

Name: Margo Reveil

President of the Alaska Shellfish Growers Association, farm owner.

Both our organization and our farm support HB116

Alaska shellfish growers have successfully worked to develop our industry with sales doubling in the last 5 years.

The industry is still in its nascent stages with only \$1.53m in aquatic farm sales (with 41 farms and hatcheries reporting sales),

but it has tremendous potential to diversify Alaska's economy and build resiliency in our coastal communities.

Industry growth is being hampered by permitting bottlenecks that could be alleviated through this legislation.

Earlier testimony discussed the flood off permit applications in 2017 2018 overburdening existing DNR staff who process lease application requests.

The resulting permitting delays are hampering industry growth, and they result in lost revenue to the state.

DNR currently processes lease renewals every 10 years using the same requirements as a new lease, this process is required even if

1. the farm has been a responsible steward of state water resources,
2. has successfully met the DNR Commercial Use Requirements, and
3. is not proposing major changes to the lease.

Additionally aquatic farm leases are significantly shorter than state land leases making business planning, and funding efforts challenging. Given that some species require 3-7 years to reach maturity, and given the significant costs required to startup a mariculture operation, a 10 year lease with a renewal process that is in fact the same as a new lease, is an unnecessary burden to growers and to agency staff.

Shellfish farming is a heavily regulated industry, with ample opportunity for agency and public input. My husband and I own a small 24 acre farm in Kachemak Bay, which we operate year round with seasonal help 2-5 workers (including our 2 sons).

We have

1. DNR Lease renewal every 10 years with periodic inspections
2. ADF&G 10-year Operation permit with periodic inspections, we are required to provide a detailed development plan which we report on annually for that
3. ADF&G Special Area Habitat Permit renewed annually
4. An Army Corps permit renewed every 5 years which includes NOAA review
5. DEC quarterly inspections (shucker Packer)
6. Annually FDA inspection for Vibrio compliance
7. And we must comply with all Coast Guard requirements as well.

Each of these agencies has its own mechanism for responding to and processing public input. A significant part of my time is spent managing agency relations.

This is a very modest bill which would accomplish several positive changes:

- 1) reduce the workload for ADNR staff, and make on-water leases more similar to land leases in terms of process.
- 2) prioritize ADNR staff time on new farm lease applications and managing the program
- 3) give more certainty for existing farmers who have invested in site infrastructure during the first 10-year lease and slightly reduce their application time.

I know opposition has been brought up regarding farm size and lack of public input. New farm applications and 2nd renewals retain the extensive public input component where farm size and any resource sharing issues are addressed, this bill just gives DNR the ability to process a single lease renewal faster if the leasee is in good standing.

Thanks you for considering support of this bill.