

5. Old Business:

Atlantic Coast Shellfish Aquaculture Leasing Committee

Mr. Normant stated that the AC Shellfish Aquaculture Regulatory Subcommittee should meet again to discuss the status of the amendments to the leasing regulations and new proposed amendments to all shellfish rules at N.J.A.C. 7:25. The Bureau would schedule the next subcommittee meeting sometime within the next two months. Mr. Maxwell stated that the AC Shellfish Aquaculture Leasing Committee should also reconvene in the near future.

Marine Fisheries Administration (MFA) Budget

Mr. Normant explained the ongoing concerns regarding State appropriations for the MFA and Marine Enforcement. In FY 2016, there was an anticipated the \$1.1 million budget shortfall for the MFA and Marine Enforcement. The shortfall was to be funded by using the Bureau of Shellfisheries dedicated accounts to fill the salary deficit. On June 21, 2016, Mr. Maxwell and Mr. Scott Baily (Delaware Bay Section Chairman) met with NJDEP Commissioner Martin and Deputy Commissioner Glass to discuss these concerns after both sections of the Council had written letters (see attachments) in regards to the budget short-fall, and the use of the Bureau of Shellfisheries dedicated accounts. Mr. Muffley, who was present at the meeting with the Commissioner, stated that the meeting was productive as both chairs were excellent in expressing the concerns of the Council and shellfish industry. Commissioner Martin stated the Department would be able to reimburse \$300,000 of \$1.1 million deficit. He had also encouraged an open communication between the Commissioner's Office and the Council. Mr. Normant suggested that the Council send a letter to show their appreciation for the Commissioner's time. Mr. Maxwell agreed. Mr. Johnson stated that both sections of the Council would strive to remain in contact with the Commissioner and Deputy Commissioner. Mr. Johnson made a motion to approve sending a letter to Commissioner Martin thanking him for his time with meeting with the Council chairs. Mr. Maxwell seconded the motion.

Shellfish Growing Water Classification Rule Proposal (N.J.A.C. 7:12)

Mr. Maxwell stated that the Council had concerns regarding the Shellfish Growing Water Classification Rule Proposal (N.J.A.C. 7:12). The Council discussed drafting a letter to the Commissioner regarding the Council's concerns over changes to "Permit 6", which would only allow seed oysters to be transplanted from leases in "Special Restricted" waters to leases in "Approved" waters. Under the new proposed rules, there would only be a 3% allowance for oysters over the "seed" size. Mr. Maxwell was concerned as a large percentage of oysters transplanted from seed bed leases in the Mullica and Great Egg harbor rivers would typically be over the defined "seed" size in the proposed rules. This was not an issue under "Permit 6" in the current rules. Mr. Johnson made a motion to send a letter from the Council to the Commissioner requesting that the Commissioner's Office address the Council's concern over the 3% allowance of larger than seed size oysters. Mr. Maxwell seconded the motion.

6. New Business:

Proposed Bills S316 & A793 and S317 & A794

Mr. Normant discussed, Bill S317 & A794: Requiring New Jersey Department of Agriculture (NJDA) and NJDEP to adopt a coordinated permit application and review program for aquaculture projects and Bill S316 & A793 requiring NJDA and NJDEP to work with US Army Corps of Engineers to establish a joint permit application process for aquaculture projects. Senator Van Drew and Assemblyman Andrzejczak sponsored the Bills. Mr. Normant explained the NJDA would have 180 days to adopt regulations if the Bills were approved. The Council does not deem the Bills necessary, as there currently is a permit process for aquaculture activities. Mr. Normant suggested that the Council contact their respective legislators concerning these pending Bills.

Cornell University Survey

Mr. Normant announced that Jason Holley, a graduate student at Cornell University is seeking 40 participates to take part in a research survey on oyster restoration with input from shellfish aquaculturists. Mr. Normant mentioned if interested, he could provide Mr. Holley's contact information.

