

BUREAU OF OCEAN ENERGY MANAGEMENT
ENFORCEMENT AND REGULATION

Public Forum on Offshore Drilling
Panelists and Elected Officials

Tulane University
New Orleans, Louisiana
August 4, 2010

PANEL I:

Sarah Ortwein

Vice President of Engineering

Exxon Mobil Development Company

Melody Meyer

President

Chevron Energy Technology Company

Charlie Williams

Chief Scientist

Shell Oil Company

Steve Bross

Manager, Project Development

Conoco Phillips

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1 PANEL II:
 2 Stephen O. Sears
 3 Chair, Department of Petroleum Engineering,
 4 Louisiana State University
 5 Holder of Longwell-Leonard Family Distinguished
 6 Professorship
 7 Doug Meffert
 8 Deputy Director for Policy, Tulane
 9 Xavier Center for Bioenvironmental Research
 10
 11 Melanie Driscoll
 12 Director of Bird Conservation
 13 Louisiana Coastal Initiative
 14 National Audubon Society
 15 Mike Voisin
 16 Chief Executive Officer
 17 Motivait Seafood
 18
 19 PANEL III:
 20 Louisiana Lieutenant Governor
 21 Scott Angelle
 22
 23 U.S. Congressman Anh ("Joseph") Cao
 24
 25 Grand Isle Mayor David Camardelle
 26
 27 Terrebonne Parish President
 28 Michael Claudet
 29 Lafourche Parish President
 30 Charlotte Randolph
 31
 32 New Orleans Mayor Mitch Landrieu

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1 - PROCEEDINGS -
 2 DIRECTOR MICHAEL BROMWICH:
 3 Good morning, everyone. Welcome to
 4 the first of a number of public forums that
 5 we're going to be holding over the next month
 6 and a half on offshore drilling. We're
 7 delighted to hold the first one here in New
 8 Orleans at Tulane University. I want to thank
 9 the people of Tulane and the people of New
 10 Orleans for being such terrific hosts.
 11 This is a forum that's going to be
 12 devoted to acquiring as much relevant
 13 information on the three issues that underlie
 14 Secretary Salazar's decision on July 12 to
 15 extend the moratorium until November 30th. The
 16 three issues that we are going to be gathering
 17 information on are drilling safety, spill
 18 containment, and spill response.
 19 Today's focus is going to be on
 20 spill containment. In subsequent sessions,
 21 including beginning next week in Mobile,
 22 Alabama, and Pensacola, Florida, we're going to
 23 be focusing on additional issues.
 24 What I would like to do to frame
 25 the discussion today is to provide a brief

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1 presentation that will give us some background,
 2 and that will then lead us into our first
 3 panel. So let me go ahead and start.
 4 As you can see, the purpose of the
 5 forums is to address issues that relate to the
 6 current suspension of deepwater drilling.
 7 That's in effect until November 30th or until
 8 such earlier time as Secretary Salazar is
 9 satisfied that deepwater drilling operations
 10 can proceed safely with robust health and
 11 environmental protections in place.
 12 So the purpose of these forums is
 13 to acquire information on the three issues, to
 14 see whether the moratorium can be shortened
 15 before the November 30th expiration date.
 16 The rest of this slide just goes
 17 through the three issues that we're going to be
 18 focusing on. And as I said, the purpose of the
 19 forums is to identify whether modifications to
 20 the current moratorium, the current drilling
 21 suspensions, can be made.
 22 This is a public forum. I'm
 23 delighted that a number of you are here. There
 24 are various ways for you to provide your
 25 comments and your suggestions. We have cards.

