

Center for Offshore Safety Verbal Comments on U.S. Chemical Safety and
Hazard Investigation Board's Public Meeting on the
First 2 volumes of the CSB Report on the April 20, 2010 Macondo Incident

Good evening. My name is Charlie Williams and I am Executive Director of the Center for Offshore Safety (COS). COS appreciates the opportunity to provide verbal comments at the U.S. Chemical Safety and Hazard Investigation Board's (CSB) Public Meeting on the first 2 volumes of the CSB Report on the April 20, 2010 Macondo Incident.

COS focuses on the upstream exploration business on the US Outer Continental Shelf and has members involved in all aspects of the offshore oil and natural gas industry. COS is entirely focused on Safety and Environmental Management Systems (SEMS) and how their effectiveness can be continuously evaluated and enhanced.

The oil and natural gas industry is committed to operating in a safe and responsible manner while minimizing our impact on the environment. Protecting the health and safety of our workers, our contractors and our neighbors is a moral imperative and core value of our industry.

No incident is acceptable. Our industry takes every incident seriously. Continued vigilance is essential in helping to prevent future

incidents.

In the four years since the Macondo incident, the oil and natural gas industry has methodically examined offshore safety measures and operations to identify potential improvements in safety management. The COS was established by the industry to ensure that our commitment to improvement continues, that there is a single group singularly focused on SEMS, and that there is a group that is responsive to the Presidential Commission's recommendations on safety and safety culture.

COS worked with the U.S. Department of Interior, the Presidential Oil Spill Commission, other Government Organizations, and industry experts as we developed the mission, programs, and tools of COS.

But we weren't starting from scratch. Offshore exploration and production has long been focused on safety and delivering safe and successful technology and operations. COS practices are based on API Recommended Practice 75 that focuses on safety management and is referenced in the new BSEE SEMS regulation. The industry is committed to ensuring that SEMS is a continuous learning and enhancement process. Thus a key mission of COS is enabling the sharing of industry knowledge on SEMS and safety. These learnings will be based on SEMS audits, Safety Performance Indicators, and

“Learning From Incident” data which includes “near misses”. The SEMS audits are done by independent third party auditors.

The COS’s work is done via an open collaborative effort with industry experts and technical experts from government, academia and other interested stakeholders. Three COS practices are currently referenced in BSEE’s SEMS II federal regulation. Despite industry’s long history of safety dedication and performance, it was understood that the balance between personnel safety and prevention of major incidents needed to be enhanced and that the focus on continuous SEMS learning and operationalizing those learnings must be maintained.

Even one incident is too many, and the oil and natural gas industry has dedicated the past four years to using the lessons learned from Macondo to enhance safety and operational practices.

While COS has not had the opportunity to fully review Volumes 1 and 2 of this report or its proposed recommendations, we do have the following general comments: The CSB analysis in volume 2 is focused on the BOP and in particular the technical aspects of the BOP’s. Yet well control in particular and safe operations in general are an entire system of technology, people, and processes and thus a systems-based approach is essential for safe operations. The focus

cannot be just on the equipment. The report itself notes that many safety system processes were done at Macondo – like hazard analysis, barrier analysis, and management of change. Thus the report should do more to analyze these safety management processes and make recommendations on how they could be enhanced and made more effective. Yet the majority of the report is on the technical details of a single piece of equipment. Significant strides in safety are directly related to implementation of a systems-based approach (SEMS) and operationalizing these systems in the field. There is no discussion or recognition of the significant SEMS enhancements and work by industry, the regulator, and industry organizations. COS requests the opportunity to submit documents to CSB that describe the COS/SEMS progress made by the industry regarding offshore safety.

Additionally, there are many comments throughout Volume 2 that compare the US and European regulatory approaches. As API and COS have stated in prior public comments, industry is fully committed to safe operations, both on and offshore. This is particularly evident in COS and as well the supporting standards, documents, and programs developed by the industry - specifically Recommended Practice 75 on SEMS and the SEMS resources and initiatives of the Center for Offshore Safety. SEMS II is a regulatory requirement, COS documents and API RP 75 are referenced in the regulations, and

audits and reporting on SEMS is required. The CSB recommends a sudden shift away from SEMS but without clear explanation or analysis of another system will be more effective. We believe that all the ideas, concepts, practices, and benefits of any other form of safety management currently exist in SEMS and the regulation. SEMS and SEMS as it is being implemented and enhanced offshore has the benefits of being an active learning and feed-back safety management system with a focus on being fully operationalized and continuously benefiting the work and staff in the field. Additionally, SEMS has the benefits of focusing on managing barriers, taking a systematic approach to all parts of offshore safety, and active monitoring. SEMS also has both internal auditing and auditing and verification required by regulation and done by third parties. Significantly, SEMS focuses on the importance of Leadership and the interaction of Leadership with staff to deliver the safety culture we want. We feel that the efforts going forward should be put into continuous learning and enhancement of SEMS. We feel that an important contribution of the CSB report would be analysis and recommendations on how SEMS and seems processes that have been and are in place can be more effective.

In closing, any incident is both one too many and a powerful incentive for COS and Industry to improve SEMS, the learning process, skills and knowledge, operating procedures and standards,

and effectiveness measures and audits. Our thoughts will always remain with the families of all those who lost their lives in this tragic accident. And we stand ready to continue to work with government regulators to improve safety.

Thank you.

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