



# **BOEM PUBLIC MEETING**

**BILOXI, MISSISSIPPI  
SEPTEMBER 10, 2010**

- Offshore Marine Service Association (OMSA) is the national trade association of U.S. flag vessels that support our offshore energy sector
- Our skilled crews and vessels are the lifeline between the offshore rigs and the mainland
- Our vessels deliver personnel, supplies and the latest deep sea technology
- Our shipyards build and design vessels known for their technological innovation



- Although vessels of opportunity, OMSA members were the backbone of the Macondo spill response
- OMSA members delivered boom, skimmed oil, applied deep sea dispersants, and operated the ROV's that brought live video feeds of the well head
- Our vessels were the first on scene and will very likely be the last to leave



- Our industry serves the oil and drilling companies that BOEM regulates
- OMSA vessels and personnel are regulated by the Coast Guard, but we depend upon the BOEM's regulation of our customers
- We recognize that the entire offshore energy industry must be better prepared with response planning, spill training, drills and improved recovery technology
- OMSA is committed to working together to enhance safety and restore public confidence in the offshore industry





- On April 22<sup>nd</sup>, the DAMON B. BANKSTON's crew rescued 115 survivors from the BP Offshore Horizon





- The DAMON B. BANKSTON is owned and operated by Tidewater Marine, an OMSA member





- From the start, OMSA members deployed the human expertise to engineer, source and mobilize surface and subsea response solutions





- During the response, OMSA members mobilized more than 500,000 barrels of tank barge capacity for spill recovery





- While we are most often deemed to be “vessels of opportunity” OMSA members’ equipment was often larger and more capable than the vessels deployed by the dedicated oil spill response companies



# OMSA Members are the First Responders



- Our vessels safely deployed boom, sprayed dispersants, skimmed the surface, lightered smaller skimming vessels, separated recovered oily water, and continue to monitor environmental quality in the Gulf today
- We delivered the subsea construction and well intervention marine assets required to contain and ultimately kill the well