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1 As I understand it, there's also a site online
 2 at our agency's website that you can submit
 3 your comments.
 4 This is some background facts on
 5 the importance of deepwater drilling. We are
 6 very well aware that tens of thousands of
 7 workers are employed in the Gulf of Mexico
 8 offshore oil and gas industry. It includes not
 9 only people who work directly on the rigs but
 10 the extensive number of people who work in
 11 support industries and support rig workers and
 12 the rig companies.
 13 Domestic energy production is
 14 critical to the health of our economy, to our
 15 energy and dependence, and to our national
 16 security.
 17 Importantly, the Gulf of Mexico, as
 18 many of you know, currently accounts for
 19 approximately 30 percent of domestic oil
 20 production and approximately 12 percent of
 21 domestic natural gas production.
 22 "Drilling Safety: What are the
 23 risks?" I think we all have a different sense
 24 of those risks than we did before April 20th.
 25 Deepwater spills, as we've seen

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1 over the last close to a hundred days have real
 2 and potential devastating impacts on fishing
 3 and shrimping, on tourism, on wildlife, on the
 4 ocean and our coastal communities, and on local
 5 communities as well.
 6 More specifically, what's been the
 7 impact of the Deepwater Horizon oil spill that
 8 we've all been focusing on over the last
 9 several months.
 10 Most centrally and tragically, 11
 11 workers died in the well blowout and subsequent
 12 fire. The Deepwater Horizon spill has had a
 13 huge and enduring effect on the ocean and
 14 coastal environments in the Gulf of Mexico. We
 15 read articles every day on that subject.
 16 Literally hundreds of miles of
 17 wetlands and shorelands have been affected by
 18 the Deepwater Horizon spill, in some ways that
 19 are known and in some ways that may not be
 20 known for some time.
 21 In addition, the entire Gulf
 22 ecosystem has been and will be affected,
 23 including on a variety of dimensions,
 24 including, as you can see from this slide,
 25 marine plankton, fish and shellfish, birds,

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1 marine mammals, and other wildlife.
 2 Those are not the only impacts that
 3 the oil spill has had. They've also had major
 4 impacts on the fishing industry, shrimping,
 5 tourism, commercial, retail, and many other
 6 industries in the entire Gulf of Mexico region.
 7 The oil industry has acknowledged,
 8 in public testimony and elsewhere, that it was
 9 not and currently is not equipped to handle a
 10 deepwater blowout. It simply lays out on the
 11 screen a question and answer, and we could have
 12 picked others as well.
 13 The frank and honest
 14 acknowledgements that what this episode has
 15 shown is that companies, not just BP but other
 16 companies, have not been equipped to handle
 17 worst-case scenarios, including the kind of
 18 blowout that we saw in Deepwater Horizon.
 19 So we are beginning to develop the
 20 lessons from the Deepwater Horizon spill. Here
 21 are some of the preliminary ones:
 22 There was no purpose-built subsea
 23 containment equipment that was available for
 24 immediate deployment to deal with the spill and
 25 try to contain it;

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1 None of the subsea containment
 2 strategies that were used had ever been
 3 attempted in water depths anywhere close to
 4 those that were called for at the Macondo well;
 5 And the subsea containment
 6 equipment that was built and deployed at the
 7 outset, and for some period of time, was
 8 patently ineffective at capturing most of the
 9 oil that was spewing from the well.
 10 This is just a chronology -- I
 11 won't go through this in detail -- a chronology
 12 of the initial improviso attempts to contain
 13 the Macondo well, starting a couple of days
 14 after the blowout and continuing through the
 15 middle of next month -- the middle of July,
 16 rather.
 17 What are the containment challenges
 18 that are specific to deepwater drilling?
 19 Many people have compared deepwater
 20 drilling to operating in outer space, because
 21 it is so far from the surface and human beings
 22 are not there and cannot survive down there, so
 23 you need a combination of pieces of equipment
 24 that are going to be able to allow you to be
 25 able to manage.

