

From The Bangor Daily News

Atlantic Salmon closure leaves town in a pinch
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MACHIASPORT - The closure of the Atlantic Salmon of Maine aquaculture company last month has left 19 employees without work and the selectmen of Machiasport wondering where they stand with respect to the pier built with federal money and leased to the company. The town was seven years into a 10-year lease agreement with Atlantic Salmon for the pier, which the company was poised to buy after 10 years for the balance due on the \$100,000 structure. The pier is adjacent to the Atlantic Salmon property on Machias Bay.

But Doug Campbell, Machiasport's first selectman, said he can't even get his phone calls returned by Cooke Aquaculture, the Canadian seafood giant that purchased Atlantic Salmon in April.

The last communication that Machiasport had with Cooke Aquaculture of St. George, New Brunswick, was a Sept. 14 letter in which the Canadian owner asked to exercise a purchase option for the pier for \$2,000.

Cooke Aquaculture proposed closing the deal by Oct. 30, but that didn't take place because of the lack of any further communication between the town and the company.

Machiasport would like to regain the pier used by Atlantic Salmon in the event that Cooke Aquaculture sells the plant to another company, allowing the town to lease the pier to any new owner.

"We want to work with companies that can bring employment here," Campbell said Tuesday. "These [Atlantic Salmon] employees are gone except for one person there watching the building.

"We're really not getting anywhere. They don't return my calls, and that's too bad. If we were talking, maybe we could do something."

Attorneys for both the town and Cooke Aquaculture could not be reached on Tuesday.

The Canadians acquired Atlantic Salmon last April from the Norwegian company Fjord Seafood USA. They closed the production facility without fanfare last month, and 19 production workers were displaced.

Nell Halse, spokesman for Cooke Aquaculture, confirmed Atlantic Salmon's closure on Tuesday.

"We gave the 19 workers employment through the summer, when they were expecting to lose their jobs last spring," Halse said. "We have discontinued the Machiasport processing facility, at least for now. We don't know what the future will be. We stocked some fish last spring, so we have a couple years to see what our resources are, in terms of human resources and assets."

Cooke Aquaculture has a production facility in St. George and a smoking facility in Charlottetown, Prince Edward Island. Salmon currently in the Machiasport pens likely will be processed at the Canadian plants in two years.

The Machiasport facility, a \$2 million, 28,000-square-foot plant, has operated since 1987.

Atlantic Salmon once employed as many as 200 among several sites in Maine, including Machiasport, under Fjord Seafood. But the company had been burdened by several economic, legal and regulatory problems in the past few years.

Cooke Aquaculture knew that going into the purchase. While not promising jobs over the long term, the Canadians positioned themselves as saviors of sorts, saying they wouldn't get involved with the Machiasport venture if they didn't feel they could turn Atlantic Salmon into a sustainable business model.

Workers who stayed on last spring after the sale never felt secure in their jobs, in spite of Cooke's looking past June 30, when a possible closure was put off. Cooke brought in a smoking unit and even advertised for new workers. Still, its employees questioned the company's staying power.

By September, Cooke was quietly at work on shutting down.

The town of Machiasport never got formal notice of Cooke's intentions even though Cooke officials had promised last spring that employees and the town together would be "the first to know" of major developments.

Now, Campbell said, "We're at a point where we really don't know what's going on. We are trying to salvage the pier. ... We are not seeing any activity, not hearing anything. We certainly would like to, because we've taken a big loss."

The pier was constructed using federal money through a Community Development Block Grant. Atlantic Salmon has leased the pier for seven years, but hasn't completed a purchase from the town.

The contract between Atlantic Salmon and the town held that if the company ceased operations for 12 months, the town would have the option of buying it back at fair market value.

However, the contract wasn't specific about what happens in the event that Atlantic Salmon closes before buying the pier.

"We have asked the state to give us a hand, some guidance, on this, but we haven't heard anything from the state, either," Campbell said.

"I'm crushed that the state and federal government both seem to be saying, 'Oh, well, let them go. ...' That's disheartening."

