

MADE IN ALASKA

MARICULTURE

ALASKA DIVISION of
ECONOMIC DEVELOPMENT

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TO OPPORTUNITY

ALASKA
DEPARTMENT OF
COMMERCE,
COMMUNITY
AND ECONOMIC
DEVELOPMENT

Alaska Mariculture Task Force
Meeting Minutes

Monday, May 28, 2020 @ 9:00am – 1:00pm AST

DUE TO COVID-19: ONLINE MEETING ONLY

1) Roll call (Chair Decker calls meeting to order at 9:06am AST)

MTF Members Present (all online)

Julie Decker (Chair) – AFDF, Heather McCarty – Central Bering Sea Fishermen’s Association, Angel Drobnic – APICDA, Jeff Hettrick - Alutiiq Pride Shellfish Hatchery (late), Eric Wyatt – Blue Starr Oyster Co., OceansAlaska and ASGA, Sam Rabung – ADFG, Ginny Eckert – ASG, Mike Stekoll – UAS/UAF, Melissa Good – ASG, Ed Douville – Shaan Seet Corp, Craig (late), Kate Sullivan – SARFPA (late).

Public Participants Present

Riley Smith – AFDF, Erik O’Brien – Denali Commission, Molly Zaleski – NOAA, Wiley Evans- Hakai Institute, Danielle Blacklock – NOAA Director Office of Aquaculture, Kristen Ceicil – NOAA, Flip Pryor – ADFG, Hanna Wilson – ASG Fellow, Tommy Sheridan – Prince William Sound Aquaculture Corporation, Alicia Bishop – NOAA, Tomi Marsh – OceansAlaska, ASMI, Michelle Morris – ADFG, Andrew Miller – ADNR.

2) Conflicts of Interest Declared

Chair Decker passes Chair duties to Vice-Chair McCarty to declare Decker’s potential conflict of interest as a seaweed farm applicant.

- Decker – applied for a seaweed farm during the 2020 application period with ADNR/ADFG.
- McCarty – My understanding is that the Chair needs to rule if this is a conflict of interest enough to recuse Decker as the Chair of the MTF. I do not believe that this is an actual conflict of interest since Decker will not receive financial compensation or consideration above any other aquatic farm applicant, and each application will be reviewed objectively.
- Eckert – portion of MTF is comprised of industry who bring valuable perspective and input.
- Drobnic – Decker will be able to keep a degree of separation from role with MTF and personal interests in the industry.

McCarty (Chair) rules that there is no conflict of interest with Decker’s position as Chair and member of the MTF. Chair is given back to Decker.

- McCarty – Declares a potential conflict of interest. McCarty was part of a project to develop an application for a mariculture operation for Golden Harvest in Adak for seaweed and geoducks.

Decker (Chair) rules that there is no conflict of interest with McCarty's position as Co-chair and member of the MTF, due to consulting of the Golden Harvest's Adak aquatic farm application, because there is no substantial financial benefit to McCarty from the development of this farm and each farm application will be review objectively based on its own merit.

3) Review and approve agenda (5 mins)

Motion (McCarty/Rabung) to approve agenda. Agenda approved with no objections.

4) Review and approve minutes: April 10, 2020 (5 mins)

Motion (Eckert/Rabung) to approve April 10, 2020 minutes. Minutes approved with no objections.

5) Public introductions & comments (5 mins)

- O'Brien – work of the Denali Commission, in a position of dispersing funding with interest in mariculture. Have an existing oyster farm in Larson Bay and a permit in Uyak Bay (Kodiak), partnered with others in Kodiak for a new farm application.
- Bishop – NMFS Alaska Region recently developed two new aquaculture webpages. I would like to get your feedback, and/or identification of additional resources that would be helpful.
 - [Alaska Region Aquaculture](#); [Aquaculture Permitting in Alaska](#): includes Best Management Practices applicants can build into their applications to reduce impacts to Essential Fish Habitat. We will soon be posting similar measures to reduce impacts to endangered species and designated critical habitat under NMFS's jurisdiction); and [Aquaculture Funding Opportunities and Grants](#).

