRU: Environmental Quality

Components: SERO, SCRO, WOM

*prohibiting the aquatic farming of pacific salmon in saltwater; and providing for an effective date.

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	--	74.7	74.7	99.6	99.6	99.6
TRAVEL	--	12.0	12.0	20.0	20.0	20.0
CONTRACTUAL	--	12.0	12.0	16.0	16.0	16.0
SUPPLIES	--	3.5	3.5	2.7	2.7	2.7
EQUIPMENT	--	2.0	2.0	1.5	1.5	1.5
LAND & STRUCTURES	--	--	--	--	--	--
GRANTS, CLAIMS	--	--	--	--	--	--
MISCELLANEOUS	--	--	--	--	--	--
TOTAL OPERATING	--	104.2	104.2	139.8	139.8	139.8
CAPITAL	--	--	--	--	--	--
REVENUE	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	--	104.2	104.2	139.8	139.8	139.8
FEDERAL FUNDS	--	--	--	--	--	--
OTHER	--	--	--	--	--	--
TOTAL	--	104.2	104.2	139.8	139.8	139.8

POSITIONS:

FULL-TIME	--	--	--	1.0	1.0	1.0
PART-TIME	--	3.0	3.0	2.0	2.0	2.0
TEMPORARY	--	--	--	--	--	--

ANALYSIS : (Attach a separate page if necessary)

Prepared by: _____ Phone: 465-2653
Division: Environmental Quality Date: 4/28/88

Approved by Commissioner: Dennis D. Kelso  Date: 4/28/88
Agency: Environmental Conservation

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

STATE OF ALASKA
1988 LEGISLATIVE SESSION

BILL VERSION: CSSB 482 (Resources)
PUBLISH DATE: 4/14/88

FISCAL NOTE

REQUEST:

Revision Date: --
Title: An Act relating to the farming
of aquatic plants & aquatic animals:*
Sponsor: Resources Committee
Requestor: Resources Committee

Agency Affected: Environmental Conservation
BRU: Environmental Health
Components: Seafood Industry
Palmer Laboratory

prohibiting the aquatic farming of pacific salmon in saltwater; and providing for an effective date.

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0	67.2	88.1	88.1	88.1	88.1
TRAVEL	0	15.0	15.0	15.0	15.0	15.0
CONTRACTUAL	0	7.0	8.5	8.5	8.5	8.5
SUPPLIES	0	3.0	13.0	13.0	13.0	13.0
EQUIPMENT	0	18.0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	110.2	124.6	124.6	124.6	124.6

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	0	110.2	124.6	124.6	124.6	124.6
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	110.2	124.6	124.6	124.6	124.6

POSITIONS:

FULL-TIME	0	1.0	2.0	2.0	2.0	2.0
PART-TIME	0	1.0	1.0	1.0	1.0	1.0
TEMPORARY	0	0	0	0	0	0

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Douglas C. Donegan, Director Phone: 465-2609
Division: Environmental Health Date: 4/28/88

Approved by Commissioner: Dennis D. Kelso Date: 4/28/88
Agency: Environmental Conservation

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

DEPARTMENT OF ENVIRONMENTAL CONSERVATION

CSSB 482 (RESOURCES) FISCAL NOTE ANALYSIS

The fiscal note includes funding for three functions at the Department of Environmental Conservation associated with development of mariculture projects. These are (1) regulation of sites and facilities to ensure that aquatic products are safe for human consumption; (2) testing of shellfish aquatic farm products for paralytic shellfish poisoning; (3) regulation of aquatic farm facilities to avoid unacceptable environmental impacts, particularly to water quality.

The two fiscal note forms break down costs by division. The first two functions identified above relate to the Division of Environmental Health. The third one is located within the Division of Environmental Quality.

This fiscal note relies upon the assumptions developed by the Interagency Working Group in aquatic farming for the numbers of facilities that would need to be permitted during the next several years. There are currently 50 permitted mariculture facilities in Alaska. The working group assumed that 75 new mariculture (non-salt water finfish) applications will be submitted within one year of passage of the legislation; 100 applications would be submitted the second year; 75 the third year; 75 the fourth year; and 60 the sixth year. It was further assumed that half of the applications would result in operating farms. These farms will need to be permitted and then monitored.

Division of Environmental Health

The Division of Environmental Health (DEH) will need one full time position in Sitka and one half time position in Juneau to develop regulations, monitor chemical use, provide technical assistance, collect samples for site certification, enforce labeling requirements and monitor levels of paralytic shellfish poison (PSP).

The Division will include examination for presence of heavy metals in its site certification process because of increasing concern over the propensity of shellfish to bioaccumulate heavy metals such as lead, mercury, cadmium, and arsenic. Several states, including Alaska, have initiated some testing of shellfish for heavy metals. The federal government may eventually require examination of sites for the presence of heavy metals as part of the National Shellfish Sanitation Program. DEH intends to incorporate this concern into its site certification process under the proposed legislation.

The Palmer laboratory will need 18.0 in non-recurring equipment funding to purchase a muffle furnace and a graphite furnace to conduct heavy metal analyses. Currently, the laboratory has limited ability to perform heavy metal analysis. The purchase of this equipment will allow the department to conduct heavy metals analysis without additional staff.

With the growth in the shellfish industry through the development of mariculture facilities comes a corresponding increase in the need for testing of shellfish for paralytic shellfish poisoning. Shellfish lots must be tested for PSP before they can be released into interstate commerce. The Department has a limited capacity to absorb additional testing. Beginning in FY 90, the fiscal note includes a part time environmental laboratory technician at the Palmer biological lab to handle the projected increase in the need for PSP testing. An additional \$10,000 would be necessary for the purchase of mice used in the analysis for PSP. These costs do not result solely from the passage of this bill, as the requirements for PSP testing are already in place, but funding is needed to accomplish the testing that is projected to be needed.

Division of Environmental Quality

The Division of Environmental Quality (DEQ) must review proposals for mariculture facilities to ensure that they comply with air, land, and water quality regulations. DEC is also required to certify whether projects will comply with water quality standards as part of the federal permitting process. These reviews are conducted in the DEQ's regional offices. Currently, one position in each region is largely responsible for reviewing more than 200 projects per year. (Current low staffing levels require that some projects not be reviewed.) The projected workload for mariculture facilities would require additional staff in these offices to handle the increased workload. Otherwise, these projects will not receive adequate review.

Mariculture facilities have the potential to cause water quality problems through the discharge of feces and chemicals. While the concern is much less than it would be for finfish facilities, an additional workload will be created. The Department requests one half-time position in the Southeast Region and one half-time position in the Southcentral Region to handle the permitting and monitoring of these facilities for the first two years after passage of the legislation. After the third year, the position in Southeast Alaska would become full time to accommodate the increasing workload.

In making this request, the Department assumes that the siting criteria to be developed by the Department of Natural Resources will provide for separation of mariculture facilities from sewage discharges and from sources of runoff that may contain high levels of fecal coliform bacteria. Consequently, we assume that it will not be necessary for DEC to determine the precise zone of

impact of large numbers of sewage discharges. If this is not the case, then additional resources will be needed.

The proposed new positions would review mariculture project applications, participate in the coordinated consistency review process, inspect sites as needed, propose conditions needed to prevent water pollution, and perform other needed duties. Travel funds are requested for visits to some of the projected sites.

The Water Quality Management component in Juneau coordinates the Department's involvement in programs such as mariculture from a policy perspective. Funding for a part-time position in this component is requested to participate in inter-agency discussions, particularly including the development of siting guidelines and planning to address use conflicts and to assist in drafting regulations and procedures. This position would also research the experiences of other states and provinces concerning mariculture.

Position Title Environmental Sanitarian II		No. of Positions 1	Range/Step 16A	Burg. Unit G
Time Status F	Staff Months 12	Location Sitka	Election District 3	
Type of Expenditure		Amount		
1	2	3		
Salary	33.6			
Benefits	11.2			
Premium Pay	-0-			
Other	-0-			
Total Personal Services		44.8		
Travel		10.0		
Contractual		3.5		
Commodities		1.5		
Equipment				
Other				
Total Cost		59.8		
Funding Source for Total Cost		-0-		
Federal Receipts	1002	-0-		
G. F. Match	1003	-0-		
General Fund	1004	59.8		
GF Program Receipts	1005	-0-		
Other		-0-		

Justification

This position will develop regulations, monitor chemical use, provide technical assistance, collect samples for site certification, enforce labeling requirements and monitor levels of paralytic shellfish poison. The support funding will provide for an acceptable level of on-site inspections to insure product quality and safety.

**Request For
New Position**

Agency Environmental Conservation
 BRU Environmental Health
 Component Seafood Industry

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 Revised Date

FY 89

Position Title Environmental Sanitarian II		No. of Positions 1	Range/Step 16A	Barg. Unit G
Time Status P	Staff Months 6	Location Juneau		Election District 4
Type of Expenditure		Amount		
1		3		
Salary		16.8		
Benefits		5.6		
Premium Pay		-0-		
Other		-0-		
Total Personal Services		22.4		
Travel		5.0		
Contractual		3.5		
Commodities		1.5		
Equipment		-0-		
Other		-0-		
Total Cost		32.4		
Funding Source for Total Cost		-0-		
Federal Receipts 1002		-0-		
G. F. Match 1003		-0-		
General Fund 1004		32.4		
GF Program Receipts 1005		-0-		
Other		-0-		
Justification This position will develop regulations, conduct plan reviews, provide technical assistance, conduct on-site inspections, and monitor product in transit for quality and wholesomeness. Support funding will provide for an acceptable level of on-site inspections and product quality monitoring.				