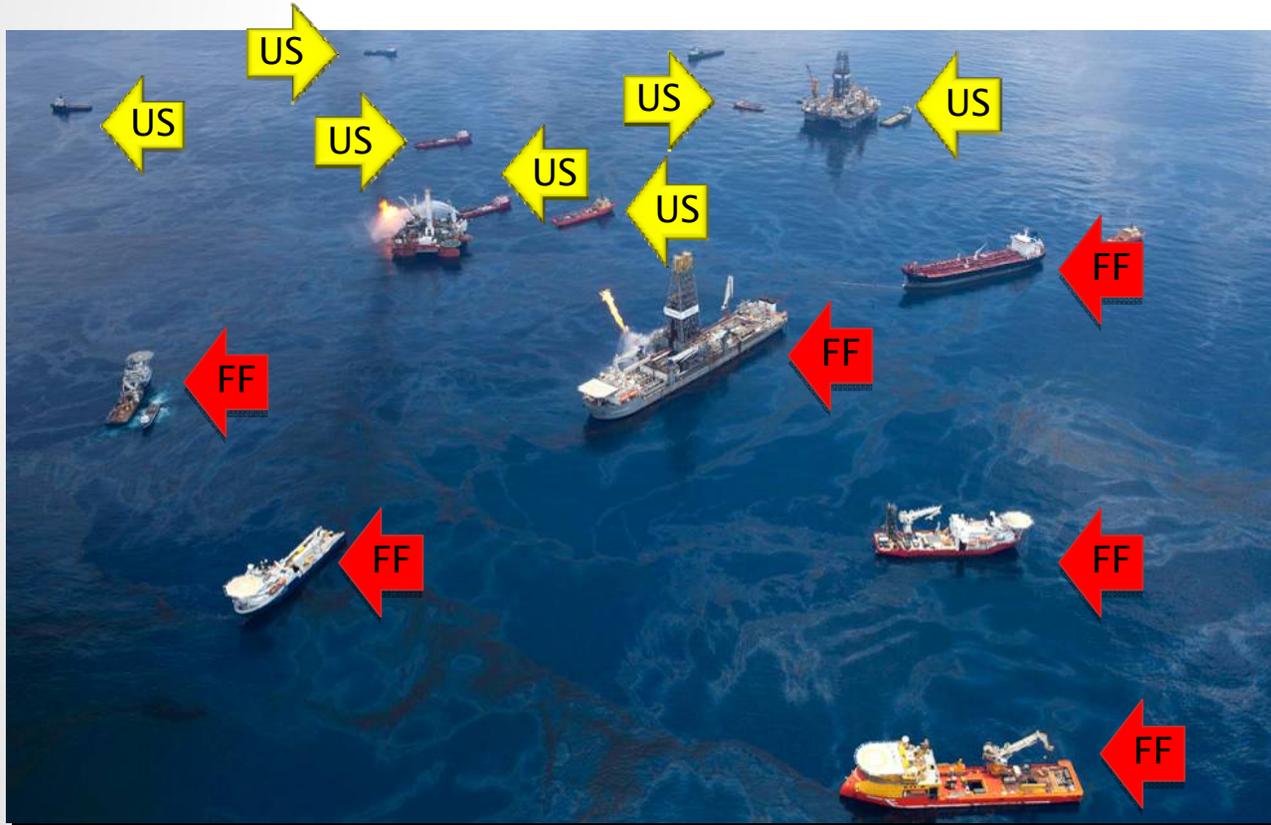
# OMSA Members are the First Responders



- We operated some of the world's largest vessels of their class and fulfilled primary roles in the top and static kills
- Our members capital investments built the logistics infrastructure at Port Fourchon which played an indispensable role in the mobilization effort



