Good morning Senators Kennedy and Miner, Representatives Demicco and Harding, and members of the Environment Committee. Thank you for the opportunity to submit testimony on behalf of several bills before the committee pertaining to Connecticut’s aquaculture sector.

According to a 2017 study conducted by the University of Connecticut, direct sales of aquaculture products have increased by more than 90 percent between 2007 and 2015.

According to that same study, aquaculture generates up to $50 million in gross sales, annually, making this a thriving component of Connecticut’s agricultural economy. The Department of Agriculture is proud of the considerable success and growth in this sector over the last 10 years.

**Raised House Bill 5359, An Act Concerning Shellfish Leases,** requires the department to adopt regulations that would govern the process of awarding leases for certain shellfish areas in the state.

While the department appreciates the presumed good intentions of HB 5359, it opposes the proposal.

The agency implements the shellfish leasing program as developed by the State Shellfish Commission in 1915 and currently outlined in C.G.S 26-194. To date, there has been a single legal challenge of the "may prescribe" language as written in the statute, which occurred during the agency’s 2014 modernization of the leasing language.

The parameters of C.G.S 26-194 require the agency to award a shellfish lease to the highest responsible bidder. This is the primary factor currently limiting the expansion of the state’s existing leasing program. This language results in the majority of new leases to be awarded to larger, established shellfish producers, impeding growth among start-up and smaller shellfish producers.

The Department of Agriculture welcomes the opportunity to discuss the policy concerns of committee members and find ways to strengthen the state’s leasing program to benefit both existing and prospective shellfish producers.

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Requiring leases to be issued according to regulation imposes additional bureaucratic restrictions on the agency that will limit its work to enhance the industry.

Under existing law, the Department of Agriculture is charged with enforcement of the federal Food and Drug Administration (FDA)'s National Shellfish Sanitation Program Model Ordinance (NSSP MO) to allow for the shipment of shellfish out of state. The requirement of new regulations under this bill may make it more difficult to comply with FDA requirements, thereby jeopardizing the ability of Connecticut shellfish producers to ship their product out of state.

If the purpose of HB 5359 is to expand the shellfish industry across all sectors and achieve a balance of small-, medium-, and large-sized companies, a revision to existing statutory lease language, including C.G.S 26-194, might better achieve this positive outcome.

Raised Senate Bill 344, *An Act Concerning Regulations for Electronic Surveillance Devices Required by the Department of Agriculture*, as raised by the Environment Committee, complements the work plan and vision of this agency.

While the Department of Agriculture is supportive of the intent of SB 344, the agency cautions that the imposition of a date certain by which to adopt any new regulations may have unintended consequences on Connecticut shellfish producers, as outlined above.

The department supports establishment of regulations for the enforcement of electronic surveillance device use by aquaculture licensees. However, it is a challenge to meet a deadline by which regulations to be drafted, submitted, approved, and reviewed as drafted in this proposal.

Electronic vessel monitoring devices enable Connecticut to satisfy oversight requirements of FDA.

FDA has documented the Connecticut's Shellfish Program's non-compliance with these oversight requirements of the NSSP MO. Federal regulations require the authority (this agency) to develop and maintain an effective program to monitor and control the harvest, transport, replanting, and security of shell-stock from beginning to end of relay activities. These measures are designed to prevent contaminated shell-stock from being illegally diverted to market.

Failure to implement a program approved by FDA will prohibit the transportation of shellfish out of state, placing an unintended but significant hardship on the industry. This agency will need to consult with the Department of Energy and Environmental Protection (DEEP) and its State Environmental Conservation Police in the
establishment of such regulations. DEEP has provided the policing function for shellfish program compliance enforcement.

Raised House Bill 5361, An Act Concerning the Authority of the Department of Agriculture to Require Certain Electronic Monitoring Devices for Aquaculture Licensees, requires the Commissioner of Agriculture to adopt regulations to implement electronic vessel monitoring equipment requirements on boats associated with shellfish bed lessees.

The Department of Agriculture supports this proposal.

In October, the agency implemented a voluntary vessel monitoring (VMS) project in conjunction with dredging the federal channel in the Housatonic River in Stratford. This is the largest and most productive designated public seed-oyster bed in Connecticut.

Seventy-two vessels are currently participating in this program. Preliminary reports estimate that approximately 300,000 bushels of oysters have been removed from the Housatonic River via the program, equal to a market value of $15 million dollars.

The VMS project has provided access to oysters previously not accessible under the requirements of the NSSP MO.

Federal regulations require this agency to develop and maintain an effective program to monitor and control the harvest, transport, replanting, and security of shell-stock from beginning to end of relay activities, to prevent contaminated shell-stock from being illegally diverted to market.

The department and the DEEP have historically relied on random patrol of growing areas in an effort to comply with federal requirements. FDA has documented that this type of surveillance does not meet the requirements of the NSSP MO.

Continued non-compliance with federal requirements could ultimately result in FDA prohibiting the interstate sale of Connecticut shellfish, which would have devastating economic impacts to our shellfish industry.