**Request For
New Position**

Agency Environmental Conservation
BRU Environmental Health
Component Seafood Industry

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Revised Date

FY 89

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**Request For
New Position**

Agency Environmental Conservation
BRU Environmental Quality
Component SERO

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Revised Date

FY 89

Position Title Ecologist II			No. of Positions 1	Range/Step 18/A	Barg. Unit G																																				
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**Request For
New Position**

Agency Environmental Conservation
BRU Environmental Quality
Component SCRO

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Revised Date

FY 89

Position Title Ecologist II		No. of Positions 1	Range/Step 18/8	Barg. Unit G
Time Status P	Staff Months 6	Location Juneau		Election District 4
		Justification		
		This position is responsible for coordinating Department involvement in new water-related programs, such as mariculture. This position will serve as a single point-of-contact for federal permitting (i.e. general permits from EPA likely), interagency review of mariculture project permits under CZM procedures, assistance in planning and siting functions, and assistance in drafting regulations in conjunction with DNR and ADF&G. This position will also research the experience of other states and provinces concerning mariculture and assist in developing siting guidelines and criteria.		
Type of Expenditure		Amount		
	2	3		
Salary	18.7			
Benefits	6.2			
Premium Pay				
Other				
Total Personal Services		24.9		
Travel		2.0		
Contractual		5.0		
Commodities		.5		
Equipment		1.0		
Other		---		
Total Cost		33.4		
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Federal Receipts	1002	---		
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Other		---		

**Request For
New Position**

Agency Environmental Conservation
 BRU Environmental Quality
 Component Water Quality Management

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 Revised Date

FY 89

STATE OF ALASKA
1988 LEGISLATIVE SESSION

BILL VERSION: SB 482
PUBLISH DATE: 2/24/88

CS SB 482 / SB 514
PK

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Farming of Aquatic Plants and
Animals -- Finfish Prohibition
Sponsor: Resources Committee
Requestor: _____

Agency Affected: Office of the Governor
BRU: Division of Governmental
Coordination
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES		49.8	99.5	99.5	99.5	99.5
TRAVEL		2.0	4.0	4.0	4.0	4.0
CONTRACTUAL		3.0	4.0	2.0	2.0	2.0
SUPPLIES		0.5	1.0	1.0	1.0	1.0
EQUIPMENT		3.5	3.5			
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		58.8	112.0	106.5	106.5	106.5

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND		58.8	112.0	106.5	106.5	106.5
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME		1	1			
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

See Attachment 1

Prepared by: Robert L. Grogan
Division: Division of Governmental Coordination

Phone: 465-3562
Date: 3/6/88

Approved by Commissioner: _____
Agency: Office of the Governor

Date: 2/16/88

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Attachment 1

Division of Governmental Coordination
Bill Analysis
SB 482

The Division of Governmental Coordination (DGC) currently provides assistance to applicants seeking state permits for their coastal development projects. DGC provides applicant preapplication services, establishes interagency project review schedules and comment deadlines, mediates proposed conditions which are disputed by the applicant or another state agency, and issues the conclusive state consistency determination for the project as required by AS 44.19.145(11).

Passage of SB 482 is expected to have an effect on the number of project proposals in Alaska's Southeast and Southcentral regions. The state's mariculture workgroup has projected the following number of shellfish and sea vegetables farm applications for the next five years:

<u>FY 88</u>	<u>FY 89</u>	<u>FY 90</u>	<u>FY 91</u>	<u>FY 92</u>	<u>FY 93</u>
30	50	75	100	75	75

This increase in number of project reviews, and the additional coordination needed to incorporate the Aquatic Farm Permit into each project review, requires the addition of two professional staff, Range 18, to be located in the effected regional offices.

Funding supporting these two individuals includes \$2000 for travel to public meetings or site visits for controversial projects, approximately \$1000 for annual phone bills and an initial \$3000 contractual fee for PROFS hookup and associated setup costs. Each staff work area includes a desk, file cabinet, bookcase, computer table and a 3179 IBM Display Terminal.

csak88030801dmf

SB 514 is anticipated to have a similar project load effect on the division.

A M E N D M E N T

Offered in the SENATE

By Eliason

TO: CSSB 482 (Resources)
(3/14/88 draft)

Page 12, line 17:

Delete all material.

Insert the following material:

"* Sec. 16. AS 38.05 is amended by adding new sections to read:

Sec. 38.05.855. IDENTIFICATION OF SITES FOR AQUATIC FARMS AND HATCHERIES. (a) The commissioner, in consultation with the commissioner of fish and game, shall identify districts in the state within which sites may be selected for the establishment and operation of aquatic farms and related hatcheries required to have a permit under AS 16.40.100.

(b) The commissioner shall issue a call for nominations for each district identified under (a) of this section. A call for nominations shall invite interested persons and municipalities to identify sites within the district that are suitable for aquatic farms and related hatcheries.

(c) Based on comments received under (b) of this section, and after consultation with the commissioner of fish and game and the commissioner of environmental conservation, the commissioner shall make a preliminary written finding under AS 38.05.035(e) that proposes sites in each district for which permits may be issued under

AS 38.05.856.

(d) After notice is given under AS 38.05.945 and a hearing is held under AS 38.05.946(b), the commissioner shall issue a final written finding under AS 38.05.035(e) that identifies sites in each district for which permits may be issued under AS 38.05.856 and that specifies conditions and limitations for the development of each site."

Page 12, line 19, after "may":

Insert "by lottery"

Page 12, line 21:

Delete "appraised"

Page 12, line 22, after "site":

Insert "as established by a valuation statement"

Page 12, line 22:

Delete "reappraised"

Insert "established"

Page 12, line 25:

Delete "issuing or"

Page 13, line 3:

Delete "issuance or"

Page 13, line 6:

Delete "issuing or"

Page 13, line 9:

Delete "issuance or"

Page 13, after line 19:

Insert new bill sections to read:

"* Sec. 17. AS 38.05.945(a) is amended to read:

(a) This section establishes the requirements for notice given by the department for the following actions:

(1) classification or reclassification of state land under AS 38.05.300 and the closing of land to mineral leasing or entry under AS 38.05.185;

(2) zoning of land under applicable law;

(3) a decision under AS 38.05.035(e) regarding the sale, lease, or disposal of an interest in state land or resources; [AND]

(4) a competitive disposal of an interest in state land or resources after final decision under AS 38.05.035(e);

(5) a preliminary finding under AS 38.05.035(e) and 38.05.-855(c) concerning sites for aquatic farms and related hatcheries.

* Sec. 18. AS 38.05.946 is amended by adding a new subsection to read:

(b) The commissioner shall hold a public hearing in each district identified under AS 38.05.855 within 30 days after giving notice of a preliminary finding under AS 38.05.035(e) and 38.05.855(c) concerning sites for aquatic farms and related hatcheries."

Renumber the following bill sections accordingly.

Page 13, line 23:

Delete "sec. 21"

Insert "sec. 23"

Page 13, line 27:

Delete "sec. 21"

Insert "sec. 23"

Page 14, line 9, before the first "permit":

Insert "of obtaining the"

Page 14, line 9, after the first "permit":

Insert "without participating in a lottery"

A M E N D M E N T

Offered in the SENATE

By Eliason

TO: CSSB 482 (Resources)
(3/14/88 draft)

Page 12, line 17:

Delete all material.

Insert the following material:

"* Sec. 16. AS 38.05 is amended by adding new sections to read:

Sec. 38.05.855. IDENTIFICATION OF SITES FOR AQUATIC FARMS AND HATCHERIES. (a) The commissioner, in consultation with the commissioner of fish and game, shall identify districts in the state within which sites may be selected for the establishment and operation of aquatic farms and related hatcheries required to have a permit under AS 16.40.100.

(b) The commissioner shall hold a public hearing in each district identified under (a) of this section. At the hearing interested persons and municipalities may identify sites within the district that are suitable for aquatic farms and related hatcheries.

(c) Following a hearing under (b) of this section, the commissioner shall schedule a 60-day period during which a person may submit a preliminary application that identifies a site in the district for which the person wishes to be issued a permit under AS 38.05.856.

(d) Based on preliminary applications received under (c) of this section, and after consultation with the commissioner of fish and game

and the commissioner of environmental conservation, the commissioner shall make a preliminary written finding under AS 38.05.035(e) that proposes sites in each district for which permits may be issued under AS 38.05.856.

(e) After notice is given under AS 38.05.945 and a hearing is held under AS 38.05.946(b), the commissioner shall issue a final written finding under AS 38.05.035(e) that identifies sites in each district for which permits shall be issued under AS 38.05.856 and that specifies conditions and limitations for the development of each site."

Page 12, line 21:

Delete 'appraised'

Page 12, line 22, after "site":

Insert "as established by a valuation statement"

Page 12, line 22:

Delete "reappraised"

Insert "established"

Page 12, line 25:

Delete "issuing or"

Page 12, line 26, after "shall":

Delete all material through "that" on page 13, line 2

Insert "allow"

Page 13, line 3:

Delete "may"

Insert "to"

Delete "issuance or"

Page 13, line 6:

Delete "issuing or"

Page 13, line 9:

Delete "issuance or"

Page 13, after line 19:

Insert new bill sections to read:

"* Sec. 17. AS 38.05.945(a) is amended to read:

(a) This section establishes the requirements for notice given by the department for the following actions:

(1) classification or reclassification of state land under AS 38.05.300 and the closing of land to mineral leasing or entry under AS 38.05.185;

(2) zoning of land under applicable law;

(3) a decision under AS 38.05.035(e) regarding the sale, lease, or disposal of an interest in state land or resources; [AND]

(4) a competitive disposal of an interest in state land or

resources after final decision under AS 38.05.035(e);

(5) a public hearing under AS 38.05.855(b) or 38.05.856(c);

(6) a preliminary finding under AS 38.05.035(e) and 38.05.855(d) concerning sites for aquatic farms and related hatcheries.

