



T H E N O A N K
A Q U A C U L T U R E C O O P E R A T I V E

February 18, 2009

Re: Governor's Bill No. 6371, LCO No. 3044, AN ACT CONCERNING FUNDING FOR THE DEPARTMENT OF ENVIRONMENTAL PROTECTION, Sec. 72 (new) fee on shellfish harvested in Connecticut State waters.

Introduced by Rep. Cafero and Senator McKinney

Environment Committee Public Hearing

Senator Meyer, Representative Roy, Members of the Environment Committee:

It has recently come to our attention that you propose to levy a \$1.00 fee (tax) on each bag of shellfish harvested from Connecticut. Such fee is to be collected to fund the Department of Environmental Protection.

This proposed fee will damage the shellfish farming industry. It is unfair, counter to basic macroeconomic principals, will have negative environmental impact and do nothing to prevent illegal harvest of shellfish from Connecticut waters.

- 1) Shellfish (oysters and quahogs) are famed in Connecticut. This is a sustainable industry. The environmental benefits of shellfish farming are well documented. The shellfish we plant; filter the water, graze down harmful algae blooms before they become a threat, create habitat and reduce excess nitrogen. The oyster industry in Connecticut has worked with the State Department of Agriculture, Bureau of Aquaculture (DA/BA) to develop disease resistant oysters. This program has been successful. Yesterday; there was a press release touting the success of the Greenwich Shellfish Commission's use of disease resistant oysters developed by the industry and DA/BA to restore their recreational beds. This was done by the industry at no charge to the tax payer. The industry in Virginia has spent millions of taxpayer dollars with little help from the industry and is not successful.
- 2) Taxing harvesters will increase the industry's expenses and decrease our already small profit margins. Shellfish aquaculture is agriculture. The economic multiplier for our industry is roughly 3.0-4.0. Our margins are tight. We pay fees in the form of permits, lease fees, taxes, and insurance. These fees are higher than those of other industries. An increase in fees will come from the little we have left over to pay ourselves for what are often 10-14 hour days.
- 3) This bill would punish law abiding citizens and do nothing to punish criminals. It treats shellfish farmers like polluters. We are not spraying pesticides. In fact, the reason that the DEP patrols our marine waters is because upland pollution enters the marine waters. This pollution finds its way to shellfish beds. The DA/BA tests these waters through a federally mandated program. The DEP is responsible for ensuring legal harvest from these waters. With few exceptions, shellfish farmers harvest only from those grounds we are permitted to harvest from. Those who break the law and jeopardize public health and industry viability are only fined \$250.00. A \$1.00/ bag fee on shellfish harvested by law abiding citizens will do nothing to prevent thieves from illegally harvesting shellfish. It will only encumber those who abide by the law.

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- 4) **This fee is excessive.** A \$1.00 fee per bag cannot be passed on to our customer in this economy. We will have to absorb it all. On a bag of chowder clams this fee will represent 1/8th of the total cost to our customer. It will be a significant expense to our cooperative members potentially costing us more than other inputs such as energy, which is our second highest expense. It will mean we can hire fewer people and therefore not grow our businesses. Fewer farmed shellfish in the estuary, means fewer shellfish to impart environmental benefits. Wild populations are few and are not sustainable. There are large amounts of shellfish in Connecticut because the state has traditionally fostered its industry.
- 5) **Commercial grounds are not the only grounds with shellfish on them.** Why are growers responsible for generating revenue for the state that will mostly be spent on patrolling recreational beds and beds where shellfish are prohibited from being harvested?

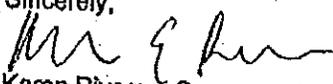
There are two simple solutions to the State's budget problem that can be offered by the industry.

- 1) **Encourage sustainable green industries such as shellfish farming.** The environmental benefits of our industry come at no cost to the taxpayer. The economic multiplier is high and most money generated by the industry cycles through the local economy in the form of tourism dollars and support of local ancillary businesses. Aquaculture is one of the few sectors of the Agriculture industry that is growing. Fostering an environmentally beneficial and sustainable industry such as ours will generate income for the State in the form of income tax and lease fees. The Long Island Sound estuary will be healthier.
- 2) **Increase fines for breaking the law.** Currently, anyone who illegally harvests from unapproved waters is fined \$250.00. We recently had an individual steal shellfish from our grounds and illegally use our depuration grounds. It took months for the issue to be resolved and no significant fine was levied. This individual broke the law again and his license was pulled by the DA/BA. The DA/BA took the only meaningful enforcement action. The fine for endangering public health, theft of product and potentially harming the industry should be much higher than it is. A \$10,000 fine would discourage law breakers and generate revenue for the DEP. Taxing law abiding citizens as proposed is unfair and cynical.

The Noank Aquaculture Cooperative has six members in the State of Connecticut. This fee (tax) would represent an expense of at least \$4000.00. This may not seem like much, but our expenses increase while the price we get for our shellfish is decreasing or remaining flat. It represents less income for us and less of a justification to continue in an industry that has proven its sustainability and environmental benefit.

The members of the Noank Aquaculture Cooperative ask that you strike Section 72 (New) from Governor's Bill No. 6371.

Sincerely,


Karen Rivara - Secretary, Noank Aquaculture Cooperative