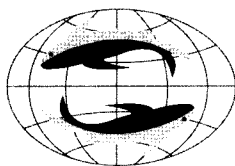


Cates



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May 8, 2003

Neil Anthony Simms
Kona Blue Water Farms
P. O. Box 325
Holualoa, Hawaii 96725

Dear Neil,

Upon review of the Draft Environmental Assessment for your open ocean farm project we would like to submit our concerns.

Cates International, Inc. is committed to the growth of a viable offshore aquaculture industry in Hawaii that is environmentally sound, technologically progressive and co-exists with existing users and traditional cultural practices.

For these reasons we are opposed to these aspects of your proposal:

1. Surface net cage operations
2. Exclusivity outside of the sea cage

First, surface net cages are widely known to pose severe failure problems when secured at the surface particularly in open water conditions. Technology has therefore advanced toward totally submersible operating cages. To our knowledge, no native Hawaiian species require surface cages to be viable. Surface cages are industrial looking eyesores, with no visual relation to typical ocean structures, such as vessels, buoys, and piers. Surface cages also compromise security; are attractive nuisances, and may facilitate the need for exclusivity at the surface.

Second, exclusivity of all Hawaiian waters is sacred and is not a requirement of an offshore aquaculture facility, with the exception of the area inside of a net or trap that has traditionally also been sacred to fishermen both here in Hawaii and in many places worldwide.

Thank you for the opportunity to comment.

A handwritten signature in black ink that reads "John R. Cates".

Yours truly,

John. R. Cates
President