* Sec. 18. AS 38.05.946 is amended by adding a new subsection to read:

(b) The commissioner shall hold a public hearing in each district identified under AS 38.05.855 within 30 days after giving notice of a preliminary finding under AS 38.05.035(e) and 38.05.855(d) concerning sites for aquatic farms and related hatcheries."

Renumber the following bill sections accordingly.

Page 13, line 23:

Delete "sec. 21"

Insert "sec. 23"

Page 13, line 27:

Delete "sec. 21"

Insert "sec. 23"

PROPOSED AMENDMENT

Page 1, lines 6-9, delete title and replace with the following:

For an Act entitled: "An Act relating to the farming of aquatic plants and aquatic animals; prohibiting the aquatic farming of Pacific salmon in the marine environment and estuaries; and providing for an effective date."

Page 2, lines 18-26, delete, replace with following:

(d) Notwithstanding other provisions of law, the commissioner may not issue a permit under this section for the farming of, or hatchery operations involving

- (1) Pacific salmon in the marine environment and estuaries;
- (2) Atlantic salmon.

Justification

These amendments are designed to allow the upland farming of all finfish utilizing salt water.

This is critical to the success of many upland finfish farms as fresh water culture rules out the rearing of chinook salmon, black cod and other important marine species and the application of much technology now employed in hatchery operations in the production of viable broodstock. The use of salt water is even critical to salmon farms located in Interior Alaska where salt could be added to fresh water.

Important to consider is that upland farms would be required to treat discharges so there would be no difference between upland farms and ocean ranching hatcheries in terms of the chance of disease transference to wild stocks or significant sediment accumulations at outfalls.

There also is no chance of escapements of cultured stocks in upland farms, so wild stocks and the environment would not be affected by the use of salt water in upland farms. The impacts would be virtually identical to farms restricted to the use of fresh water.

PROPOSED AMENDMENT

Page 1, lines 6-9, delete title and replace with the following:

For an Act entitled: "An Act relating to the farming of aquatic plants and aquatic animals; prohibiting the aquatic farming of salmon in the marine environment and estuaries; and providing for an effective date."

Page 2, line 1:

hatchery operations involving, salmon in sea cages in the marine environment or estuaries [FINFISH IN SALTWATER].

Page 7, line 9, insert:

aquatic farm for the purpose of further growth or propagation[.];
(10) "salmon" means a fish of the genus oncorhynchus.

Justification

These amendments are designed to allow the farming of non-salmon finfish in sea cages, while prohibiting the pen-rearing of salmon. Since the controversy and all the objections have been strictly aimed at pen-rearing of salmon, it doesn't make any sense to prohibit the pen-rearing of rainbow trout, arctic char, black cod, or other non-salmon species of finfish. It is important to allow aquatic farmers to experiment with these species in sea cages, since capital and operating costs increase substantially with upland farming.

PROPOSED AMENDMENT

Page 1, lines 6-9, delete title and replace with the following:

For an Act entitled: "An Act relating to the farming of aquatic plants and aquatic animals; prohibiting the aquatic farming of finfish in the marine environment and estuaries; and providing for an effective date."

Page 2, line 1:

hatchery operations involving, finfish in sea cages in the marine environment or estuaries [FINFISH IN SALTWATER]. T's prohibition does not affect the farming of finfish in land-based operations, including those utilizing saltwater pumped to shore.

Justification

These amendments are designed to allow the upland farming of all finfish utilizing salt water. This is critical to the success of many upland finfish farms as fresh water culture rules out the rearing of chinook salmon, black cod and other important marine species and the application of much technology now employed in hatchery operations in the production of viable broodstock. The use of salt water is even critical to salmon farms located in Interior Alaska where salt could be added to fresh water. Important to consider is that upland farms would be required to treat and screen discharges so there would be no chance of disease transference to wild stocks or significant sediment accumulations at outfalls. There also is no chance of escapements of cultured stocks in upland farms, so wild stocks and the environment would not be affected by the use of salt water in upland farms. The impacts would be virtually identical to farms restricted to the use of fresh water.

PROPOSED AMENDMENTS

Page 1, lines 6-9, delete title and replace with the following:

For an Act entitled: "An Act relating to the farming of aquatic plants and aquatic animals; placing a moratorium until July 1, 1990, on the issuance or granting of licenses, permits, leases, or authorization for commercial salmon farming in marine waters or estuaries; establishing an Alaska Salmon Task Force; and providing for an effective date."

Page 1, line 11, add new Sections 1-3, renumber accordingly:

* Section 1. FINDINGS AND POLICY. (a) The legislature finds that

(1) aquatic farming in the state would provide a consistent source of quality food, provide new jobs, increase state exports, create new business opportunities, and increase the stability and diversity of the state's economy; and

(2) development of aquatic farming in the state would increase the availability of fresh seafood to Alaskans and would strengthen the competitiveness of Alaska seafood in the world marketplace by broadening the diversity of products and providing year-round supplies of premium quality seafood; and

(3) the principal responsibility for development of aquatic farming in the state rests with the private sector.

(b) It is the policy of the state

(1) to encourage the establishment and responsible growth of an aquatic farming industry in the state;

(2) that allocation of aquatic farming sites be compatible with established and ongoing beneficial activities in an area; and

(3) that a state policy on the farming of salmon in sea cages be made in a careful manner that fully considers the potential impact on Alaska's seafood industry.

* Sec. 2. SALMON FARMING MORATORIUM. (a) The following licenses, permits, leases, or authorizations may not be issued or granted for the construction or operation of commercial salmon farms in marine waters or estuaries:

[INSERT (1)-(8) ON PAGE 1, LINES 16-24, FROM SB 297.]

(b) This moratorium does not affect the farming of salmon in land-based operations, including those utilizing saltwater pumped to shore.

[NEED EFFECTIVE DATE CLAUSES FOR THE MORATORIUM.]

* Sec. 3. ALASKA SALMON TASK FORCE. (a) The legislature finds that the farming of salmon in sea cages has raised a series of socio-economic, biological and environmental issues requiring an in-depth examination.

(b) The Alaska Salmon Task Force is established to examine to study the issue and make a report of findings for administrative and legislative consideration. The governor shall appoint a five-member task force composed of Alaska residents representing a broad spectrum of expertise, including one representative of commercial salmon

fishermen, one salmon farming advocate, one private economist, one fisheries biologist and one public member with no involvement in the seafood or aquatic farming industry. The fisherman and aquatic farming representatives shall be non-voting members.

(c) The task force shall submit to the legislature, not later than January 30, 1989, a report examining the following issues:

(1) Whether the sea cage farming of Pacific salmon can be conducted in a manner that protects the health of Alaska's salmon resources;

(2) Criteria for the siting of salmon farms in marine waters and estuaries to minimize land use conflicts and to protect the environment;

(3) Net economic costs and benefits of sea cage salmon farming in Alaska to Alaska residents, including jobs created for Alaska residents, tax revenues and indirect spinoffs, cost of state regulation and monitoring, and impacts on markets for salmon caught by the state's commercial fishing fleets;

(4) The cost of providing adequate regulation of sea cage farming to protect wild stocks, the environment, public health and existing beneficial uses of Alaska's coastal waters and land, and role of the private sector in providing pathological and other services; and

(5) Strategies for improving the marketability of Alaska salmon, particularly those high value species competing with farmed salmon for domestic and export sales.

Page 7, line 9, insert:

aquatic farm for the purpose of further growth or propagation[.];

(10) "salmon" means a fish of the genus oncorhynchus.

Justification

These amendments are designed to provide a process for fully resolving the pen-rearing of salmon issue. The time-certain moratorium and establishment of a task force to study the issue would ensure that the concerns of commercial fishermen are studied in depth and findings made available to the legislature in a timely manner for action and full public debate.

This process will prevent the debate over pen-rearing of salmon from dragging on over a period of years and becoming increasingly acrimonious, serving no purpose other than creating hard feelings that will take much time to heal. At the end of this process, the issue of pen-rearing can be voted up or down on its merits, and the results will be widely accepted by the Alaska public.

The best way to resolve this controversy is to implement a process designed to fully address the public policy concerns.

5

PROPOSED AMENDMENTS

Page 1, lines 6-9, delete title and replace with the following:

For an Act entitled: "An Act relating to the authorization of the farming of aquatic plants, shellfish and finfish; prohibiting the aquatic farming of Pacific salmon in the marine environment or estuaries; and providing for an effective date."

Page 1, line 29, add the following, renumber accordingly:

* Sec. 2. SALMON FARMING MORATORIUM. (a) The legislature finds that salmon farming offers great economic development potential, but also creates potential risks in terms of a threat to the state's important salmon fishing industry. The legislature finds it is necessary to fully analyze these benefits and risks before making a final decision on the pen rearing of salmon in the marine environment and estuaries.

(b) Before a final decision is made on the net pen rearing of Pacific salmon in the marine environment and estuaries, the legislature finds it is necessary to resolve the following:

(1) whether the net pen rearing of Pacific salmon can occur in the marine environment and estuaries without threatening Alaska's existing salmon runs;

(2) the impact of salmon farming on the marketability of salmon caught by Alaska's commercial fishing fleets;

(3) the net benefits to Alaska from salmon farming considering the cost of providing adequate protections for Alaska wild salmon resources and the environment.

(c) The commissioner of the department of fish and game shall not issue a permit authorized under AS 16.40.100 for the operation of a commercial aquatic farm or related hatchery rearing chinook, coho, sockeye, pink or chum salmon in net pens in the marine environment or estuaries. This restriction does not effect the farming of these species in

(1) a privately owned freshwater body that has no outlet to state waters; or

(2) a tank, ponds or other enclosed structures that may contain saltwater, but which is located upland from any body of saltwater.

