

EXECUTIVE COUNCIL

CONFIDENTIAL

Title of Report: Application for licence to store metal vessel chain on the seabed at Port San Carlos

Paper No: 216/11

Date: 28 September 2011

Report of: Chief Executive/Environmental Planning Officer

1.0 Purpose

To consider a request from Byron McKay Port Services Limited for a renewal of their licence to store metal vessel chain on the seabed at Port San Carlos.

2.0 Recommendations

It is recommended that the existing licence to Byron McKay Port Services Limited allowing them to store metal vessel chain on the seabed at Port San Carlos be extended for a period of 11 months from 1 August 2011 to 30 June 2012.

3.0 Summary of Financial Implications

None.

4.0 Background

4.1 On 2 August 2010 the Governor in the exercise of his powers under section 8 of the Food and Environment Protection Act 1985 in its application to the Falkland Islands granted a licence to Byron McKay Port Services Limited authorising the storage of up to 2,000 tonnes in weight of metal vessel chain on a specified area of seabed at Port San Carlos. The licence expired on 31 July 2011.

4.2 The licence was granted in support of the offshore exploratory drilling programme. The operation of the Ocean Guardian rig requires the occasional storage of surplus chain. 'Wet' storage of anchor chain in the sea is preferable to 'dry' storage on land, due to the weight of chain involved and because it is easier to load and unload direct from the ship.

4.3 The site at Port San Carlos was chosen because it is devoid of maritime traffic, sheltered, relatively free to access and collect the chain, and situated close to

the North Falkland Basin. During the 1998 drilling round anchor chain was stored on the seabed in Port William, but due to the increase in tourism and other maritime traffic this is no longer considered appropriate.

- 4.4 No warranty was given by FIG that the seabed at Port San Carlos was suitable for this purpose, and the wet storage of anchor chain was undertaken by the licensee at its own risk.
- 4.5 The licence was conditional upon no chain being laid on or near the kelp beds. This condition was recommended by the Environment Officer to avoid damage to the marine environment.
- 4.6 The licence was also conditional upon the location of the chain being marked by one or more buoys, and by the licensee publishing and distributing a notice warning mariners of the existence of the chains and buoys in the licensed area. These conditions were recommended by the Director of Natural Resources to ensure the safety of shipping in the area. The presence of chain on the seabed does not present a hazard to surface navigation, but could foul an anchor if any boat moored there.
- 4.7 Byron McKay Port Services Limited have applied for the renewal of the licence for a period of 11 months, to 30 June 2012, when operations in the North Falkland Basin involving the Ocean Guardian are due to end.
- 4.8 The applicants advise that during the licence period they have stored anchor chain on the seabed at Port San Carlos on one occasion, when there was a changeover of anchor handling vessels servicing the rig. Approximately 200 tonnes of chain was stored on the seabed for 2-3 weeks. A visible check was carried out, to ensure there was no kelp below, and the site was marked with buoys and a notice issued to mariners.
- 4.9 The applicants say it is likely that there will be further requirements to deposit chain on the seabed, and suggest it is sensible to continue to provide such a facility through renewal of the licence rather than be forced to seek an alternative solution at short notice when the need for wet storage arises.
- 4.10 The Marine Officer supports the application, and agrees that it is sensible to renew the licence rather than having to react in a limited time scale whenever wet storage is required again. He suggests that the licence should be renewed on the same terms.

5.0 Legislation

- 5.1 The applicants require a licence from the Governor in accordance with the provisions of section 8 of the Food and Environment Protection Act 1985 in its application to the Falkland Islands. This is because the proposed activity amounts to a deposit of an article within the territorial waters of the Falkland Islands in the sea from a vessel. There is no exemption in the legislation for short-term activities of this nature.

5.2 The Governor, when considering an application for a licence, is required by the legislation to have regard to the need (i) to protect the marine environment, the living resources which it supports and human health; and (ii) to prevent interference with legitimate uses of the sea. Conditions may be included in a licence to achieve these objectives, or for such other purpose as the Governor considers appropriate.

6.0 Environmental Assessment

6.1 The Environmental Officer in July 2010 considered the proposal. He commented that it was not possible to make a full estimation of the environmental impact, as there has been no specific assessment of the marine environment at Port San Carlos and so there is a lack of baseline data.

6.2 Nonetheless, the Environment Officer confirmed that the site was not an area identified as a sensitive environment. There are no protective designations over the land or sea in Port San Carlos or nearby. There are no important bird areas or plant areas in the vicinity. The closest significant wildlife populations are the rockhopper and gentoo penguin colonies at Fanning Head, but these birds are believed to forage out to sea away from the licensed area. There are no large seabird or sea mammal populations nearby, and the area is not believed to host a great deal of foraging activity by sea bird and sea mammal species. It was therefore anticipated that there would be minimal interactions between wildlife and chain.

6.3 The Environment Officer also noted that the licensed area appeared to be in deep water, free of kelp beds. Kelp beds are the main attraction for fish, marine mammals and other biodiversity in the inshore environment of the Falkland Islands, hence the licence condition requiring the applicant to avoid kelp beds when positioning the chain.

6.4 The one concern raised by the Environment Officer was the impact of corrosion if chain was to be left in situ indefinitely, as this might affect marine molluscs and lower organisms, with the potential for any contaminants to be transmitted up the food chain. For this reason the licence was only granted for a period of one year, but as noted above the site was only used for the storage of chain for 2-3 weeks.

6.5 In this instance the chain to be stored at Port San Carlos Waters has not left the Falkland Islands and the applicant description of the logistics indicates that the chain has been out of the water for long periods. This greatly reduces the potential impact of marine invasive species to the area.

7.0 Previous Concerns

7.1 Falklands Conservation previously raised concerns over the potential for marine invasive species to be introduced via the laying down of marine chain in Port San Carlos. This should no longer be an issue as, for a large part of the year the chain was kept out of the water (making it hard for such species to survive) and has already been deployed at the site.

8.0 Recommendation

8.1 It is recommended that the existing licence to Byron McKay Port Services Limited allowing them to store metal vessel chain on the seabed at Port San Carlos be extended for a period of 11 months from 1 August 2011 to 30 June 2012.

9.0 Financial Implications - None.

10.0 Legal Implications - The Attorney General's Chambers have been involved in dialogue over this issue and are content with the consents procedure.

11.0 Human Resources Implications - None