

**FLOWER GARDEN BANKS NATIONAL MARINE SANCTUARY
Sanctuary Advisory Council Boundary Expansion Working Group
Meeting Minutes
November 3, 2016**

Meeting Attendance Roster:

Clint Moore	Oil and Gas Industry	Present
Shane Cantrell	Fishing – Commercial	Not Present
Natalie Hall	Diving Operations	Present - Conference Call
Jesse Cancelmo	Recreational Diving	Present
Scott Hickman	Fishing - Recreational	Present
Buddy Guindon	Fishing - Commercial	Not Present
Adrienne Simoes-Correa	Research	Not Present
Jacqui Stanley	Education	Not Present
Charles Tyler	NOAA OLE	Present – Late
Randy Widaman	Diving Operations	Not Present

Total member attendance: 5 of 10

Others in attendance:

Leslie Clift (conference call), Raven Walker, Bill Kiene, G.P. Schmahl, Jason McCray (spearfishing representative)

5:01 PM – Meeting called to order by Clint Moore.

Adoption of Agenda – motion from Jesse Cancelmo, second from Scott Hickman, no discussion, all in favor, motion approved.

Adoption of Agenda – Jesse Cancelmo moved to adopt minutes pending minor corrections discussed briefly, second from Scott Hickman, no discussion, all in favor, motion approved.

5:07 PM – FISHING REPRESENTATIVES REPORT ON GMFMC (Gulf of Mexico Fisheries Management Council) MEETING – Clint Moore

G.P. provided the BEWG (Boundary Expansion Working Group) via email the GMFMC (Gulf of Mexico Fisheries Management Council) white paper that was presented at the October GMFMC meeting in Biloxi, MS. Scott Hickman summarized the council's requests such as to maintain current fishing regulations and to allow historical fishing practices in the areas outside of the no activity zones (NAZ) with a tiered approach. Within each proposed new sanctuary area, there would be 3 "tiers of regulation": Tier 1 – inside "no bottom tending gear zone" (i.e. NAZ) would allow fishing only by hook and line, prohibit anchoring by fishing vessels, and require special endorsement from FGBNMS; Tier 2 – outside "no bottom tending zone", the Council recommended to allow anchoring of vessels with vessel monitoring system by using soft sediment specific anchor with weak link and prohibit bottom trawling, traps, and dredges; and Tier 3 – outside of proposed boundary, the Council recommended FGBNMS not impose any regulations. G.P. noted NAZ may identify the most critical areas, but there are other sensitive areas that are outside of NAZ that BOEM has identified.

BEWG discussed pelagic spear fishing. Scott's recollection was that the Reef Fish Advisory Panel of the GMFMC voted 14 to 1 to allow pelagic spearfishing at Geyer. G.P. noted the white paper did not mention spear fishing, but the GMFMC's final recommendation is forthcoming.

GMFMC's white paper also requests the establishment of a certificate program or endorsement program for the education of fishermen on the importance of these areas, fishing restricted areas, and appropriate gear types. This program could be a requirement for anyone that fishes within sanctuary boundaries, outside of NAZ. NMFS penalty schedules would apply for anyone found fishing without the endorsement/certificate. GMFMC also requested additional mooring buoys for the banks in the expansion.

BEWG discussed types of boundaries (i.e., polygon vs. rectangular boxes). The problem with rectangular boundaries (4 point corners) is that they include a significant amount of mud bottom. As suggested by Clint, the use of 8-point octagons is a better option, thereby removing most of the mud bottoms. .

Clint summarized GMFMC recommendations: adjust boundaries for shrimping, and allow historical fishing as practiced in these areas today, and anchoring outside of NAZ. GMFMC also recommended creating NAZ for areas/banks that do not currently have one.

6:00PM – PUBLIC COMMENT

Jason McCray - charter fishing and spear fishing business out of Galveston. He runs trips to Geyer Bank and requests continued access for the pelagic spear fishermen, particularly at Geyer Bank.

6:14PM – REVIEW OF ROV VIDEO TRANSECTS – Clint Moore

Clint showed several videos from the ROV (Remotely Operated Vehicle) transects from banks proposed in the sanctuary expansion (Sammarco dives from a BOEM funded

project outside of NAZ for PSBF's (potentially sensitive biological features) at several banks (Bouma, Bryant, Rezak, Sidner, and Parker)). Clint commented that the water depths and areas covered in the videos were in over 90m (300') of water, well down on the deep flanks of the banks in the mesophotic zone.