(d) The commissioner of the department of fish and game shall prepare a report no later than August 30, 1988, analyzing the following:

(1) the impact of salmon farming in Norway, Puget Sound and British Columbia on natural salmon runs from disease outbreaks, infestations of parasites, and genetic effects of escaped farmed salmon;

(2) the history of Alaska's public and private salmon ranching program in dealing with disease and genetic impacts on natural runs;

(3) how disease and genetics policies now applied to Alaska's salmon ranching programs could have influenced the problems outlined in section (d)(1);

(4) the experience to date of the state-federal Cooperative Salmon Farming Research Station at Osprey Bay, Alaska, with fish health and escapements.

(e) The commissioner of the department of natural resources shall prepare a report no later than August 30, 1988, analyzing the following:

(1) the land use conflicts created in British Columbia and Puget Sound by the siting of salmon farms and other floating aquatic farming facilities, and how government agencies have responded;

(2) how Alaska's current tidelands siting programs could have changed the situations outlined in section (e)(1);

(3) comparison of the siting impacts of salmon farming in Alaska with other current uses of Alaska's public lands and tidelands.

(f) The commissioner of the department of environmental conservation shall prepare a report for the legislature no later than August 30, 1988, analyzing work by the State of Washington on a comprehensive environmental impact study for the siting of floating aquaculture facilities in Puget Sound.

(g) The governor shall appoint a task force composed of three Alaska residents representing a broad spectrum of expertise. A representative of the United Fishermen of Alaska and a representative of the Alaska Mariculture Association shall serve as non-voting members of the task force. The task force shall submit to the legislature, not later than January 30, 1989, a report examining the following:

(1) Whether the net pen farming of Pacific salmon in the marine environment and estuaries can be conducted in a manner that protects the health of Alaska's salmon resources;

(2) Criteria for the siting of salmon farms in marine waters and estuaries to minimize land use conflicts and to protect the environment;

(3) Net economic costs and benefits of net pen reared salmon in Alaska to Alaska residents, including jobs created for Alaska residents, tax revenues and indirect spinoffs, cost of state regulation and monitoring, and impacts on markets for salmon caught by the state's commercial fishing fleets;

(4) The cost of providing adequate regulation of net pen rearing to protect wild stocks, the environment, public health and existing beneficial uses of Alaska's coastal waters and land, and role of the private sector in providing pathological and other services; and

(5) Strategies for improving the marketability of Alaska salmon, particularly those high value species competing with farmed salmon for domestic and export sales.

PROPOSED AMENDMENT

Page 2, line 20:

hatchery operations involving[, PACIFIC SALMON IN SALTWATER OR] Atlantic salmon.

[(E) THE COMMISSIONER MAY ISSUE A PERMIT UNDER THIS SECTION FOR THE FRESHWATER FARMING OF, OR FRESHWATER HATCHERY OPERATIONS INVOLVING, FINFISH OTHER THAN ATLANTIC SALMON ONLY IN A PRIVATELY OWNED FRESHWATER BODY THAT HAS NO OUTLET TO A STATE-OWNED BODY OF WATER.]

PROPOSED AMENDMENT

(d) Page 16, line 20, insert the following:

*Sec. 26. Section 2 of this Act is repealed July 1, 1989.

Justification

These amendments would replace language in SB 482 imposing an indefinite ban on the rearing of Pacific Salmon in saltwater with a one-year moratorium on the pen rearing of salmon. They also would establish criteria for making a final public policy decision on the pen rearing of salmon, direct state agencies to prepare reports on various issues to aid in the decision making process, and create a citizen task force to study several issues and report back to the legislature next session.

It is important to recognize that the issue of net pen rearing of salmon is nearly certain to resurface next year regardless of what decision the legislature makes this session. Consequently, it is in the state's best interest to implement a process that will lead to a well-informed public policy decision.

These amendments will ensure that the primary issues of concern regarding the pen rearing of salmon are studied in detail during the interim. This is vital since a large number of serious issues have been raised during the debate, and opponents of salmon farming have demanded some answers before any action is taken.

Questions such as the potential threat to Alaska's important salmon resources must be addressed in depth, and the net benefits to Alaska should be explored thoroughly before any final decision is made.

The potential economic benefits from salmon farming also are too large to be dismissed without serious consideration. For instance, some studies have said that salmon farming in Alaska could create between 2,000 and 4,000 new jobs, with a final payroll of \$49 million to \$90 million per year, based upon final sales of up to \$300 million.

Under the amendment, the following issues would be identified as necessary to resolve before pen rearing could be authorized: (1) potential threat to wild stocks; (2) market impacts; and (3) net economic benefits.

ADFG, DNR and ADEC would be directed to complete reports on the issue by August 30 for consideration by a task force of three individuals appointed by the governor. Serving as ex-officio members would be representatives of the United Fishermen of Alaska and Alaska Mariculture Association.

The task force would be required to submit a report to the legislature by Jan. 30, 1989. The task force is designed to analyze factual information, without getting bogged down into making policy recommendations. This would help de-politicize the process. The task force would study the following: (1) biological and environmental impacts; (2) land use management; (3) net economic benefits; (4) cost to the state for providing necessary protections; and (5) strategies for improving the marketability of wild salmon.

PROPOSED AMENDMENT

Page 1, line 11, add new Sections 1-3, renumber accordingly:

* Section 1. FINDINGS AND POLICY. (a) The legislature finds that

(1) aquatic farming in the state would provide a consistent source of quality food, provide new jobs, increase state exports, create new business opportunities, and increase the stability and diversity of the state's economy; and

(2) development of aquatic farming in the state would increase the availability of fresh seafood to Alaskans and would strengthen the competitiveness of Alaska seafood in the world marketplace by broadening the diversity of products and providing year-round supplies of premium quality seafood.

(b) It is the policy of the state

(1) to encourage the establishment and responsible growth of an aquatic farming industry in the state; and

(2) that allocation of aquatic farming sites be compatible with established and ongoing beneficial activities in an area.

Justification

These findings and policies are important to demonstrate the state's commitment to mariculture development, while stressing that this new industry be developed in a manner that does not disrupt important existing uses of public lands and waters.

PROPOSED AMENDMENT

Page 1, line 27-28::

(2) that allocation of aquatic farming sites be made with full consideration of [MUST BE COMPATIBLE WITH] established and ongoing activities in an area.

Justification

DNR says the existing language in CSSB 482 (3/28/88 draft) could be construed to give existing land uses preference over mariculture. That wasn't the original intent of the language which was designed to stress that ongoing, beneficial uses of the tidelands will be fully considered during siting. The new language appears to fulfill that intent.

This amendment is critical since a preference would be akin to protections afforded subsistence over other takings of fish and wildlife. Except, in this case, the priority wouldn't just kick in when there's a resource scarcity; it would put mariculture in a permanent lower priority in site selection.

This could strangle all future growth of aquatic farms. No farmer could secure a tidelands permit for a site where some other uses occur, unless it can be demonstrated there will be no disruptions of that particular activity.

Such language would set a bad precedent in resource management if that interpretation is applied.

PROPOSED AMENDMENTS

Page 1, line 29, insert the following, renumber accordingly:

* Sec. 2. LAND MANAGEMENT REPORT REQUIRED. The commissioner of the department of natural resources shall prepare a report to the legislature no later than January 30, 1989, detailing the department's implementation of AS 38.05.083 and AS 38.05.856. This report shall include

(a) numbers of applications received under AS 38.05.083 and AS 38.05.856, and number issued, according to type of aquatic farm product;

(b) restrictions attached to permits and leases;

(c) discussion of system the department has implemented for issuing leases and tideland and land use permits;

(d) level of public involvement in the issuance process;

(e) discussion of how the program has been working and the department's plans for modifications.

Page 13, lines 10-29 - Page 14, line 1, delete Section 17.

Justification

These amendments would remove the identification of sites for aquatic farms and direct DNR to prepare a report detailing its implementation of a similar system by policy. The report signals the legislature's intent to conduct oversight of the site selection process.

DNR has testified in favor of this approach, and says it opposes placement of the site identification process in statute. The agency has said it intends to implement a similar system by policy, but is concerned about the lack of flexibility involved with having such detail in law. Any slight modifications necessary to make the program work better would require new legislation.

DNR has pointed out that AS 38.05.855 appears to require the agency to hold a public hearing even if no preliminary applications are submitted or other interest in mariculture expressed in the district under consideration. This is one example of why greater flexibility is required and the policy approach is preferable.

The practical effect of adopting these amendments is to implement option four on the sheet of land use management strategies distributed earlier by Sen. Eliason. This would provide for broad public notice requirements on tideland and land use permit applications and renewals, but leaves a public hearing at the discretion of DNR.

The "option two" approach contained in CSSB 482 (3/28/88 draft) is strongly opposed by mariculture advocates. The process is cumbersome and appears to favor larger operations over small scale farmers who have fewer resources to fully participate in this process.

Farmers also object to the 60-day window for submitting tideland applications. This means that an applicant may have to wait 10 months at a time before the agencies will even consider the application. Once the process is set in motion, it may take months before a final decision is forthcoming because of the extensive public review and interagency coordination.

After the sites are finally identified, the applicant still must go through the tidelands issuance process. All of these are in addition to the existing coastal management program to which all other tidelands users are subject. This means farmers would have three layers of red tape to wade through before obtaining permission to farm, while other users, even those with much larger impacts on competing uses, have only one layer of permitting with which they must contend.

This whole process would result in mariculture being the most heavily regulated natural resource industry in Alaska and would discourage mariculture development. The committee should question whether such restrictive approaches are justifiable in light of the fact that mariculture accounts for only 50 of the total 2,400 tideland permits and leases now in effect. DNR has said it does not anticipate a surge of applications with passage of SB 482.

PROPOSED AMENDMENT

Page 2, lines 5-14, delete and replace with:

(1) the physical and biological characteristics of the proposed location must be suitable for the farming of the aquatic animal or plant proposed;

(2) the proposed farm may not unreasonably or adversely affect management of natural stocks, and must not require significant alterations in traditional fisheries or other existing uses of fish and wildlife resources;

(3) the proposed farm may not significantly affect fisheries, wildlife or their habitats in an adverse manner; and

(4) the proposed farm plans and staffing plans must demonstrate technical and operational feasibility.

