Comments on Proposed 2016 MDOT Workplan

Comments from Rock Hall waterman Robert Wayne Wilson:

- \$100,000 funding for the demo projects this amount is too high and it should be lower.
- \$100,000 funding for aquaculture I thought MARBIDCO aquaculture was funded one time and would be self-sustaining in the future and was not going to be continued. Individuals can learn about remote setting on their own without state assistance.
- \$400,000 funding for oyster fishery management I thought that harvest sheets and booklets were coming out of the license fees, I would like DNR to check on this. Also, watermen currently pay for their own bushel tags.
- \$400,000 funding for sanctuary program administration You do not think the Marylander's Grow Oyster program should be coming out of MDOT funds.

Comments from Don Webster, UMCES:

Lynn,

I have reviewed the proposed Draft 2016 Work Plan for MDOT Oyster funds and would like to request a minor modification. Item 4 references the funds that have been placed in MARBIDCO to support the Remote Setting Loan Program. During the past several years that prior work plans have been in effect, the funds in that account were not heavily drawn due to the ongoing training that growers were receiving through the ORP/UM Remote Setting Training (RST) Program, where we placed 32 tanks in 9 locations around the Bay for leaseholders to use and provided them with free larvae during the process. The goal of that program was to train growers to set their own seed and then to transition them to build their own private systems that would be sized to their operation and, frankly, include innovative ideas for handling the shell through the setting process. Many of those using these systems are watermen since they are the ones most interested in traditional spat on shell bottom culture.

This year we announced that, after five years of participating in our RST program, our setters will have to pay for system use and larvae so that next year we will likely see more new systems being built. It would seem that the goal for building shellfish aquaculture is to get more oysters into the Bay and, ultimately, more out of the Bay and into the market. Rebuilding our oyster industry will require both public and private production. As such, there is a great deal of compatibility between growers and watermen who, in over 2/3rds of the cases, are the same since TFL holders are principally interested in this type of culture. Also, as your modification indicates, no additional funds were placed in MARBIDCO for this program last year because sufficient surplus existed. However, with the impending termination of the RST

project post 2016 and the move towards private spat production to aid the public fishery through sales to county oyster committees, we should make it a priority to get as many systems operating as possible as quickly as we can.

I would like to request that, under the new 2016 plan, the restriction that funds placed in MARBIDCO be limited to commercial oystermen or those possessing a Maryland TFL, be removed. It seems that TFL holders would be those most likely to access those funds, so the restriction would mostly be irrelevant. Also, the few who might access them but not be TFL holders should be given consideration as part of the oyster industry by having access to funds allowing them to build setting systems and plant their grounds on a regular basis. I supported the TFL restriction for the funds that MARBIDCO has administered but firmly believe that it is time that this be changed to allow others to have access to them as well.

I have discussed this with Jim Mullin and he is going to review the proposed work plan for your impending meeting and be able to comment on my request. If I can provide any additional information to any of you, please feel free to contact me. Regards--Don

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Comments from Jim Mullin and Robert T. Brown:

- Fee increases associated with cost recovery should cover much of the \$400K in "Oyster Fishery Management".
- Participants in Marylanders Grow Oysters receive a tax credit. Public funds should not be used to subsidize enrollment in a program that results in a tax credit.
- Because of above two points, would like to see \$800K in "County Oyster Committees" raised to \$1M (i.e. 50% to county oyster committees, 50% to other uses).

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Chris Nosher, Vice-Chairman Government Relations Committee

Tony Friedrich, Executive Director

Via E-mail only to jodi.baxter@maryland.gov

June 22, 2015

Secretary Mark Belton Maryland Department of Natural Resources 580 Taylor Avenue Annapolis, MD 21401

Re: Comments on the Draft Work Plan for MDOT/ DNR Oyster Recovery Agreement

Secretary Belton:

CCA Maryland (CCA MD) appreciates the opportunity to comment on the agreement between the Department of Transportation (MDOT) and the Department of Natural Resources (DNR), and applauds DNR for the increased transparency that a wide range of comments and stakeholder cooperation can provide.