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1 Any equipment designed for
 2 deepwater use must be able to operate under the
 3 enormous extraordinary pressures and low
 4 temperatures that exist in deepwater. In
 5 addition, quite obviously, work in deepwater
 6 cannot be done by people. It has to be done by
 7 remotely-operated vehicles.
 8 The lack of precise information
 9 regarding the size of the uncontrolled flow
 10 vastly complicate the Macondo containment
 11 efforts. I think many of you probably saw that
 12 really, for the first time yesterday, what
 13 appeared to be reliable estimates of the volume
 14 of the flow were released. There were a lot of
 15 informed guesses at the outset.
 16 Many of those guesses turned out to
 17 be wildly wrong about the extent of the flow
 18 and were generally well under what has now been
 19 determined to be the actual extent of the flow,
 20 and so this simply underscores that, in fact,
 21 the initial information about the flow was very
 22 imprecise and, in fact, quite inaccurate.
 23 This slide shows a little bit about
 24 the level and extent of deepwater activity over
 25 the last 20 years. You can see from this slide

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1 how deepwater drilling has increased
 2 dramatically, both in terms of number of rigs
 3 that are doing deepwater drilling, as well as
 4 the water depths at which it is being done.
 5 One critical thing that I think has
 6 become clear to Secretary Salazar, to me, to
 7 the entire administration, and to the industry
 8 is that industry must develop effective
 9 containment strategies for deepwater drilling.
 10 And that's a central purpose of our being here
 11 today.
 12 So those are just a quick tour
 13 through some of the issues that I wanted to tee
 14 up before we started. I'm sure you know I'm
 15 Michael Bromwich. I'm the Director of the
 16 Bureau of Ocean Energy Management, Regulation
 17 and Enforcement.
 18 And I want to introduce, first of
 19 all, two other members of the agency who will
 20 participate with me in talking to the panels
 21 that we have today.
 22 To my immediate left is Lars
 23 Herbst, who is the Regional Director of BOEM
 24 for the Gulf of Mexico. Lars has been in that
 25 or similar positions within the agency for 26

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1 years. He is a petroleum engineer by training,
 2 and he is from LSU.
 3 Sitting to his immediate left is
 4 Bill Hauser. Bill is the Chief of the
 5 Regulations and Standards Branch of BOEM. He
 6 is a mining engineer by training, later
 7 converted to being a petroleum engineer, and
 8 has been with the predecessors of BOEM since
 9 their creation, and his tenure within the
 10 Department of Interior goes back even farther
 11 than that.
 12 So I want to thank Lars and Bill
 13 for being with me today.
 14 Let me quickly introduce the first
 15 of our three panels today, and let me just talk
 16 a little bit about the structure of today's
 17 event.
 18 We're going to have our first panel
 19 which is composed of four representatives of
 20 major oil companies who have come together to
 21 develop the outlines of a proposal for spill
 22 containment.
 23 The history of that is that they
 24 came to meet with Secretary Salazar and me a
 25 couple of weeks ago, and then I received a more

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1 detailed briefing last week.
 2 They made a public announcement
 3 within a day or so of the initial meeting with
 4 Secretary Salazar. And even though this was
 5 short notice, they have generously agreed to
 6 share their thoughts with you, with the
 7 understanding that it is still very much in
 8 development; there are still aspects of it that
 9 need to be further developed and thought
 10 through.
 11 But I want to express my
 12 appreciation right now to their willingness to
 13 come and to speak and to present their
 14 proposal.
 15 So that's the first proposal. It
 16 will be about spill containment. The four
 17 individuals whom I'm about to introduce to you
 18 will summarize the proposal. We'll ask some
 19 questions back and forth. That will take us
 20 roughly till ten o'clock.
 21 We will then have a second panel
 22 which I'll introduce at that time. It will be
 23 focused, again, on spill containment to some
 24 extent, but also on a broader range of issues.
 25 We have a couple of distinguished members of

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1 the academic community, someone from the
 2 environmental community, and then a local
 3 businessman.
 4 We're going to take a break, and
 5 then we will have a set of local officials who
 6 will speak about various issues relating to
 7 spill containment and the moratorium.
 8 So just one final note before I
 9 introduce the panelists, as I'm sure all of you
 10 know, ever since April 20th, this has been an
 11 extraordinary dynamic situation in dealing with
 12 the Deepwater Horizon blowout.
 13 It looks like we have reached a
 14 milestone over the last 24 hours with the
 15 static or top kill that seems to have, at least
 16 at this point, stopped the flow. And so that
 17 is a major achievement. I think we're all
 18 extremely pleased about that.
 19 But there is much work to be done,
 20 much work to be done in gathering the
 21 information necessary for Secretary Salazar, to
 22 make the important decisions that face him over
 23 the next several months.
 24 Without any further ado, let me
 25 introduce our four panelists.