Justification

Shellfish farmers are concerned that the criteria for issuance of permits laid out in SB 482 is too restrictive and would not allow flexibility by state agencies. The existing language in SB 482 could be interpreted to say that any degree of adverse impact will result in denial of a permit. This concern has been driven home by the fishing industry's current concerns about the absolute language in the Marine Mammal Protection Act which some environmental groups interpret as saying any taking of an endangered marine mammal could result in a total closure of that fishery.

The suggested replacement language is taken almost verbatim from pending shellfish farming regulations promulgated by ADFG.

PROPOSED AMENDMENT

Page 3, lines 4-9:

(2) the proposed farm may not unreasonably [OR ADVERSELY] affect management of natural stocks, and must not require significant alterations in traditional fisheries or other existing uses of fish and wildlife resources;

(3) the proposed farm may not significantly affect fisheries, wildlife or their habitats in an adverse manner; and

Justification

The existing language in CSSB 482 (3/28/88 draft) is too restrictive and would not allow flexibility by state agencies. The existing language in SB 482 could be interpreted to say that any degree of adverse impact will result in denial of a permit. This concern has been driven home by the fishing industry's current concerns about the absolute language in the Marine Mammal Protection Act which some environmental groups interpret as saying any taking of an endangered marine mammal could result in a total closure of that fishery.

The suggested replacement language is taken almost verbatim from pending shellfish farming regulations promulgated by ADFG and reflects the intent of Senator Zharoff's original language submitted for consideration.

PROPOSED AMENDMENT

Page 4, line 9:

hatchery required to have a permit under AS 16.40.100, Department of Fish and Game, or to sources outside the state.

Justification

This amendment has been requested by participants in the Kodiak scallop farming project who already have been getting calls from aquatic farmers and hatcheries in B.C. and California regarding potential out-of-state sales of scallop spat. Scallop spat fishermen want the flexibility to sell to out-of-state buyers if in-state markets are inadequate.

The language would allow individuals who gather broodstock for aquatic farms to sell animals or plants gathered from the wild to the State of Alaska or out-of-state buyers. These individuals may be aquatic farmers, but many will be spat fishermen or other gatherers who are not directly connected with farms, except in sales.

This amendment would allow sales to ADFG for purposes of common property seeding operations, enhancement projects, or research and economic development projects.

PROPOSED AMENDMENT

Page 3, line 12:

hatchery required to have a permit under AS 16.40.100, Department of Fish and Game, or to sources outside the state.

Justification

This amendment has been requested by participants in the Kodiak scallop farming project who already have been getting calls from aquatic farmers and hatcheries in B.C. and California regarding potential out-of-state sales of scallop spat. Scallop spat fishermen want the flexibility to sell to out-of-state buyers if in-state markets are inadequate.

This amendment also would allow sales to ADFG for purposes of common property seeding operations, enhancement projects, or research and economic development projects.

PROPOSED AMENDMENT

Page 4, line 21:

under this section upon finding that the proposed harvest will
significantly disrupt

Justification

This amendment would provide more flexibility in brood stock acquisitions from wild sources since it appears the existing language could result in a denial even if existing allocations are affected only an insignificant degree.

PROPOSED AMENDMENT

Page 4, line 27:

40.100, AS 16.10.400 - 16.10.470 or to the department of fish and game.

PROPOSED AMENDMENT

Page 5, line 17, insert new language and renumber subsequent sections accordingly:

Sec. 16.40.150. RELEASE OF CERTAIN FISH PROHIBITED. Stock may not be intentionally released into the public water of the state from a hatchery or aquatic farm required to have a permit under AS 16.40.100 without prior authorization from the commissioner. Such approved releases would be subject to appropriate disease and genetics standards developed by the department of fish and game.

Justification

These amendments would allow aquatic farm hatcheries to sell stock to private nonprofit ocean ranching hatcheries or to ADFG for use in enhancement programs. This could give the state and PNPs the option of contracting with private hatcheries for production of brood for ocean ranching or enhancement programs at lower costs than constructing new facilities. This could be particularly important for use in meeting the chinook enhancement goals in the U.S.-Canada salmon treaty, and could have application for a variety of other species such as king crab, abalone, black cod, arctic char, sheefish and rainbow trout. ADFG would continue to control disease and genetics concerns.

PROPOSED AMENDMENT

Page 4, line 27:

40.100, Department of Fish and Game or to sources outside the state.

Justification

This amendment was requested by oyster farmers who are interested in constructing an oyster hatchery and believe an essential component of feasibility is the ability to sell oyster spat, seed or eyed larvae to out-of-state buyers. ADFG has no problem with out-of-state sales.

This amendment also would allow hatcheries for indigeneous species to sell stock to ADFG for enhancement programs or other purposes.

PROPOSED AMENDMENT

Page 5, line 17, insert new language and renumber subsequent sections accordingly:

Sec. 16.40.150. RELEASE OF CERTAIN FISH PROHIBITED. Stock may not be intentionally released into the public water of the state from a hatchery or aquatic farm required to have a permit under AS 16.40.100 without prior authorization from the Department of Fish and Game. Such approved releases would be subject to appropriate disease and genetics standards developed by the department of fish and game.

Justification

This amendment would make it clear that releases of aquatic farm stocks are prohibited, while giving the state flexibility to enter into agreements with private hatcheries for for reseeding programs or enhancement purposes at costs much lower than that involved in operation of state-run facilities. This could apply to such species as king crab, abalone, sea urchins, trout or even salmon from hatcheries supplying upland farms. The species, of course, would have to pass ADFG disease and genetics specifications.

PROPOSED AMENDMENT

Page 5, line 22:

among stock or aquatic farm products of the permit holder within 48 hours after discovering the outbreak or incidence.

Justification

This language was suggested by Brian Allee with the FRED Division who believes that a reporting timeframe is preferable. This should not create a burden for aquatic farmers.

PROPOSED AMENDMENT

Page 5, line 24:

40.100. AS 16.10.400 - 16.10.470, an aquatic farm or related hatchery outside of the state, or to the department of fish and game.

*Salmon Hatcheries
Regional
Public*

PROPOSED AMENDMENT

Page 6, line 14, insert new language and renumber subsequent sections accordingly:

Sec. 16.40.150. RELEASE OF CERTAIN FISH PROHIBITED. Stock may not be intentionally released into the public water of the state from a hatchery or aquatic farm required to have a permit under AS 16.40.100 without prior authorization from the commissioner. Such approved releases would be subject to appropriate disease and genetics standards developed by the department of fish and game.

PROPOSED AMENDMENT

Page 2, lines 12-15:

that are used or reared at the hatchery or aquatic farm. [A HATCHERY THAT HOLDS A PERMIT UNDER THIS SECTION MAY SELL OR OFFER TO SELL BIVALVE SHELLFISH SPAT TO AN AQUATIC FARM OR RELATED HATCHERY OUTSIDE OF THE STATE.]

Justification

Amendment # 1 would allow aquatic farm hatcheries to sell stock to private nonprofit ocean ranching hatcheries, non-Alaska buyers, or to ADFG for use in enhancement programs.

This could give the state and PNPs the option of contracting with private hatcheries for production of brood for ocean ranching or enhancement programs at lower costs than constructing new facilities. This could be particularly important for use in meeting the chinook enhancement goals in the U.S.-Canada salmon treaty. Such contractual release programs have proven highly successful in Washington State. In fact, the Squaxin Island treaty Indian tribe conducts the state's most successful delayed release program under contract. The Squaxin releases account for up to 20 percent of the hatchery returns in Puget Sound. Squaxin fishermen caught 200,000 cohos worth \$3 million as a direct result of the program in 1986. This was in addition to the contributions of the program to catches of Canadian commercial fishermen and Washington sport and commercial fishermen. The effort was counted as part of Washington's contribution to the U.S.-Canada treaty.

The amendment also would have application for a variety of other species such as king crab, abalone, black cod, arctic char, sheefish and rainbow trout.

The amendment also would authorize aquatic farm hatcheries to sell to out-of-state buyers which could be critical to the viability of private, for-profit hatcheries.

Amendment # 2 would make it clear that no stock raised at aquatic farm hatcheries can be released without the specific approval of ADFG, and that ADFG would have full authority over disease and genetics in any release program. This amendment would be important if contractual release programs are conducted.

Amendment # 3 removes language from CSSB 482 (3/28/88 draft) authorizing out-of-state sales of bivalve shellfish spat. This language would not be necessary if amendment #1 is adopted. In any case, the language allowing bivalve spat sales appears to conflict with AS 16.40.140 (a) on page 5, lines 21-24 which restricts hatchery sales to licensed, in-state aquatic farms and related hatcheries.

PROPOSED AMENDMENT

Page 6, lines 18-19:

aquatic farm and sold or offered for sale[FOR THE PURPOSE OF CONSUMPTION, OR KELP THAT IS CULTIVATED FOR USE IN DYES];

Justification

This amendment is necessary to allow development of a sea vegetable farming industry. Many forms of aquatic plants are raised primarily for non-consumptive or industrial uses. Existing language restricting kelp useage to dyes is too restictive, as there are many other potential uses for aquatic plants. The language also could prohibit use of salmon skins for leather, or even the culturing of oysters for pearls.

