



North Carolina Department of Environment and Natural Resources
Division of Coastal Management

Pat McCrory
Governor

John E. Skvarla, III
Secretary

August 20, 2014

Paul M. Scholz
Acting Director, OCRM
Via email: paul.scholz@noaa.gov

SUBJECT: Request to review unlisted activity

Dear Mr. Scholz:

The North Carolina Division of Coastal Management (the Division) has received notice of nine applications to the Bureau of Ocean Energy Management (BOEM) to conduct geological and geophysical exploration (G&G) activities on the Atlantic Outer Continental Shelf (OCS) off the North Carolina coast. The Division is in receipt of notices from the following nine applicants for the proposed dates:

1. **TGS - Permit Number E14-001** (Dates unspecified)
2. **SeaBird Exploration Americas, Inc. - Permit Number E14-002** (Late 2014 – late 2015)
3. **GX Technology Corporation - Permit Number E14-003** (November 1, 2014 – May 1, 2015)
4. **WesternGeco LLC - Permit Number E14-004** (April 1, 2015 – September 1, 2015)
5. **CGG Services (US) Inc. - Permit Number E14-005** (January 2015 – January 2016)
6. **Spectrum Geo Inc. - Permit Number E14-006** (November 15, 2014 – November 14, 2015)
7. **PGS - Permit Number E14-007** (May 2015 – October 2015)
8. **ARKeX Limited - Permit Number E14-008** (Aerial survey: August 2014 – August 2015)
9. **Spectrum Geo Inc. - Permit Number E14-009** (February 1, 2015 – February 1, 2016)

In accordance with 15 CFR 930.54, the Division is requesting approval to review the unlisted activities contained in these nine applications, and asserts that there may be reasonably foreseeable coastal effects from the proposed activities to the state's coastal resources or uses.

North Carolina's federally-approved coastal zone management program includes, but is not limited to, the Coastal Area Management Act (CAMA, NC G.S. 113A-100 through 134); the State's Dredge and Fill Law (NC G.S. 113-229); Chapter 7 of Title 15A of North Carolina's Administrative Code; and the land use plans of the coastal counties and municipalities. The Division, within the Department of Environment and Natural Resources, administers the policy, planning and regulatory aspects of the coastal program in accordance with the legislative goals of CAMA. As set forth in NC G.S. 113A-102, North Carolina's coastal management program goals include the preservation and enhancement of the recreational and aesthetic values of the coastal area; ensuring the orderly and balanced use and preservation of our coastal resources; protection, preservation, and conservation of natural resources including but not limited to water use, scenic vistas, fish and wildlife; economic development of the coastal area, including but not limited to construction, location and design of industries; and protection of present common-law and statutory public trust rights in the lands and waters of the coastal area.

The federal Coastal Zone Management Act (CZMA) states that, “[b]ecause of their proximity to and reliance upon the ocean and its resources, the coastal states have substantial and significant interests in the protection, management, and development of the resources of the exclusive economic zone that can only be served by the active participation of coastal states in all Federal programs affecting such resources and, wherever appropriate, by the development of state ocean resource plans as part of their federally approved coastal zone management programs” [16 U.S.C. § 1451(m) (Section 302)]. The CZMA further provides that, “[e]ach Federal agency activity within or outside the coastal zone that affects any land or water use or natural resource of the coastal zone shall be carried out in a manner which is consistent to the maximum extent practicable with the enforceable policies of approved State management programs” [16 U.S.C. § 1456(c)(1)(A) (Section 307)]. Section 307 grants states the jurisdiction to review whether proposed federal actions are consistent, to the maximum extent practicable, with the enforceable policies of the state’s approved coastal management program. Under the implementing regulations for the CZMA’s federal consistency provisions, states are entitled to submit notification of “unlisted activities affecting any coastal use or resource which require State agency review,” [15 CFR 930.54(a)(1)], and request approval to review the proposed activity for reasonably-foreseeable coastal effects [15 CFR 930.54(b)]. Under 15 CFR 930-54(a)(2), applicants for federal permits and licenses should provide written notice to the state for proposed activities that “shall contain sufficient information for the State agency to learn of the activity, determine the activity’s geographic location, and determine whether coastal effects are reasonably foreseeable.”

North Carolina’s coastal area supports industries that are critical to the state’s economy, including the commercial and recreational fishing industries. With over 8,200 licensed commercial fishermen and close to 800 seafood dealers throughout our coastal area, the commercial fishing industry generates an estimated 5,180 jobs with an annual income exceeding \$105 million and an overall economic impact of \$255 million. Recreational fishing is also very important economically and culturally in coastal North Carolina. Approximately 1.7 million anglers take over 5 million fishing trips annually in North Carolina’s coastal waters. This recreational fishing activity produces an estimated 18,200 jobs, \$692 million in income and \$1.87 billion in overall economic impacts for the state’s economy. The economic impacts of the state’s fishing industry and the rich cultural heritage of our coastal areas demonstrate the immense importance of protecting and sustaining the natural resources of our coast. North Carolina’s coastal zone also has significant recreational and aesthetic values that make the coast an important area for tourism. Tourism in North Carolina’s eight oceanfront counties generates more than \$2 billion in revenue per year and directly supports more than 30,000 jobs.

