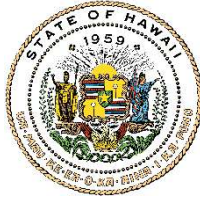


JOSH GREEN, M.D.
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



DEPT. COMM. NO. 37

DAWN N.S. CHANG
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE
MANAGEMENT

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KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII'
DEPARTMENT OF LAND AND NATURAL RESOURCES
KA 'OIHANA KUMUWAIWAI 'ĀINA

P.O. BOX 621
HONOLULU, HAWAII 96809

November 21, 2025

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Thirty-Third State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Nadine K. Nakamura,
Speaker
and Members of the House of Representatives
Thirty-Third State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Nakamura, and Members of the Legislature:

For your information and consideration, I am transmitting a copy of the Implementation Of Chapter 190D, Hawaii Revised Statutes Ocean And Submerged Lands Leasing report, as required by Section 12 of Act 176, Session Laws of Hawaii 1999. In accordance with Section 93-16, HRS, a copy of this report has been transmitted to the Legislative Reference Bureau and the report may be viewed electronically at <https://files.hawaii.gov/dlnr/reports-to-the-legislature/2026/LD26-Ocean-Leasing-Rpt-FY25.pdf>.

Sincerely,

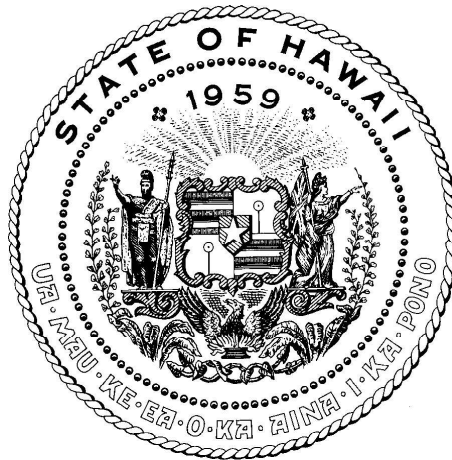
A handwritten signature in black ink, appearing to be "Dawn N. S. Chang".

Dawn N. S. Chang
Chairperson

Enclosure

REPORT TO THE THIRTY-THIRD LEGISLATURE
STATE OF HAWAII
2026 REGULAR SESSION

IMPLEMENTATION OF CHAPTER 190D, HAWAII REVISED STATUTES
OCEAN AND SUBMERGED LANDS LEASING



PREPARED BY:

DEPARTMENT OF AGRICULTURE AND BIOSECURITY
AND
DEPARTMENT OF LAND AND NATURAL RESOURCES

IN RESPONSE TO SECTION 12 OF ACT 176, SESSION LAWS OF HAWAII 1999

November 2025

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1.0 Introduction

Act 176, Session Laws of Hawaii 1999, went into effect on July 1, 1999, allowing greater use of Hawaii's ocean resources for research and commercial development of open ocean aquaculture. In addition, the law requires the Department of Land and Natural Resources (DLNR) in cooperation with the Department of Agriculture and Biosecurity (DAB), to submit a report to the Legislature prior to each regular legislative session. This report highlights related national activities and addresses the progress in implementing ocean leasing for open ocean aquaculture during 2020.

2.0 The National Scene

Following President Trump's Executive Order 13921 of May 2020, significant federal progress has continued through 2025 with the introduction of complementary Executive Order 14276 "Restoring American Seafood Competitiveness" in April 2025. NOAA achieved a milestone in September 2025 by identifying 13 Aquaculture Opportunity Areas totaling over 21,000 acres in U.S. federal waters of the Gulf of America and off Southern California, marking the nation's most significant effort to support offshore aquaculture development. Congressional momentum has strengthened with the bipartisan introduction of the Marine Aquaculture Research for America (MARA) Act of 2025 by Senators Brian Schatz and Roger Wicker, which proposes establishing a centralized NOAA Office of Aquaculture, streamlined permitting timelines, and commercial-scale demonstration projects. The federal government also released its first National Aquaculture Development Plan in 40 years in December 2024, outlining strategic goals for infrastructure investment, workforce development, and industry expansion. These coordinated federal actions represent unprecedented support for domestic aquaculture development while maintaining rigorous environmental review standards and extensive stakeholder engagement processes.

The NOAA Office of Aquaculture has continued to define its priority areas which include regulation and policy, science and research, outreach and education, and international activities. Each priority area is explained below.

Regulation and Policy

The purpose of this effort is to enable domestic aquaculture production within the context of NOAA's marine stewardship responsibilities, which include the protection of the marine environment while balancing multiple uses of coastal and ocean waters. NOAA's role in aquaculture regulation include:

- consultations with the U.S. Army Corps of Engineers on permitting;
- consultations with the Environmental Protection Agency on endangered species, fish habitat, and marine mammal protection;
- issuing permits under the Magnuson-Stevens Fishery Conservation and Management Act; and
- developing guidance and working with regional Fishery Management Councils on a regulatory framework for aquaculture in federal waters.

Science and Research

The goal of the research initiatives is to provide science knowledge for the agency's regulatory and resource management decisions and foster innovative and sustainable approaches to aquaculture.