6) Updates by MTF members (45 mins):

a) Oceanium discussions towards biorefinery demo plant in Alaska con't, Fagnani introductions

- Decker – Oceanium is a company based out of UK and is interested in coming to Alaska to explore opportunity to make bioplastics out of Alaska kelp. Would need a minimum of 10 million pounds of kelp a year. Alaska is one of three locations targeted for this pilot plant. Ongoing information exchange exists on where farms are currently situated within Alaska, amount produced by region, company names, etc. Matt Fagnani (DCCED) will be heading initial meeting with Oceanium to scope out potential operation and needs in Alaska.

b) SK grants 2020 awarded (see attached); pre-proposals due in summer

- Decker – AFDF was awarded funding for project titled, *Hatchery Capacity & Technology Development to Secure Oyster Seed Supply in Alaska*. FY21 SK funding opportunity will be announced in June.

c) PWS "build to scale" kelp consortium/coop/mobile hatchery (Hetrick)

- Hetrick – kelp mariculture hatchery and resources committee submitted a grant application to EDA for economic development. Remote portable hatchery facilities, growing 3 different

species of kelp, processing, product stabilization, marketing from raw to finished products. Plan to host a hatchery training workshop in September or October in Seward. Planned kelp hatchery activities in Seward shellfish hatchery when kelp is ready.

- O'Brien – many similarities between Denali Commission mariculture priorities and this project. See value in funding a site visit or “road show” to bring hatchery operators together and visit each hatchery in Alaska. Best practices guidelines for all hatcheries as outcome.
- Wyatt – WA state in litigation on how the Army Corps of Engineers were applying Nationwide oyster farm permit (NWP48) in lower 48 (lack of sufficient environmental scrutiny in 2017 permits).
- Bishop – Main concern is for existing farms that were previously permitted under NWP48 in WA. Alaska does not have existing programmatic under this, most of Alaska's authorizations are completed under of letters of permission and individual permits. Important to monitor this and potential impacts for Alaska since WA state is in the same district court.
- Wyatt – current Army Corps permit for oyster farm and hatchery is NWP48.

Task (Wyatt/Bishop): Share current Army Corps permit, continue discussion and monitoring of this in WA state. Update MTF with any news.

d) Denali Commission investment interest & discussions spurred (hatchery expansion, processing expansion, market assessment & feasibility)

- O'Brien – Denali Commission tasked with building infrastructure in rural Alaska. Broad mandate allows for seed funding into mariculture. Mariculture identified as a strong opportunity to trigger economic activity for coastal Alaska. Targeted projects: 1) mobile hatchery pilot, \$60,000 (PWS), 2) primary processing pilot \$50,000 (SEAK) and 3) marketing study, \$75,000 (all of Alaska – where scalable volumes of kelp will have outlets, including price points). \$195,000 approved from Denali Commission for this work.
- Effort underway with WA state PNNL lab to run contaminant and nutrient profiling of Alaska kelp as it relates to marketability and product forms.

e) ADNR report on new aquatic farm lease applications submitted in 2020

- Miller – 17 new aquatic farm applications (plus one amendment application). Majority are for kelp with a handful for oysters and geoduck as well. Two more ADNR staff on board to review aquatic farm applications. Goal is streamline review process to within a year from receiving application.
- Morris – 17 applications, 9 from SCAK (8 from Cordova), 5 from SEAK, 3 from Westward (2 in Kodiak 1 in Adak). Sum acreage applied for = 200 SCAK, 200 SEAK, 220 for Westward. Total of 620 acres.

