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STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES

OFFICE OF CONSERVATION AND COASTAL LANDS
POST OFFICE BOX 621
HONOLULU, HAWAII 96809

REF: OCCL: AJR

CDUA: OA-3773

Acceptance Date: June 24, 2016

145 Day Expiration Date: November 16, 2016

Brian Takeda
c/o RM Towill Corporation
2024 North King St., Ste. 200
Honolulu, HI 96819-3494

JUN 28 2016

NOTICE OF ACCEPTANCE AND PRELIMINARY ENVIRONMENTAL DETERMINATION
Conservation District Use Application (CDUA) File No. OA-3773
(BOARD PERMIT)

Dear Mr. Takeda,

This letter acknowledges the receipt and acceptance for the processing of your Conservation District Use Application (CDUA) regarding the proposed installation of a submarine fiber optic telecommunications cable and landing facility at Mākaha Beach Park, located on submerged lands of the state, seaward (*makai*) of Tax Map Key (TMK): (1) 8-4-001:012. For reference, a portion of the proposed project will be located within the State Land Use (SLU) Conservation District *Resource* Subzone (submarine cable) with additional work to be located at an existing telecommunications facility property within the SLU Urban District landward (*mauka*) of the beach park.

DISCUSSION:

NEC Corporation of America (NEC) is proposing to construct a Southeast Asia – United States (SEA-US) transpacific submarine fiber-optic (FO) telecommunications cable system that will connect Indonesia, the Philippines, Guam, and the U.S. States, Hawai'i and California. This application covers the portion of the system that extends from the boundary of the State of Hawaii's jurisdictional waters (~3 miles) to the location of the certified shoreline located at Mākaha Beach Park.

The SEA-US Cable System is being undertaken by a consortium of telecommunication providers in Indonesia, the Philippines, Guam, and the U.S. West Coast and Hawaii. The Hawaii segment of this system is being developed by NEC in partnership with Hawaiian Telecom, which is a public utility operating in the State of Hawaii.

The purpose of the proposed project is to:

- Provide reliable telecommunications service between Indonesia, the Philippines, Guam, and U.S. West Coast and Hawaii;
- Enhance service now provided through cable systems that have limited bandwidth capacity. The proposed SEA-US cable system will have a high operating bandwidth enabling the more efficient use of high technology services such as telemedicine, real time videotrafficking [sic] (video-marketing), and data transmission;
- Improve the long-distance transmission of domestic and international FO signals and reinforce Hawai'i's position as a hub in trans-Pacific submarine telecommunication networks which will facilitate the future economic growth of the State; and
- Provide a redundant system to the existing FO cable systems between the proposed location in the event of a system failure or damage.

PROPOSED USE:

Construction of the proposed *SEA-US Cable system, Mākaha Beach Landing* project will include the following activities (within the SLU Conservation District):

1. The placement of a submarine FO cable (approximately 15,975 linear feet) positioned along a predetermined route extending from the territorial limit of State of Hawaii waters to the submerged "landing" site located makai of Mākaha Beach;
2. The creation of an approximately +/- 12-inch diameter borehole utilizing Horizontal Directional Drill (HDD) methods, which requires drilling lubricant such as Bentonite clay. The Borehole will start from the facility location mauka of Farrington Highway and extend underground (beneath Farrington Highway and Mākaha Beach) to the target "landing" site at approximately 14 m below mean sea level (msl) makai of Mākaha Beach. For the proposed project, the majority of the drill path will be approximately 80 to 100 feet below current grade;
3. Install an approximately +/- 5-inch diameter steel drill pipe following the progression of the boring from the mauka facility site to the submerged "landing" site (approximately 2500 linear feet); and
4. Installation of a temporary pilot line placed inside the borehole and connected to the submerged cable, allowing the cable to be pulled underground (makai to mauka) approximately 2500 linear feet, to connect the undersea cable to the mauka facility.

The submarine cable route offshore of Mākaha Beach was engineered to avoid potential hazards, disruption to marine resources, and to secure long-term protection of the cable. The cable route, project design, and "landing" location were developed and refined through multiple surveys on the inshore and deep-water sections of the route to define the optimal route for cable installation. The proposed submerged "landing" site for the undersea cable is located within a sand channel fronting Mākaha Beach; seabed sediments in this area are predominately well-sorted to medium-grained sand. The survey further indicates that the proposed "landing" location within the channel is composed of sand deposits greater than 1 m thick. Because of the shifting nature of

this substratum, seasonal movement of sand, and scouring that occurs with surf in this area, no corals or other slow-growing sessile species are expected at the proposed landing location. It was stated by the applicant that it is desirable to locate the borehole exit in sand to minimize potential for environmental impacts associated with anchoring, armoring, or trenching to secure the cable.