# The Jones Act Facilitated the Nation's Response Capability



➤ Jones Act obstruction is a myth

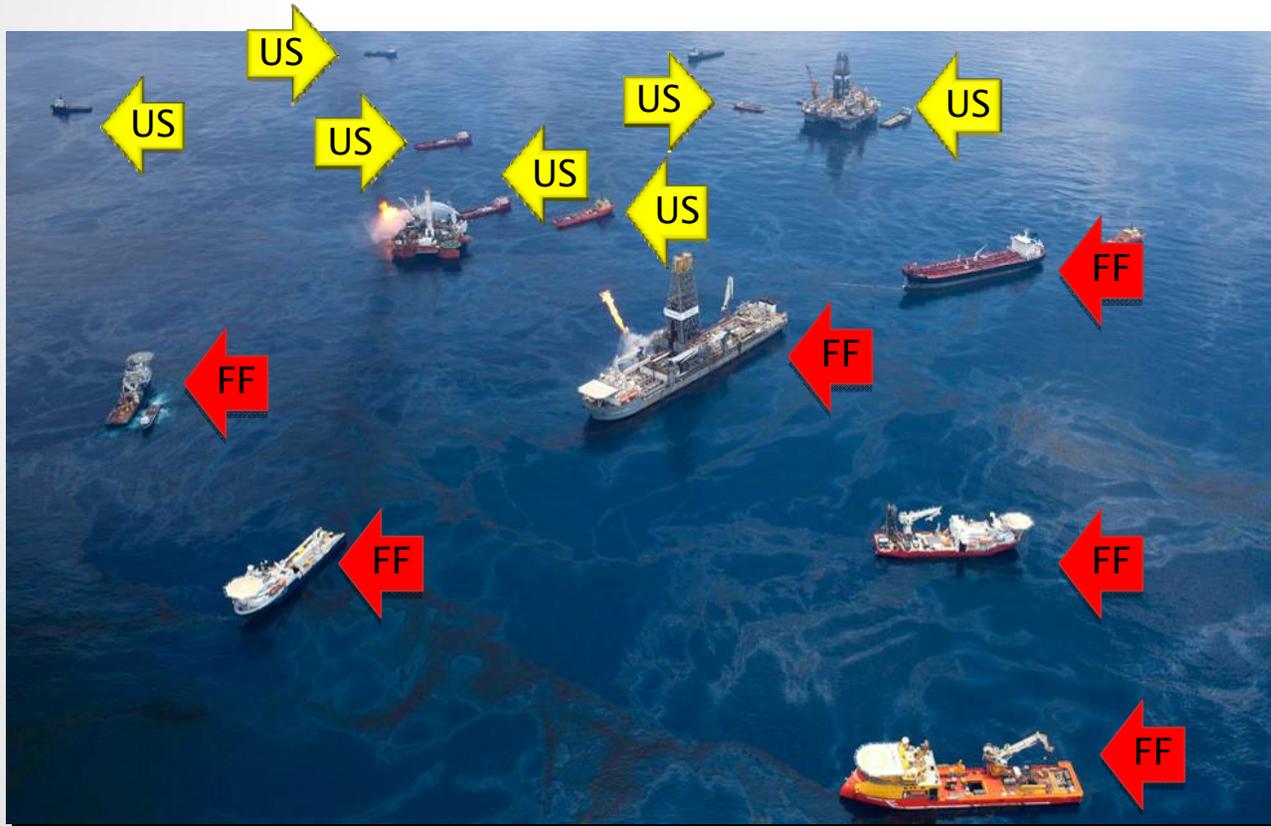


# The Jones Act Facilitated the Nation's Response Capability



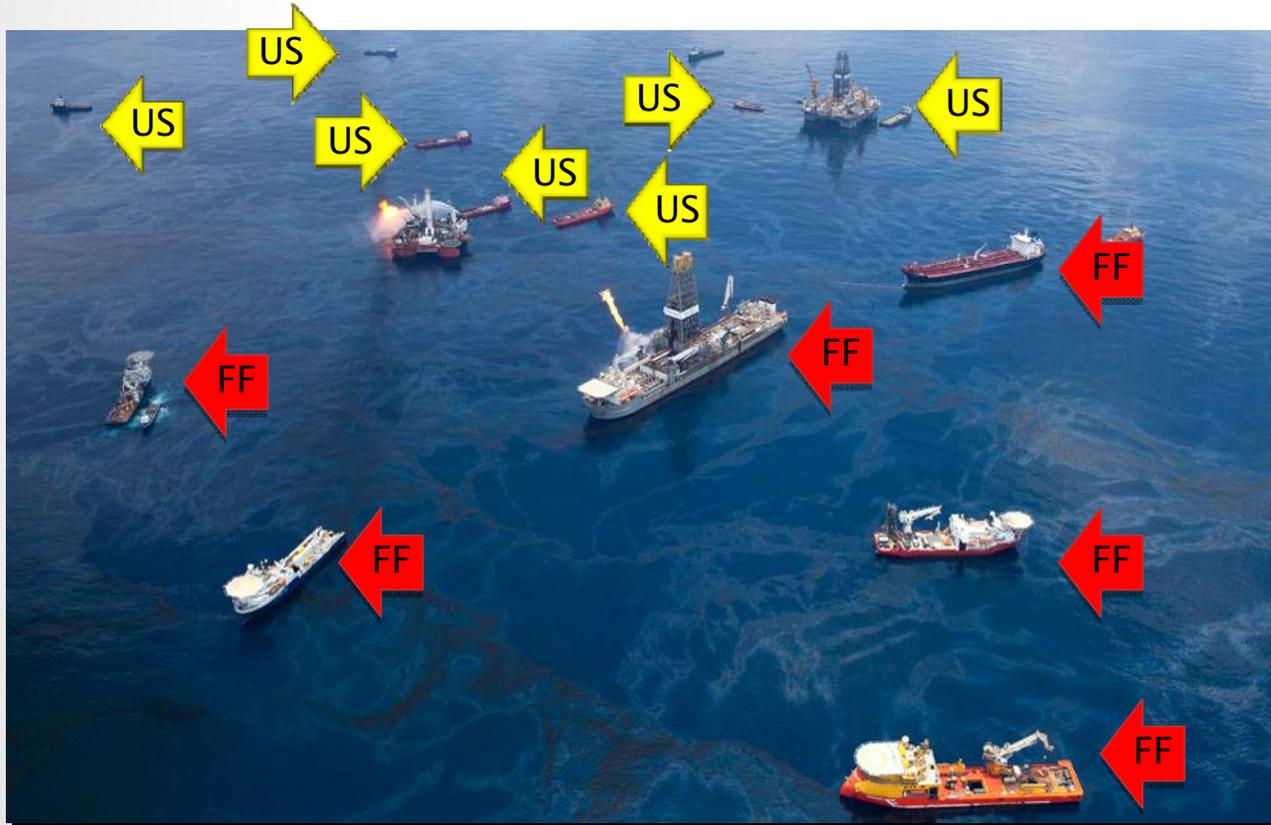
- U.S. and foreign flag vessels worked side by side