Task (Miller): send comprehensive breakdown of 2020 aquatic farm applications to MTF once publicly available.

f) COVID-19 updates from AFDL, AK CARES Grant (biz & NP), \$50 M, SBA EIDL

- Decker – state is opening up AK CARES Grant for businesses and non-profits on June 1st. If you received federal funds from PPE or SBA EIDL grant loan program you are ineligible. \$50 million coming to the state from the feds for fisheries, seafood, charter fisheries, aquaculture.
- Rabung – (\$50 fisheries million relief fund): Deputy Commissioner Rachel Baker is taking lead. PSMFC will be in charge of distributing funding. Benefits from program cannot exceed losses, cannot stack-benefits from multiple programs. Preliminary eligibility is that recipients have to demonstrate a 35% loss in revenue relative to 5-year average sales. Waiting for more guidance from NOAA.
- Decker – all funding opportunities are changing and moving targets.

Task (Rabung) will inform MTF if eligibility for \$50 million relief is tied to 5-year sales or less.

g) Alaska Sea Grant updates: Aquaculture grants, COVID activities, ASG Fellow, other

- Eckert – COVID: ASG has been providing economic and marketing support for fishing and mariculture industries. Several webinars, direct marketing class, help individuals access federal funding. Offering online HACCP class - first class is May 29th, 2020. Melissa Good surveyed impacts of COVID on mariculture industry ([article on website](#)). Partly as a result, NSG wanted to offer support and funding for COVID relief. NSG shifted some remaining FY20 funding from previously planned Aquaculture competition and other categories to COVID response for mariculture industry as identified by each of the state Sea Grants. ASG received \$100,000 from NSG with 50% match from ASG.
- Good – “Farm-to-table movement”. 1-year funding focusing on developing consumer-driven educational materials, capstone of seaweed and oyster festival to promote Alaskan eating Alaska seafood. Festival is planned go over 5-day period and end with live in-person event on last day. Species factsheet (oysters, Alaria, sugar kelp), consumer guides, recipe cards, videos (cooking oysters, shucking oysters).
- Eckert – much industry has reached out to restaurants and retailers to carry Alaska oysters. Already showing impact. Non-competed funds (guaranteed). NSG has been very active in aquaculture realm. Hanna Wilson is new ASG state fellow.
 - Wilson – new to mariculture, background in National forest management and policy issues. Finishing Master of Science at University of Montana.
 - Eckert – work plan initially did not include any COVID related restrictions. Her initial duties will include website updates and support with the farm-to-table project.

h) NOAA workshop final report (Bishop)

- Bishop – Joint aquaculture action plan between NMFS science center and regional office is in the works to help further these initiatives.

i) Federal Executive Order signed May 7, 2020

- Decker – President signed an E.O. on May 7th, 2020. Supports U.S. economic growth via seafood industry and aquaculture. If applying for federal grant, please point to this E.O. in order to point federal agency to this directive.

j) Federal AQUAA Act introduced March 11, 2020

- Decker – MTF should review and determine if we support or advocate for changes.

k) Legislative Workgroup:

- MTF submitted comments opposing ADEC PSP fee increases
 - Decker – legislature reconvened to approve the AK CARES Act funding, however, did not pick up any bills. Bills may be taken up in the Fall. Legislators have noted that if there are opportunities for bills to be put in front of legislature again, CSHB41 will be heavily considered.
- Senate Finance Committee met Mar. 24th and heard CSHB 41 (version O); Legislature recessed on March 29th w/o passing bills; submitted MTF letter of support.

7) Presentations (45 mins):

a. Wiley Evans, Ocean acidification presentation, Hakai Institute (at 10:30am)

See presentation sent out prior to meeting.

b. Danielle Blacklock, Director, Office of Aquaculture, NOAA Fisheries

- Blacklock – at this juncture, recent E.O. should be used as suggested (to demonstrate federal support for aquaculture). If relief bills are issued due to COVID or resulting economic downturn, NOAA is working towards integrating seafood into the programs. Final stages of hiring an algae researcher who will be based in Alaska to help develop Algae industry. Unknown where person will be based in Alaska.
- Decker - E.O. speaks to targeted aquaculture zones (series of identifying two potential zones, followed by environmental analysis). Are those in the EEZ? Any regions that you have targeted?
- Blacklock – the E.O. does not specify yet. This will be part of discussion in interagency group meetings of National Science and Technology Council Subcommittee on Aquaculture. Many other areas of discussions to be addressed. Regions have not been identified yet - factors will include level of industry interest and activity, previous operations and study areas, etc. All locations selected for review will be made public.

