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Bromwich Blog: Criticizing the Inspectors

The following blog entry from Bureau of Ocean Energy Management, Regulation and Enforcement Director Michael R. Bromwich, was posted at <u>http://www.whitehouse.gov/blog/2010/11/03/criticizing-inspectors</u>.

CRITICIZING THE INSPECTORS

The federal employees responsible for conducting inspections on offshore rigs, platforms and other facilities associated with offshore drilling have been subjected to waves of criticism over the past several months. Some of that criticism has been fair, as when it focused on the selfish and corrupt acts of a few inspectors; but much of it has been misguided and unfair because it has been based on flawed assumptions and incomplete or inaccurate facts.

Regrettably, this second type of criticism has recently found its way to mainstream media outlets whose coverage has previously generally been reasonable and balanced. In an editorial dated October 28, the New Orleans Time-Picayune made the sweeping assertions that "government inspectors know little or nothing about crucial rig operations," that "inspectors likely were unable to identify problems because they did not understand how some important drilling processes worked," and that this was a farcical case of "the hens not even knowing how to recognize an egg."

These statements substituted rhetoric for factual accuracy and provided an extremely misleading picture of the roles of offshore drilling inspectors and more generally of the process by which our agency monitors and regulates offshore drilling. The coverage suggested that the inspectors are ignorant about rigs, derelict in their duties, and failed to perform their jobs. That is both wrong and unfair.

Here are the facts.

Before any drilling takes place, and during the drilling process, information related to the design and operation of the well is examined and analyzed by a combination of drilling engineers and inspectors. Drilling engineers, not inspectors, are primarily responsible for reviewing the drilling processes, including cementing and sealing of the well, and making sure those processes fully comply with federal regulations. This review first takes place when an operator applies for a permit to drill. As work begins, drilling engineers monitor weekly reports submitted by the operators to verify compliance. Drilling engineers provide direction to inspectors on what to look for during physical rig inspections.

The combined reviews of inspectors and drilling engineers address issues relating to well design – and compliance with that design and with federal regulations. Moreover, inspectors review safety equipment aboard the rig, including drilling-related safety valves, blowout preventer control panels, gas detector equipment, as well as many other critical pieces of equipment. All of these elements are central to safe drilling operations.

While our inspectors have been criticized for not routinely observing drilling operations, the fact is that our regulations don't require it and our resources don't permit it. Unfortunately, it has taken the tragedy of Deepwater Horizon to awaken the country to the critical shortage of resources that has prevented us from having a more robust, aggressive, and sophisticated inspections process. Our resource deficit was underscored for me recently when I met with my counterparts from Norway, the United Kingdom, Canada, and Australia. These countries have different systems of regulation than ours, but the most striking difference was the stunning resource deficit in comparative terms. Although Congress has provided us with an extra \$23 million to help address this deficit, we need the President's full request of \$100 million to be enacted so we can do the job the public deserves.

This is not to say that the inspections process is everything it needs to be. Our own personnel have repeatedly identified shortcomings in the inspections process but have been stymied in their efforts to reform and upgrade the process because of decades of neglect of the agency and its resource needs. Indeed, a recent Department of Interior review panel acknowledged that the bulk of its recommendations for reforming the inspections process came from the agency's own personnel. To address these shortcomings, we have formed an internal team that has begun reviewing, revising and reforming our inspections program. But that team will base its reform proposals on fact rather than the caricatures that have been used to embarrass them. And it will recognize that the weaknesses that exist are systemic rather than the fault of the inspectors.

Undeniably, there are weakness in the way we currently regulate offshore drilling and opportunities to improve the inspections process. And some of those matters will continue to be brought to light by the many ongoing investigations and reviews triggered by Deepwater Horizon. But fact-based criticism and constructive recommendations for reform are very different from spreading inaccurate information and demeaning the public servants -- both inspectors and drilling engineers -- who currently perform these important tasks. Michael R. Bromwich is the Director the Bureau of Ocean Energy Management, Regulation and Enforcement in the Department of Interior.

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