The MDOT funding provides a large amount of funding to current DNR staff efforts, the sanctuary programs, and to the oyster industry. When managing the use of public funds and a public resource, like oysters, it is vital that all interested stakeholder groups be a part of the decision making process, and not just the industry which stands to profit from the use of public funds. The public funding of any project that involves a for-profit entity must include a high level of transparency. CCA MD believes that a thorough process that will allow for ample dialog between all interested parties should be created, and continue in use for as long as the MDOT funding is available.

The MDOT funding started after questions were raised about the negative impact that open bay dumping of dredge spoils has on the oyster population, and the oyster industry. What level of impact do current dredging practices have on the industry at this time? Is a subsidy of such levels necessary for the industry, or could other important projects be funded that would help the health of the Bay as a whole and the other many interests that derive an income from the use of the Bay.

Historically, public funds, including millions of dollars from DOT have been used to subsidize the oyster industry in the name of "oyster restoration". The Chesapeake

2000 Agreement promised a 10-fold increase in oysters by 2010 but, without a plan to make it happen, most of the good faith public money was miss-directed to the "put and take" oyster fishery where millions of spat were planted so the industry could harvest the survivors. Do we want to continue to fund this process? Moving forward, the use of MDOT funds and the annual work plan must take into account the best "bang for the buck" for the Bay as a whole, and not simply give almost half of the monies to county oyster committees. What oversight authority does the state have over oyster committees, and how can the public be insured that projects that are funded are completed in a timely and agreed upon manner? The policy of giving public money directly to an industry without any form of accountability is difficult to justify on any level and in any industry.

The Chesapeake Bay is facing another decline in oyster populations after harvest levels spiked in recent years because of high natural reproduction. Now is when true oyster restoration with long term and widely beneficial goals should be implemented. Wouldn't the public interest be better served if the money was routed through a fully vetted, peer-reviewed plan administered by DNR than to subsidize the oyster industry with a plan that only aids the industry?

Oysters are valuable when commercially harvested, but are even more valuable when many of them are allowed to expand and fulfill their important ecological role as well. The filtration and nutrient management role of a live oyster is widely noted, but an undisturbed and fully restored oyster reef system allows for an even increased level of filtration. Oyster reefs also provide habitat that the bays and rivers lost when our historical oyster populations were over harvested and died from disease. Clean and clear water means more bay grasses, which means more protection for crabs and other juvenile fish. The Chesapeake Bay acts as a vital nursery for a large number of commercially and recreationally important species, and the MDOT funding can better support the bay as a whole.

CCA MD believes the MDOT funds should provide an appropriate level of support for MARBIDCO loan program for oyster aquaculture startup costs. Both TFL holders and other applicants should have acceptable funding levels available to them, especially as many in the wild fishery will find less abundance and less profitability in the coming years. Aquaculture will not only add significant filtering capacity to clean the water and also emulate many of the ecological benefits of an oyster reef, but also provide much needed economic stability for a number of small towns throughout the state. This fund will help new operations and aquaculture industry expansion take place. These funds could help sustainable oyster businesses will get the initial jump-start they need without continual taxpayer support into the future.

Overall, CCA MD's members hold a sincere appreciation for the complexity of managing our shared public resources, especially given the varied and frequently discordant stakeholder influences in our great state. The oysters in the Chesapeake Bay belong to all citizens of Maryland and not just one industry or user group. As always,

we look forward to working with DNR and other stakeholders and leaders to determine a balanced way to use MDOT funding in the future. It is imperative that we all work together to make management improvements that will preserve, protect, restore, and enhance this critical natural resource, and the economic and ecological benefit that oysters provide to Maryland.

Respectfully,

David Sikorski

Chair, Government Relations Committee

cc: Dave Goshorn

Mike Richard

Delegate Kumar Barve, Chair House E&T Committee

Senator Joan Carter Conway, Chair Senate EHEA Committee

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