BEWG discussion followed. Clint said that a large portion of the videos show mud flat bottom and his concern is that he did not see much benthic marine life that would be nationally significant in terms of needing sanctuary protection.. G.P. noted the black coral in the video, with exposed hard bottom areas with organisms and other habitat. These areas are where the fish are, and these areas are important in the Gulf of Mexico and nationally significant. Corals are associated with hard bottoms. Though there is a thin layer of soft sediment over the hard bottom in some areas, the corals attach to the underlying hard bottom. He said that deep water coral communities are sparser than coral communities present at FGB. Clint added BSEE says there are over a million PSBF's in the Gulf of Mexico (GoM) and therefore these flank area features aren't nationally significant. He expressed concern that these areas are considered unique and nationally significant in the DEIS. .

G.P. responded the DEIS (draft environmental impact statement) does not address them as unique, but the proposed banks are among the best in the northern GoM and are nationally significant. He added the areas are also not described in the DEIS as "pristine" because FGBNMS regularly documents long-line gear on the majority of dives at the proposed banks.

Clint stated that he agrees with BOEM's designation of "No Activity Zones" for the banks down to the NAZ limits of 85m (278'), He said that the sanctuary areas proposed in Alternative 3 go 2-3 times larger in surface area than the NAZ areas, and cover areas that are clearly not nationally significant, under the National Marine Sanctuaries Act. He further stated that the proposed Alternative 3 areas are much larger than the core bank NAZ biologic areas and that there needs to be more balance in drawing the boundaries toward the main banks as protected by the NAZ designations. He added that BSEE already prohibits the O&G industry from drilling in the main bank areas, and that doubling or tripling the areas with large areas surrounding the main NAZ-covered banks, is not justified. He added that the original intent of the 2007 BEWG & SAC that he served on was to protect the NAZ & core biologic areas of the banks that were designated in Alternative 2, and not the broader flanks of the banks.

Scott Hickman commented that like hardwood trees, if there are billions of them, then why would it hurt to protect a few of them. Clint responded that unlike trees, the billions of wire corals in the GOM are not being harvested and cover very broad areas, and are not nationally significant. Scott commented that at one time that the fishing industry didn't think menhaden fish were worth harvesting, and that now they are, and that there are problems.

Scott asked Clint if pipelines get moved during storms. Clint indicated that he did not know for sure, but that all pipelines have to meet BSEE's regulations for burial in the

seafloor. Clint added that the block that his company leased and then relinquished due to its inclusion in Alternative 3, is now a known prospect to industry. If it had been drilled by his company, they would have likely wanted to place the jackup rig in the big mud flat area, which comprised more than half of the block area, and not of national significance.

Clint expressed his desire to get the boundaries in Alternative 3 changed back to polygons as in Alternative 2, so that mud flat areas could still be accessed. He further expressed his concern that there are mud flat areas within the proposed Alternative 3 bank boundaries that are not nationally significant, and should be removed from sanctuary inclusion

G.P. said the ROV cruise conducted in the summer was focused on Bouma/Bryant, Elvers and Parker Banks that had relatively limited ground truthing data. He added that they were planning to gather multi-beam bathymetry data later this winter on Elvers and Parker, for similar bathymetric resolution as the rest. He added that the purpose of the BEWG was to go through this boundary size review process, look through modifications of these boundaries if appropriate, and pull the boundaries in, if warranted.

6:47PM - BANK BOUNDARY MAP OUTLINING – Clint Moore

Clint commented that Elvers and Parker banks added in Alternative 3 have multibeam bathymetry with only low resolution, and thus modifications to proposed boundaries should be expected when the new data is available in the spring. Clint then suggested ground truthing the location of platforms around the proposed banks and that industry could help with that. He explained how industry needs to preserve the opportunity in the future to access these areas, given that new technologies advance every 5-10 years. Once areas become part of the sanctuary program, the concern is that the industry will not have reasonably regulated access to drill, develop, and produce in these areas, as they do now.