8) Old Business (45 mins):

a. AMDC Models – draft bylaws

- Decker – ARDORS (SE Conference, Southwest Alaska Municipal Conference) will be receiving automatic funding from CARES Act due to close relationship and ties with EDA. ARDORS could be involved with AMDC in ex-officio capacity. Some highlighted models include:
 - “Pay to Play” UFA model – membership fee allows for a person on the Board. Good way to involve multiple and diverse stakeholder groups.
 - AFDF or other existing entities partner with AMDC to help provide management, staffing and/or operational support in the short-term while funding issues are still existing.
 - AFDF Board open to concept and needs more specific fleshed-out ideas in order to vote on action.

- McCarty – AMDC role is to coordinate different stakeholders and guide natural evolution of industry. MTF needs to discuss whether we see it that way due to progression and evolution with all that is happening naturally now (i.e. PWS and Denali Commission initiatives). Focused meeting (subgroup) needs to meet and advertise to rest of group.
 - Decker – grassroots movement exists, and it is great, however, it emphasizes the need for coordination.
- Rabung – the new initiation of the MTF was specifically designed to set up the AMDC. That is our stated goal before sunset in summer of 2021. We need to get something on paper for it to evolve (set of draft bylaws).
- Eckert – mission statement and principles should be the first step before bylaws. Mariculture research center is directly related to AMDC.

Tasks (AMDC workgroup): will meet separately ASAP and will CC entire MTF and others on email communications in order offer full participation. Priorities are as follows: 1) develop mission statement 2) timeline 3) principles 4) structure 5) bylaws and 6) articles of incorporation. Report and recommendations ready by next meeting.

b. Hatchery Demand Projections & Analysis – need to update with 2020 info; ASG fellow or AK Fellow?

- Decker – is there a possibility for the ASG fellow to take on finishing this draft? Eckert – if the scope of work does not require detailed expertise in economic analysis (simple calculations), then this is doable for the ASG fellow.
- Drobnica – may be something that we want to layer into the Mariculture Map.
- Wyatt – future of industry is unknown due to COVID, especially for oysters in current product forms.
- Eckert – we could potentially integrate current market demand for oysters and kelp into the farm-to-table project with COVID impacts in mind.
- Morris – applications that are in queue are not included in public ADFG mapping service. 2020 applications may not want to be included in any economic analysis since the likelihood of approval and follow-through varies greatly.

Task (Decker): follow up with Eckert and Wilson (ASG fellow) on next steps and scope of work to move forward with hatchery demand projections and analysis. Provide second draft for review by MTF. Look for help within ASG or others once at point requiring economic expertise.

9) New Business (45 mins):

a) Discussion: One-Stop Shop Web Portal for Farm Lease Applications

- MA ex: <https://www.massaquaculturepermitting.org/> pw: shellfish123
 - Bishop – one-stop-web portal for farm lease applications has been brought up as a need in the Alaska Mariculture Development Plan and in the NOAA workshop. This example came together through the state of Massachusetts and Atlantic States Fisheries Commission. Funded by NOAA.
 - Eckert – this may be a great task for ASG and fellow to help with. Are state agencies on board with this?
 - Rabung – ADFG is definitely supportive of this.

- Wyatt – if we make it easier for entry, training and education is crucial in order to ensure success and follow-through.

Task (Bishop): will look into costs for website development and funding amount from NOAA for Atlantic States Fisheries Commission for this project.