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1 First, closest to me, is Sarah
 2 Ortwein who is Vice President of Engineering
 3 for the ExxonMobil Development Company.
 4 Sitting to her left is Melody
 5 Meyer who is the President of the Chevron
 6 Energy Technology Company.
 7 Sitting to her left is Charlie
 8 Williams who is the Chief Scientist of the
 9 Shell Oil Company.
 10 And finally to his left is Steve
 11 Bross whose title is Manager, Project
 12 Development of Conoco Phillips.
 13 So, again, my sincere appreciation
 14 for your being here, and we look very much
 15 forward to your presentation.
 16 So with that, let me turn it over
 17 to Sarah.
 18 MS. SARAH ORTWEIN:
 19 Thank you, Director Bromwich, for
 20 providing us the opportunity to speak here
 21 today.
 22 I speak on behalf of our four
 23 companies when I say we believe that open and
 24 constructive dialogue between industry,
 25 government, and the American public is

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1 essential as we move forward and learn from the
 2 tragic event of the Deepwater Horizon in the
 3 Gulf of Mexico.
 4 Our thoughts go out to the families
 5 that are affected by this unfortunate tragedy.
 6 Today we would like to speak to you about an
 7 unprecedented effort we are undertaking to
 8 improve incident preparedness.
 9 Together with Chevron,
 10 ConocoPhillips, and Shell, ExxonMobil is taking
 11 the lead in designing and building a rapid
 12 response system.
 13 The system will capture and contain
 14 oil in the event of a potential underwater well
 15 blowout in the deepwater Gulf of Mexico. It's
 16 designed to enhance response capabilities for
 17 the protection of the environment and the
 18 safety of personnel and the public.
 19 The system is significantly
 20 different from anything previously or currently
 21 in use. It's going to be pre-engineered,
 22 designed, constructed, tested, and will be
 23 maintained ready for rapid response. In a
 24 nutshell, instead of waiting weeks, we will be
 25 able to initiate mobilization of this system

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1 within 24 hours of an incident.
 2 It will also be flexible and
 3 adaptable. It will work in a wide range of
 4 scenarios, in deepwater depths up to 10,000
 5 feet, and it will be able to work in varying
 6 weather conditions and with flow rates that
 7 exceed the size and scope of the current spill.
 8 And safety will also be enhanced.
 9 Why? Fewer simultaneous operations will be
 10 required with the system we will put in place.
 11 Once constructed, the system
 12 components will be fully tested, and they will
 13 be maintained in a state of operational
 14 readiness. This will allow for rapid
 15 response.
 16 Our four companies are committed to
 17 maintaining the rigorous procedures in the
 18 industry that have been used to drill more than
 19 14,000 deepwater wells around the world safely
 20 to date.
 21 I would like to emphasize that it's
 22 our firm belief that when best practices are
 23 followed and safety precautions are taken,
 24 tragic incidents like the one that has occurred
 25 in the Gulf should not happen.

