September 21, 2009

Department of the Interior
Minerals Management Service (MS 4024)
Attn: Rules Processing Team (Comments)
381 Elden Street
Herndon, VA 20170-4817

Re: RIN 1010-AD 15; SEMS
FR Vol. 74, No. 115 6-17-09

Ladies and Gentlemen:

I appreciate this opportunity to provide written comments on the subject proposed rule to amend regulations associated with Outer Continental Shelf oil and gas and other mineral operations as published in the June 17, 2009 Federal Register.

I confirm that MMS has conducted a significant review of the OCS safety issues and has determined that a mandatory SEMS program is necessary and using plain language has developed the rule to address concerns that the agency has determined to exist. I however do not reach the same conclusion given the actual safety record of the OCS when compared to other similar industries engaged in oil and gas exploration and production on land operations.

I appreciate that MMS wrote the proposed rule with the expectation that the rule would address major concerns that the agency has in OCS safety, however I note that the prescriptive rule will not specifically address root causes and will in all likelihood fail to achieve the benefits that the agency believes will occur.

Unlike recent rulemaking efforts, this effort clearly attempts to more rigidly prescribe new reporting, documentation and record keeping requirements far above current levels and will do little to address the human behavior issues raised by the MMS review. This proposed action is a major, paperwork-intensive, rulemaking that will significantly impact our business, both operationally and financially, and will bring little or no benefit towards improving the safety of offshore operations. In addition to the unnecessary burden to industry, it will create an additional unwarranted burden to regional MMS staff that will require additional inspector/auditor training and increased workload demand.

I fully endorse the comments that have been filed on behalf of industry by the Offshore Operators Committee (OOC) and the American Petroleum Institute (API).

Additionally, I have the following comments:

1) The US offshore industry has an excellent safety record; while continuous improvement is needed, this course of action is not justified.
2) The MMS opinion that the "root cause analysis" points to the need for requiring the four proposed SEMP elements is not supported by the agencies incident analysis.
3) The job safety analysis/job hazard analysis is the only significant portion of the proposed rule that could affect the behavioral change that is more appropriately identified as the root cause of the incidents reviewed.
4) We strongly disagree that a mandated program as proposed is needed. The majority of the handful of comments that were received on the ANPRM in support of a MMS regulatory action came from organizations that do not operate on the US OCS. Furthermore, the foreign government agencies that commented in support do not have mandated programs such as the one being proposed, yet were given equal weight to those organizations that represent members produce over 90% of the offshore oil and natural gas on the OCS.
5) MMS should rescind the proposed rule immediately and reevaluate the cost/benefits of mandating a program that, as recently as 2003, was determined by the agency to be performing well as a voluntary program.

I believe the proposed rule is broadly targeted at three critical areas: safety, reliability, and environmental. I agree these areas are important to the industry, customers, general public, and regulators. With this in mind, I would like to know specifically where MMS believes the industry is falling short of expectations in these areas and why the MMS has not shared this information in the rulemaking.

The comment period allocated for industry's response to such a significant formal rulemaking did not allow me to develop detailed comments on the various parts of the rulemaking and it is recommended that further discussions with industry be carried out prior to any final rulemaking on the issue.

I have noted that the new rule defines a larger more proactive role by the MMS in operations activities and a significant upturn on the amount and technical detail of information that would be required to be developed, recorded and reported without a strong driver for the additional information. I am concerned that this new role will have a negative impact on critical cycle times in the ongoing development of the OCS.

Sincerely,

Betsy Cleland