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**RE: LD 1416 An Act Regarding  
Interstate Shellfish Depuration**

Senator Baker, Representative Kumiega, and Honorable Members of the Joint Standing Committee on Marine Resources

My name is Tom Howell and I am co-owner of Spinney Creek Shellfish. Since 1983, Spinney Creek Shellfish has been an innovative, small, Maine business serving the needs of harvesters, employees, and customers. We are entirely privately owned and operated, have mortgages on the business property and monthly payments on trucks, processing equipment, and improvement to our facility. Over the years, we have worked hard with both the Maine DMR the Maine Legislature to make depuration more compatible with Municipal Clam Management; setting forth workable framework for pollution abatement closures, engaging local harvesters, and 'best in the business' clam management practices.

We have continued to re-invest in our business. Most recently, we have developed an innovative viral depuration process that opens permanently-closed growing areas in Maine. This process has produced good results and harvest opportunities for over 20 Maine harvesters over the past 4 years. This effort have proven critical to our viability as a Maine business. Currently, the clam industry overall is under tremendous pressure as the cycle of clams is at its low on the North Shore of Massachusetts, Southern Maine, Casco Bay and Mid-Coast Maine and most flats are depleted. In addition, many of the traditional depuration areas have been upgraded to rainfall conditionally approved in both Maine and Massachusetts and this has left both plants struggling to source product.

The Plum Island Depuration Facility is owned and operated by the Massachusetts Division of Marine Fisheries (DMF). This facility, built in 1927 is antiquated with an equally antiquated mission. They charge a standard fee is \$6.00 per rack, to depurate and test clams as a service to their industry. This fee is so far beneath the actual cost of depuration and testing that it represents a *perverse subsidy* which can lead to over-exploitation of resources. Has this *perverse subsidy* led to over-exploitation of Massachusetts clam resources? Are they planning on doing the same in Maine? It is also an illegal state subsidy when it potentially discriminates against out of state competition by setting the rack fee so far below actual costs. The Plum Island facility has an operating budget of \$500,000 in a state-owned and maintained facility. The proceeds from their

standard rack fee is intended to offset this budget but consistently loses more than \$300,000 per year, made up by Massachusetts taxpayer. It is hard to imagine this Soviet-era business model persisting in this day of privatization and free trade. Why don't they just raise their rack fees to \$25.00 per bushel or more and get their operation in the black? Old political connections run deep in Massachusetts and a legislative committee decides what the rack fee should be.

I am quite familiar with the Plum Island Facility. In its present form, it could *not* be certified. It would take significant facility and operational change to bring this facility up to minimum plant sanitation and operating standards. For example, they do not cull the product, rather, they spray the racks of clams on a conveyor/spray box machine. Dead and broken clams in those racks have not been culled out, are still contaminated as dead and injured clams do not dehydrate, and may be in partial decomposition as process water temperatures range from 55 to 60°F. To say this operation smells bad is an understatement. It is the result of an inherent conflict of interest that Massachusetts DMF is the owner, operator, employer, inspector, and overall regulator all at the same time.

Massachusetts has significant shellfish resources in contaminated growing waters that are underutilized. I have observed this first hand in the Taunton River, Mount Hope Bay, and Salem Sound. We have ample, unused capacity and viral deuration technology that would enable us to process shellstock from restricted growing areas in Massachusetts. Giving the Commissioner the legal framework to negotiate a reciprocal deal between Maine and Massachusetts would only make good sense and protect Maine from being on the wrong side of a bad trade deal. Likewise, insisting on fair market rates for deuration and ancillary services to protect against perverse subsidies as well as subsidies discriminating against Maine companies would be paramount to fair trade. Bring the Plum Island Facility up to plant sanitation and operating standards for consistency with the National Shellfish Sanitation Program and protect Maine reputation and interests.

Please support this bill and give our Commissioner the authority to level this playing field. Consider the message that *not* supporting this bill would pass along to business investors and companies planning on moving into or expanding in Maine. Spinney Creek Shellfish is a model of innovative small business, making Maine look good to the outside world, with a proven record of creating jobs and harvester opportunities. Please protect us against a trade deal that loses jobs in Maine to support an out-dated, state owned and operated seafood processor in Massachusetts.

Thankyou!