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1 Nevertheless, precaution must be
 2 supported by preparedness. The system we've
 3 committed to build will enhance our
 4 preparedness.
 5 We are developing this new system
 6 not because we expect another incident like the
 7 Deepwater Horizon; we do not. It is a major
 8 investment that we hope and expect never to
 9 use.
 10 My colleagues and I are going to
 11 present the details of the system today. And
 12 now I will turn it over to Melody so that she
 13 can begin the presentation.
 14 MS. MELODY MEYER:
 15 Good morning.
 16 I would like to start our overview
 17 of the marine well containment system by
 18 putting it into context with some other major
 19 initiatives that the industry has been working
 20 on since the incident. All three areas of
 21 focus have been -- are intended to restore
 22 confidence in our deepwater drilling
 23 operations.
 24 We have task forces in the industry
 25 that were formed in all three areas, and I'll

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1 talk about those. They're well-aligned with
 2 the administration and congressional
 3 expectations on how to restore safe drilling
 4 operations in the Gulf of Mexico and get back
 5 to work.
 6 The first is on industry drilling
 7 standards. And this is all about prevention.
 8 Prevention is the key.
 9 And the new recently-issued notice
 10 to leasees 5 and 6 are now in place and have
 11 substantially raised the bar on our drilling
 12 standards to the best practices that are being
 13 used in the Gulf of Mexico. So prevention is
 14 essential and a key focus of the industry.
 15 If prevention fails, there are two
 16 other areas that have been a focus by the
 17 industry and some task force efforts that are
 18 underway.
 19 The Well Containment and
 20 Intervention Task Force was formed to look at
 21 both containment and intervention, and we're
 22 going to be sharing the information or the
 23 system that we've developed for containment
 24 today with you.
 25 The task force is still working on

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1 some recommendations on intervention, and those
 2 will be available at the end of this month.
 3 A third task force is working at
 4 spill response capability, and they are making
 5 recommendations also at the end of this month.
 6 It's important to note that prior
 7 to the Macondo incident, there were about 100
 8 vessels working in the -- 100-vessel capability
 9 in skimming type of equipment before the
 10 incident. And after the incident, we had up to
 11 700.
 12 So just with this incident alone,
 13 significant capability has increased in oil
 14 spill response. But there are recommendations
 15 coming out of that task force.
 16 So what we're going to focus on
 17 today is on the Marine Well Containment
 18 Company, and I just wanted to put that in
 19 context with other key initiatives that are in
 20 progress.
 21 So, first, the industry, as I said,
 22 is very committed to improve our response
 23 capability. We're focused on prevention, as I
 24 said, but we're also developing these new
 25 response capabilities.

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1 Chevron, ConocoPhillips, Exxon, and
 2 Shell have initiated and committed to the
 3 development of this new rapid response system
 4 that we're going to talk about with you today.
 5 It will fully contain oil flow in
 6 the event of a future underwater blowout. We
 7 hope none will occur, but it will fully contain
 8 the oil flow, should it occur.
 9 It's designed to address a variety
 10 of scenarios. So we've looked to see what was
 11 a range of scenarios for blowouts that might
 12 occur. We've designed the system around a
 13 broad range. It is focused on having new
 14 specifically-designed equipment, constructed,
 15 tested and readily-available for rapid
 16 response.
 17 The system can operate in deepwater
 18 depths of up to 10,000 feet of water, so very
 19 very flexible in that it is up to 10,000 feet,
 20 so a variety of water depth.
 21 And it adds containment capability
 22 of a hundred thousand barrels per day, which
 23 exceeds the size and scope of the current
 24 spill.
 25 The commitment by the four

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1 companies is to an initial investment of a
 2 billion dollars in the specifically-designed
 3 pre-engineered equipment.
 4 That billion dollars does not
 5 include the cost to secure existing equipment
 6 and vessels that will be used for the immediate
 7 containment system that will be available with
 8 our containment, new containment company.
 9 The system can be expanded -- the
 10 cost also does not include the ongoing
 11 operating and maintenance cost for the new
 12 marine well containment company, and we'll talk
 13 about that.
 14 So we do expect the cost to be
 15 higher than the billion dollars that we've
 16 committed to.
 17 The new company will also have
 18 funding towards research and development
 19 programs over time to be sure that the
 20 containment equipment is maintained and
 21 developed to be state of the art over time as
 22 technology evolves.
 23 The goal is to have response
 24 capabilities in place within six months. We're
 25 going to do that by employing existing