PROPOSED AMENDMENT

Page 12, line 16, add new sections 14-15, renumber accordingly:

* Sec. 14. AS 16.10.420. is amended to read:

Sec. 16.10.420. CONDITIONS OF A PERMIT. The department shall require, in a permit issued to a hatchery operator, that

(1) salmon eggs procured by the hatchery must be from the department or a source approved by the department;

(2) no salmon eggs or resulting fry be placed in waters of the state other than those specifically designated by the permit;

(3) no salmon eggs or resulting fry, sold to a permit holder by the state or by another party approved by the department, may be resold or otherwise transferred to another person, unless that person holds a permit issued under AS 16.40.100;

(4) no salmon be released by the hatchery before department approval, and, for the purposes of pathological examination and approval, the department shall be notified of the proposed release of salmon at least 15 days before the date of their proposed release by the hatchery;

(5) diseased salmon be destroyed in a specific manner and place designated by the department;

(6) adult salmon be harvested by hatchery operators only at specific locations as designated by the department;

(7) surplus eggs from salmon returning to the hatchery be made available for sale first to the department and then, after inspection and approval by the department, to operators of other hatcheries authorized by permit to operate under AS 16.10.400 - 16.10.470, or AS 16.40.100;

(8) if surplus salmon eggs are sold by a permit holder to another permit holder, a copy of the sales transaction be provided to the department;

(9) [REPEALED]

(10) a hatchery be located in an area where a reasonable segregation from natural stocks occurs, but, when feasible, in an area where returning hatchery fish will pass through traditional salmon fisheries.

* Sec. 15. AS 16.10.450 is amended to read:

Sec. 16.10. 450. SALE OF SALMON AND SALMON EGGS BY HATCHERY. A hatchery operator who sells salmon returning from the natural waters of the state, or sells salmon eggs to another hatchery operating under AS 16.10.400 - 16.10.470 or with a permit issued under 16.40.100, after utilizing the funds for reasonable operating costs, including debt retirement, expanding its facilities, salmon rehabilitation projects, fisheries research, or for costs of operating the qualified regional association for the area in which the hatchery is located, shall expend the remaining funds on other fisheries activities of the qualified regional association. Fish returning to hatcheries and sold for human consumption shall be of comparable quality to fish harvested by commercial fisheries in the area, and shall be sold at prices commensurate with the current market.

Justification

These amendments are designed to allow private nonprofit salmon ocean ranching hatcheries to sell surplus eggs to salmon farming operations allowed by SB 482. This does not require these sales, but merely allows the private nonprofit hatcheries the option of utilizing surplus eggs which currently are destroyed. This could create additional income sources for the PNPs which are facing mounting debt retirements from the state loan program.

This amendment also would make for more efficient utilization of our enhancement programs, since surplus eggs now are destroyed.

PROPOSED AMENDMENT

Page 9, line 8 -Page 10, lines 15, delete.

Justification

This section requires the labeling of all aquatic farms products. This is an unnecessary requirement that will result in unnecessary red tape and spending with no discernible benefits to the farmers or consumers. Oyster and mussel farmers question why they are going to have to label their products as aquatic farm products, particularly when there are no other Alaska sources except the farmed products. Market research suggests such labeling does not affect consumer decisions.

This section apparently is designed to ease the concern of salmon fishermen who fear confusion between farmed and "wild" salmon. If so, then the requirement should be limited to salmon which reduce the fiscal impact and red tape to aquatic farmers.

However, the committee should consider whether this requirement makes any sense and would be effective. If the purpose is to ensure buyers have the ability to differentiate between wild and aquatic farm products, it is important to determine who the legislature can reach through such requirements.

Nearly all farmers will sell to Alaska processors, or outside brokers, wholesalers, restaurants and supermarkets. If the farmer labels a box or tote of fish as "farm raised," that label will probably be discarded at its destination. Alaska cannot require these outside buyers to label the product. So the consumer will not be reached.

Meanwhile, the restaurant, supermarket, broker or wholesaler will always know whether the product is farmed raised or harvested in common property fisheries--labeling or no labeling.

In the case of the Alaska-based processor, the state can require the company to label shipment of farmed product, but the label will meet the same fate as described above once it leaves the state.

Of course, Alaska restaurants and supermarkets can be required to label farmed raised products, but this is unlikely to be very popular and would affect a small percentage of farmed product since in-state markets are very small.

In short, the labeling requirements will result in extra work for the farmer and a cost to the state for promulgating regulations and attempting to enforce them, without any discernible benefits.

PROPOSED AMENDMENT

Page 9, lines 13-14, delete (D).

Justification

This section appears to require the labeling of all aquatic farms products. This is an unnecessary requirement that will result in unnecessary red tape and spending with no discernible benefits to the farmers or consumers. Oyster and mussel farmers question why they are going to have to label their products as aquatic farm products, particularly when there are no other Alaska sources except the farmed products. Market research suggests such labeling does not affect consumer decisions.

This section apparently is designed to ease the concern of salmon fishermen who fear confusion between farmed and "wild" salmon. If so, then the requirement should be limited to salmon which reduce the fiscal impact and red tape to aquatic farmers.

PROPOSED AMENDMENT

Page 11, line 22, add new sections 14-15, renumber accordingly:

* Sec. 14. AS 16.10.420. is amended to read:

Sec. 16.10.420. CONDITIONS OF A PERMIT. The department shall require, in a permit issued to a hatchery operator, that

(1) salmon eggs procured by the hatchery must be from the department or a source approved by the department;

(2) no salmon eggs or resulting fry be placed in waters of the state other than those specifically designated by the permit;

(3) no salmon eggs or resulting fry, sold to a permit holder by the state or by another party approved by the department, may be resold or otherwise transferred to another person, unless that person holds a permit issued under AS 16.40.100;

(4) no salmon be released by the hatchery before department approval, and, for the purposes of pathological examination and approval, the department shall be notified of the proposed release of salmon at least 15 days before the date of the proposed release by the hatchery;

(5) diseased salmon be destroyed in a specific manner and place designated by the department;

(6) adult salmon be harvested by hatchery operators only at specific locations as designated by the department;

(7) surplus eggs from salmon retraining to the hatchery be made available for sale first to the department and then, after inspection and approval by the department, to operators of other hatcheries authorized by permit to operate under AS 16.10.400 - 16.10.470, or AS 16.40.100;

(8) if surplus salmon eggs are sold by a permit holder to another permit holder, a copy of the sales transaction be provided to the department;

(9) [REPEALED]

(10) a hatchery be located in an area where a reasonable segregation from natural stocks occurs, but, when feasible, in an area where returning hatchery fish will pass through traditional salmon fisheries.

* Sec. 15. AS 16.10.450 is amended to read:

Sec. 16.10. 450. SALE OF SALMON AND SALMON EGGS BY HATCHERY. A hatchery operator who sells salmon retraining from the natural waters of the state, or sells salmon eggs to another hatchery operating under AS 16.10.400 - 16.10.470 or with a permit issued under 16.40.100, after utilizing the funds for reasonable operating costs, including debt retirement, expanding its facilities, salmon rehabilitation projects, fisheries research, or for costs of operating the qualified regional association for the area in which the hatchery is located, shall expend the remaining funds on other fisheries activities of the qualified regional association. Fish returning to hatcheries and sold for human consumption shall be of comparable quality to fish harvested by commercial fisheries in the area, and shall be sold at prices commensurate with the current market.

Justification

These amendments are designed to allow private nonprofit salmon ocean ranching hatcheries to sell surplus eggs to salmon farming operations allowed by SB 482. This does not require these sales, but merely allows the private nonprofit hatcheries the option of utilizing surplus eggs which currently are destroyed. This could create additional income sources for the PNPs which are facing mounting debt retirements from the state loan program.

PROPOSED AMENDMENT

Page 12, lines 17-18:

hatchery operations[FOR NOT LESS THAN THE APPRAISED FAIR MARKET RENTAL VALUE OF THE SITE. THE VALUE SHALL BE REAPPRAISED EVERY FIVE YEARS].

Justification

Shellfish farmers object to this approach to valuing tidelands permits, since other tideland permit holders are not charged in the same manner. This approach also is likely to greatly increase the fiscal cost of tidelands permits since DNR would be required to conduct appraisals. This approach probably will result in higher costs to the farming operation, most of which already are extremely marginal businesses. If this is a desirable option it should be extended to all tidelands permits.

PROPOSED AMENDMENT

Page 13, line 4-5:

commissioner shall consider all relevant testimony submitted. [BASED
OM THE TESTIMONY OR OTHER GOOD CAUSE, t] The commissioner may deny
the application for issuance or renewal for good cause, but must
provide the applicant

Justification

This amendment is designed to clear up some ambiguous language
that could be interpreted to say applications or renewals could be
denied strictly on the basis of adverse comments and not for any good
public policy reasons.

PROPOSED AMENDMENT

Page 13, lines 12:

ria for the approval or denial of permits under this section[AND FOR LIMITING THE NUMBER OF SITES FOR WHICH PERMITS MAY BE ISSUED IN AN AREA IN ORDER TO PROTECT THE ENVIRONMENT AND NATURAL RESOURCES OF THE AREA].

Justification

This would delete language requiring DNR to adopt cumulative impact regulations for aquatic farms. These kinds of requirements are extremely difficult for regulatory agencies and for the industry, and result in high regulatory costs in monitoring and determining appropriate levels of growth. On what basis would DNR determine cumulative environmental and biological impacts? Does the state possess adequate data on aquatic farming upon which such decisions could be based? It appears that significant research could be required before this could be implemented. Such provisions generally end up being tremendously burdensome for the agencies and invite lawsuits from anti-development organizations.

PROPOSED AMENDMENT

Page 13, line 17-25: delete all language in sections 18-19.

Justification

Sections 18-19 would impose a freeze on all aquatic farming licensing and permitting and issuance of tideland and land use leases for aquatic farming until regulations are fully implemented. This could take months, and would result in extensive delays for applicants. For example, ADFG started working on the shellfish farming regulations now pending not long after the 1987 session and those proposals were still pending final approval by the Department of Law on the first of March. Once released by DOL, another 30 day waiting period is required before the regulations are implemented. This process, to date, has taken about eight months. These kinds of delays can be very costly to an applicant.

