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From: Linda Buckmaster <lsbuck1@gmail.com>
Sent: Sunday, February 16, 2020 2:49 PM
To: DEP, Nordic Aqua Farms
Subject: Testimony from Linda Buckmaster, Belfast

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To: the Maine Board of Environmental Protection
From: Linda Buckmaster, Belfast, Maine
Re: Nordic Aquafarms Proposal

February 15, 2020

Thank you for holding the public hearing in Belfast on February 11. I'm sorry I was unable to attend, but I hear it was run very professionally.

I'm a 35-year resident of Belfast. In the late Eighties and early Nineties, I was Atlantic and Gulf Editor for "National Fisherman" magazine. At that time, I covered the emerging Norwegian net-pen salmon aquaculture industry. The problems with that technology became obvious right away, and thirty years later only some of them have been solved.

I have three concerns: Nordic is undercapitalized. Nordic is inexperienced. And there are no financial protections in place for private property owners and the City of Belfast.

After over two and a half years of trying, Nordic says it has only \$63.6 million committed for a \$500-million dollar project (which must be rising in costs as time goes by). Sixty-three million dollars will essentially get Nordic a clearcut, construction roads, and the start on a very large hole in the ground, one that will remove massive amounts of soil.

Nordic says that once they have all their permits, it will be easier for them to fundraise on the volatile equity market. There are no financial institutions such as banks interested. In the ensuing time since Nordic first came to town, the RAS salmon industry has ballooned, and Nordic is now behind the curve. Giant projects are popping up all over the globe including Europe, Asia, Africa, Canada, and even Dubai. These are multi-billion-dollar corporations with deep pockets, decades of experience in the seafood industry, and established markets. Nordic has none of these. For example, the Bucksport project is already in the construction phase. Atlantic Sapphire will be harvesting its first mature crop. Nordic has never harvested a commercial grade salmon. Investors like to back a winner, and Nordic's lack of ability to secure permits in a timely manner doesn't speak well for it.

Nordic Aquafarms is a five-year-old startup with only marginal on-the-ground experience. Its only salmon operation in Norway is a modest 6,000 tons. It ran into problems when it failed to adequately assess the soil quality causing the tanks to sink into the ground, and a \$4-million lawsuit in Norway has been settled against Nordic. As we have seen, Nordic has run into the same kinds of soil problems here in Belfast.

Despite these weaknesses, there are no financial protections in the plan for private property owners or the Belfast taxpayer if things don't go as planned in either the construction or operations phases. The City has required no financial guarantees or bonding. It's surprising that the City bought such a pig-in-a-poke without professional vetting of the background and capability of the company. When the City did start to ask for financial guarantees, Nordic said if those were required, it would go elsewhere. In other words, even Nordic does not have enough confidence to bond its project. Though state law requires it, Nordic has provided no letter of commitment to fund this project, no evidence of cash equity committed to it, no serious financial plan, and no letter of commitment from any lending institution.

The BEP has a responsibility to the environment, of course, and also to our communities. It is the communities that suffer if a construction project is abandoned, or a business goes belly-up, or an industry collapses, or food fads change. We have had several experiences of these in my time in Belfast. When the chicken industry left town, we were left with a massively polluted site. When funding for another grandiose project for the former sardine factory washed out, Belfast had responsibility for a half torn down and unsafe eyesore. We currently have a large swath of empty office space from when the credit card company disappeared and the new one failed to deliver as promised.

In the Nordic case, the City and Water District could be left with a very big mess on what was once 50-plus pristine acres. It also leaves us exposed to a possible buy-out by one of those huge corporations mentioned above.

Private property owners close to the industrial zone could find their wells affected, or their property values decreased from noise, air and light pollution. Those on the shore, as well as marine interests and fishermen, could find polluted water at the mouth of the harbor and as far away as Rockport and Isleboro.

Nordic needs to provide financial assurances that Belfast and the Bay will not be harmed by its project. Any permitting needs to include significant financial protection for taxpayers, the City and the environment.