

STATE OF MAINE
DEPARTMENT OF MARINE RESOURCES
Aquaculture Lease Renewal Application

Cooke Aquaculture USA, Inc.
COB MI2

Suspended culture of finfish and blue
mussels in Cobscook Bay, Eastport

March 1, 2022

FINDINGS OF FACT, CONCLUSIONS OF LAW, & DECISION

Cooke Aquaculture USA, Inc. applied to the Department of Marine Resources (DMR) to renew the aquaculture lease COB MI2 for a period of 20 years. The 29.95¹-acre lease is issued for the suspended net pen culture of Atlantic salmon (*Salmo salar*), Steelhead trout (*Onchorhynchus mykiss*), Atlantic cod (*Gadus morhua*), haddock (*Melanogrammus aeglefinus*), Atlantic halibut (*Hippoglossus hippoglossus*), and blue mussels (*Mytilus edulis*) located south of Matthews Island in Cobscook Bay in the Town of Eastport in Washington County. This lease was initially issued on June 5, 2001 to Lee M. Harris and George S. Harris, Jr. and was transferred to Phoenix Salmon US, Inc. on December 27, 2007. Phoenix Salmon US, Inc. has since changed its corporate name to Cooke Aquaculture USA, Inc. The lease was renewed in 2011.

1. PROCEDURE

Notice of the 30-day public comment period and opportunity to request a public hearing was published in the *Quoddy Tides* on June 25, 2021. Notice was also provided to riparian landowners within 1,000 feet of the site, the Town of Eastport, federal and other state agencies and sent to subscribers of DMR's aquaculture email list-serve. A public hearing on a lease renewal is required if DMR receives five or more requests for a public hearing during the comment period. No comments were received and therefore no public hearing was held on the renewal request.

2. STATUTORY CRITERIA

Aquaculture lease renewals are governed by 12 M.R.S. §6072(12) and by Chapter 2.45 of DMR'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

¹ In some cases, especially for lease sites that have been active for many years, there may be a difference between the acreage listed in a lease decision/agreement and the acreage calculated from the lease coordinates using mapping software. The acreage for this site as listed in prior decisions and the lease agreements is 30 acres. However, the acreage calculated using mapping software is 29.95 acres. When such a discrepancy occurs, it is DMR's policy to use the acreage calculated using mapping software and update lease decisions and agreements accordingly. The difference does not change the footprint of the lease site or any other elements of the lease agreement.

The review of the case file associated with this lease indicates compliance with the lease agreement. 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, DMR 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. No comments were received regarding the proposed renewal during the 30-day public comment period. Furthermore, 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 holdings²

Cooke Aquaculture USA, Inc holds the lease sites listed below. Including COB MI2, the total acreage of these sites is 634.23 acres.

DMR LEASE SITE ID	ACREAGE
COB BC	44.95
COB BP	33.03
COB CC	15.42
COB DC	25.14
COB HP	9.97
COB JK	22.02
COB LU2	32.13
COB MI2	29.95
COB PC	26.49
COB RN2	32
COB SB	31.78
COB TE	15.19
COB TW	14.98

² DMR now calculates acreage using mapping software, and is in the process of updating lease documents to reflect this new method. As result of this new calculation method, the acreage listed in Section 2.C may be slightly different than the acreage listed in the respective lease documents. The acreage listed in each executed lease document are as follows: 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.

EASTW CALF	28.02
EASTW SCN	9.99
EASTW SI	9.92
MACH CI2	44.68
MACH CIN	34.88
MACH CW2	34.48
MACH II	39.96
MACH LI	20.09
MACH ST	10.04
SWAN BI	14.97
SWAN BIS	38.54
SWAN HS	15.61
TOTAL ACREAGE:	634.23 Acres

Therefore, I find that the renewal of this lease will not cause Cooke Aquaculture USA, Inc to hold more than 1,000 acres.

