

## Legislative Fiscal Office

Oregon State Capitol  
900 Court Street NE, H-178  
Salem, OR 97301  
503-986-1828



## Joint Committee on Ways and Means

Sen. Betsy Johnson, Senate Co-Chair  
Sen. Elizabeth Steiner Hayward, Senate Co-Chair  
Rep. Dan Rayfield, House Co-Chair

Sen. Fred Girod, Senate Co-Vice Chair  
Rep. David Gomberg, House Co-Vice Chair  
Rep. Greg Smith, House Co-Vice Chair

Laurie Byerly, Interim Legislative Fiscal Officer  
Amanda Beitel, Deputy Legislative Fiscal Officer (Budget)  
Paul Siebert, Deputy Legislative Fiscal Officer (Audit/IT)

**To:** Natural Resources Subcommittee

**From:** Kim To, Legislative Fiscal Office

**Date:** June 14, 2021

**Subject:** HB 2603 – Relating to undersea cables.  
Work Session Recommendations

HB 2603 requires an applicant for an easement to place an undersea cable to acquire and maintain financial assurance to ensure that the applicant constructs the cable according to the terms of the easement. The amount of the financial assurance is to be determined by the Department of State Lands (DSL). Owners or operators of an undersea cable must also submit a decommissioning plan to DSL at least 180 days before decommissioning the cable. This portion of the measure becomes operative on January 1, 2022, though DSL may take any action before the operative date to enact this measure.

The measure directs the Department of Land Conservation and Development (DLCD), in consultation with DSL and local and tribal governments, to review the part of the Territorial Sea Plan that addresses the placement of cables, pipelines, and other utilities in the territorial sea. This review must include consideration of fee structures and state and federal review processes (including permitting process) for the placement of undersea cables on state-owned submerged or submersible land within the territorial sea and under the ocean shore, and the siting of associated landing sites. DLCD is to provide the results of this review to the Ocean Policy Advisory Council.

The Ocean Policy Advisory Council is to develop recommendations for amendments in light of this review, and is directed to evaluate a coordinated permitting process for placement of undersea cables; suitable landing sites.

DLCD provides administrative support for the Ocean Policy Advisory Council. DLCD anticipates hiring one full-time, limited duration Planner 3 position (0.88 FTE in 2021-23) at a total cost of \$197,081 General Fund, including position-related Services and Supplies. The Planner 3 will assist the Council with amendments to the Territorial Sea Plan, including the study of the permitting process, cable landing site suitability, and review of zoning requirements and statewide planning goals in relation to undersea cables. Additionally, it is estimated that a study of the entire Oregon Coast to determine opportunities, limitations, and requirements for landing sites could cost up to \$300,000 General Fund.

The Department of State Lands (DSL) anticipates needing one full-time, limited duration Natural Resources Specialist 4 position (0.88 FTE in 2021-23) at a total cost of \$196,176 Other Funds, including position-related Services and Supplies. This position will assist with the review and recommendation work required under this measure, specific to DSL's role in permitting for undersea cables. Other Funds are derived from leases on state owned waterways and submersible lands.

The measure previously had a hearing in the House Committee on Energy and Environment on 2/24/2021 and 3/31/2021, and was reported out with a do pass recommendation.

**Recommended Changes**

The -A11 combines the -A6 and -A9 amendments which clarify the duties of DLCD, DSL, and the Ocean Policy Advisory Council. The -A11 also appropriates \$497,081 General Fund to the Department of Land Conservation and Development and increases the Other Funds limitation for Department of State Lands by \$196,176 to carry out the work required by the measure. LFO recommends adoption of the -A11 amendment.

**Final Subcommittee Action**

LFO recommends that HB 2603, as amended by the -11 amendment, be moved to the Ways and Means Full Committee.

**Carriers**

Full Committee: \_\_\_\_\_

House Floor: \_\_\_\_\_

Senate Floor: \_\_\_\_\_