REGULATORY CONCERNS:

Nearshore activities may need to be closed to ocean activities to ensure safety to ocean users during the cable laying process and landing operations. The total area to be closed to ocean recreation will be approximately 10,000 sq. ft., although the closure is not expected to be more than one day.

A “Frac-out” (i.e., inadvertent release of drilling mud) Contingency Plan is being completed in order to address potential impacts due to the HDD process. The purpose of the *Frac-out Contingency Plan* is to: minimize potential for a frac-out associated with HDD activities, provide for the timely detection of frac-outs, protect areas that are considered environmentally sensitive, ensure an organized, timely, and minimum impact response in the event of a Frac-out, and ensure that all appropriate notifications are made to regulatory agencies if a frac-out occurs.

Staff would like to inform the applicant that this application for a proposed land use does not fall under Hawaii Revised Statutes (HRS) §190D *Hawaii Ocean and Submerged Lands Leasing Act*; this CDUA is being pursued in order to satisfy the requirements outlined under HRS §183C.

It should be noted that Mākaha Beach Park has been the site of many cable landings in the past and includes a number of existing cable easements offshore. Cables have been landed through this sand channel and on the beach; in general these cables are buried in the sand.

ANALYSIS:

After reviewing the submitted material and information the OCCL has determined that:

1. The proposed Southeast Asia-United State (SEA-US) Cable System, Mākaha Beach Landing project work proposed in the Conservation District appears to be an identified land use in the Conservation District Resource Subzone pursuant to Hawaii Administrative Rules (HAR) §13-5-22, P-6 **PUBLIC PURPOSE USES, (D-1)** *Not for profit land uses undertaken in support of a public service by an agency of the county, state, or federal government, or by an independent non-governmental entity, except that an independent non-governmental regulated public utility may be considered to be engaged in a public purpose use. Examples of public purpose uses may include but are not limited to public roads, marinas, harbors, airports, trails, water systems and other utilities, energy generation from renewable resources, communications systems, flood or erosion control projects, recreational facilities, community centers, and other public purpose uses, intended to benefit the public in accordance with public policy and the purpose of the conservation district;*
2. Pursuant to HAR §13-5-40, *Hearings*, this project will require a public hearing;

3. In conformance with §343, Hawaii Revised Statutes (HRS), as amended, and HAR, §11-200-8, this proposed project will require the filing of an Environmental Assessment (EA). *Staff notes that the Draft EA for the project was published in the Office of Environmental Quality Control (OEQC) bulletin on March 23, 2016. The Final EA was prepared to respond to comments; the City and County of Honolulu filed a Finding of No Significant Impact (FONSI) statement for the Final EA on May 26, 2016 to be published in the OEQC Bulletin on June 8, 2016.*

Please be informed that, the applicant's responsibility includes complying with the provisions of Hawaii's Coastal Zone Management law (Chapter 205A, HRS) that pertain to the Special Management Area (SMA) requirements administered by the various counties. Negative action by the Chair of the BLNR on this application can be expected should you fail to obtain and provide us, at least thirty (30) days prior to Chairpersons action, one of the following from the appropriate county:

1. An official determination that the proposal is exempt from the provisions of the county rules relating to the SMA;
2. An official determination that the proposed development is outside the SMA; or
3. An SMA Use Permit for the proposed development.

The OCCL will submit a copy of the submitted CDUA for publication in the next available edition of the OEQC Bulletin *Environmental Notice*.

Should you have any questions regarding this letter or the CDUA process, please contact Alex J. Roy, M.Sc. of the Office of Conservation and Coastal Lands staff at 808-587-0316 or via email at alex.j.roy@hawaii.gov

Sincerely,



Suzanne D. Case, Chairperson
Board of Land and Natural Resources

CC: Oahu Land Board Member

Land

SHPD

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DAR

DOBOR

City and County of Honolulu – Department of Planning and Permitting

Neighborhood Board #24 – Waianae Coast

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