Marine Fisheries Administration (MFA) Strategic Plan

Mr. Muffley of MFA provided an overview of the Administration's Strategic Plan for the next 5 years to prioritize MFA tasks. Mr. Muffley stated comments have already been submitted from MFA staff. He requested that the Council review the Strategic Plan and submit comments by early August. Mr. Muffley anticipates finalizing the MFA 5-year Strategic Plan by January 2017.

New Leases

Mr. James Jenks inquired if it was possible to transfer his lease, located in Upper Barnegat Bay, to a new location adjacent to Herring Island. Mr. Normant informed Mr. Jenks that moving a lease was not a transfer. Mr. Jenks could transfer an existing lease to new lessee. Mr. Jenks intended to transfer his lease in Upper Barnegat Bay to Mr. Tom Burke. Mr. Normant stated that establishing a lease adjacent to Herring Island would be considered a new lease application. However, the shellfish growing waters in Upper Barnegat Bay were classified as Special Restricted. New lease applications in shellfish growing waters classified as Special Restricted or Prohibited will not be accepted as per the leasing regulations at N.J.A.C. 7:25-24.5(f). In addition, the waters adjacent to Herring Island were mapped as Submerged Aquatic Vegetation (SAV) habitat. New shellfish leases are not allowed in SAV habitat, as per the Coastal Zone Management Rules. Individual permits under Nationwide Permit 48 (US Army Corps of Engineers) and shellfish aquaculture permits under the CZM rules issued by the Division of Land Use Regulation would also not be approved for shellfish aquaculture activities on existing leases within SAV habitat. Mr. Normant suggested looking for a suitable lease in Approved waters that would not be in mapped SAV habitat.

Mr. Jenks inquired about growing oysters in condemned waters. Mr. Normant stated the proposed Shellfish Growing Water Classification Rules at N.J.A.C. 7:12, when adopted would allow, under permit, to grow shellfish seed, but not market sized shellfish.

Hard Clam Relay

Mr. Jenks commented on the hard clam relay regulations, and questioned if it was possible to relay hard clams in cages. Mr. Normant stated these issues would need to be discussed with the Bureau of Marine Water Monitoring. Mr. Johnson stated the Council commented on the proposed new shellfish growing waters classification rules at N.J.A.C. 7:12 in regards to the hard clam relay program.

There being no further business, the meeting was adjourned on a motion by Mr. Johnson and seconded by Mr. Maxwell.

7. Date, time and place of next meeting:

DATE: August 15, 2016
TIME: 7 PM
LOCATION: Law Enforcement Office
360 New York Rd. Rte. Port Republic, NJ 08241

NEW JERSEY SHELLFISHERIES COUNCIL
— ATLANTIC COAST SECTION —
P.O. BOX 418
PORT REPUBLIC, NJ 08241

JOHN J. MAXWELL, CHAIRMAN
WALTER L. JOHNSON III, VICE CHAIRMAN
WALTER HUGHES, COUNCILMAN

April 26, 2016

Governor Chris Christie
Office of the Governor
PO Box 001
Trenton, NJ 08625

Dear Governor Christie,

The Atlantic Coast Section of the New Jersey Shellfisheries Council (Council) would like to address a disturbing issue that we have become aware of in regard to the current budget deficits within the Marine Fisheries Administration (MFA). It is our understanding that the MFA has once again not been fully funded this fiscal year (FY'16). To cover this anticipated salary deficit within the MFA *and* Marine Enforcement, the budget shortfall will once again be diverted from Bureau of Shellfisheries' (Bureau) dedicated accounts, estimated at \$1.1 million. This is not the first time that the DEP has pilfered money from these accounts.