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1 equipment that is available now for containment
 2 and vessels that can be contracted as we are
 3 constructing the new pre-engineered equipment.
 4 As our new equipment is available
 5 and ready, it will start becoming part of the
 6 total system that will be fully available at 18
 7 months, but the initial equipment that we will
 8 secure will provide an immediate containment
 9 capability for the new company.
 10 So I would like to turn it over to
 11 Charlie as we talk in more detail about this
 12 equipment system.
 13 **MR. CHARLIE WILLIAMS:**
 14 Thanks, Melody.
 15 The first view-graph shows the
 16 overall picture of the system that we're going
 17 to construct. It's a modular system. We would
 18 like to think about it as a tool kit with all
 19 these tools, you know, engineered for the job,
 20 you know, pre-built, and are readily available,
 21 and that we can adapt to the different modules
 22 and the different pieces of the tool kit for
 23 all types of situations that we might face in
 24 trying to contain an incident in the deepwater.
 25 And you can see in the diagram --

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1 I'll talk about some of the key pieces of the
 2 kit, and I'll refer you to the middle of the
 3 drawing, and you can see there's a blowout
 4 preventer there.
 5 And the first part of the system is
 6 the subsea containment assembly which is shown
 7 here attached to the top of the blowout
 8 preventers.
 9 And it's important to note, and
 10 we'll talk about in several other slides here,
 11 that this system fully contains the oil within
 12 the system.
 13 So this is a hard-connected,
 14 pressure-containing, and oil-containing
 15 assembly that's shown here attached to the top
 16 of the blowout preventer stack.
 17 The other key pieces of the system,
 18 you will see, is the equipment that's on the
 19 ocean floor. And these are things like the
 20 production manifold that collects the
 21 production from the subsea assembly and from
 22 the well, and also all the inner-connecting
 23 piping.
 24 So there's the inner-connecting
 25 piping and inner-connecting lines that do

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1 control of the system. And then this all flows
 2 over to the other major part of the system,
 3 which are the freestanding risers that you see
 4 on the left.
 5 So these freestanding risers are
 6 able to be away from the well so you don't have
 7 to produce vertically over the well. You can
 8 produce up the freestanding risers. And that
 9 will move the oil production up to the surface
 10 of the ocean, and then to the vessels that you
 11 see, which are the containment vessels that
 12 will be permanently -- or will be dynamically
 13 positioned there and stay on the station and
 14 we'll have process modules on them. And then
 15 they will unload to the shuttle tankers that
 16 you see in the back of the containment vessels.
 17 So it's a completely flexible, adaptable
 18 system.
 19 One of the key features that I want
 20 to emphasize is this full containment. So
 21 there's two ways to get full containment, and
 22 one of those is actually latching onto the well
 23 itself. And there's many places on the well
 24 that it's possible to latch on and have
 25 pressure containment and full containment of

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1 the oil.
 2 We can also have a system -- that I
 3 will show you in a minute -- where we can
 4 actually have full containment by attaching
 5 ourselves to the ocean floor.
 6 And so in this system -- in all of
 7 these systems, we can keep out the seawater and
 8 keep the oil inside the system and provide for
 9 flow assurance and hydrate prevention with the
 10 equipment that we have available.
 11 And in fact, when you latch onto
 12 the well itself, the system we'll put on there,
 13 we can actually shut the well in or we can
 14 re-enter the well through the top of this
 15 device and do remedial work inside the well,
 16 again, fully contained.
 17 But we think, in most cases, we'll
 18 be able to attach this assembly to the well,
 19 the subsea assembly as shown; and if you have
 20 good integrity in the well and a good design
 21 that provides integrity, you can just simply
 22 shut the well in with this assembly.
 23 So I showed some different ways
 24 that we can attach to the wells. And this
 25 shows, on the left, several different features.