PROPOSED AMENDMENT

Page 14, lines 2-5:

secs. 15 and 16 of this Act[, BUT AS A CONDITION OF OBTAINING THE LEASE OR PERMIT THE PERSON MUST AGREE THAT DURING THE TERM OF THE LEASE OR PERMIT THE PERSON WILL NOT EXPAND OPERATIONS BEYOND THE SCOPE ALLOWED UNDER THE EXISTING PERMIT].

Justification

This amendment would remove language that places restrictions on farmers who are grandfathered into the new permitting and leasing procedures that do not apply to new applicants. This could prevent a farmer from expansion or other changes necessary to make an oyster or mussel farm economically viable. Existing farmers should be free to negotiate lease terms with DNR in a manner similar to new applicants or other applicants for tidelands leases.

PROPOSED AMENDMENT

Page 14, lines 7-9, delete, renumber accordingly.

Justification

This section would not allow the state to issue a mariculture permit in tidelands or lands bordering a federally designated wilderness area when the designation was made before the effective date of this legislation.

The language appears to be aimed at eliminating substantial blocks of coastal Alaska for potential mariculture development. This may not pose a substantial problem for farmers since there have been no applications for sites bordering wilderness areas, and it seems unlikely there would be many in the future. And, even if there were, it seems unlikely that the permits would be issued, unless the federal government determined the permit would be consistent with the wilderness area's management plan.

However, this section appears to set a dangerous land use management precedent by relinquishing the state's management authority over its lands in favor of federal management. This appears to be a sovereignty issue more than anything else. The state fought very hard during statehood and throughout the (d)2 debate to gain that management control, and this bill would simply give up some of that control without the federal government even making the request.

PROPOSED AMENDMENT TO CSSB 482 (3/28/88 DRAFT)

Page 14, line 10-14:

er shall allow interested persons to submit written [AND ORAL] testimony concerning the renewal to the commissioner within 30 days after the date of the notice. The commissioner [SHALL] may hold a hearing to take testimony.

Justification

This amendment takes care of a drafting error pointed out by Senator Eliason. The new language makes a public hearing on a land use permit renewal optional at DNR's discretion.

PROPOSED AMENDMENT TO CSSB 482 (3/28/88 DRAFT)

Page 14, line 26 - page 15, line 3:

ria for the approval or denial of permits under this section[AND FOR LIMITING THE NUMBER OF SITES FOR WHICH PERMITS MAY BE ISSUED IN AN AREA IN ORDER TO PROTECT THE ENVIRONMENT AND NATURAL RESOURCES OF THE AREA. THE REGULATIONS MUST PROVIDE FOR THE CONSIDERATION OF UPLAND MANAGEMENT POLICIES AND WHETHER THE PROPOSED USE OF A SITE IS COMPATIBLE WITH THE TRADITIONAL AND EXISTING USES OF THE AREA IN WHICH THE SITE IS LOCATED].

Justification

This amendment removes language directing DNR to establish cumulative impact limitations for aquatic farm tideland permits. These kinds of requirements are extremely difficult for regulatory agencies and for the industry, and result in high regulatory costs in monitoring and determining appropriate levels of growth.

The committee should ask, on what basis would DNR determine cumulative environmental and biological impacts? Does the state possess adequate data on aquatic farming upon which such decisions could be based? It appears that significant research could be required before this could be implemented.

The committee also should consider whether such cumulative impact restrictions are placed on other industries in Alaska. What is the purpose of the section? How does mariculture differ from other industries in terms of impacts? Is this a dangerous precedent in resource management in Alaska? What would happen to these industries if such restrictions were applied: placer mining, timber, oil and gas, fishing, tourism?

DNR, and officials in the timber and mining industries have expressed concern about this provision. Little wonder since such provisions generally end up being tremendously burdensome for the agencies and invite lawsuits from anti-development organizations.

PROPOSED AMENDMENT

Page 15, lines 15-17:

(5) a public hearing under AS 38.05.856(c)[;

(6) A PRELIMINARY FINDING UNDER AS 38.05.035(E) AND
38.05.855(C) CONCERNING SITES FOR AQUATIC FARMS AND RELATED
HATCHERIES].

Page 15, lines 25-29, delete.

Justification

These amendments would eliminate requirements that broad public notice be issued for a preliminary finding under the site identification process. This would result in an unnecessary 30-day waiting period, since the following section also requires the same public notice process followed by a public hearing. A single noticing and public hearing during the site identification process should be sufficient, particularly since the actual application for a site also has to go through the existing coastal management program process.

The two sections also appear to be redundant.

PROPOSED AMENDMENT

Page 16, lines 2-10, delete sections ²²⁻²³ ~~18-19~~.

Justification

Sections 22-23 would impose a freeze on all aquatic farming licensing and permitting and issuance of tideland and land use leases for aquatic farming until regulations are fully implemented. This could take months, and would result in extensive delays for applicants.

For example, ADFG started working on the shellfish farming regulations now pending not long after the 1987 session and those proposals were still pending final approval by the Department of Law on the first of March. Once released by DOL, another 30 day waiting period is required before the regulations are implemented. This process, to date, has taken about eight months. These kinds of delays can be very costly to an applicant.

Besides, new shellfish farming regulations go into effect this month (April) and these should be sufficient to guide shellfish permitting during the interim. DNR has suggested that finfish and kelp farming be handled under written policies patterned after the existing shellfish regulations until the new regulations are complete.

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 6, 1988

SUBJECT: Freshwater farming of finfish
(CSSB 482 (Resources)
(5-1806N, 3/28/88 draft))

TO: Senator Arliss Sturgulewski

FROM: Edward H. Hein *EHA*
Legislative Counsel

You have asked several questions about proposed Sec. 16.40.100(e), at page 2, lines 22 - 26 of the draft CS. Your questions and my responses follow.

1. What is the definition of "privately owned freshwater body?" There is no definition. I presume that it means a body of water, either natural or artificial, that does not contain saltwater and that is not owned by the state or by the federal government.
2. How would this definition apply to a man-made pond, a naturally occurring pond, or a man-made structure such as a tank? All of these could be within the definition in number 1 above.
3. Would this section allow artificially created saltwater to be used in a pond or tank, as opposed to saltwater pumped from coastal waters? No. This is a continuing requirement that it be a freshwater body. Once saltwater is used, it is no longer a freshwater body.
4. What is the definition of a state-owned body of water? State-owned means a body of water within state limits that is not owned by the federal government, by a Native corporation, or by another private person.
5. How far does the restriction prohibiting the outlet of water to a state-owned body of water extend? For example, would an outfall into coastal saltwater be allowed? Would a

Senator Arliss Sturgulewski
Page 2
April 6, 1988

discharge into the ground that may eventually merge with a stream, river, or lake be allowed? Assuming that a fish farming operation had to change water in this privately owned freshwater body, under what circumstances could this be accomplished?

"No outlet to a state-owned body of water" means that the privately owned body of water is self-contained and does not flow directly into state-owned water. The purpose of the restriction, I presume, is to prevent fish from escaping from an aquatic farm or hatchery and swimming into state-owned water. Thus, drainages into groundwater and other sorts of discharges that do not allow for fish to travel into state-owned water would be allowed. All of this is a presumption on my part because I do not know precisely what the sponsor intended. The language is derived from Sec. 2, ch. 70, SLA 1987. I do not know precisely what the intent of that language was either. There may well be some ambiguity here. Other language might work better to achieve the sponsor's intent, depending on what that intent is.

6. Would a permit be allowed under this section for freshwater farming on public land? Yes, as long as it met the other requirements. For example, a freshwater tank could be located on state land as long as it doesn't flow into state-owned water.

If you have further questions about this matter, feel free to contact me at your convenience.

EHH:gc
WKG2:098

4.

(a) O.K.

(b) In approving a permit request consideration will be given to the compatibility of a proposed project with the traditional, historical or existing uses of an area.

(c) In approving a permit request consideration will be given to the upland management policies.

ALLOWED

1. Farms
 - All shellfish
 - All finfish except Pacific salmon in saltwater
 - Cod
 - Halibut
 - Steelhead
 - Arctic char
 - Sheefish
 - Trout
 - Coho (freshwater)
 - Chinook (freshwater)
 - Sea vegetables
2. Hatcheries
 - Shellfish
 - Finfish

NOT ALLOWED

- Pacific salmon in saltwater
- Atlantic salmon

ALLOWED

1. Farms
 - Shellfish
 - Freshwater finfish in private ponds
 - Trout
 - Char
 - Sheefish
 - Coho
 - Chinook

NOT ALLOWED

1. Farms¹
 - Pacific salmon in saltwater
 - All other saltwater
 - Cod
 - Halibut
 - Char
 - Steelhead
 - Sea vegetables
2. Hatcheries (for-profit)
 - Shellfish
 - Finfish

¹Farms for some or all may be legal, subject to approval by Board of Fisheries Court action could be expected depending on board action.

Alaska State Legislature



SENATOR
ARLISS STURGULEWSKI

Chairman, Senate Community and Regional Affairs Committee
Vice-Chairman, Senate Judiciary Committee
Member, Senate Resources Committee

2957 SHELDON JACKSON STREET
ANCHORAGE, ALASKA 99508

While in Juneau
P. O. BOX V
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Senate

MEMORANDUM

April 12, 1988

TO: All Members
Senate Resources Committee

FROM: Senator Arliss Sturgulewski (b)

RE: SB 482 Aquatic Farming

Some confusion seems to have arisen over the land use management provisions in SB 482 since the last meeting of the Resources Committee. We have dealt with three draft committee substitutes, numerous amendments, and a five-page packet of land use options.

Given the large number of alternatives offered, it is not too surprising that some confusion exists.

For example, I was surprised to discover upon further examination that the amended bill now pending before this committee contains no provisions for a public notice of initial issuance of an aquatic farm tidelands permit. This needs to be corrected since renewals of tideland permits do fall under the broad public notice provisions.