The program's current research initiatives focus on:

- strengthening aquaculture research capabilities at the agency's regional Fisheries Science Centers;
- in-house research focused on genetics, alternative feeds for marine fish, restoration of threatened and endangered species, and stock enhancement.

Outreach and Education

Outreach and education activities include disseminating scientific and general aquaculture information and NOAA research at public meetings and conferences, through the Sea Grant and USDA Aquaculture Extension networks, and through the web and social media.

The program's primary audiences for this information are coastal communities, research scientists, the aquaculture and seafood industries, commercial and recreational fishermen, fishery management councils and commissions, other government agencies, academia, and interested non-governmental organizations.

International Activities

The NOAA Aquaculture Program continues its extensive international bilateral research exchanges, including the enduring Living Marine Resources Exchange with China and the ongoing U.S.-Japanese Cooperative Program in Natural Resources (UJNR) Aquaculture Panel, which celebrated its 52nd Scientific Symposium in November 2024 focusing on sustainable and resilient aquaculture for the next 50 years. NOAA maintains active scientific exchange programs with Korea through the Korea-U.S. Joint Project Agreement Ocean Research Panel, which held its 2024 workshop in Busan with collaborative research on ocean-atmosphere interactions and marine forecasting. The program continues working with policymakers and researchers from France, Norway, and Canada through multilateral agreements such as the Joint Statement between Canada, Chile, Norway, and Scotland on sustainable aquaculture development, and participates in the Atlantic Ocean Research Alliance (AORA) for enhanced international cooperation. Additionally, NOAA engages through international organizations including the Food and Agriculture Organization (FAO), Codex Alimentarius, and various Regional Fishery Management Organizations to advance global aquaculture standards and sustainable practices.

3.0 Hawaii Activities

3.1 Commercial Development Progress

3.1.1 Keahole Point Fish

Keahole Point Fish (doing business as Blue Ocean Mariculture) produced 1,000 tons of Hawaiian Kanpachi – 42% of their current allowable yearly production under its State concession. More than 40% of their sales are with customers throughout Hawaii. Keahole Point Fish joined the Hawaii Aquaculture Collaborative to grow the availability of aquaculture seafood grown in the State. They employ 85 team members dedicated to healthy oceans and sustainably raising Hawaiian Kanpachi.

3.1.2 Ocean Era Farm

Ocean Era, Inc. continues to develop their proposal for an offshore aquaculture operation to be located off Ewa Beach, near to the previous Oahu Cates International site. The project would co-culture Nenu (Kyphosids), Moi (threadfin), and Kanpachi (kahala) with limu (seaweed) in a submersible farm array. Ocean Era Farm is in final stages of preparing an application to submit through the relevant State and Federal regulatory agencies.

3.2 Other Activities and Major Developments None.

4.0 Conclusions

The continued expansion by Blue Ocean Mariculture (Keahole Point Fish Co) with their record production of 1,000 tons of Hawaiian Kanpachi representing 42% of their allowable capacity, along with Ocean Era's advancement of their Ewa Beach proposal through final regulatory preparations, demonstrates

growing momentum for Hawaii's offshore aquaculture sector. While Ocean Era's federal waters project off Florida received historic EPA approval in May 2025 as the first open ocean finfish aquaculture operation in U.S. federal waters, their Hawaii state waters proposal continues to progress through permitting for co-culture of native species including nenuke, mo'i, and kanpachi with limu seaweed. With Blue Ocean Mariculture's ASC certification as the first U.S. finfish farm to achieve this sustainability standard and their employment of 85 team members, the foundation for a viable industry is strengthening. However, to establish a robust and economically significant offshore aquaculture industry that generates substantial tax revenue and contributes to Hawaii's protein production goals, the state must successfully attract and permit at least two additional commercial-scale sustainable operations beyond the current single producer, while maintaining rigorous environmental standards and community engagement.

5.0 Recommendations

The proper infrastructure must be established to balance environmental concerns with opportunities for development through enhanced federal coordination and streamlined governance mechanisms. Areas for focus are governance, environmental impact assessment, health management, and workforce development. Governance has significantly improved with NOAA's identification of 13 Aquaculture Opportunity Areas totaling over 21,000 acres in federal waters in September 2025, representing the nation's most comprehensive marine spatial planning effort and addressing the previous lack of clear federal responsibility. The pending Marine Aquaculture Research for America (MARA) Act of 2025 would further strengthen governance by establishing a centralized NOAA Office of Aquaculture with consolidated permitting authority, clear regulatory timelines, and streamlined environmental review processes to replace the current multi-agency bottlenecks. Funding needs have been partially addressed through the December 2024 release of the National Aquaculture Development Plan and Strategic Plan for Aquaculture

Economic Development, which outline federal commitments for infrastructure investment, workforce development, and research capabilities within existing budgetary authorities. However, additional dedicated funding mechanisms must be secured to support implementation of protocols for environmental and health risk identification and mitigation, including baseline environmental surveys, disease management systems, and genetic risk assessments. A comprehensive information dissemination system should leverage NOAA's expanded Aquaculture Centers of Excellence program and workforce development initiatives proposed under the MARA Act to provide authoritative technical assistance, best management practices, and market intelligence to support sustainable industry expansion while maintaining environmental standards.