



United States Department of the Interior  
BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT  
WASHINGTON, DC 20240-0001  
August 10, 2012

Dr. Tom Hunter  
12231 Academy Road, NE  
#301-259  
Albuquerque, NM 87111

Dear Dr. Hunter,

Thank you for the letter that you sent to me on May 17, 2012 concerning the recommendations of the Ocean Energy Safety Advisory Committee (OESC). I very much appreciate the hard work you and the other committee members have invested in the OESC thus far.

In the time since you sent the recommendation letter, I have worked with my staff to identify how best to incorporate the OESC's recommendations into the major initiatives that we already have underway. As you may know, we have been working to define our strategic goals for the Bureau of Safety and Environmental Enforcement (BSEE) for the next several years – this is an initiative that I am calling BSEE 2015, as it will strategically move the agency forward to 2015 to make the offshore energy industry the safest industry in the world.

We have identified two main goals for BSEE going forward: first, to regulate, enforce, and respond to OCS development. We will use the full range of authorities, policies, and tools to compel safety and environmental responsibility and appropriate development of offshore oil and gas natural resources.

Second, BSEE will build and sustain the organizational, technical, and intellectual capacity within and across BSEE's key functions. We will develop an organizational capacity that keeps pace with OCS industry technology improvements, innovates in regulation and enforcement, and reduces risk through systematic assessment and regulatory and enforcement action.

It is with these two goals in mind that I wanted to frame our response to the recommendations made by you and the other members of the OESC. Each of the recommendations that you conveyed in your recommendation letter falls within the two stated goals of the organization.

Each of the following responses falls into the regulatory response category:

*Response to Recommendation #1* - BSEE staff are currently finalizing the Safety and Environmental Management Systems II final rule and will consider the recommendations of the OESC. However, consideration of issues not addressed in this rulemaking will occur in planned future rulemakings. Additionally, staff are working with the US Coast Guard to revise the existing Memoranda of Agreement to facilitate SEMS implementation on the OCS.

*Response to Recommendations #2 & 3* - BSEE staff are currently working directly with stakeholders to facilitate the development and communication of safety culture principles, rather than forming a new entity that would address safety culture issues. This plan includes:

- Working with groups such as the Society of Petroleum Engineers and Center for Offshore Safety to define and develop metrics for developing and maintaining a robust safety culture.
- Communicating directly with senior industry executives to discuss safety culture and how to jointly improve the safety culture on the outer continental shelf (OCS).
- Working with the National Aeronautics and Space Administration to develop a confidential voluntary “near miss” reporting system. The design of this system is to encourage individual workers to provide data that can empower individuals to take an important role in their safety and that of their colleagues working out on the OCS.
- Working internally within BSEE to encourage safety at all levels, at all times through operational leadership both within BSEE, and as leaders to the industry.

Each of the following responses falls into the organizational capacity category:

*Response to Recommendation #4* - BSEE staff are working with industry stakeholders to test the efficacy of spill prevention and containment equipment. Examples of this equipment include the capping stacks and other containment systems offered by the Marine Well Containment Company (MWCC) and Helix Well Containment Group. On July 24, 2012 BSEE conducted a preparedness test of deploying, responding, and the containment of the equipment to identify any deficiencies. The test has been concluded and staff have worked with members of MWCC and Shell to identify the lessons learned and any areas of deficiency that need to be addressed or corrected for safe, effective spill prevention and containment. We will continue to host workshops, equipment tests, and regular meetings with stakeholders to continuously improve upon and enhance our systems readiness for containment response.

In addition to the spill response exercise, BSEE hosted a forum on next-generation blowout preventers (BOP), control systems, technology and regulations in Washington D.C. on May 22, 2012. This forum brought together stakeholders from the government, industry, academia, and non-governmental organizations to discuss the future of BOPs. This event was very successful and fostered an open dialogue between BSEE staff and stakeholders that continues to inform our regulatory decision-making on the topic.

*Response to Recommendation #5* - BSEE staff are exploring the feasibility of performing a research project on the containment of a non-capable blowout. In addition to this research work, BSEE is working to develop a forum that will develop a long-term approach to determining and making recommendations on implementing best available and safest technologies (BAST) on such topics.

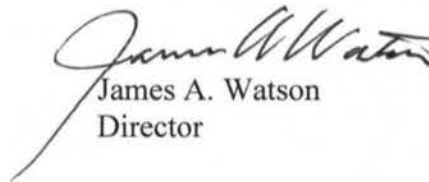
As you can see from the activities I have outlined, we have many ongoing efforts that address the recommendations that you and the members of OESC conveyed to me, however further external guidance from OESC would be helpful to accomplish the goals of BSEE 2015. In particular, we would appreciate your input on the following:



- Recommendations on how to best update regulations associated with spill response;
- In an effort to foster greater innovation for safety and oil spill prevention/response research and development both at BSEE and with industry stakeholders, we seek further guidance in how to best stimulate private sector interest and investment into BAST, as well as a procedure to determine BAST on rolling, real-time basis;
- Documentation of the current state of the industry to expand the formal education and training of industry personnel engaged in offshore drilling to support proper implementation of a safety culture for each company engaged in offshore energy activities;
- Assess the value and feasibility of establishing a system of pre-certification of operators, contractors, and service companies before granting a drilling permit; and
- Compilation of the actions taken by private industry, industry associations, and consortia to improve offshore drilling for consideration in future regulatory development.

I want to again thank you and your OESC colleagues for the hard work and effort that you have invested in your OESC efforts. I look forward to seeing you at your meeting in August and to any future recommendations that you may have for BSEE.

Respectfully,



James A. Watson  
Director