

Findings and Decision- Assignment Application of Steven W. Grady and Open Ocean Systems Inc. for AQ#0826

1. Overview:

On February 26, 2016, the Nova Scotia Department of Fisheries and Aquaculture (NSDFA) received an assignment application from Steven W. Grady and Open Ocean Systems Inc. for Aquaculture Licence and Lease #0826 (AQ#0826), as described below:

Table 1. Description of Aquaculture Licence and Lease #0826

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| Type: Marine Finfish | Location: Strait of Canso South, Guysborough County |
| Number: AQ#0826 | Size: 4.20 HA |
| Assignor: Steven W. Grady | Cultivation Method: Suspended cage cultivation |
| Assignee: Open Ocean Systems Inc. | Species: Atlantic salmon, Rainbow trout |

2. History

AQ#0826 was first issued to Steven Grady on July 27, 1995 for a ten year term (July 31, 1995 to July 31, 2005). AQ#0826 was renewed on December 20, 2005 for a five year term (July 31, 2005 to July 31, 2010). AQ#0826 was renewed on February 2, 2011 for a five year term (July 31, 2010 to July 30, 2015). AQ#0826 was renewed on October 22, 2015 for a five year term (July 30, 2015 to July 30, 2020).

3. Procedure

3.1 Performance Review

A performance review of the information submitted by the operator in support of their renewal application was completed. This review recommended that the site be renewed based on the technical and biological assessment. This performance review is required pursuant to Subsection 72(c) of the Aquaculture Licence and Lease Regulations. A comprehensive review of AQ#0826 occurred in October 2015 as part of the renewal application under review at that time. The file was once again reviewed to ensure that all information submitted for the prior renewal application was applicable to the assignment application. This review was completed on February 27, 2016.

3.2 Public Comment Period

Notice of the application for the assignment of AQ#0826 for the 30-day public comment period was published on NSDFA's website (<http://novascotia.ca/fish/aquaculture/public-information/>) for the period of March 3, 2016 to April 1, 2016. Notice of the application was also published in the Royal Gazette Part I on March 2, 2016, March 9, 2016, March 16, 2016, and March 23, 2016.

3.3 Submissions

Zero submissions were received by NSDFA during the 30-day public comment period.

4. Factors to be considered

AQ#0826 has never been in production since first issuance. The proposed commencement of operations by Open Ocean Systems Inc. indicates that new employment in both administrative and technical jobs will be created. The commencement of operations at a previously un-utilized location is also likely to positively contribute to the overall value of the aquaculture industry in Nova Scotia. Should the operator fail to meet the production commitments indicated as part of the assignment application, the Department's site utilization review procedures will be triggered.

The presence of a commercial lobster and herring fishery in the public waters surrounding the proposed aquacultural operation were noted during the performance review, although no evidence of immediately adjacent activity was identified. File history indicates that a past proposal to reactivate AQ#0826 was met with dissatisfaction from local lobster fishers; however, no submissions in this regard were received during the public comment period for the assignment application. Through the performance review and public comment period, there was no evidence that the commencement of operations at AQ#0826 will interfere with other users of the public waters surrounding the operation. A past proposal to reactivate AQ#0826 was met with interest from local interest groups; however, no comments were received as part of the assignment application public comment period. AQ#0826 is located near shipping lanes in the Strait of Canso; however AQ#0826 is located in the nearshore environment, and is approximately 4.0 km southwest of Cape Breton Island. Thus, the physical separation of AQ#00826 from the shoreline provides for ample navigation corridors within the harbour.

As AQ#0826 has never been in production since first issuance, there is a limited amount of oceanographic data available for this site. Prior to the first introduction of Atlantic salmon onto the site, a detailed baseline assessment by the operator is required. This baseline assessment shall be submitted to the Department for review, and dependent on the result, the introduction of finfish onto the site may be approved. The collection of more detailed temperature data than is currently on file will also be conducted. In addition to regulatory requirements, Open Ocean Systems Inc. also proposes to undertake a comprehensive monitoring program to monitor, evaluate and document farm and ecosystem interactions. Open Ocean Systems Inc. has identified measures to prevent breaches in containment and the escape of fish. They will also be required to comply with the Containment Management sections of the Aquaculture Management regulations. No concerns with regards to wild Atlantic salmon were raised during the performance review or public comment period.

Section 55 of the Licence and Lease Regulations requires an aquaculture licence holder to mark each of their sites in a manner determined by the Minister and keep each site marked during the term of their licence (see below). Also, it is a requirement for the equipment and aquacultural produce to remain within the geographic boundaries of that site. AQ#0826 is located approximately 16 km from the nearest aquaculture operation, and as such there is no evidence to suggest that the extent of existing aquaculture in the area has exceeded the carrying capacity of the area.

5. Decision

Based on the considerations above, Steven Grady's right, title, and interest in and to Aquaculture Licence #0826 and Aquaculture Lease #0826 is hereby assigned to Open Ocean Systems Inc. The assignment shall have an effective date of June 3, 2016. The approval documents shall be prepared in accordance with the standard operating documents of NSDFA, and shall be made publically available subject to the provisions of the *Freedom of Information and Protection of Privacy Act*.

In addition, the following condition shall apply.

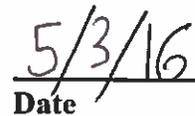
6. Conditions

The operator shall adhere to the following site marking requirements:

- (a) mark all corners of the leased site with cautionary yellow buoys of a minimum of 60 cm in diameter;
- (b) mark all corners of the leased bottom with a cement block or similar device of a weight sufficient to ensure the cement block or device remains in place at all times; and
- (c) display the licence or lease number at 1 corner of the licensed or leased area.



Brennan Goreham
Aquaculture Administrator
Nova Scotia Department of Fisheries and Aquaculture


Date