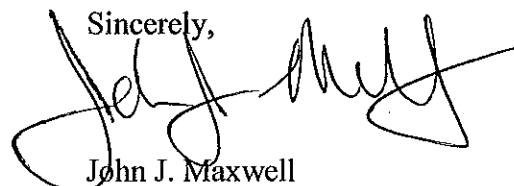
In case the DEP is not aware, many of these dedicated accounts are critical to the long term operations of the Bureau in support of our shellfish industry and sustainability of the shellfish resources and aquaculture in New Jersey. Once these accounts are raided, as has happened in the past, the funds will not be replaced in these accounts. Many of these accounts have received one-time funding allotments. How after all of these years does this Department and State continue to ignore our marine resources? It seems inconceivable that the Department - and frankly the State Legislature - still do not recognize the importance of New Jersey's marine fisheries and shellfisheries industries. They are an important component of the coastal economy that is worth \$2.5 billion annually (\$1.5 billion recreationally and 1.0 billion commercially) and sustains 23,000 jobs that rely on NJ marine fish and shellfish resources. The use of these dedicated accounts for other than their intended purpose is short sighted and will severely undermine the potential growth or sustainability of the shellfish industry. The accounts targeted to be raided in FY'16 were set up to provide long-term proper management and enhancement to the state's shellfish resources and increase harvest opportunities and shellfish aquaculture. Once these dedicated accounts are depleted, Bureau operations would significantly scale back to the detriment of the industry.

Most of our shellfish harvesters are considered small businesses, which as we understand, is a focal point for this Administration. More importantly, growth in the shellfish industry, especially shellfish aquaculture, will create additional "green industry" jobs and small business in coastal regions that really need them, especially in these hard economic times.

The Council requests the restoration of the \$1.1 million short fall in the MFA State Appropriations for FY'16 and that the Bureau of Shellfisheries' dedicated accounts not be used as a source to fill budget short falls now and in the future. It is not sustainable. It is shortsighted. It shows a blatant disregard for our industry.

The Council remains hopeful that this Administration and the NJ Legislature will finally recognize the economic value of the State's marine fisheries and shellfisheries resource and provide a proper, stable annual appropriation that would be a suitable investment for the management of a resource worth billions to the State economy.

The Council would like the opportunity to discuss this issue further. Please contact me at (609) 226-6272.

Sincerely,

John J. Maxwell
Chairman

- c. The Honorable Kim Guadagno, Lt. Governor, Sec. of State
- Bob Martin, Commissioner, NJDEP
- Douglas H. Fisher, Secretary, NJDA
- Richard Boornazian, Assistant Commissioner, NJDEP
- Legislative Members from:*
- District 1
- District 2
- District 3
- District 9
- District 10
- District 11
- District 12
- District 13
- Senate Budget and Appropriations Committee
- Assembly Appropriations Committee
- Senate Environment and Energy Committee
- Assembly Agriculture and Natural Resource Committee
- Dave Chanda, Director, NJ Division of Fish and Wildlife
- Brandon Muffley, NJ Marine Fisheries Administration
- Members, Delaware Bay Section of the NJ Shellfisheries Council*
- Members, NJ Marine Fisheries Council*

New Jersey Shellfisheries Council

— Delaware Bay Section —

1672 E. Buckshutem Rd.

Millville, NJ 08332

Scott Bailey, Chairman
Stephen Fleetwood, Councilman
Warren Hollinger, Councilman
Richard Malinowski, Councilman

April 18, 2016

Governor Chris Christie
Office of the Governor
PO Box 001
Trenton, NJ 08625

Dear Governor Christie,

The Delaware Bay Section of the New Jersey Shellfisheries Council (Council) finds itself once again writing to the DEP to bring a troubling issue to your attention. We work closely with the Shellfisheries program (Shellfisheries) that manages our shellfish resources and is working hard to rebuild our shellfish aquaculture programs. It was reported to our counterparts on the NJ Marine Fisheries Council that continued budget deficits within the Marine Fisheries Administration (MFA) will be filled by directing dedicated shellfisheries accounts to cover employee salaries within MFA.

As usual, the MFA has not been fully funded this fiscal year (FY'16). This is not a new problem and typically some other miscellaneous "State money" is found to fill the hole. In fact, this has been an issue each and every year for my entire career on the Council. However, this year, to cover this anticipated salary deficit within the MFA, the State DEP will be diverting Shellfisheries dedicated accounts, to the tune of \$1.1 million. This same approach was carried out in 2009 with more than \$750,000 being diverted from three dedicated accounts to cover State deficits elsewhere.

