



MAR 27 2008

File: 0280-30
Ref: 156903

**BY FACSIMILE: 250 725-2885
AND
BY COURIER**

Spencer Evans
Creative Salmon Company Ltd
612 Campbell St
Tofino BC V0R 2Z0

Dear Mr. Evans:

I am writing to advise you of my decision regarding Creative Salmon Company Ltd's (Creative Salmon) application for an Aquaculture Licence (*Fisheries Act*) for a finfish aquaculture facility, near Warne Island, in Clayoquot Sound at the entrance to Tofino Inlet. Based on the information and considerations below, I have decided to issue such licence to Creative Salmon. The rationale for this decision follows in the body of this letter.

1) Application

Creative Salmon submitted a *Land Act* application to the Integrated Land Management Bureau (ILMB) on February 8, 2007. That application was referred to the Fisheries and Aquaculture Licensing and Compliance Branch (FALCB) on February 22, 2007. Creative Salmon submitted an application for an Aquaculture Licence (*Fisheries Act*) to culture Chinook salmon at the proposed location to FALCB on March 15, 2007.

The proposed site is considered a replacement for Creative Salmon's Tranquil site. Tranquil has been on the relocation list since 1999 due to its unsuitability for salmon aquaculture (poor tidal flushing) and concerns by First Nations. The Tranquil Aquaculture Licence expires on August 17, 2008. I understand that Creative Salmon has agreed to surrender their interests in their land tenure and Aquaculture Licence for Tranquil, if the Warne Island site is approved.

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2) Legislative Authority

Section 14 of the *Fisheries Act* (R.S.B.C. 1996, c. 149) authorizes the Minister responsible for the *Fisheries Act* to issue Aquaculture Licenses. Authority for the *Fisheries Act* rests with the Minister of Agriculture and Lands. I was appointed Minister of Agriculture and Lands by the Lieutenant Governor on June 16, 2005, and I have the authority to decide upon your licence application.

3) Policy Guidelines and Other Considerations

In processing and assessing your licence application, I have been guided by the following considerations:

- The Ministry of Agriculture and Lands' policy document entitled "Finfish Aquaculture Policies and Procedures for Applications", a copy of which is available at <http://www.agf.gov.bc.ca/fisheries/Manuals/index.htm#Licensing>.
- Principles of fairness; transparency; efficiency; and accountability.
- Consideration of the public interest, having regard to:
 - protection of public health and safety;
 - protection of the environment; and,
 - sustainable economic development.
- Legal duty to consult with First Nations.
- Mutual Provincial-First Nations interest in developing a new relationship.

4. Information Considered

In reviewing this application I have considered:

- The application made by Creative Salmon for an Aquaculture Licence with all appendices and attachments.
- The other documents in the FALCB licensing file Reference Number 1899 that are related to the Aquaculture application and that pertain to the review by FALCB, including the Aquaculture Development Assessment Report and the letters of support and other documentation relating to consultation with the Tla-o-qui-aht First Nation regarding the Warne Island Aquaculture application.
- Discussions with professional staff of FALCB and Aquaculture Development Branch on their review of the merits of the application that took place March 11, 2008.

I am satisfied that the officials who conducted the review of the application have done a thorough and complete technical assessment. They have made findings based on this assessment and their expertise. I accept these findings and have taken their recommendations into account in making my decision.

5) Site Characteristics

The site is located on the southwest corner of Warne Island in Tofino Inlet, Clayoquot Sound. The weather exposure of the site is considered moderate due to conditions of narrow steep valleys and mountains in proximity to Tofino Inlet. The area closer to shore is mostly rock to the top of the slopes. The substrate is sedimentary (sand, mud).

Ministry of Agriculture and Lands (MAL) staff relied on information submitted by the proponent. The complete report is on file and has been reviewed by staff biologists. The many transects and sampling stations provided by the contract surveyor are in line with the biologist's expectations for the baseline data.

6) Suitability of Proposed Operation

Staff advise that a comprehensive biological review of the file was undertaken. The review involved an assessment of the technical feasibility of the proposal and the capability of the site to support the activity. The assessment overall was that the site is suitable for the activity as proposed in the application.

This application is located within 3 kilometers of other Creative farm sites: 2.5 kilometers from Eagle Bay, 1.6 kilometres from Indian Bay, 2.6 kilometers from Baxter and 2.4 kilometers from McCall. The 3 kilometers spacing between salmon farms is a Ministry guideline to reduce the risk of biological interaction between salmon farms that share the same body of water. This guideline may be relaxed in cases where 2 (or more) farms are owned by the same company, and/or when conditions are such that each farm is hydrographically isolated from the other. In this case, all farms are owned by the same company. The biologist has recommended relaxation of the 3 kilometer guideline in this case and I accept that recommendation.

