

STATE OF MAINE
BOARD OF ENVIRONMENTAL PROTECTION

IN THE MATTER OF

NORDIC AQUAFARMS, INC

Belfast and Northport
Waldo County, Maine

A-1146-71-A-N

L-28319-26-A-N

L-28319-TG-B-N

L-28319-4E-C-N

L-28319-L6-D-N

L-28319-TW-E-N

W-009200-6F-A-N

) APPLICATION FOR AIR EMISSION, SITE
) LOCATION OF DEVELOPMENT,
) NATURAL RESOURCES PROTECTION
) ACT, and MAINE POLLUTANT
) DISCHARGE ELIMINATION
) SYSTEM/WASTE DISCHARGE LICENSES
)
)
)
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PRE-FILED REBUTTAL TESTIMONY OF ERIK HEIM AND EDWARD COTTER

1. We are providing this testimony as a response to the pre-filed testimony of Lawrence Reichard, an intervenor in these proceedings. The purpose of this response is to address instances where the above referenced testimony differs substantially from the facts of the case and provide a factually accurate response.
2. This testimony will focus on two areas that Mr. Reichard discussed at length, including Nordic Aquafarms' (NAF) technical capabilities and water usage of the proposed facility. Financial capacity, which was also addressed by Mr. Reichard is rebutted in the rebuttal testimony of Brenda Chandler, NAF's Chief Financial Officer.
3. Regarding the comments made by Mr. Reichard relating to technical capabilities of NAF, there are several erroneous statements, as well as some statements made by others and quoted by Mr. Reichard that NAF will rebut.
4. On page one of his direct testimony Mr. Reichard states that NAF's *Chief Operating Officer (sic)*... "has no experience operating any fish farm", and that "...his qualifications as having lived in Florida, having helped his father build a log cabin, and having worked as a lab assistant.
5. In reality, Mr. Reichard is omitting key information, confusing multiple NAF employees, and confusing a PR bio with relevant experience. Mr. Noyes (*Chief Technical Officer*) has experience operating several RAS facilities in Maine, including work for private operators, USDA, and University of Maine, in addition to other experience that forms his technical and managerial capabilities. Mr. Noyes is one of the most experienced RAS operators in the State of Maine, and his CV was provided with the SLODA application. Mr. Noyes has never lived in the State of Florida as Mr. Reichard's testimony is confusing him with another staff member who received his M.S. degree in Fisheries and Aquatic Sciences from the University of Florida.


6. NAF is widely considered as one of the top three global land-based developers in terms of staff, experience, and capital strength. This is reflected in broad international media coverage in recent years. We currently operate the largest land-based production capacity in Europe, with two species. NAF has the largest in-house design team in the land-based segment, with 15 experienced engineers and designers internationally. We also employ some of the most experienced production executives in the industry.
7. Regarding the issue of water usage, Mr. Reichard's testimony cites several statements purportedly made to him by Bent Urup. On November 6, 2018, following Mr. Reichard's publication of these same statements, Mr. Urup is quoted in Undercurrent News writing: "I have no idea how my interview on my personal career could turn into an article where I'm apparently attacking and putting negative opinions on [Nordic Aquafarms], of which I never had any intention." Nordic Exhibit 29 at 1.
8. Mr. Reichard provides statements that NAF's operations will likely exceed proposed water usage because of "questionable assumptions." NAF permit applications include very clear limits for water use, whether it be domestic, fresh, or sea water. These calculations are based on detailed information about the equipment to be utilized in the facility, and are provided by a team of engineers with decades of experience in design of RAS facilities. The applications also describe a phased start-up where any changes to the anticipated operations can be identified, monitored, and corrected long before they have any impacts on the permit conditions. Mr. Reichard's bald statement that NAF utilized "questionable assumptions" is without any supporting evidence.
9. It is noted that Mr. Reichard's testimony includes a statement from an environmental scientist which notes that future conditions in San Joaquin Valley are anticipated to include reduced rainfall amounts. While this is noteworthy for users of groundwater in that region, the applications currently being considered by the Board of Environmental Protection are for Belfast, ME. As noted in the rebuttal testimony of Mr. Neilson, most experts anticipate increased rainfall totals in Maine.

[INTENTIONALLY LEFT BLANK]

Dated: January 14, 2020

By. 
Erik Heim, Nordic Aquafarms, Inc.

Dated: January 14, 2020

By. 
Edward Cotter, Nordic Aquafarms, Inc.

STATE OF MAINE
County of Waldo, ss.

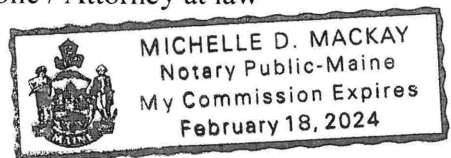
January 14, 2020

Personally appeared the above-named Erik Heim and Edward Cotter and made oath as to the truth of their foregoing pre-filed testimony.

Before me,



Notary Public / Attorney at law



Advertisement

X

RAS pioneer Urup didn't intend to provoke fight with Nordic Aquafarms

By Jason Huffman

Nov. 6, 2018 18:10 GMT



📷 Bent Urup. Photograph courtesy of Patent Nord.