Bill Kiene asked about the buffer zones. G.P. responded 500m was used for buffer zones based on the SAC's analysis in 2007 regarding placements of platforms. A halo effect from shunting went out at least 100m from the platform, but very low impact was observed by 500m. Bill asked if it was possible to add a regulation in the sanctuary designation to allow drilling. G.P. responded regulations allow for exploration and O&G (oil and gas) activities outside NAZ. Discharges are permitted by sanctuary regulation, but they are also regulated through Environmental Protection Agency (EPA). FGBNMS is in consultation with EPA, with a potential for grandfathering in infrastructure of current leases.

Clint reiterated that he is concerned about protecting future access, and not closing off these areas because new ideas/technology may develop that will allow industry to access potential undiscovered areas. For example, Bouma is a bank with massive amounts of salt and current technology makes it difficult to image beneath it to see if O&G could be trapped there. In the future, industry may want to drill there, but if it's a sanctuary, industry would run into problems with leasing, drilling, produced water, and

shooting seismic. Charles Tyer noted the sanctuary designation would not prevent drilling, but would prevent seismic exploration. Clint disagreed and thinks sanctuary designation would restrict seismic exploration and drilling, because future sanctuary regulations within the sanctuary could potentially be too difficult to comply with. Clint was unsure of the distance between the nodes used for seismic exploration, but estimated their size to be that of a projector. G.P. shared there was a federal register notice published in 1995 regarding the FGBNMS regulations, clarifying that seismic exploration in these areas is allowed, but that was before nodes were developed by industry. Nodes could cause additional problems because they are placed on the seafloor in a grid pattern and could impact potentially sensitive areas.

Bill shared previous experience where fishermen have made some adjustments on boundaries and made regulation recommendations to allow access to the resources that do not conflict with sanctuary protection. The same thing could be proposed by O&G industry – adjust boundaries and recommendations for regulations so that industry can perform techniques needed to access resources. Clint said that he is awaiting further guidance from his industry's trade groups, but commenting from his knowledge base of what those groups have told him in the past. He added that some are now opposed to any expansion of the sanctuary, while others share major concerns, as also expressed in the congressional letters received by the sanctuary.

Bill asked Scott if individuals in the fishing industry have the same attitude and have written to Congress. Scott answered that he has not heard anything like that. From the recreational fishing side, most of the Gulf of Mexico is a mud plain as Clint stated. The hardbottom areas represent ancient ecosystems that support huge biodiversity, essential fish habitat that source these other areas so it is important to protect these places for the overall fishery. G.P. commented the GMFMC recognized the proposed areas should have regulations (no anchoring), which is significant because it shows their willingness to work with the sanctuary program.

Bill commented that the point of the expansion has been that each of these places on their own necessarily is not why the expansion was proposed, but rather because they are a network of ecologically connected system of sites in the NW Gulf.

Jesse stated the reaction from the fishing industry was a reaction of how we can work this out, and what they would like to see and how they see it. He added that the reaction from the O&G industry letter was hostility. Clint commented that the O&G industry responses had many concerns, as well as objections. Jesse responded that some of the things the industry letters said like NOAA abandoning recommendations from SAC, really upset him. Clint commented that readers should understand that the industry reading of the DEIS was that the document was a complete attack on the oil industry. He added that O&G industry was not even mentioned as a threat to these areas in the 2007 SAC documents or even in the 2012 management plan. He further commented that the impetus for sanctuary expansion was protecting the banks from treasure hunting and anchoring, but everything in the DEIS now makes it sound like the O&G industry is the biggest threat. Fishing is hardly mentioned as a problem. Scott

interjected that faith and trust with the O&G industry right now is really low after the Deepwater Water Horizon (DWH) spill, and that he still wants to see the new information about the new blow out preventers. Clint responded that his understanding is that the biggest change since DWH is that the industry has added an additional shear ram to all the blowout preventers.

Bill said he views the sanctuary expansion as an opportunity to continue to show that the O&G industry can work together with conservation, and that to attack this effort is missing that opportunity.

