

**HB 2603 -1 STAFF MEASURE SUMMARY**  
**House Committee On Energy and Environment**

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**Meeting Dates:** 2/24

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**WHAT THE MEASURE DOES:**

Requires owners or operators of undersea fiber optic telecommunication cables to obtain financial assurances for the costs of removing the cable and other equipment after the termination of the use of the cable, after a drilling accident, and any corrective action required to be taken along the cable route or at the associated landing site. Requires owners or operators to create plan for removal of cable which includes but is not limited to information regarding the anticipated useful life of the cable and description of the method and schedule for updating the costs of and anticipated methods for removing the cable. Requires that applications and annual updates for easement to place cable include but are not limited to anticipated useful life of cable; plan for updating costs for removing cable; and plan for removing cable. Requires owners or operators to initiate removal of all equipment related to that cable within 12 months after the permanent termination of use of the cable or the expiration of the easement authorizing placement of the cable, if removal is deemed necessary. Requires removal of all applicable equipment within two years after ceasing operations. Authorizes director of Department of State Lands (DSL) to extend deadline. Directs DSL, with the State Parks and Recreation Department, and the Department of Land Conservation and Development, to study permitting processes for the placement of undersea fiber optic cables on state-owned submerged or submersible land within the territorial sea and under the ocean shore, for the siting of associated landing sites, establishing requirements for public information meetings, and permit application requirements. Directs DSL to report results of study to interim committees of Legislative Assembly related to environment no later than September 15, 2022. Repeals study provision on January 2, 2023. Takes effect on 91<sup>st</sup> day following adjournment sine die.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

-1 Requires owners or operators of undersea cables to maintain a cost-estimate report and provide financial assurances for the costs of removing the cable and other equipment after the termination of the use of the cable or expiration of the easement, and anticipated costs of any corrective action required to be taken along the cable route or at the associated landing site. Requires owners or operators to maintain a cost-estimate report and provide financial assurances for costs of removing undersea cable and drilling equipment or conducting drilling fluid release mitigation after a drilling accident prior to and during the installation of undersea cable. Requires owners or operators to maintain a cost-estimate report and provide financial assurances for anticipated costs of any corrective action required to be taken along the cable route or at the associated landing site during the installation of undersea cable. Requires that applications for easement to place cable maintain the following financial assurances: 1) insurance; b) establishment of a trust fund; c) a surety bond; or d) a letter of credit. Requires that applications are updated every five years. Requires owners or operators to initiate removal of all equipment related to that cable within 12 months after the permanent termination of use of the cable or the expiration of the easement authorizing placement of the cable. Authorizes director of Department of State Lands (DSL), if removal of cable is deemed necessary, to require owner or operator of cable to take certain actions. Directs DSL and the Department of Land Conservation and Development (DLCD) to study fee structure and state and federal review processes and permitting for placement of cables and landing sites. Directs DLCD to lead study on permitting processes and siting of landing sites and requires DLCD to study 1) requirements for siting landing

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sites after mapping and analysis of suitable sites and 2) a review of zoning requirements or statewide planning goals that impact the placement of undersea cables. Directs DLCD to lead study on establishing requirements for public information meetings and include in study tribal governments' participation in public informational meetings and the changes to fees and financing associated with administrative costs and protection and management of the territorial sea and ocean shore. Expands study on application process to include 1) a geological study conducted by a registered professional geologist experienced in coastal processes; 2) consultation with Oregon sea floor experts; 3) a study of the impact of the undersea cable on marine biological resources, including fisheries; 4) an analysis of other state agencies, laws, or statewide planning goals and their impact on potential undersea cable sites; 5) requirements for interagency preapplication process meetings; and 6) standards for undersea cables in the states of California and Washington. Directs DLCD, in addition to DSL, to report results of study to interim committees and include recommendations for legislation with report.

### **BACKGROUND:**

Oregon's territorial sea, defined as three nautical miles from shore, has been identified as a favorable landing zone for submarine fiber optic telecommunication cables. State agencies, including Department of State Lands, the State Parks and Recreation Department, the Department of Land Conservation and Development, and the Department of Environmental Quality, regulate and approve permits for projects along the coast and on the ocean floor. Part Four of the Oregon Territorial Sea Plan describes the process for uses of the sea floor. Senate Bill 606 (2013) clarified financial assurance and decommissioning requirements for wave energy projects and identified research needed related to the transmission of electricity from wave energy facilities and devices.

House Bill 2603 would require owners or operators of undersea fiber optic telecommunication cables to obtain financial assurances and create plan for removal of cables. House Bill 2603 would direct three state agencies to study permitting processes for the placement of undersea fiber optic cables on state-owned land within the territorial sea and under the ocean shore and for the siting of associated landing sites. Takes effect on 91<sup>st</sup> day following adjournment sine die.