7) Proposed Production Levels and Related Waste Considerations

Authority to regulate salmon farm waste falls under the jurisdiction of the Ministry of Environment under the Finfish Aquaculture Waste Control Regulation. The Ministry of Agriculture and Lands has the authority to set production limits. A number of criteria were considered by Ministry staff in making a recommendation on the biophysical capability of the site. These included:

- underwater site surveys conducted by consultants;
- 30-day current water data, surface and deep;
- a review of proposed production; Ministry Marine Finfish Production model, and a computer software program known as “DEPOMOD”, which estimates the size and location of the farm’s footprint on the seabed.

Based on their analysis of the above, staff advise that if this application is to be approved, the Aquaculture Licence should limit the level of production to that specified in the Plan (i.e. 1500 metric tonnes). Mechanisms are in place (i.e. the Ministry of Environment waste monitoring program and the proponent’s fallowing program) to monitor, implement and if necessary, to modify production levels in future.

8) Fish Health Considerations

Creative Salmon continues to have a functioning Fish Health Management Plan (FHMP) that has been approved on an annual basis since 2004. That FHMP covers all aspects of fish health at its marine salmon farming facilities. On an annual basis, both the Creative Salmon biologists and Ministry veterinarians review the FHMP, including the need for any revisions. Ministry veterinary staff conclude that the FHMP is adequate in every respect to address all fish health matters that may emerge during the course of the proposed facility’s operation. Sea lice are not a significant factor in the culture of farmed Chinook salmon. Based on my current awareness and knowledge of the proposed facility, I remain confident that Creative Salmon’s current FHMP and Standard Operating Procedures will ensure that wild stocks of Pacific salmon are not adversely affected by this development.

9) Escape Prevention, Detection and Response

I note that a standard condition of an Aquaculture Licence is a satisfactory inspection by a Fisheries Inspector prior to entry of fish at a site. This includes a comprehensive review of all legislative/regulatory requirements, including having an escape prevention, detection and response plan maintained on-site and the contents known to all staff. Appendix 2, Part III of the Aquaculture Regulation prescribes the requirements with respect to Escape Response Plans.

I am confident the adequate measures are in place to ensure that wild salmon stocks will not be impacted by the escape of farmed salmon from the facility.

10) Land Use and Zoning

The proposed Warne Island site is located within the Alberni-Clayoquot Regional District. There are no zoning restrictions. It is located in an area designated by the Clayoquot Sound Coastal Management Plan as acceptable to aquaculture. The Clayoquot Sound Central Regional Board is supportive of the application.

11) First Nation Consultation

The proposed site lies solely within the asserted traditional territory of the Tla-o-qui-aht First Nations. FALCB led the consultation on behalf of the Province, sending an initial referral on March 15, 2007. I note that the Tla-o-qui-aht First Nations supports the application and letters from the Tla-o-qui-aht First Nations confirming that support are on the file. A comprehensive summary of the consultation undertaken on this application is in the file (Reference Number 1899; Land File Number 1411201). Upon consideration of the materials referred to above, it is believed that the Province has met its duty to the Tla-o-qui-aht First Nations respecting decisions under the *Fisheries Act*.

12) Public Review by other government agencies and third parties

The application was referred to, or otherwise considered by, a number of organizations. These organizations and a summary of their comments are noted below.

Other government and Agents of Government

- Canadian Coast Guard – Subject to issuance of Navigable Waters Permit.
- Fisheries and Oceans Canada – *Canadian Environmental Assessment Act* Screening Report not yet completed.
- Ministry of Environment – Subject to Finfish Aquaculture Waste Control Regulation.
- Alberni-Clayoquot Regional District – Approval supported.
- Archeology Research Ltd. – There are two registered archeological sites adjacent to the application area. Archaeological potential of the subject property is low; proposed development should have no effect on adjacent land-based archaeological sites.
- Clayoquot Sound Central Regional Board – Approval supported.

Non-Government Organizations

- Friends of Clayoquot Sound – Opposed, due to the potential for environmental impacts.

Advertising for the proposed site was conducted in accordance with *Land Act* requirements. Two public meetings were held on April 10, 2007 - one in Opitsaht, Mears Island at the Tla-o-qui-aht First Nations band office and the other at the Long Beach Golf Course in Tofino. Comments were provided concerning both the land tenure and aquaculture licence applications and members of the public were given an opportunity to ask questions on the proposed salmon farm. Representatives from Creative Salmon, MAL, ILMB, Fisheries and Oceans Canada and Transport Canada were available to observe the proceedings and answer questions.