Task (Bishop, Eckert, Wilson, Morris, ADNR, NOO Regional Aqua Coordinator for Massachusetts): continue pursuing this one-stop-shop web portal for farm lease applications. Meet separately and report to MTF by next meeting.

b) EVOS RFP – to be issued 12/2020, due 04/2021:

- Proposal – Stekoll – list of EVOS-related research priorities from plan
 - Decker – EVOS region is rather large (1/3 chunk of SCAK – Cordova, PWS, Kodiak, Homer, Alaska Peninsula, Sand Point, etc.). Planned on putting in a proposal with many partners, we need clarity around this. Is the MTF (or AMDC) the right lead to bring these parties together? Is this Mariculture Research Center right to build around? 5-10 year projects with review each year.
 - Stekoll – these research priorities are centered around the Plan, however, without an RFP released, it is hard to nail down the final priorities. Research workgroup needs to meet to flesh out list.
 - McCarty – EVOS Trustee is looking for programmatic comprehensive proposals, including entities that have the ability to run program. Coordinated proposals with many different research priorities and an entity that can manage all at once. Having many of competitive proposals in the realm of mariculture would not be ideal.
 - Eckert – first step may be to flesh out list of priorities with MRC designed to manage. MRC is not brick and mortar, rather a coalition of individuals coming together.
 - McCarty – PWSSC has mariculture research as a top priority. May be a natural partner. Defining a list of potential partners is also an important first step.
 - Decker – UA was the initial entity to house the MRC. We would need to identify the right UA individual to take this on.
 - McCarty – what kind of buy in or funding would be required for UA to take this on?
 - Stekoll – I do not think that there is any money to hire someone to head this in UA.
 - Eckert – ASG is moving out of CFOS. Could be great opportunity for ASG to take lead since they already administer research programs (including universities, non-profits, etc.) in addition to NOAA funds that go into calls for proposals. Funding opportunities could help build on the research center. University overhead is very high, potentially could negotiate this.
- Potential Partners (UA, PWSSC, APSH, NOAA, NVE, PWSAC, AOOS, processors, Kodiak interests, others?)

Task (Eckert): will organize a meeting of the MRC within next two weeks and CC entire MTF and other interested persons. Meeting will flesh out concept for MRC in relation to EVOS

proposal. Once developed, bring in other potential partners or interested individuals for input and collaboration. Report and recommendations ready by next MTF meeting.

10) Work Groups - review tasks (15 mins)

a. Legislative Workgroup (McCarty, Rabung, Drobnic, Decker, Hetrick)

Task (all): on standby until legislature notifies that it will reconvene. Will need to take swift action to bring awareness of CSHB41 and to make sure that all pieces are in place to move things forward smoothly.

b. Regulatory Workgroup (Rabung, McCarty, Wyatt, Decker, Sullivan, Stryker, Smith)

Task (All): Workgroup will join the discussion of the one-stop-shop for farm lease information once more developed.

c. Research Workgroup (Eckert, Stekoll, Wyatt, Foy, Decker, Sternberg)

Task (Stekoll): reach out to Wyatt, Foy and Sternberg to see if they would like to join the EVOS proposal workgroup.

d. AMDC Workgroup (Decker, Wyatt, Stekoll, Sheridan, Scheer, Marsh, Figus, Sternberg)

Task (all): set up workgroup meeting (CC all MTF). Tiered priorities of meeting will be to 1) develop mission statement 2) principles 3) timeline 4) structure 5) bylaws and 6) articles of incorporation. Report and recommendations ready by next meeting.

e. EVOS Proposal Workgroup (Drobnic, Douville, McCarty, Decker, Hetrick, Eckert, Stekoll)

Tasks (all): spearhead organizing meeting with workgroup (CC entire MTF). Meeting will flesh out concept for Mariculture Research Center in relation to EVOS proposal. Once developed, bring in other potential partners or interested individuals for input and collaboration. Report and recommendations ready by next MTF meeting.

11) Topics for next meeting (5 mins)

a. Mariculture Map improvements – by Axiom Data Science

b. AQUAA Act

c. Review reports and recommendations by AMDC and EVOS Proposal / Research workgroups.

d. FY21 NOAA SK Pre-proposals

12) Set next meeting date and time – June 24 – 30; July 20-24 (5 mins)

Next meeting date set for June 26th @ 9:00am-1:00pm AST.

13) Closing Comments & Adjournment (5 mins)

Motion (Eckert/McCarty) to adjourn meeting. Chair Decker adjourns meeting at 12:44pm AST.