The Oregon Parks and Recreation Department (OPRD) issued an ocean shore alteration permit to Edge Cable Holdings, Inc. on March 26, 2019. The permit expires on March 26, 2021 and allows the company to install a telecommunications cable beneath the ocean shore. The company intended to bore a hole beneath the shore, starting on a private parcel in the unincorporated community of Tierra del Mar and drilling under the ocean shore to a point offshore where it will emerge from the seafloor. The operation involved using a steel drill, a clay-based lubricating fluid, and associated underground equipment to guide the drill bit along a set course.

In addition to an ocean shore alteration permit, the project required permission from other public agencies, including the Oregon Department of State Lands (DSL). DSL has jurisdiction over a portion of the Oregon seabed below low tide.

On April 28, 2020, the drill pipe broke and drilling operations stopped. OPRD was informed of the malfunction on June 17. This material is still under the seabed, and some portion is under the ocean shore:

- ~1,100 feet of 5-7/8-inch (outer dimension) drill pipe
- 10-5/8-inch diameter carbide drill tip
- ParaTrack Gyro Module
- ParaTrack Steering Tool
- 6,500 gallons of drilling fluid containing Bore-Gel, Quick-Bore and Pac-LE

According to DSL, when the drill equipment was removed from the bore hole without notice or discussion, the opportunity to fully evaluate recovery options was lost.

The ocean shore alteration permit requires the permittee to contact OPRD if any drilling lubricating fluid is released to the ocean shore. Based on the information currently available, no fluid was released on or under the ocean shore, and it doesn't appear the permittee was required to contact OPRD when the equipment malfunctioned.

As of this writing, the ocean shore permit is still valid. OPRD sent the permittee a letter July 16, 2020 explaining the steps they must take before being allowed to resume operations under their ocean shore permit. The full letter is attached, but in part it requires Edge to:

- Verify the permits and agreements with other government agencies, including DSL, are still valid.
Submit an independent hazard analysis evaluating the possible economic, scenic, and recreational effects of leaving this equipment under the ocean shore.

These requirements enforce the original permit conditions and are designed to protect the ocean shore. As of the date this brief was written, staff had not yet received a reply. The deadline for the permittee to reply was August 27, as set in a subsequent letter (also attached).

Prior Action by Commission: None.

Action Requested: None.

Attachments: Letters to permittees.

Prepared by: Chris Havel
July 16, 2020

Cameron Fisher
48 North Solutions
909 NE Boat St.
Seattle WA 98105

RE: Ocean Shore Alteration Permit #2900-18; Permit Status

Dear Cameron,

Thank you for providing the Oregon Parks and Recreation Department (OPRD) with details regarding the mechanical failure that occurred on March 28, 2020 while attempting to install the Jupiter cable at Tierra Del Mar. It is our understanding that the failure consisted of a broken drilling shaft which has resulted in loss of the drill head and associated drilling shaft, and that a portion of the shaft and empty conduit remain at various depths under the ocean shore. You have stated that these components cannot be recovered. It is also our understanding that the breakdown did not result in any inadvertent drilling fluid release onto the ocean shore, which is fortunate.

During our June 17, 2020 phone conversation with Subcom representatives, you asked if a second attempt to install the cable in January 2021 may be allowed under the terms and conditions of the existing permit. After OPRD review, we have determined that the permit remains valid, but the following permit conditions require updated verifications and new information:

1. This approval does not affect any obligation the Permittee might have to other persons or agencies, local, state or federal regulations, including the acquisition of necessary permits from Tillamook County, the Oregon Department of State Lands and U.S. Army Corps of Engineers, prior to initiating the project. This permit shall not be valid until all other necessary permits have been awarded allowing installation of the complete fiber optic line system both seaward and landward of the ocean shore.

Tillamook County, Oregon Department of State Lands, and U.S. Army Corps of Engineers permits must remain valid. The permittee must provide OPRD verification that these permits from other agencies are current prior to resumption of drilling activities.

3. The Permittee shall finalize any required proprietary easement agreement from the Oregon Department of State Lands prior to installation of the cable and conduit on the ocean shore or waters of the state.

The proprietary easement agreement with Oregon Department of State Lands must remain valid or be updated if necessary. The permittee must provide OPRD verification that the easement is current prior to the resumption of drilling activities.
5. Permittee shall provide OPRD conduit and cable installation plans prepared by a registered Professional Surveyor verifying that the proposed conduit and cable route does not cross private property not owned by the Permittee, including privately owned land on the ocean shore. If the proposed conduit and cable route crosses private property not owned by the Permittee, this permit will be suspended until the Permittee provides proof of an easement or other acceptable form of owner permission to cross the affected property.

Permittee will provide OPRD a new survey which illustrates the revised conduit and cable installation plans in relation to property lines and extreme low water of the Pacific Ocean. This updated survey is not required if the drilling path is merely moving deeper.

11. If an unforeseen erosion event or other phenomena occurs that causes the cable or conduits to be exposed, constitutes a hazard to the public or is in any way detrimental to the preservation of the economic, scenic, and recreational value of the ocean shore, the permittee or subsequent owner of the cable and related facilities shall, at the request of the Department, re-install the conduit and cable to an adequate depth to eliminate such exposure, hazard or detrimental condition.

Permittee will provide OPRD an independent hazard analysis evaluating potential impacts to the economic, scenic, and recreational values of the ocean shore that may be caused by leaving the existing failed equipment, conduit/bore hole, and any remaining drilling fluid/chemicals under the ocean shore.

12. The project shall be completed prior to March 26, 2020. If it appears that, due to unforeseen circumstances, the project cannot be installed by the expiration date, the Permittee or authorized representative may request a permit extension. A time extension may be granted based on the submission of a revised construction schedule.

OPRD has approved one request for a time extension, and the permit remains valid until March 26, 2021. Please provide OPRD with an estimated completion date and if necessary, a time extension request.

Feel free to contact me directly if you have any questions about your permit status. You may contact me directly at (541) 270-3226 to discuss the above permit conditions and OPRD requirements to move the project forward. I am available generally between the hours of 8:00 am to 5:30 pm, Monday through Thursday.

Sincerely,

Jay Sennewald
Ocean Shores Coordinator

Copy: Blake Helm, DSL
Sarah Absher, Tillamook County
Kinsey Friesen, USACOE
August 13, 2020

Cameron Fisher
48 North Solutions
909 NE Boat St.
Seattle WA 98105

Via Certified Mail and Email

RE: Reply requested to July 16, 2020 letter about Ocean Shore Alteration Permit #2900-18

Dear Cameron,

You received a letter dated July 16, 2020, from the Oregon Parks and Recreation Department requiring Edge Cable Holdings, as the permittee under Ocean Shore Alteration Permit #2900-18, to verify it still met the permit’s conditions. We neglected to set a deadline for your response, and are doing so now.

Please reply no later than August 27, 2020 to either respond substantively to each point raised in our July 16, 2020 letter (attached for your reference), or provide a plan with deadlines to do so.

Feel free to contact me directly if you have any questions about your permit status or the conditions explained in the July 16 letter. You may contact me directly at (541) 270-3226. I am available generally between the hours of 8:00 am to 5:30 pm, Monday through Thursday.

Sincerely,

Jay Sennewald
Ocean Shores Coordinator

Copy: Blake Helm, DSL
Sarah Absher, Tillamook County
Kinsey Friesen, USACOE