Most of the fisheries in North Carolina’s offshore waters are managed by the NOAA National Marine Fisheries Service (NMFS) and the South Atlantic and Mid-Atlantic Fishery Management Councils, which develop fishery management plans (FMPs) for commercially-important species. The South Atlantic Fishery Management Council, acting through NMFS, has designated several areas offshore of North Carolina as Essential Fish Habitat (EFH), and a subset of these areas as Habitat Areas of Particular Concern (EFH-HAPC). EFH-HAPC are only designated where considered particularly important for managed species or species complexes due to the importance of ecological functions provided, and where they are at risk due to their rarity or sensitivity to human degradation. EFH is important to migratory species such as king and Spanish mackerel, dolphin, tuna, and cobia, as well as the snapper-grouper complex. Estuarine-dependent species, such as flounder, shrimp, black sea bass and grouper, also migrate from the estuarine nursery areas in state waters to offshore habitats and EFH in federal waters during their life cycle. Disturbances in these areas may result in displacement of fish and impact local fish abundance by deterring foraging, refuge, and spawning activities in preferred habitat areas. These areas should be considered in all proposed OCS activities, and include The Point, Ten Fathom Ledge, Big Rock and the shoals of Cape Lookout, Cape Fear, and Cape Hatteras.

A range of potential environmental effects of offshore seismic surveys have been described in both the 2011 National Science Foundation/United States Geological Survey Programmatic Environmental Impact Statement (PEIS) for Marine Seismic Research and the 2014 BOEM Atlantic Geological and Geophysical (G&G) Activities PEIS. The PEIS notes that the high intensity sounds used during seismic surveys may impact fish and fisheries. The potential impacts may include temporary behavioral responses, masking of biologically important sounds, brief hearing loss, and possible stress. Multiple vessels performing simultaneously surveys may intensify potential impacts and momentarily displace fish or disrupt fish spawning behavior.

In North Carolina, much of the diving and fishing activities occur more than 3 miles offshore, primarily from north of Oregon Inlet to the South Carolina state line. Offshore natural habitats and artificial reefs are the most heavily utilized areas for these activities, both recreationally and commercially; for example the area off Cape Hatteras known as The Point is heavily utilized year-round for commercial longlining and recreational fishing charters and tournaments. Similar commercial and recreational activities occur along the entire length of the state's shoreline. The North Carolina Division of Marine Fisheries lists as many as 43 annual saltwater fishing tournaments in any given calendar year. Dive operators and private boats also make extensive use of the state's unique resources. North Carolina's "Graveyard of the Atlantic" is the resting place of hundreds of shipwrecks of historic and cultural value, and is a world-class scuba diving destination.

The proposed G&G activities will take place 24 hours per day for up to a year or more, with vessel exclusion zones covering approximately 2,520 acres per survey vessel. The survey duration for all applications combined lasts from August 2014 to February 2016. The cumulative effect of multiple vessels surveying over this 18 month period will likely cause space-use conflicts during peak fishing and diving seasons. There is insufficient geographic detail in the applications (location and total transect miles) to develop a precise description of potential impacts to specific resources and uses. The combined location ranges from approximately 3 miles to over 400 miles offshore, including the entire U.S. Exclusive Economic Zone off of North Carolina. Providing the necessary survey vessel buffer zones over the extensive survey area will restrict the use of North Carolina's coastal resources and therefore, have a reasonably foreseeable impact on North Carolina's fishing and diving industries. Coordination of these projects through the state coastal zone management program can help avoid unnecessary use conflicts, minimize resource impacts, and better assure access to fish.

The Division understands from 15 CFR 930.54(c) that the sole basis for approval or disapproval of this request relates to "whether the proposed activity's coastal effects are reasonably foreseeable." The Division believes that the information provided within this request satisfies this criterion and we look forward to your approval of our request.

Sincerely,



Braxton C. Davis
Director, North Carolina Division of Coastal Management

Cc: John Skvarla, NCDENR, John.Skvarla@ncdenr.gov
Mitch Gillespie, NCDENR, mitch.gillespie@ncdenr.gov
Louis Daniel, NCDMF, louis.daniel@ncdenr.gov
David Kaiser, NOAA, david.kaiser@noaa.gov

Kerry Kehoe, NOAA, kerry.kehoe@noaa.gov
Jackie Rolleri, NOAA, Jackie.Roller@noaa.gov
Brian Cameron, BOEM, brian.cameronjr@boem.gov
Gabriel Rolland, TGS, gabriel.rolland@tgs.com
Matthew Padon, Seabird Exploration Americas, Inc., matthew.padon@sbexp.com
Dan Virobik, GX Technology Corporation, dan.virobik@iongeo.com
Jeff Mayville, WesternGeco LLC, jmayville@exchange.slb.com
Michael Whitehead, CGG Services (US) Inc., michael.whitehead@cgg.com
Mike Saunders, Spectrum Geo Inc., mike.saunders@spectrumusa.com
Gary Morrow, Petroleum Geo Services, gary.morrow@pgs.com
Ian Lambert, ARKeX Limited, ian.lambert@arkex.com