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From: Quality Built, LLC

To: Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE), Interior

Date: November 8, 2011

Subject: Oil and Gas and Sulphur Operations in the Outer Continental Shelf — “Revisions to Safety and Environmental Management Systems (SEMS), 1010– AD73”

Re: Comments on Proposed Regulation Revisions

Background on Quality Built, LLC

Offshore drilling inspections, like other mass inspection programs, are performed by many different inspectors under varying field conditions and, therefore, it is difficult to ensure the quality, consistency and accuracy of the data collected and, thus, the results derived from the data collected. Quality Built, LLC (QB) possesses unique qualifications to address this problem. QB’s advanced proprietary software, IT platform and Mass Inspection Management Program (MIMP) solves the inherent challenges and deficiencies in mass inspection programs, by among other things, providing: (i) inspection protocols, using required checkpoints and requirements, (ii) inspector training and credentialing, (iii) oversight and management of transparent data collection and archiving data (which includes digital photographs of the checkpoints with GPS, Time & Date stamps) to eliminate the problems inherent in large scale inspection programs. Recently, Citizen's Insurance of Florida, the state backed insurance company, selected QB’s MIMP to manage the re-inspections of 500,000 homes receiving Citizen’s hurricane wind insurance premium discounts.

QB’s rigorous attention to details and accuracy has enabled it to become certified by the International Standards Organization (ISO 9001:2008). Supported by the largest companies and governments in 161 countries, ISO is the only worldwide organization

responsible for setting international industry standards, which ensures that QB's data collection process meets the highest level of accuracy and that the results derived are consistent and certifiable.

QB's Comments on Proposed SEMS Regulation Revisions

Based on QB's experience in mass inspection management, QB has the following comments and observations pertaining to BOEMRE's proposed revisions to its Safety and Environmental Management Systems (SEMS) regulations, specifically 30 CFR §250.1920 and §250.1926, which require independent third party auditors and establish the qualifications to become third party auditors. To achieve the goals desired by the proposed regulation changes, a comprehensive, scalable and verifiable Mass Inspection Management Program, such as QB's, could be implemented concurrent with the adoption of the proposed revisions to SEMS regulations as articulated below.

Proposed Regulation Revisions	Issue Identified by QB	QB Proposed Solution
<p>CFR § 250.1926 – Establishes certain requirements for independent auditors.</p> <p>See, Item 1 on attached FEDERAL REGISTER provisions.</p>	<p>No. 1: The proposed revisions do not provide a specific mechanism or system for inspection companies and individual inspectors to be qualified and monitored.</p>	<p>QB's MIMP provides a comprehensive electronic/digital solution for qualifying and credentialing all participating inspection companies as well as all individual inspectors. More importantly, perhaps, QB's MIMP ensures continuous compliance of inspection companies and their inspectors, including annual recertification, if applicable.</p>
<p>CFR § 250.1920 – Establishes certain requirements for audits.</p> <p>See, Item 1 on attached FEDERAL REGISTER provisions.</p>	<p>No. 2: The proposed regulations do not propose a specific mechanism to oversee the scheduling of inspections and audit reporting.</p>	<p>With a large number of vessels/rigs, in different locations, to be inspected at regular intervals by numerous inspectors, scheduling of actual inspections and audit completion is a significant challenge. QB's MIMP provides a scheduling component to manage site visit inspections; completion of audit reports and completion of re-inspection follow up items. Reminders and deadline notices are automatically embedded in QB's MIMP for monitoring by third party auditors and BOEMRE.</p>
<p>CFR § 250.1926 – Establishes certain requirements for independent auditors.</p> <p>See, Item 2 on attached FEDERAL REGISTER provisions.</p>	<p>No. 3: The proposed regulations do not provide a specific mechanism to handle ineffective/unsatisfactory inspectors.</p>	<p>QB's MIMP system will keep track of the performance of all inspectors and enable third party auditors and BOEMRE to quickly identify and eliminate substandard inspectors.</p>

<p>Description of BOEMRE's purpose for SEMS regulation changes.</p> <p>See, Item 3 on attached FEDERAL REGISTER provisions.</p>	<p>Issue No. 4: BOEMRE states its intention is to share the inspection data and aggregate the results of the data obtained. BOEMRE does not establish a system to be able to access and use the inspection data obtained to identify industry-wide problems or concerns.</p>	<p>As presently drafted the regulations are not clear what happens with the inspection data once obtained. And, without a MIMP, there is no ability for BOEMRE to mine the valuable data collected from the thousands of inspections conducted. Using a digitally based MIMP, BOEMRE can produce a variety of reports, whether focused on particular equipment or particular companies. Without a MIMP it is not possible to proactively identify safety problems and dangerous trends and to preempt problems before they occur. If such information is available (potentially on an anonymous basis), the oil drilling industry may be able to self-correct deficiencies before problems occur.</p>
<p>Description for BOEMRE's possible use of inspection data:</p> <p>See, Item 4 on attached FEDERAL REGISTER provisions.</p>	<p>Issue No. 5: The proposed revisions to the regulations do not provide a mechanism for making the underlying inspections and audits transparent.</p>	<p>QB's MIMP offers BOEMRE direct access to all information procured in the inspection and audit process, thereby assuring transparency and accountability by inspectors, inspection companies and auditors.</p>
<p>Description for BOEMRE's possible use of inspection data:</p> <p>See, Item 4 on attached CFR provisions.</p>	<p>Issue No. 6: The proposed regulations do not include a mechanism to utilize inspection data developed through other survey and inspection programs, nor an ability to interface with other inspection systems.</p>	<p>There is no provision in the proposed revisions to ensure that data can be imported into or exported from other systems. QB's MIMP is fully customizable and data can be imported into its MIMP or exported from the MIMP into other systems. This flexibility enables full utilization of data both as a part of a MIMP and otherwise.</p>

[For Convenience, please see attached comments in the Federal Register attached in a separate document.]