

August 25, 2020

VIA EMAIL

Jay Sennewald
Ocean Shores Coordinator
Coastal Region Office
Oregon Parks and Recreation Department
12735 NW Pacific Coast Highway
Seal Rock, OR 97376

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

Dear Jay:

Edge Cable Holdings USA, LLC (“Edge”) received your letters dated July 16, 2020, and August 13, 2020, and are providing this letter in response.

- 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 the 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 the drilling activities.

Edge Response: Edge will provide the Oregon Parks and Recreation Department (“OPRD”) with verification of valid permits from Tillamook County, DSL, and USACE prior to resuming work on Lot 3200 in January 2021.

- 3. The Permittee shall finalize any required proprietary easement agreements 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 resumption of drilling activities.

Edge Response: Edge will provide OPRD verification of a valid DSL proprietary easement agreement for the cable installation and cable conduit prior to resuming work in January 2021.

- 5. Permittee shall provide OPRD conduit and cable installation plans prepared by a registered Professional Surveyor verging 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.

Edge Response: The drilling path to be followed upon recommencement of construction in 2021 will remain substantially the same as the drilling path utilized during operations in 2020, but will be engineered to avoid the unrecovered materials. The drilling path will continue to avoid crossing private property not owned by Edge/Permittee.

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.

Edge Response: Edge will provide OPRD the requested independent hazard analysis by September 15, 2020, or sooner. The analysis is being conducted by one of the world's leading environmental firms, and it will also be peer reviewed by another top environmental consulting firm.

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.

Edge Response: Edge estimates that construction of the project will be complete prior to April 30, 2021, and will submit a request for time extension if it determines that construction will not be completed before March 26, 2021.

In addition to the measures requested by OPRD, Edge will also:

- Conduct supplemental geophysical and geotechnical investigations to augment its existing surveys that were undertaken prior to the start of construction. Our vendors, SubCom and 48 North Solutions, will contact you about the permits required for those supplemental surveys.
- Notify OPRD (and the other relevant federal, state and local governmental bodies) by phone and e-mail within twenty four (24) hours of an occurrence of a drill break or other major incident on Lot 3200, and then submit a written report regarding the incident within three (3) business days following the incident.

We appreciate your consideration and look forward to successfully completing construction in 2021.

Sincerely,

Kathy Rushmore
Environmental Manager

cc: Blake Helm, DSL
Sarah Absher, Tillamook County
Kinsey Friesen, USACOE
Haley Teach, DEQ



The Oregon Parks and Recreation Department has advised Edge Cable Holdings USA, LLC, the permittee for Ocean Shore Alteration Permit 2900-18, that it expects the independent hazard analysis evaluating potential impacts to the economic, scenic, and recreational values of the ocean shore will cover, at a minimum, the following topics of concern:

- Chemical analysis of each of the products used (individually and any collective chemical interactivity) with specific focus on potential risks in the marine environment, including potential chemical and biological impacts.
- Environmental evaluation of all options being considered (e.g. leaving materials, removing materials, capping or filling remaining bore hole, or other alternatives).
- Analysis of impacts of leaving equipment and potential impacts to the marine environment. Evaluation should include long term timeframes to account for life cycle impacts as equipment and materials decay.
- Geological evaluation of the risk of mobilization of those products/materials to the marine environment.
- Geological evaluation of the risk of failure (collapse) of the partially drilled and unlined bore hole (in its entirety from land to terminus). Evaluations should include the risks in light of the desire to drill a secondary line below, or near the failed line (will that effort including vibrations, long term impacts, etc. increase the risk of exposure of materials or increase the risk of collapse?)
- Visual impacts at the surface if the drilling equipment deteriorates or drilling lubricant is exposed.
- Public health risks if highest estimated concentration of drilling lubricant reaches the surface of the ocean shore.
- Evaluation of potential economic impacts, such as clean-up costs and loss of adjacent property value if drilling fluid becomes exposed on the ocean shore.