The following letters of support were included in the application package:

- District of Ucluelet, dated June 21, 2006
- Tofino Business Association (34 members), dated May 5, 2006

13) Past or Demonstrable Performance of the Applicant

Staff advise that a review of Creative Salmon's past and demonstrable performance has been completed as part of this application process. Based on input and recommendations from Ministry personnel, I am satisfied that Creative Salmon meets past or demonstrable performance requirements.

14) Economic and Employment Benefits

Fish farming is the biggest provider of year-round jobs in Tofino and Ucluelet.

Creative Salmon provides direct employment to approximately 45 full-time staff members. In 2005, Creative Salmon injected in excess of \$2.3 million into the local economy through wages and benefits.

In addition, a great number of supplies and services are required to support the saltwater grow-out production. These jobs would be related to administrative services, fish health services, smolt production, diving, vessel maintenance and repair, fuel suppliers, the harvesting, processing and marketing of fish, and feed and equipment manufacturing. The transportation industry (land and sea) will also see new employment opportunities. A significant portion of these jobs are located in the local communities or elsewhere on Vancouver Island. In total, the company spent in excess of \$9.6 million on supplies and services in 2005.

Approval of this application may also include additional opportunities for members of the Tla-o-qui-aht First Nations.

15) Decision

Based on the information and considerations described above, I am issuing Creative Salmon an Aquaculture Licence under the *Fisheries Act* to operate an aquaculture facility at the Warne Island site. The licence authorizes Creative Salmon to culture Chinook salmon, to a total maximum per production cycle of 1500 metric tonnes, as per the Management Plan for the site.

Your licence is subject to the General Terms and Special Provisos attached.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Pat Bell', written in black ink.

Pat Bell
Minister

Attachment

pc: Jim Russell
Fisheries and Aquaculture Licensing and Compliance Branch



Ministry of Agriculture and Lands

AQUACULTURE LICENCE

This certifies that **Creative Salmon Company Ltd.**
of **Tofino**, British Columbia
having made an application and paid the prescribed fee, is licensed
pursuant to Sections 13(5) and 14(2) of the Fisheries Act
(R.S.B.C. 1996, c. 149) to operate at the location described herein for
the purpose of the commercial culture of the species indicated below.
This licence is subject to the terms printed on the reverse, and
the Development or Management Plan(s) filed with and approved by
the Ministry of Agriculture and Lands.
This licence is also subject to any attached additional terms and conditions.

| REFERENCE | LOCATION AND LEGAL DESCRIPTION |
|-----------|---|
| 001899 | Warne Island UF located in Warne Bay, Tofino Inlet, Clayoquot District |

Total Maximum Production Per Cycle: 1500 Metric Tonnes
PLAN : FF-MW-CL SPECIES: Chinook Salmon
BIO RECOMMEND : 2007-MAY-08 Oncorhynchus tshawytscha

Effective date: March 25, 2008

Expiry date: March 24, 2009

Per 
Minister of Agriculture and Lands

ADDITIONAL TERMS AND CONDITIONS

The following term & condition is in addition to the general terms of
Aquaculture Licence # 001899
issued to: **Creative Salmon Company Ltd.**

A satisfactory inspection by a Fisheries Inspector is required prior to entry of fish at this site, and will include a comprehensive review of all legislative/regulatory requirements, including records on site, having escape prevention, detection and response plans maintained on site, and evidence of the site's net tagging, monitoring and recording program. The proponent is asked to review the Aquaculture Regulation to ensure the site's plans are current and meet statutory requirements.

The licence holder must maintain and follow an up-to-date Fish Health Management Plan (FHMP). No fish shall be introduced on site until the FHMP has been approved by the Ministry of Agriculture and Lands (MAL). This plan must be reviewed annually by the holder and any amendments to the FHMP must be submitted to MAL for approval prior to implementing those amendments.

An inspection by a qualified anchoring specialist* must be completed for systems installed since November 1, 2001 on newly licensed sites and for any facility alterations or additions approved after May 1, 2004.

For installation of systems at new facilities, inspection must be completed prior to the introduction of fish. For sites which are altered or added to, inspection must be completed prior to the utilization of newly installed infrastructure. This inspection must confirm that the design, equipment used and installation of the facility is consistent with the anchoring system layout diagram attached to the approved management plan, and the specifications in Appendix 2 of the Aquaculture Regulation. Proof of this inspection must be retained by the company and must be made available upon request by a Fisheries Inspector.

*A "qualified anchoring specialist" is an individual employed by or contracted by an aquaculture company who possesses the knowledge, expertise and experience necessary to complete the task.