

MINUTES OF THE MEETING
OF THE
ATLANTIC COAST SECTION OF THE SHELLFISHERIES COUNCIL

Nacote Creek Law Enforcement
Port Republic, NJ
February 25, 2008

Present were: Chairman John Maxwell (Atlantic)
Councilman Walter L. Johnson III (Ocean)

Absent was: Councilman Walter Hughes (Monmouth)

State Representatives: James W. Joseph, Bureau of Shellfisheries
Jeffrey C. Normant, Bureau of Shellfisheries

Mr. Maxwell called the meeting to order. Mr. Joseph read the State's compliance with Sunshine Law. He announced that the meeting would be recorded.

1. Total Revenue collected for January 2008: \$ 4,761.70
Shellfisheries Law Enforcement Fund: \$ 4,426.00
2. January 14, 2008 Minutes

The minutes of the January 14, 2008 meeting had not been received by the Council members before this meeting. The Council tabled the approval of the January 14, 2008 minutes until the next meeting.

3. Applications for Transfer

<u>LESSEE</u>	<u>APPLICANT</u>	<u>LOT #</u>	<u>SEC</u>	<u>ACRES</u>	<u>LOCATION</u>	<u>MAP</u>
James Cramer & Stanley Cramer	Stanley Cramer	340	B	5.00	Cape Horn	10
James Cramer & Stanley Cramer	Stanley Cramer	359	B	17.60	Cape Horn	10
James Cramer & Stanley Cramer	Stanley Cramer	389	B	9.00	Cape Horn	10
James Cramer & Stanley Cramer	Stanley Cramer	391	B	7.80	Cape Horn	10
Patrick Bowen	Richard Beckley Jr. & Richard Beckley Sr.	307	B	3.65	Cape Horn	10
Steven Mastro Sr.	John Daffin	1071	A	2.00	Great Sound	5

Without discussion, the lease transfers were approved on a motion by Mr. Johnson and a second by Mr. Maxwell.

4. Old Business

Shellfish Resource Committee

Mr. Maxwell suggested that the Shellfish Resource Committee (Committee) meet and discuss the status and future of the shellfish resource and industry on the Atlantic Coast of New Jersey. Mr. Joseph stated that the Bureau would be willing to meet. However, Mr. Joseph suggested that a better forum to initially discuss these issues would be at a Shellfisheries Association meeting. If there were any suggestions or concerns, then these issues could be brought forward to a larger forum such as the Committee. Further discussion on the matter ensued.

5. New Business

Shellfish Lease Agreement, Lease Fees and Other Leasing Issues

Mr. Maxwell inquired on the status of the pending lease agreement. Mr. Joseph stated that prior to the October meeting, both proposed amended lease agreements for traditional leases and the aquaculture development zones (ADZs) had been sent to the Attorney General's (AG) office for review, but that the Bureau had not yet received any comments back from the AG's office. He stated that Assistant Commissioner Amy Cradic had contacted the AG's office to inquire about the status of the lease agreements and to suggest that the ADZ lease agreement be made a priority since it would be the mechanism for the leasing of the ADZs in Delaware Bay while the new regulations for ADZs were concurrently being developed. Mr. Maxwell inquired on why the Council was not involved in developing the lease agreement. Mr. Joseph stated that due to the lengthy legal review process, the Department was waiting for the review to be completed before presenting the lease agreement to the Council.

Mr. Maxwell stated that he was not in agreement with the proposed \$50 per acre lease fee that was proposed in the traditional lease agreement. Mr. Maxwell stated that the proposed fee was unexpected and he was unclear on how the proposed fee came about. Mr. Joseph stated that when the Leasing Committee met several years ago, there was a general consensus for the ADZ fees. However, although increased fees for traditional leases were discussed, no consensus was reached. He stated that the Leasing Committee generally supported an increase in the lease fees provided that the fees supported the development of aquaculture. Mr. Joseph stated that the Department had compiled lease fee data from other states. He stated that fees ranged from a low of 50 cents per acre for the New Jersey side of Delaware Bay to open competitive bids in Connecticut. Mr. Joseph stated that a Bureau of Shellfisheries report from 1907 listed leases, acreage and fees. He stated that the average lease fee in Atlantic County in 1907 was \$2.08 per acre. Mr. Joseph stated that when he looked at economic and consumer price index data, the average inflation rate between 1913 and 2006 was 3.43 %. If that rate of inflation were applied, the fees for the leases would be over \$60 per acre in 2008. Mr. George Mathis Jr. stated that lease fees in the early 1900s were not assessed by the acreage of the lease, but rather by boat. Mr. Mathis stated that the boat was registered to the lease. Mr. Joseph stated that that the 1907 report indicated that fees were assessed by acreage and by boat. Mr. Raymond Crema stated that if the Department was going to use economics to adjust the lease fees, then they should also consider that the price of clams had remained the same over the last twenty years. Mr. Joseph Rizzo reiterated Mr. Crema's observation. Mr. Joseph stated that the cost to administer the program was also taken into account for the proposed lease fee. Mr. Joseph stated that the lease fees were dedicated to the Bureau of Shellfisheries to support the leasing program. Mr. Joseph stated that lease fees only bring in approximately \$20,000 per year.

Mr. Joseph stated that the proposed increase in lease fees was not only for revenue enhancement, but to encourage inactive leaseholders to drop out of the program and free up bottom for those who would actively use the leases. He also stated that lease fee should represent the value of having exclusive use of the bottom. Mr. Maxwell expressed concern about the gaps between leases that would be created once some of the leaseholders drop out. Mr. Joseph stated that there were gaps already present in the lease areas. Discussion ensued on the re-issuing of existing leases that were vacated, the necessity of biological investigations, the definition of productive bottom and other leasing issues.

Mr. Rizzo stated that the conservation aspect of the lease should be considered. He stated that when bottom is leased, it protected the clams from being over harvested. The clams then could serve as brood stock. Mr. Joseph stated that while setting up sanctuaries would be a valid conservation measure, the purpose of the shellfish leases was for the planting and cultivation of shellfish and not as conservation of a natural resource.

Mr. Johnson inquired on the percentage of bottom leased (acreage) as compared to open bottom on the Atlantic coast. Mr. Joseph stated that there was about 2,500 acres leased, so the percentage of area leased was a small. Mr. Johnson inquired on the number of leases being utilized as compared to the number of leases not being utilized. Mr. Joseph indicated that based on Bureau observations and discussions with leaseholders over the years, most of the leased acreage in the Atlantic Coast Section was not actively used

for aquaculture purposes. Mr. Joseph reiterated that leases fees have not been set and that there would be more discussion on the matter.

Oyster Creek

Mr. Johnson inquired if the Bureau had commented on the renewal of the license for the Oyster Creek Nuclear Power Generating Plant. Mr. Joseph stated that the Bureau was involved with the review of the re-licensing. Mr. Johnson requested that the Council send a letter supporting a closed-looped cooling system.

Department of Agriculture

Mr. Rizzo suggested that the Council send a letter opposing the proposal to eliminate the NJ Department of Agriculture. Further discussion on the matter ensued.

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

6. Date, time and place of next meeting:

DATE: March 17, 2008
TIME: 7:00 PM
LOCATION: Nacote Creek Law Enforcement Office
360 N. Rt. 9
Port Republic, NJ 08241