

**STATE OF MAINE**

**Lessee: Cooke Aquaculture USA, Inc.**

**DEPARTMENT OF MARINE RESOURCES**

Aquaculture Lease Renewal Application  
for net-pen culture of Atlantic salmon,  
rainbow/steelhead trout, and Atlantic halibut  
and suspended culture of nori/laver;  
Treat Island, Cobscook Bay, Eastport

**Lease: COB TW**

Docket # 2017-02-R

April 20, 2018

### **FINDINGS OF FACT, CONCLUSIONS OF LAW, & DECISION**

Cooke Aquaculture USA, Inc. applied to the Department to renew its lease COB TW for a period of ten years to May 20, 2027. The 15-acre lease located southwest of Treat Island, Cobscook Bay, Washington County, Eastport, Maine, is issued for net-pen culture of Atlantic salmon (*Salmo salar*), rainbow/steelhead trout (*Oncorhynchus mykiss*), and Atlantic halibut (*Hippoglossus hippoglossus*) and suspended culture of nori/laver (*Porphyra*). This lease, which combined leases COB TW1 and COB TW2, was initially granted on May 21, 2007 to Treats Island Fisheries, Inc. who subsequently transferred it to Phoenix Salmon US, Inc. (to be renamed Cooke Aquaculture USA, Inc.) on May 3, 2011. There have been no other transfers, reductions in acreage, 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 *Quoddy Tides* on July 14 and 28, 2017 and in the July, 2017 edition of the *Commercial Fisheries News*. Personal notice was given to the municipality and to riparian landowners within 1,000 feet of the lease site. One comment in opposition of the renewal 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. §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 conducted by the Department of Maine Resources. 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 hold 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." The annual reports filed with DMR by the lessee and the statement of the lessee on the renewal application indicate 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**

As provided in DMR Rules Chapter 2.37 (1) (B), the Department is including in lease conditions for renewed leases a general condition providing that other public uses that are not inconsistent with the lease purposes are permitted. In adding this condition to the renewed lease, the Department intends to make no substantive change in the public uses of the waters that are permitted to continue within the lease boundaries

Therefore, the conditions that apply to the new lease are:

- 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; and
- b. 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 COB TW for a period of ten years, to May 20, 2027. The renewed lease is subject to the same terms, conditions, and obligations as set forth in the original lease.

**5. REVOCATION OF LEASE**

The Commissioner may commence revocation procedures upon determining pursuant to 12 M.R.S. §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: 4.20.18

  
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Patrick C. Keliher, Commissioner  
Department of Marine Resources