



# Oregon

Kate Brown, Governor

## Department of State Lands

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### State Land Board

To: Representative Pam Marsh, Chair, House Committee on Energy and Environment  
Representative Ken Helm, Vice-Chair, House Committee on Energy and Environment  
Representative David Brock Smith, Vice-Chair, House Committee on Energy and Environment  
Members, House Committee on Energy and Environment

Kate Brown  
Governor

Shemia Fagan  
Secretary of State

Tobias Read  
State Treasurer

From: Christopher Castelli, Senior Policy and Legislative Analyst,  
Department of State Lands

### Re: **Testimony on House Bill 2603, -1 Amendment**

Good afternoon, Chair Marsh and members of the House Committee on Energy and Environment. For the record I am Senior Policy and Legislative Analyst Christopher Castelli of the Department of State Lands, and I am here today to testify on House Bill 2603, -1 Amendment. The Department has no position on this bill.

The Department has dual responsibilities for activities in the territorial sea. The Department acts as a landowner for the State of Oregon, through the State Land Board, and is responsible for authorizing uses of the territorial sea, such as easements for telecommunication cables. The Department is also responsible for administering the state's removal/fill law for ground disturbing activities in waters of the state.

This bill requires a removal plan and financial assurance for the placement of telecommunication cables in the territorial sea. The bill also requires the Department and the Department of Land Conservation and Development to jointly study and propose changes to the permitting and siting of telecommunications cables in the territorial sea and the ocean shore. A report is due to the legislature September 15, 2022. The -1 amendment divides study responsibilities between DLCD and the Department, allowing each agency to focus on their areas of expertise.

The section of this bill pertaining to financial assurance and a removal plan is derived from the same requirements for ocean renewable energy projects in the territorial sea (ORS 274.879). A financial assurance requirement would help protect state land and would be generally helpful for the Department. The required cost estimate could be updated on a less frequent basis than annually, such as every five years. The -1 amendment states "the owner or operator of the undersea cable must update the application with the Department of State Lands every five years." The Department does not envision a holder of an easement submitting an application every five years. Rather, the holder would need to update the cost estimate report and evidence of corresponding financial assurance. The Department also believes the bill would benefit from some

specificity around the financial assurance mechanisms. The Department has communicated these suggestions to the bill's sponsor.

This bill will have a couple direct fiscal impacts to the Department. The Department will need to engage in rulemaking (amending OAR 141-083) to implement the removal plan and financial assurance requirements of the bill.

The Department will also need resources to complete the required study, public engagement, and report writing required by this bill.

Thank you for the opportunity to testify and I will be happy to answer any questions.