Bent Urup, the scientist many consider to be one of the earliest pioneers of recirculating aquaculture systems (RAS), says he didn't intend to [pick a fight with Nordic Aquafarms](#) when he agreed to be interviewed by a US-based freelance journalist visiting him in Denmark.

Instead, he suggests, he was either misquoted or taken out of context.

"I have no idea how my interview on my personal career could turn into an article where I'm apparently attacking and putting negative opinions on [Nordic Aquafarms], of which I never had any intention," Urup told *Undercurrent News* in an email sent late last week.

“On the contrary, I do believe and know that NAF has got two very good projects in the northern part of Denmark.”

Urup's comments relate to an opinion piece written by Lawrence Reichard and published Oct. 26 in the *Republican Journal* that was highly critical of Nordic Aquafarms.

In the article, entitled “Two hours with Bent Urup”, Reichard recounted how he traveled to Fredericia, Denmark, to talk to the one-time CEO and chief technology officer of Sashimi Royal, a yellowtail kingfish RAS company sold to a group of investors in which Nordic Aquafarms had a 62.5% share.

Reichard told *Undercurrent*, in an email received Friday, that he stands by his opinion piece and said he recorded his conversation with Urup. Contrary to the way he is described by the publication, he wrote later to say that he is not an "activist".

The *Republican Journal* is based in Belfast, Maine, where Nordic Aquafarms is building a 16,000 metric tons per year, land-based Atlantic salmon farm on 40 acres, one of three such operations being constructed on the US East Coast. The small city with a population of 6,700 looks to benefit, gaining about 60 jobs in addition to some tax revenue, however, a number of residents have raised concerns about the loss of woodland near the rivers, water withdrawals from local aquifers, wastewater discharges into Belfast Bay, noise, smells and fish disease.

Though the local government has been generally supportive, the opposition is hoping to change that in Tuesday's election when three of the city's five seats are up for grabs and being sought by candidates, including two write-ins, who have been outspoken against the project.

Write-in candidate Ellie Daniels is one of two complainants in a lawsuit filed in July in state court against the city of Belfast for allegedly violating municipal zoning ordinances and the state's comprehensive planning statute when it made exceptions for Nordic Aquafarms. Daniels reportedly told the *Bangor (Maine) Daily News* two weeks ago that \$25,000 had been raised to help fund the lawsuit.

Should all three of the candidates opposed to the Nordic Aquafarms win on Tuesday, it will be "a death knell" for the salmon farm, said Michael Hurley, one of the two Belfast city council members who is not up for reelection and remains supportive of the project. He said the new council members could easily vote to order a rezoning of the land set aside for the operation and issue other requirements to make it impossible to go forward.



📷 A 3-D representation of Nordic Aquafarms' future land-based Atlantic salmon campus in Belfast, Maine.

Hurley predicts a large turnout in Belfast's two polling places. More than 50% of the community, about 3,700, typically turn out during a presidential election year and about 2,800 come out for a mid-term, Hurley said, but he believes the vote count this time will be between 3,300 and 3,400. As many as 1,100 have already taken advantage of early voting, he said.

'I have 100% no idea how much fish they are producing ...'

Reichard is one of Belfast's most vocal opponents to the Nordic Aquafarms project and has written multiple columns that are critical in the local newspaper. And in one of his latest opinion pieces, he quotes Urup as questioning the company's ability to successfully run RAS facilities.

Urup, who worked briefly for Nordic Aquafarms before parting ways in early 2017, is reported as having said Sashimi Royal's Maximus smolt facility is operating at 10% capacity and, as a result, is causing the main plant to produce half the fish it should. He is quoted as saying that Maximus has had problems with fish disease.

"Meeting in his Fredericia office, Urup painted a picture of an RAS industry — and a Nordic Aquafarms — in disarray and suffering from poor management," Reichard wrote.

In his email to *Undercurrent*, Urup said, contrary to Reichard's article, he doesn't have any knowledge of the production levels or other performance issues today at Nordic Aquafarms' facilities.



📷 Young yellowtail kingfish. Credit: Nordic Aquafarms

"I have 100% no idea on how much fish they are producing at Maximus and Sashimi right now," he said, adding: "I have also never heard that they should have suffered from diseases in any of the facilities, which I doubt they have."

Urup said the facilities he designed were producing well when he left the company and he has no reason to believe things have changed.

"...I do not know how NAF is doing," he continued. "It is no longer my business, but I hope and believe they will do well. Success stories are good for the development of sustainable aquaculture."

Urup said he is currently working on a new RAS project, which he hopes to have started in 2019 using the "exact same technology" that was employed at Nordic Aquafarms, "so I have no reason to think that NAF should not be successful as well with this technology. Sure they will. They have got a cheap facility, in which they can produce efficiently a very valuable fish."

Undercurrent reported in February how Urup was part of Aquaculture Management & Holding Co, a United Kingdom-based company trading under the name Aquabanq that was building a facility in Latvia while also seeking investors for a 10,000t salmon and steelhead trout RAS farm to be built in the US.

