

Hello,

My name is Jeff Auger, I am the VP of US Farming Operations for Atlantic Aquafarms USA. I am a board member of the Maine Aquaculture Association and President of the East Coast Shellfish Growers Association.

4 years. It takes 4 years for an individual in Maine to receive a lease. This is the single greatest hurdle our industry faces in our State, and one that no other stakeholder that comes before this council must deal with or would tolerate. Please understand it also takes on average, about a year and a half to grow our crops...so we are talking 5 ½ years before a new business can generate any revenue.

What would the reaction be in front of this council if it took lobsterman 4 years to receive their license from the state? How many individuals would be packing your halls arguing for a change if Elvers, Diggers, and Fisherman were delayed 5 ½ years from making any money?

The lease structure in Maine is preventing the entry into the industry for new companies, essentially rewarding those of us (myself included) who have leases. At least we can wait knowing we generate some revenue, but the State is missing a critical opportunity to replenish our working waterfront with young, ambitious, and hard working professionals. One year after receiving our latest lease our company hired 3 more full time individuals and sold a million more oysters. The market is there. The people are here. We can replenish our working waterfront through aquaculture if we are simply allowed to operate within the law we have. That is all we ask.

I want to thank Rep Reilly for bringing this bill before you. Too often we are in front of this council fighting for our very existence. Just last year we were here talking about a proposal submitted to eliminate diploid oysters. Our Bristol company, Muscongus Bay Aquaculture, **only sells Diploid oysters**. This proposal would not only have put us out of business, but our hatchery (which supplies seed to over 250 farmers) as well. Thankfully it was defeated, but this highlights the atmosphere we have existed in for the last 10 years, one in which every year there is an existential threat to our livelihood. Rep. Reilly has brought forward a solution, one that recognizes the structure we operate in is one that no industry should. A structure that needs to be fixed and I greatly appreciate his efforts to try and remedy one aspect of the unfair environment we are in.

Our Company, Atlantic Aqua Farms USA, operates two oyster farms/hatcheries and one distribution center in Maine. We employ over 80 full time individuals between these three organizations, all run and staffed by local Mainers (myself included). Throughout our years of operating we continue to innovate: aquaculture is constantly changing, with new techniques and practices being developed every season...we are constantly improving our practices. As such our farms are ever evolving. We tie different knots, use

alternative rope, might have a better mooring system or have new tie downs on gear. These changes to our operations are part of operating in a responsible manner. **LD 1596** allows for farms to function. Lately the Department has been requiring amendments from us for some very minute operational changes. This is not a sustainable way to regulate an industry and will flood the state with yearly requests/modifications. If a lobsterman puts a new hauler on his vessel does he need the state to approve it?

The Department has made great strides in recent years and I really appreciate the outreach, focus, and effort they have brought to our industry to tackle often very tricky issues we have. It has been refreshing in the last few years to see the shift in how our State is run in terms of its professionalism, but this is one area I think we are missing on. **LD 1596** seeks to remedy this.

All of this is an outgrowth of the lengthy leasing process. If we were able to effectively and efficiently process leases there would be no need to use amendments for changes...we could exist in a world where a new lease could take a couple months, and facilitate the innovation standard for our practices. It can be done. Virginia operates in this manner, having most leases processed within 2-14 months, while protecting all the rights for individuals in their state. They have just as proud a tradition of a working waterfront as we do in Maine, they are just supporting it.

Finally, since we own 2 hatcheries I wanted to comment on the last part of the Bill, proposing the department develops guidelines for publicly funded hatcheries. In general, state-run shellfish hatcheries have not worked along the East Coast. Hatcheries require companies to pivot quickly and be ready to drastically change course, something that government run organizations often struggle to do. I would advocate that we let capitalism work: the market will fill a void (if it exists) for producing shellfish. I would be in favor of establishing guidelines for any hatchery that is funded by the state to ensure it doesn't have an unfair position relative to other private hatcheries. We cannot be expected to run a hatchery and compete with others who receive state funding.

Thank you for your time, I am excited at the opportunity before our state. We have an industry that is desperate for the opportunity to prove we can be relied on to help be part of Maine's proud tradition of making a living on the water.