



Testimony of the Island Institute in Support of LD 1286, Resolve, to Establish the Blue Economy Task Force ...

April 11, 2023

Senator Curry, Representative Roberts, and members of the Committee on Innovation, Development, Economic Advancement, and Business, my name is Nick Battista, and I am offering this testimony on behalf of the Island Institute generally in support of the ideas expressed in LD 1286 but would suggest that the proposal needs substantial changes in order to achieve its desired goals or provide high value information to the legislature and the State.

The Island Institute is a 40-year-old nonprofit organization based in Rockland, Maine. We work to sustain Maine's island and coastal communities by building economic, climate, and community resilience. We have long, deep relationships with the people who work on the ocean and others who are leaders in the blue economy. Throughout the history of our organization, the Island Institute has partnered with individual fishermen, coastal and island business owners, educators, researchers, policy makers, and other community stakeholders to leverage resources and technical expertise in support of resiliency in the face of a changing marine economy.

Through the Island Institute's programmatic work, we have helped fishermen start more than 30 successful aquaculture businesses, resulting in millions of dollars in additional revenue to Maine's island and coastal communities. This year, some of these fishermen made more from the kelp they grew than from the lobsters they landed. In addition, research institutions such as Bigelow Laboratory for Ocean Science are at the forefront globally of research to help establish the environmental benefits of kelp aquaculture.

Maine is a national leader in electric outboards for working boats, and this summer, there will be multiple working boats powered by electric outboards on the water. In addition, we are proud to partner with the Maine Community College System, Kennebec Community College, the Midcoast School of Technology, Maine Electric Boat Company, and Bayside Marine in developing the first in the nation course on electric boat motors to help train the next generation of marine mechanics.

We are excited about our work to lead the first greenhouse gas emissions assessment of the lobster supply chain and the identification of opportunities for businesses to improve their bottom line while reducing carbon emissions. A lot of innovation is happening in Maine coastal communities, driven by fishermen, their families, and their community members.

This innovation is happening largely because Maine's marine economy is vital to our State. In 2021, the lobster fishery alone represented \$725 million to the harvester – all of that revenue went to independently owned, small family businesses that collectively employed about 10,000 people on the water and supported another 5,500 throughout the value chain. Yet, in 2022, Maine lobstermen faced a \$350 million decline in value for the lobsters they landed.

Lobster fishing is exceptionally important to specific communities. 10 communities account for half of Maine's total lobster landings. 4 ports see 25% of the State's landings – Stonington, Vinalhaven, Friendship, Beals. The remaining top 10 include Spruce Head, Harpswell, Southwest Harbor, Milbridge, Harrington, Steuben, and Portland.

20% of the approximately 5000 lobster licenses are held by people living in 5 communities. In some of Maine's year-round island communities, more than 10% and in a few communities, even more than 20% of residents have a lobster license. Reliance on lobster generally increases as you go east and as you go down peninsulas and out to the islands.

Recent research done for the Island Institute shows that when comparing the communities most dependent on the lobster fishery to communities of similar size and population age structures, the communities dependent on the lobster fishery have higher incomes and lower poverty levels. However, those same communities are smaller, slower growing, older, have higher rates of self-employment, and have fewer employment opportunities than the average Maine community. Lobster fishing has brought both prosperity and vulnerability. The future of Maine's marine economy is the future of the State's small coastal communities.

Over the past 3 years, significant work has been in the blue economy space, including robust stakeholder processes resulting in specific recommendations. Implementing the recommendations from each process requires the ongoing engagement of stakeholders and a deep understanding of the context and tradeoffs identified through the process. In addition to the three stakeholder processes and reports identified in the legislation, highly relevant information and recommendations about the blue economy can be found in Maine Won't Wait, A Four Year Plan for Climate Action; the reports of the Economic Recovery Commission; and the State's 10-year Economic Development Strategy. Each of these plans had broad participation from across segments of the Blue Economy and other areas. Additional direction for this task force to help ensure stakeholder participation in those processes is meaningfully recognized would be appreciated.

Additionally, it is worth noting that "blue economy" is a vague term without a clear definition, making it challenging to determine what is within the scope of this task force and what isn't. Specifically, it is unclear if working waterfront infrastructure, recirculating aquaculture systems, and coastal salt marsh restoration are within the scope of the definition.

Finally, as an organization referenced explicitly in the proposal, we wanted to note that we generally participate in state task forces, commissions, advisory groups, and other processes likely to impact coastal and island communities. If LD 1286 passed, particularly in some amended version that addresses our concerns, we would participate. Please see the following page for additional, specific concerns with the language of LD 1286. Again, while the Island Institute broadly supports efforts to further Maine's marine economy, we believe the proposed task force would be more effective in an amended format.

Specific concerns with the language of LD 1286

Section 2 (2) Taskforce Membership - Additional representation is requested from the following:

- The fisheries sector, with particular attention to the diversity of geography and fishery type. As currently drafted, membership is heavily weighed by nonprofit and research institutions.
- Stakeholders engaged in the blue carbon and salt marsh restoration work. Additional clarity is also requested to ensure work focused on restoring coastal ecosystems is included in the scope of the taskforce, as there is excellent work happening in this sector in the State.
- An entity with expertise in investment regulations who can help address the regulatory barriers to the growth of the blue economy poised by investment rules.

Section 5(1) Opportunity to expand the blue economy

- 5(1)(D) Quantifying growth opportunities – SEAMaine has started some of this work, but it is expensive and hard to do. We recommend adding clarity to prevent duplication and focusing on sectors not covered by SEAMaine.
- Explicitly include rural communities that currently depend on the blue economy and face significant community-level vulnerability to climatic, regulatory, or environmental changes. Recommend adding this as an explicit consideration in a new Sec 5(1)(E).

Section 5(2) Constraints to growth

- 5(2)(A) Reviewing federal regulatory constraints is too broad for this task force. We would suggest confining the scope of the task force to things the State can control.
- 5(2)(B) Reviewing constraints on the growth of the blue economy posed by State agency administrative processes should be clarified so as to not include a wholesale review of the State's administrative procedures act.
- 5(2)(C) Recommendations to amend environmental regulations to facilitate the growth of the blue economy should be further specified as to which environmental regulations and/or should be clarified to be focused on what the State can do – either through its own regulations or through the state implementation of federal laws.
- Consider whether the membership of the task force would have the right knowledge to develop recommendations about state agency structure. Defining which State agencies are included in the scope of this review would also help stakeholders understand how to participate in the taskforce activities.

Section 5(3) Strategies to attract investment to the State

- 5(3)(A) Additional significant and relevant work to the Blue Economy can be found in Maine Won't Wait, the State's climate action report, and the reports of the Economic Recovery Commission and in the State's 10 Year Economic Development Strategy.
- 5(3)(B) Identifying threats to the Seafood economy from climate change should be linked to, built on, or done in conjunction with the work of the Maine Climate Council and informed by the work of the Climate Council's science and technical subcommittee.