

STATE OF MAINE

DEPARTMENT OF MARINE RESOURCES

Aquaculture Lease Renewal Application

Bottom, suspended, and net pen culture of Atlantic salmon, Atlantic halibut, Atlantic cod, Arctic char, blue sea mussel, sea scallop, American/Eastern oyster, dulse, nori/laver, bloodworms, and sandworms.

Northwest of Cross Island, Machias Bay, Cutler

Lessee: Cooke Aquaculture

USA, Inc.

Lease Acronym: MACH CIN

Docket # 2017-07-R

October 2, 2017

FINDINGS OF FACT, CONCLUSIONS OF LAW, & DECISION

Cooke Aquaculture USA, Inc. applied to the Department to renew the aquaculture lease MACH CIN for a period of ten years to September 4, 2027. The 35-acre lease is issued for bottom, suspended, and net pen culture of Atlantic salmon (*Salmo salar*); Atlantic halibut (*Hippoglossus hippoglossus*); Atlantic cod (*Gadus morhua*); Arctic char (*Salvelinus alpinus*); blue sea mussels (*Mytilus edulis*); sea scallops (*Placopectin magellanicus*); American/Eastern oyster (*Crassostrea virginica*); dulse (*Rhodomenia palmata*, *Palmaria palmata*); nori/laver (*Porphyra umbilicalis*, *Porphyra purpurea*, *Porphyra amplissima*); bloodworms (*Glycera dibranchiata*); and sandworms (*Nereis virens*) and is located northwest of Cross Island, Machias Bay, Cutler, Washington County, Maine. This lease was initially issued on September 5, 2007 and is an expansion of a previous lease site, MACH CI2. There have been no transfers, reductions, species and gear amendments, or other amendments to this lease since its inception.

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 *Machias Valley News Observer* on June 28, 2017 and July 12, 2017 and in the July issue of the *Commercial Fisheries News*. Personal notice was given to the municipality and to riparian landowners within 1,000 feet of the lease site. 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

The 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 inspections 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 637.69 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 CALF (28), 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 (18.83).

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

D. Speculative purposes

Rule 2.60 provides that in considering whether a transfer is being conducted for speculative purposes, the Department must consider “whether the current lessee has conducted substantially no research or aquaculture in the lease areas during the previous lease term.” It is clear from annual reports filed with DMR by the lessee and by the statement of the lessee on the renewal application that aquaculture has been conducted on this lease site.

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

3. LEASE CONDITIONS

- a. The lease area shall be marked in accordance with U.S. Coast Guard requirements and the Department of Marine Resources Regulations Chapter 2.80.

- b. The lessees, their agents, and their employees shall not land on or use Cross Island in any way except for the purpose of removing aquaculture materials or trash from the island.
- c. Lobstering is allowed in the open areas of the pen and mooring array but is prohibited within the pen and mooring array.
- d. Hand scalloping is prohibited under the pens.
- e. Other public uses that are not inconsistent with the purposes of the lease are permitted within the lease boundaries

4. DECISION

The Commissioner of Marine Resources grants the application of Cooke Aquaculture USA, Inc. to renew aquaculture lease MACH CIN for a period of ten years, to September 4, 2027. The renewed lease is subject to the same terms, conditions, and obligations as set forth in the original lease, except as modified by this decision.

5. REVOCATION OF LEASE

The Commissioner may commence revocation procedures upon determining pursuant to 12 MRSA §6072 (11) and DMR Rule Chapter 2.42 that no substantial aquaculture has been conducted within the preceding year, that the lease activities are substantially injurious to marine organisms, or that any of the conditions of the lease or any applicable laws or regulations have been violated.

Dated: _____

10/2/17



**Patrick C. Keliher, Commissioner,
Department of Marine Resources**