D. Speculative purposes

Chapter 2.45(2)(A) of DMR regulation provides that in determining whether a renewal is being conducted for speculative purposes, DMR must consider “whether the lessee has conducted substantially no research or aquaculture in the lease areas during the previous lease term.” The renewal application indicates that aquaculture was not conducted on this lease site in the previous lease term due to sea lice concerns, but indicates that the company plans to utilize the lease once sea lice concerns have been addressed.³ It should be noted that a review of the record indicates aquaculture activities occurred on the site during 2012. In the 2011 renewal decision for COB MI2, evidence of aquaculture activity on the lease site was found. Therefore, as the lease has previously been used, and because the leaseholder’s reasoning for inactivity on the lease in the previous lease term was due to an ongoing fish health issue that the company is attempting to resolve, it appears that the leaseholder’s interest in the lease renewal is not speculative.

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

3. LEASE CONDITIONS

The following conditions were applied to the lease by the original decision:

1. Fishing, including lobster, crab, urchin, scallop, and recreational fishing, is allowed on the open areas of the lease.

³ See page 1 of the renewal application.

2. Navigation is allowed on the open areas of the lease.
3. The lease area shall be marked in accordance with U.S. Coast Guard requirements and Department of Marine Resources Regulations Chapter 2.80.

Condition "3" pertains to site marking. Lease holders are required to mark sites in accordance with DMR's regulations and marking is further specified in lease agreements. Therefore, if the renewal is granted this condition will be removed from the lease agreement as it is already contemplated in applicable regulation.

4. DECISION

The Commissioner grants the application of Cooke Aquaculture USA, Inc. to renew the aquaculture lease COB MI2 for a period of twenty years. 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. REVOCAION OF LEASE

The Commissioner may commence revocation procedures upon determining pursuant to 12 M.R.S. §6072 (11) 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.

6. DATE AND SIGNATURE

Dated: _____

3/1/22



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

STATE OF MAINE
DEPARTMENT OF MARINE RESOURCES
Aquaculture Lease Renewal Application

Phoenix Salmon US Inc.
Lease COB MI2
Docket # 2011-06R

FINDINGS OF FACT, CONCLUSIONS OF LAW, & DECISION

On February 11, 2011, the Department received an application from Phoenix Salmon US Inc., to renew, for a period of ten years to June 4, 2021, its aquaculture lease for 30 acres for net pen culture of Atlantic salmon (*Salmo salar*), Atlantic halibut (*Hippoglossus hippoglossus*), haddock (*Melanogrammus aeglefinus*), Atlantic cod (*Gadus morhua*), rainbow/steelhead trout (*Oncorhynchus mykiss*), and suspended culture of blue sea mussels (*Mytilus edulis*), located south of Matthews Island in Cobscook Bay in the City of Eastport, Washington County, Maine. This lease was initially issued on June 5, 2001 to Lee M. Harris and George S. Harris, Jr. and was transferred to Phoenix Salmon US, Inc. on December 27, 2007.

1. PROCEDURE

Notice of the application for lease renewal and the public comment period was published in the *Commercial Fisheries News* April 2011 edition and in the *Quoddy Tides* on March 11 and March 25, 2011. The public, riparian landowners within 1,000 feet of the lease site, and other interested persons were given 30 days to submit comments or to request a hearing on the application for lease renewal. 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, rent has been paid in a timely manner, the bond has been kept 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 considers, 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 Phoenix Salmon US Inc and its related corporations within the corporate structure owned by Cooke Aquaculture hold 24 aquaculture leases covering a total of 609.33 acres.

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 conducted aquaculture on the lease site during its term, as shown by the annual reports it has filed with the Department.

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

3. LEASE CONDITIONS


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

1. Fishing, including lobster, crab, urchin, scallop, and recreational fishing, is allowed on the open areas of the lease.
2. Navigation is allowed on the open areas of the lease.
3. 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 Phoenix Salmon US Inc. to renew its aquaculture lease COB MI2 for a period of ten years, to June 4, 2021. The renewed lease is subject to the same terms, conditions, and obligations as set forth in the original lease.

Dated: 6/27/11



Norman H. Olsen
Commissioner
Department of Marine Resources