At a very basic level, it is important to understand that the State of New Jersey and the DEP underfunds the MFA each and every year. This continues to undermine a \$2.5 billion+ industry in very tangible ways - and also in many unseen ways. For instance, Shellfisheries has been able to operate many of their programs by using less of the MFA budget by using money within the various dedicated accounts under their control.

This allows more of the state appropriation to go towards the Marine Fisheries Bureau. This year, someone within the DEP has decided that it is wise to divert funds from these dedicated accounts to cover MFA salaries. Long term, this is not "a plan" and it certainly isn't sustainable. If this goes by without questioning this year, then the DEP will have their plan in place for next year and so forth until these accounts are completely drained. At that point, our shellfish management programs will cease to exist. You cannot allow this to happen on your watch.

Like our counterparts on the Atlantic Coast Shellfish Council and on the NJ Marine Fisheries Council, we are beyond exasperated that after all of these many years of pleading and urging "the State" to see the big picture, absolutely nothing happens. Well, now something is happening. We are getting to watch States up and down the coast outperform and outcompete New Jersey in regional fights for landings of species like summer flounder and sea bass and we watch the result that these losses have on our local coastal

economies. We get to watch oyster shell planting programs dwarf our annual programs and we watch other state's shellfish aquaculture programs take off and lap our landings.

I have written many letters to DEP asking for help in staffing and support. I usually get a letter back thanking me for my correspondence and assurance that they're "*working on it.*" At this point, we simply find it hard to believe that we're even on anyone's radar within the State or even within our legislature. Once again, this Council finds itself writing to the DEP, except this time, we're specifically asking for them not to make it any worse than it already is. Our shellfish harvesters are considered small businesses, which as we understand, is a focal point for this State and Administration. More importantly, growth in the shellfish industry, especially shellfish aquaculture, will create additional "green industry" jobs and small business in coastal regions that really need them, especially in these hard economic times.

The Council requests the following:

- Restoration of the \$1.1 million short fall in the MFA State Appropriations for FY'16
- Assurance that the shellfisheries' dedicated accounts are not used as a source to fill budget short falls now and in the future
- For someone, somewhere, anywhere to finally recognize the value of what we have here in NJ with our marine recreational and commercial fisheries and to identify appropriate state funding, in-line with our neighboring states (for example, Delaware *pales* in comparison to NJ for resource value but far exceeds NJ for state funding for resource management!!!). How is that even possible?

To put it bluntly, New Jersey's marine fisheries funding approach - to date - is unconscionable. It is shortsighted, unsustainable and it shows a blatant disregard for our industry and our fishermen - both commercial and recreational. In fact, the only consistency in the State's approach has been providing woefully insufficient funding year in and year out. We have the Golden Goose here in NJ. It's our marine resources that need to be wisely managed in a sustainable way. Our neighboring states have supported their marine resources agencies and it pays off. Despite this poor track record, the Council remains hopeful that one day someone will finally recognize the economic value of our marine fisheries and shellfisheries resource and provide a proper, stable annual appropriation that would be a suitable investment for the management of a resource worth billions (and possibly more!) to the State economy.

I would appreciate an opportunity to discuss this issue rather than a canned generic response letter. Please contact me at your earliest convenience at (856) 207-2239.

Sincerely,



Scott R. Bailey, Chairman
Delaware Bay Shellfisheries Council

- c. The Honorable Kim Guadagno, Lt. Governor, Sec. of State
Bob Martin, Commissioner, NJDEP
Douglas H. Fisher, Secretary, NJDA
Richard Boornazian, Assistant Commissioner, NJDEP
Legislative Members from:
District 1
District 2
District 9
District 10
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Assembly Appropriations Committee

Senate Environment and Energy Committee
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