



**Testimony to the Committee on Marine Resources
*Opposition to LD 1146***

April 13, 2021

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Senator Miramant and Representative McCreight, Distinguished Members of the Committee, my name is Nick Branchina, and I am the Director of the Fisheries & Aquaculture Program at Coastal Enterprises, incorporated headquartered in Brunswick. I reside in Kennebunk. On behalf of CEI, I am testifying today to express our organization's opposition to LD 1146.

Coastal Enterprises, Inc. (CEI) is a private, nonprofit Community Development Corporation (CDC) and Community Development Financial Institution (CDFI) based in Brunswick, Maine. CEI was founded in 1977 to develop job-creating natural resources and small business ventures in rural and coastal regions of Maine. CEI integrates financing, industry expertise, and policy solutions to help grow good jobs, environmentally sustainable enterprises, and shared prosperity in Maine and other rural regions.

CEI has a 40-year track record of supporting Maine's commercial fishing and aquaculture businesses. We do this by providing business services including free business counseling and technical assistance, and by making loans and investments in those marine businesses wishing to start or expand. Since the 70's our total portfolio of loans to this sector has grown to over \$18 million and these loans have sustained or created over 2,200 jobs in Maine. For the past nine years, CEI has worked in collaboration with the Maine Aquaculture Association, Maine Sea Grant Program and the Maine Aquaculture Innovation Center to deliver an entry level aquaculture training program called *Aquaculture in Shared Waters*. This robust course has been delivered in several of Maine's coastal communities and has provided training for over 263 students - many of whom have gone on to start or expand their own aquaculture businesses.

Maine's aquaculture sector has grown slowly but steadily over the last 20 years adding roughly 220 acres. Total acreage currently leased in the state is about 1,450, less than the size of Rockland harbor. While the number of limited purpose aquaculture (LPA) licenses has increased in recent years, but the total area occupied by them is fewer than six acres. LPAs



were created to help existing working waterfront families try aquaculture to diversify their economic base in the face of changing wild-catch fisheries. This is an important part of the entrepreneurial ecosystem of marine businesses.

In recent years the Department of Marine Resources (DMR) has developed a robust regulatory framework for aquaculture in Maine's shared waters. Given the commercial health of this industry, its modest footprint on our state's shared waters, the proven capacity for DMR to conduct thorough, transparent, and fair review processes when considering new areas for aquaculture siting, and aquaculture's proven impact to create jobs and diversify incomes for those already fishing on our waters, we believe that the scrutiny proposed by several items in LD 1146 is unnecessary at this time.

There are numerous challenges to starting or expanding an aquaculture business in the state of Maine. We hear about these challenges every day from our clients and students. We are concerned that to (quote) "improve the regulatory system" (unquote), LD 1146 could add more layers of cumbersome bureaucratic oversight to a system that already has a substantial backlog. If the Natural Resources Protection Act (NRPA) is added to the already stringent DMR and Army Corps requirements, you will irreparably damage this sector of Maine's marine economy. The first-come, first-served structure will bring all pending lease applications, experimental leases and LPA's to a screeching halt. Fee increases will create further barriers to launching or expanding a business. If leases are challenged when an existing owner wishes to transfer to a new owner and the site (quote) "must demonstrate compliance with all currently applicable standards" (unquote), this is simply another tactic to clog the current regulatory system with leases that are already in operation. This is a redundant and unnecessary use of state resources.

CEI is concerned about Maine's social equity and access to the working waterfront in an industry that can help diversify Maine's coastal economies. As wild fishery stocks in the Gulf of Maine have declined over the past two decades, and the challenges associated with climate change appear to be increasing, we believe that it is critical for our State to support Maine's



growing aquaculture industry and sustain the jobs, opportunities, and quality seafood it provides.

CEI continues to invest in a sector we believe in. Aquaculture is a powerful contributor to the diversification of the economic base of Maine's marine economy. If implemented, LD 1146 will create major hurdles to an industry that is already operating in an extremely restrictive environment.

At this fragile time for many of our natural fisheries resources, the State of Maine should be supporting and preserving aquaculture's growth - not building up more barriers to its success.

On behalf of CEI, I thank you for your consideration of our testimony.