Clint commented that almost every letter from industry, of which the [API] trade letter is the most representative, indicates that until their concerns and issues are addressed, they support Alternative 1 which is for no expansion to occur at this time. He added that the rhetoric in the DEIS is clearly very negative toward having the O&G industry explore in and around these proposed sanctuary areas. Until the June 10th release of the DEIS, the industry had little known objection to the 2007 SAC recommendation which is now Alternative 2, provided that seismic, leasing, and produced water disposal issues were worked out to their satisfaction. Clint emphasized that about 90% of the OCS of all US coastlines are now closed to offshore drilling, and that the Louisiana & Texas shelf and slope are the only areas left for the industry to explore and produce from offshore US. He further commented that there are likely huge undiscovered fields in those areas where ninety percent of the Outer Continental Shelf is shut down to drilling. Offshore Louisiana is the most prolific place of all of them. The industry has plenty of ideas for future exploration drilling in these areas. We probably haven't drilled and produced even half of the reserves from there yet. If we keep closing these OCS areas to drilling, America will have to increasingly rely on Saudi Arabia and other countries for more and more imported oil.

Jesse commented on the difference of 6 banks between Alternatives 2 and 3, and asked Clint when the last resource assessments were conducted. Clint responded in 2014 by BOEM, but those are only the known discovered reserves. Potential reserves are the future undiscovered reserves that all reserves start out as, before anyone even drills a well. Seismic technology is advancing to be able to see where to drill around the flanks of the salt domes, which created the seafloor relief that caused the banks to form on top in the first place. Industry believes that there are very large reserves to be discovered and produced around the flanks of these salt domes.

Bill asked for clarification from Clint about him saying that if the boundary had gone around the escarpment on his company's lease, Clint's company would have kept the lease. Clint responded that he sent a letter to BSEE asking for suspension of the annual delay rental payment for the lease, because the boundary encompassed all of the lease, including the mud flat area, and was thus too large. BSEE denied the request because the proposed expansion of the sanctuary to cover this lease was a proposal by NOAA and not final, that they felt they could not grant the requested suspension. As a result of not knowing if they could ever proceed with operations on this lease, they gave up on the lease by relinquishing it.

Jesse asked about moving forward with the 6 banks. Clint answered that a revision with high resolution data would occur on Parker & Elvers, and then adjustments could be made accordingly from the data provided.

Charles asked Clint to confirm that the O&G industry is focused on being able to drill in the proposed areas in the future. Clint expressed his wish to contain the boundaries to the bathymetric-biological areas which he thinks are representative of the flanks of the salt domes. If the boundary is further away from the dome, the harder the flank will be to access to drill. The industry's wish list would have boundaries that are rounded like the dome flanks. Charles responded NOAA law enforcement has no objections to drilling in boundaries, but we do have objections to the wish list boundaries because they are squiggled. Rectangles are preferred, by making the fewest points as possible.

G.P. stated that the O&G industry must be discussed when addressing potential impacts to the benthic community, but it was not the intention of the DEIS to target industry over other potential impacts.

Jesse then reviewed some of what Bill had said regarding O&G industry and FGB collaboration which should have been in the DEIS, and that FGBNMS is expecting this process to go well because it has worked with the industries before. The DEIS could be read as "Here's now what we want to do, not abandon Alternative 2, but rather enhance it with new intelligence." Jesse reflected that he has heard a lot of venting in this meeting, but also sees movement towards resolution. Clint responded that he continues to try to find a consensus so that we arrive at a win-win agreement.

Bill commented the great need is for the O&G industry to say what needs to happen to access the resources so that decisions can be made. Clint commented that industry is providing that sort of dialogue in the API joint letter. Industry does not want to have to drill in sanctuaries, so it does not want them so big that they do not have access to the flanks of the salt domes where O&G reserves probably will be discovered in the future. Clint has concerns about industry being able to get permits to drill, develop, and produce future discoveries in the sanctuary areas. Charles countered that a permit is not required to drill in the sanctuary. G.P. added regulations exempt certain activities, but if industry wanted to engage in new activity such as placing a platform over sensitive areas, then a permit from the sanctuary would be required. Clint added that he believes that BSEE has already allowed installation of platforms in areas where wire coral were located.

Bill recalled the fishing industry has moved forward with their white paper to adjust regulations and provided recommendations, and that the O&G industry can do the same thing. Clint added the API joint letter does the same thing as the GMFMC white paper and the O&G industry is looking for comments back from FGBNMS.

Clint ended by saying that he hoped GP would proceed with gathering the necessary higher resolution multibeam bathymetry data on Elvers and Parker in the new year, so

that segmented polygons can be better determined. Bill emphasized the focus should be identifying the allowable activities within boundaries.

8:08 Charles motioned to adjourn, Jesse seconded. Meeting adjourned.