

STATE OF MAINE
DEPARTMENT OF MARINE RESOURCES
Aquaculture Lease Renewal Application

Cooke Aquaculture USA, Inc.
Lease EASTW SI
Docket #2012-09-R
July 29, 2013

FINDINGS OF FACT, CONCLUSIONS OF LAW, & DECISION

On January 13, 2012 the Department received an application from Cooke Aquaculture USA Inc., to renew its aquaculture lease for 10 acres for pen culture of Atlantic salmon located west of Spectacle Island in Eastern Bay, Beals, Washington County, Maine, for a period of ten years to May 1, 2022. This lease was originally issued to Robert L. Liberty on May 1, 1992 under the acronym RLLT SI and was transferred twice since the original issuance, under the same terms and conditions of the original lease. The lease was transferred from Robert Liberty to Maine Coast Nordic on December 1, 2000 and the acronym was changed to MCNI SI accordingly. Maine Coast Nordic renewed the lease on May 1, 2002 and then transferred it to Phoenix Salmon US Inc., on May 3, 2011. Phoenix changed its corporate name to Cooke Aquaculture US Inc. in late 2011. In 2005, the department began assigning acronym names based solely on the location of the lease, to avoid confusion when leases are transferred. Accordingly, this lease was assigned the acronym EASTW SI.

1. PROCEDURE

Notice of the application for lease renewal and the 30-day public comment period and opportunity to request a public hearing was published in the February 2013 issue of *Commercial Fisheries News* and in the *Machias Valley News Observer* on January 30, 2013. Personal notice was given to the municipality and to riparian landowners within 1,000 feet of the lease. No comments and no requests for a hearing on this application were received by the Department during the comment period.

2. STATUTORY CRITERIA

Applications for aquaculture lease renewals are governed by 12 M.R.S.A. §6072(12) and by Chapter 2.45 of the Department's rules, which provide that an aquaculture lease shall be renewed if: the lessee has complied with the lease agreement during its term; the Commissioner determines that renewal of the lease is in the best interest of the state; the renewal will not cause the lessee to be a tenant of any kind in leases covering an aggregate of more than 1,000 acres; and the lease is not being held for speculative purposes.

A. Compliance with lease

My review of the records of this lease discloses that all annual reports have been filed, the rent is paid to date, the bond is current, and the site has passed inspection by DMR Marine Patrol. There are no outstanding complaints regarding this lease.

Therefore, I find that the applicant has complied with the lease agreement during its term.

B. Best interest of the State of Maine

In determining whether it is in the best interest of state to renew the lease, the Department takes into consideration, among other things, the potential for conflict with other new or existing uses of the area which the Commissioner determines to be a higher use of the area from the perspective of the public interest. There is no evidence of conflicts with other new or existing uses of the area.

Therefore, I find that it is in the best interests of the State of Maine to renew this lease.

C. Aggregate lease holdings

DMR records show that this applicant holds an aggregate of 609.71 acres of aquaculture leases comprised of the following leases: COB BC (45), COB BP (33), COB CC (15), COB DC (25), COB HP (10), COB JK (22), COB LU2 (32.14), COB MI2 (30), COB PC (26.5), COB RN2 (32.14), COB SB (31.88), COB TE (15), COB TW (15), EASTW SCN (10), EASTW SI (10), MACH CI2 (44.7), MACH CIN (35), MACH CW2 (35), MACH II (40), MACH LI (20), MACH ST (10), SWAN BI (15), SWAN BIS (38.5), SWAN HS (18.85).

Therefore, I find that the renewal of this lease will not cause the applicant to lease more than 1,000 acres.

D. Speculative purposes

In determining whether the lease is being held for speculative purposes, the Department considers whether substantially no aquaculture or research has been conducted on the lease site. The applicant has used the site fully over the lease term with rotational stocking, harvesting, and fallowing practices consistent with standard salmon aquaculture management. This information was included in the annual reports Cooke filed with the Department and by the statement of the lessee on the renewal application.

Therefore, I find that the lease is not being held for speculative purposes.

3. OTHER ISSUES

A. Lease Conditions


The following conditions are carried over from the original lease and will apply to the renewed lease:

1. Lobstering is to be allowed in the open areas of the lease site.
2. The lease area shall be marked in accordance with U.S. Coast Guard requirements and Department of Marine Resources regulations Chapter 2.80.

4. DECISION

The Commissioner of Marine Resources grants the application of Cooke Aquaculture USA, Inc. to renew its aquaculture lease EASTW SI for a period of ten years, to April 30, 2022. The renewed lease is subject to the same terms, conditions, and obligations as set forth in the original lease.

Dated: 7.29.13



Patrick Keliher
Commissioner
Department of Marine Resources