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1 So on blowout preventers, you can
 2 either attach onto the top of the blowout
 3 preventer itself, where the upper assembly, the
 4 blowout preventer is removed, there's a
 5 connector there that allows a hydraulic
 6 connection and a seal.
 7 And that's shown in the left-hand
 8 picture, but on the right-hand side.
 9 Now, the left-hand side there, it
 10 shows where the blowout preventers are detached
 11 from what we call the wellhead housing, which
 12 is the top part of the well, and we can
 13 reconnect there. There's a connection point.
 14 And then if it's not possible to
 15 connect onto these various connectors that are
 16 there, in case there was damage or other
 17 situations, we're going to build adaptors such
 18 that we can connect and seal on damage
 19 connections as well.
 20 And a good example of that is in
 21 the middle of the left-hand picture, which
 22 shows putting this subsea assembly and
 23 attaching actually to a casing stub.
 24 So in that case, the casing stub
 25 itself is sticking up with no connection. And

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1 we have a set of, essentially, blowout
 2 preventer rams so we can go over the casing and
 3 again close and fully shut in.
 4 On the right, there's a picture
 5 of connecting to where the riser assembly used
 6 to be and putting the subsea containment
 7 assembly on top of the blowout preventers.
 8 So the key feature here is, we're
 9 going to build adaptors and connectors for all
 10 types of equipment that are used in the Gulf of
 11 Mexico. They will be ready and be ready to
 12 latch onto all these points, both damaged and
 13 undamaged.
 14 And so, again, it's a key part of
 15 the tool kit that we're going to provide. And
 16 these kinds of connections can be deployed from
 17 the drilling rig itself and really deployed in
 18 a matter of just a few days.
 19 And, again, when we make this kind
 20 of connection, if there's well integrity, we
 21 can just go directly to shutting this device in
 22 and immediately stopping the flow at that
 23 point.
 24 The next part of the system that I
 25 was going to talk about was this subsea

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1 caisson, and this is built around the
 2 technology that's been used in deepwater for
 3 many years which is called suction piles.
 4 And these suction piles are large
 5 tubular devices, and we set them on the ocean
 6 floor, and they sink down into the ocean, and
 7 then we evacuate the liquid out of the inside
 8 of these. And that suction pulls them down
 9 into the ocean floor, and they generate a huge
 10 amount of holding power from the suction in the
 11 area of this large tube.
 12 And we use them as anchors, and we
 13 anchor all kinds of things, you know, rigs and
 14 derrick barges, and all kinds of things. So
 15 they have a huge holding-power as an anchor.
 16 We're going to adapt that idea and build
 17 essentially a suction pile, but this one will
 18 have two pipes, one inside the other.
 19 So if you see -- if you look at the
 20 left-hand picture, what you see on the outside
 21 there is a cross-section of two concentric
 22 pipes or two concentric suction piles. And on
 23 the right, you can see it, you know, where it
 24 shows that it's a tube, and one tube inside the
 25 other.

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1 Now, the cap or the top of this
 2 won't be on at the time we deploy it, so we'll
 3 land it like a big double-walled cylinder over
 4 whatever the problem is on the ocean floor.
 5 We'll remove the liquid, pull it down, make a
 6 seal on the ocean floor, and then install the
 7 cap.
 8 And so the cap will go on after
 9 we've installed this. And we have this firm
 10 seal to the ocean floor.
 11 In this particular system, it's
 12 important to keep -- to minimize the pressure
 13 in there. So this system will definitely flow
 14 back to the rest of the process equipment and
 15 flow back until the relief wells are drilled to
 16 solve the problem.
 17 And the most common way this will
 18 be used would be if you had a leak around the
 19 casing of the well itself. So, you know, if
 20 you had a leak around the casing, there
 21 wouldn't be any connection point in this case.
 22 But we could put this assembly over
 23 there. And again, we make a seal. There's no,
 24 you know, seawater flowing into this system,
 25 and the oil is fully contained flowing back to