# The Jones Act Facilitated the Nation's Response Capability



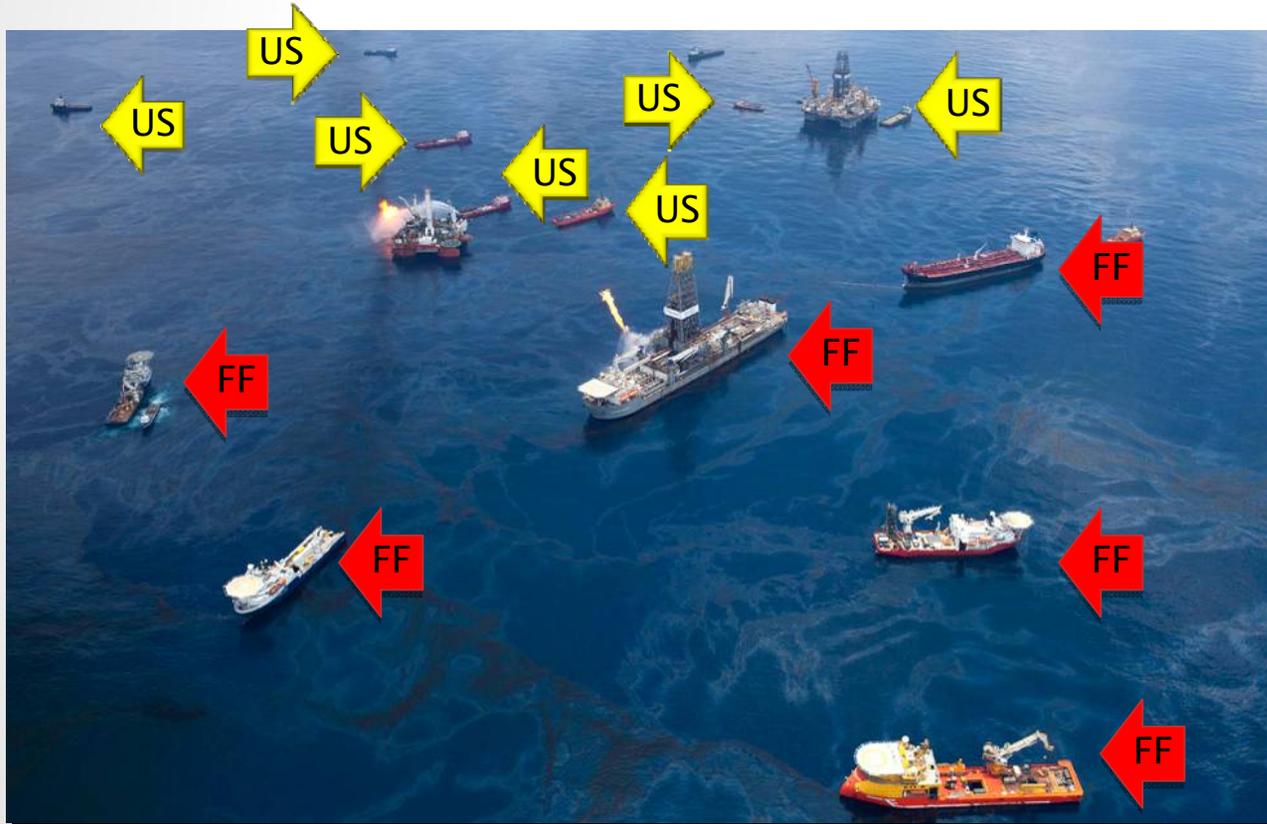
- ADM Thad Allen, “At no time have we been inhibited by the Jones Act or Jones Act Waivers.”