Consequently, I have prepared an amendment (attached) that would require that initial issuance of a tideland or land use permit for aquatic farming come under full public scrutiny.

Some are maintaining that the amended version of SB 482 is weak and would not provide for adequate public involvement. It might be useful to examine what happens now when someone applies for a tideland permit, and what additional steps aquatic farmers face under this legislation.

Tidelands Permitting Now--All applications for a tidelands or land use permit now are noticed as part of the Army Corps of Engineers permit for structures placed in navigable waters. The notice covers the Department of Natural Resources (DNR) permit and the Department of Environmental Conservation's federal Clean Water Act requirements. The 30-day notice must be placed in a "newspaper of common distribution in the affected area."

Upon receipt of a request for a public hearing, the Division of Governmental Coordination in the Office of Management and Budget is

required to hold a hearing in the affected area only if it "finds that the request is based on concerns not already addressed in the review."

Requirements of Aquatic Farms under SB 482--Should the committee adopt my attached amendment, SB 482 would require the issuance or renewal of an aquatic farm permit (a temporary use permit) be noticed in the following manner:

- newspaper of statewide circulation;
- newspaper of general circulation in the vicinity of the proposed farm;
- one or more of the following:

1. public service announcements on TV or radio in the area;
2. posting in a conspicuous location in the vicinity of the farm;
3. notification of parties likely to be affected; or
4. another method calculated to reach the affected public;

- municipality in which the project is located;
- if not within a municipality, regional Native corporation, Native village corporation and postmaster of a permanent settlement of more than 25 persons located within 6 miles; and
- regional fish and game advisory committees and coastal resources service areas.

Even though SB 482 no longer requires a public hearing for each permit, the legislation appears to have the most extensive public notification requirements in statute for any action regarding state land. The amended bill should become a model for other tideland and land use permitting programs.

Senator Coghill's amendment adopted earlier by this committee directing DNR to prepare a land use management report will trigger legislative oversight of the agency's implementation of SB 482.

I would also like to point out that mariculture development is being addressed in numerous land management plans now in process. For example, the attached excerpt from the draft area plan for Prince William Sound shows extensive consideration of mariculture in land use management. The plan and a similar document for Prince of Wales Island contain numerous restrictions on mariculture facilities. I would also call your attention to the Etolin Island Area Mariculture Pilot Project Draft dated March 1988.

Important in the land use management process is Alaska's coastal management program which has been strongly supported in the past by fishing and environmental groups. Among other provisions, this process requires proposals for use of state tidelands to found consistent with the state's coastal management plan. Proposals also must be found to be consistent with local coastal management plans.

I am pleased that the current version of SB 482 so strengthens public involvement in the siting process without tying the hands of land managers and strangling the industry with inflexible permitting processes.
Attachment

PROPOSED AMENDMENT

Page 14, line 10:

(c) Before issuing or renewing a permit under this section, the commissioner shall allow interested persons to submit written or oral testimony concerning the issuance or renewal to the commissioner within 30 days after the date of the notice. The commissioner may hold a hearing to take testimony.

PROPOSED AMENDMENT

Page 15, line 16-17, delete, insert following:

(6) issuance or renewal of a tideland or land use permit for an aquatic farm or related hatchery under AS 38.05.856.

PROPOSED AMENDMENT

Page 15, lines 25-29, delete.



Prince William Sound Area Plan
PUBLIC REVIEW DRAFT

NOVEMBER 1987

PLANNING TEAM

The Prince William Sound Area Plan was prepared by an inter-disciplinary planning team representing state agencies with land management responsibility in the Sound and representing the U.S. Forest Service. The Forest Service manages most of the federal land in the planning area. The planning team was coordinated by the staff of the Resource Allocation Section of the DNR Division of Land and Water Management.

DEPARTMENT OF NATURAL RESOURCES

Judith M. Brady, Commissioner

Division of Land and Water Management, Resource Allocation Section

Tom Hawkins (Division Director), Veronica Clark (Section Chief), Robert M. Loeffler (Project Manager), Yvonne Wu Goldsmith (Project Staff beginning July 1987), Karen McGuiness (Project Staff through July 1987), Rob Walkinshaw (Project Staff through July 1987), Frank Rue (Areawide Policies), Dick Mylius (Selections), Susan Peck (Graphics), and Elaine Thomas (Graphics)

Division of Land and Water Management, Southcentral Regional Office

Bruce Stafford

Division of Forestry

Dan Kethum

Division of Parks and Outdoor Recreation

Al Meiners

Division of Mining

Jerry Gallagher (Division Director)

DEPARTMENT OF FISH AND GAME

Al Carson with assistance from Kim Sundberg

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

John Hildebrand

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

Susan Cook

U.S. DEPARTMENT OF AGRICULTURE, FOREST SERVICE

Dalton DuLac (Forest Supervisor, Chugach National Forest), Fred Patten, Leo Keeler, Bob Wilhelm

MARICULTURE

Goals

Economic Opportunities and Community Development. Opportunities to increase income and diversify the state's economy through the use of state tide and submerged lands for mariculture.

Optimum Use of Areas. The optimum use of the most suitable mariculture areas.

Guidelines

Note: Certain guidelines apply to fin fish operations that the department cannot currently authorize under state law. Because the Alaska legislature is considering changes to these state laws, certain guidelines address these operations. The Governor's Interagency Task Force on Mariculture is considering the Mariculture issue. This plan does not address issues such as development plans that the Task Force is covering. The final plan will be made consistent with the agreements of the Task Force.

A. Mariculture and Competing Uses. Mariculture may be allowed on state tidelands where there is no significant conflict. The siting of mariculture facilities may be more difficult on crucial fish and wildlife habitat, tidelands designated for log transfer or storage, mineral transfer or access, commercial activities, or recreation (see recreation, coordination and public notice, and fish and wildlife guidelines in this chapter and Chapter 3). These areas will be available for mariculture (a) if the land manager determines that it is possible to site, design, and operate the two or more uses compatibly in the area, or (b) there is no feasible and prudent alternative for mariculture while one exists for the competing use. In no case will mariculture be allowed to foreclose access to mineral, timber, or significant recreation resources unless feasible or prudent alternative access exists. However, in some cases it may be in the public interest to concentrate uses in one bay, (i.e., pen-reared salmon and timber transfer) rather than allowing the proliferation of uses in many bays.

B. Separation Between Facilities. The siting and spacing of mariculture operations should minimize the risk of disease transmission, competition with wild stocks of fish and shellfish, and water quality degradation through separation between operators. Permit holders that may be affected by a proposed operation should be notified and given an opportunity to comment.

C. Upland Owner Support for Mariculture Objections. Upland owners are encouraged to identify areas where mariculture (including upland facilities) should and should not be developed and to communicate their conclusions to the department and to the mariculture industry.

D. Mariculture Caretaker Facilities. Floating caretaker facilities for mariculture operations are allowed in areas where there is no significant competing use. Floating caretaker facilities for mariculture operations will not be allowed in designated recreation or personal use areas unless the regional manager determines that there is no feasible or prudent alternative. The determination will be made available for public comment.

E. Siting Near Anadromous Fish Streams. Mariculture facilities will not be sited within 300' of the mouth of a catalogued anadromous fish stream at Mean Lower Low Water without the approval of ADF&G.

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

MARICULTURE

Goals

Economic Opportunities and Community Development. Opportunities to increase income and diversify the state's economy through the use of state tide and submerged lands for mariculture.

Optimum Use of Areas. The optimum use of the most suitable mariculture areas.

Guidelines

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F. Performance Standards. The Regional Manager will attach reasonable performance standards to the permit or lease for project development and operation. The performance standards are to ensure the permitted area is used for the approved activity, the proposal is economically viable, and the permit is not held for speculation or removal of a land base from competition. In all cases the approved development plan must be adhered to. If the performance standards are not met, the permit or lease may be cancelled.

G. Development Plans. A development plan will be required before a lease or permit application for mariculture facilities is approved. The preferred approach is for the application and development plan requirements to serve (at the minimum) as the basis for DNR, ADF&G, DEC, ACMP, and upland owner review. The development plan will be consistent with applicable agreements established through the Governor's Interagency Task force on mariculture.

H. Preferred Storage Sites. Because they are less biologically productive than salt marshes and tideflats, gravel and sand beaches are generally the preferred sites for onshore storage of shellfish while waiting for PSP test results and shipment.

I. Siting Floating Facilities to Avoid Grounding. Except where specifically allowed, floating facilities will not ground at mean lower low water.

J. Mooring Floating Facilities. Shoreties will not be used for anchoring mariculture facilities in significant public access, public recreation, or personal use areas unless doing so decreases the conflict between the mariculture facility and these public uses.

K. Coast Guard Approval. Permits or leases will not be given until the U.S. Coast Guard has certified that the proposed facility will not be a significant navigational hazard.

L. Other Guidelines Affecting Mariculture. Other guidelines will affect mariculture management practices. See in particular the following sections of this chapter.

- Coordination and public notice
- Fish and wildlife habitat
- Public access
- Recreation, tourism, cultural and scenic resources
- Transportation and utilities
- Shoreline development

Land Allocation Summary

Mariculture includes a variety of operations. Each type of mariculture has its own set of environmental and processing requirements and creates its own unique impacts, problems, and opportunities. The needs and impacts for growing seaweed on a rope or salting a beach for clams are likely to be quite different from more developed "sea farming." Some may require little or no land area; others may require a significant area for processing and caretaker facilities.

Because of the difficulty in identifying areas suitable for the variety of mariculture types, the plan does not designate areas for mariculture. Rather, the plan indicates the management intent for each area. Mariculture may be allowed on state tidelands if it can be made consistent with the intent. For example, the plan may indicate the primary intent for a particular area is a log transfer site. Mariculture may be allowed if the ability to use the area for log transfer operations is maintained. The