Urup closed his last email to *Undercurrent* by wishing Nordic Aquafarms "all the best for the future".

Earlier Nordic Aquafarms had responded to Reichard's article with critical comments about Urup, calling him a "self-proclaimed world expert in RAS technology who has left a trail of disappointed investors behind him." However, after being informed of Urup's email to *Undercurrent*, Marianne Naess, Nordic Aquafarms' director of North American operations, replied: "We regret that Bent Urup was subjected to this misleading and unethical approach by Lawrence Reichard. Although our relations with Bent Urup ceased a few years' ago, we wish him the best going forward."

Reichard, in his email to *Undercurrent*, continued to attack Nordic Aquafarms, however, maintaining that he was delivering "important news" to his community.

Reichard made highly critical comments about other media sources and maintained that he is the only journalist "taking a critical look" at Nordic Aquafarms' plans for a salmon farm.

"Nordic Aquafarms, a company with substantial and demonstrable credibility issues, wants to come into our beautiful small town and build a very big and highly experimental fish farm," he said. "It wants to pollute our bay, use vast amounts of water, clearcut and pave over a beautiful forest that sequesters carbon, and destroy a wonderful and popular hiking trail - while proclaiming, in monumentally Orwellian fashion, that it is protecting the trail."

Reichard maintains that he never told Urup that he was writing a personal profile about him and spoke to him "as part of an effort to learn about RAS, aquaculture and land-based aquaculture".

"I'm sorry that Urup regrets his interview with me, but as stated, I stand by my column," he said.

Company fights fish feed report, too

To help address the recent negative press, Nordic Aquafarms has purchased an advertisement in the newspaper where Reichard's opinion pieces appear. The [advertisement](#) promises to "separate facts from fear" and notes how the new plant is bringing tax revenue to the community which will be used to help replace the town's aging water infrastructure among other positive attributes.

The company additionally addressed several of the criticisms against it in a newsletter issued on Monday.

"From day one we have been open and transparent, holding public information meetings, putting out this regular newsletter, meeting with citizens and stakeholder groups, and opening a storefront office in downtown Belfast," Nordic Aquafarms said. "Still, there has been a lot of misinformation put out about our project over the last few months, all designed to create fear in the community.

"We believe that the vast majority of Belfast residents support what we are trying to do and understand how our world-class land-based salmon farm will benefit the entire community."

The company additionally used its newsletter to address [a report](#) provided recently to the *Bangor (Maine) Daily News* by the Minnesota-based Organic Consumers Association about the use of fish feed in aquaculture. The report analysis, written by Claudette Bethune, a California-based scientist who works for a pharmaceutical company, advises that wild fish are being harvested in "ever greater amounts to produce feed for farmed salmon" and farmed salmon "accumulate more toxins, such as PCBs and other pesticides from feed than do farmed land animals".

Nordic Aquafarms contends that the author of the report included many claims that are outdated and aimed at net-pen salmon facilities, not those that are land-based.

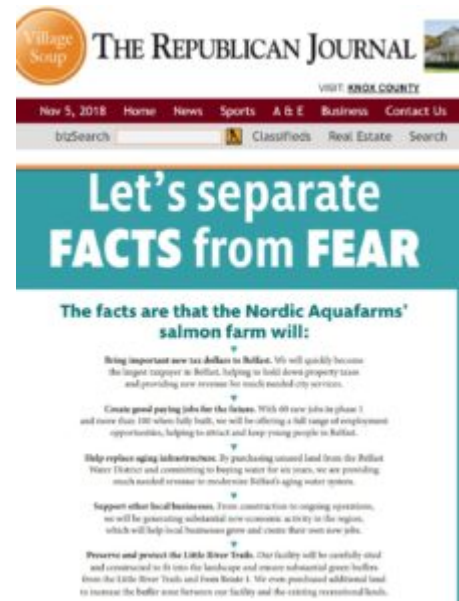
"In our response, we noted that both the source and contributing author of this information are highly biased with an activist agenda, and in fact, the material submitted to the *Bangor Daily News* would never make it through a professional peer review," the company said.

Nordic Aquafarms stressed that it has yet to determine what it will feed its salmon in the future.

"We have consistently stated that new and exciting developments are happening in the feed industry, so choosing our feed two years before production starts makes no sense given these developments.

As reported by *Undercurrent* earlier, the company submitted its application for a wastewater discharge permit with the Maine Department of Environmental Protection (DEP) on October 19. It's the first of several local, state and federal permits that must be obtained, the company noted. It hopes to submit Site Location of Development Act and Natural Resources Protection Act applications "right after the start of the new year".

Nordic Aquafarms' two top executives in North America, president Erik Heim and operations director Marianne Naess, met with one of Maine's two US House



📷 Nordic Aquafarms' advertisement in The Republican Journal.



members, Democrat Chellie Pingree, on Friday, according to the company newsletter. Pingree, an organic farmer, has been heavily involved in food policy issues in Washington, D.C.

📷 From left to right, president of Nordic Aquafarms North America operation Erik Heims, US representative Chellie Pingree, and Marianne Naess, Nordic Aquafarms' director of North American operations.

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