# The Jones Act Facilitated the Nation's Response Capability



➤ OMSA would have supported all necessary waivers

# The Jones Act Facilitated the Nation's Response Capability



- In total over 2 million barrels of Jones Act tank barge capacity was delivered to the Gulf

# Bipartisan Policy Center's Letter to the National Commission on the BP Deepwater Horizon August 25, 2010

*"We must balance the risks and opportunities of domestic oil production, including the benefits of reducing our reliance on imported oil, against the economic and environmental risks of producing it."*



# Bipartisan Policy Center's Letter to the National Commission on the BP Deepwater Horizon August 25, 2010

*“DOI should adopt a strategic approach to reviewing industry compliance with new safety requirements to ensure that, wherever possible, the safe resumption of drilling does not take an undue amount of time.”*



# Bipartisan Policy Center's Letter to the National Commission on the BP Deepwater Horizon August 25, 2010

*“What can DOI do to encourage existing human and physical infrastructure to remain in the region to ensure sufficient capacity to respond quickly and effectively in the event of a future spill?”*



# Response Capacity at Risk



- The vessel capacity that responded to the spill is at risk
- Plans for new vessels have been put on hold – shipyards will close
- Companies will go out of business, skilled mariners will leave the industry
- Without work in the Gulf, the most technologically competitive OMSA vessels will pursue markets overseas



# Response Capacity at Risk



- Hundreds of OMSA member vessels will lay idle or be sold for other uses
- Pain has been deferred due to prudent actions by oil companies waiting for regulatory clarity. Spill response contracts have also delayed the displacement – but the rate of vessel and personnel layoffs has increased – time is running out
- We need regulatory clarity that describes a resumption of exploration and development

# A Vibrant Gulf is a Safe Gulf

- The current fleet of over 1200 OMSA member company vessels was built to serve the thousands of production platforms the 33 deep water rigs and 50 shallow water rigs operating in April of 2010. Make no mistake, without exploration, our industry's future is bleak
- If regulations fail to resume drilling along with a concurrent program to implement higher safety standards, our response capability will move in the wrong direction
- A vibrant Gulf economy will support new marine investment, apply the latest in vessel technology and support aggressive research and development programs



# Port Fourchon is a great example of a vibrant Gulf building innovation and vessel capacity



Public investment: \$156 million



# Port Fourchon: The Gulf's Energy Connection



Private capital: \$1.55 billion



# Port Fourchon: The Gulf's Energy Connection



Total: \$1.7 billion



# Regulatory Dilemma



- Ironically, without a rational, planned regulatory transition, built upon a resumption of safe exploration with concurrent regulatory development and implementation, the vessels and mariners needed for a safe Gulf will be lost
- OPA 90 provides an example of allowing an industry to grow into higher regulatory standards while avoiding a market failure caused by an overly abrupt regulatory transition



# OMSA Committed to a Safe Gulf

- We applaud the creation of the Marine Well Containment Corporation, this effort shows great promise
- As soon as the Coast Guard modernizes its vessel construction regulations, OMSA members will meet the design, construction and manning challenges to create a new generation of extremely capable OSRVs
- We are committed to working with the larger offshore industry and regulators to improve response technology, contingency planning and to ensure immediate response capability is always available offshore. We know that once oil is in the water, time is the enemy of an effective response
- OMSA is committed to supporting BOEM's work to restore public confidence in offshore drilling and we request the opportunity to join the Joint Industry Oil Spill Preparedness and Response Task Force
- Finally, we ask for a resumption of deepwater drilling as soon as possible, without continued work, our fleet of OSVs will contract, leaving this nation with a weakened response capability when the inevitable regulatory overhaul is complete