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1 our process facilities that are back on the
 2 surface.
 3 And this is based on a
 4 long-standing technology that we've used for
 5 anchoring and can generate a high amount of
 6 attachment force, and so that will be the other
 7 way.
 8 So we have the two ways. We can
 9 either connect to the well or we can connect to
 10 the ocean floor around the well and cover up
 11 whatever is there, either blowup preventers or
 12 casing stubs that we're looking at.
 13 And so now we're going to talk
 14 about the collection devices that can collect
 15 the production on the sea floor and move them
 16 to the surface of the ocean.
 17 And I'll move it to Steve to talk
 18 about.
 19 **MR. STEVE BROSS:**
 20 Thank you, Charlie.
 21 We wanted to continue with the
 22 technical briefing, describing the remainder of
 23 the processing system that we envision.
 24 Charlie has outlined for you a
 25 variety of mechanical adaptors and connectors

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1 that will be used to attach directly to the
 2 wellhead.
 3 And in the event we have mechanical
 4 integrity, we would shut the well in at that
 5 point. In the event we don't, we'll need to
 6 produce the oil to the surface. We envision
 7 using proven industry technology, hybrid riser
 8 systems.
 9 These risers are secured to the sea
 10 floor, again with suction pile technology, and
 11 held in place by buoyancy cans just below the
 12 ocean surface.
 13 Each riser would be designed to
 14 handle up to 50,000 barrels a day, and they may
 15 actually be in a variety of diameters. They
 16 will be a modularized type construction so that
 17 we can deploy in depths up to 10,000 feet.
 18 One of the unique advantages that
 19 was previously noted is our ability to offset
 20 these risers from the direct well location.
 21 Using the jumpers and the subsea
 22 assembly, we can actually locate these some
 23 distance from the well event and thereby
 24 alleviate congestion around the incident
 25 location.

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1 The manifolds on the sea floor will
 2 be used to collect the oil and process it into
 3 the risers. But one of the unique features is
 4 that they are expandable. We can install
 5 multiple risers and even go to multiple
 6 response vessels if something would require
 7 that.
 8 The riser system itself will be
 9 disconnectible through a Turret assembly. And
 10 during hurricanes, the vessel would disconnect
 11 from the flexible riser, drop that assembly,
 12 and demobe to a safe location and then return
 13 very quickly back to site for reconnection when
 14 the hurricane passed.
 15 Moving on to the vessel itself on
 16 the surface, Charlie noted that we envision
 17 modularized process equipment that will be
 18 installed on an existing dynamically-positioned
 19 tanker vessel.
 20 We envision process modules with
 21 approximately 20,000 to 25,000 barrels a day at
 22 capacity each. These would be pre-installed --
 23 pre-designed and constructed for installation
 24 on this vessel.
 25 The modules would be used to

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1 separate the gas from the produced fluids and
 2 flare the gas. Produced fluids would be stored
 3 and ultimately transferred to a shuttle tanker
 4 for processing onshore.
 5 We do envision utilizing Jones
 6 Act-compliant shuttle tankers which will be
 7 tandemly connected at the rear of the
 8 containment and capture vessel.
 9 As we previously noted, we will
 10 need to disconnect during hurricane situations.
 11 However, based on the simplicity of our riser
 12 design and the potential speed of these
 13 dynamically-positioned vessels, we've been
 14 trying to minimize the time in which we depart
 15 prior to, our escape time, and return time.
 16 Hopefully, we can make that a very quick
 17 period.
 18 This system, when you look at the
 19 overview that Charlie presented, does look
 20 familiar to the systems that we've been putting
 21 in place in the Gulf.
 22 However, we want to stress that
 23 there are a lot of significant and unique
 24 advantages to this. The engineering teams'
 25 primary focus has been on safe, full

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1 containment, flexible and adaptable design that
 2 was very robust, and speed. We want to be able
 3 to get on station quickly and deploy quickly
 4 and maintain our engagement as long as
 5 necessary.
 6 The overall system is designed to
 7 fully contain the oil and operate until the
 8 well is under control. Again, we will have a
 9 hundred thousand barrels a day of capacity.
 10 However, because of the modular
 11 approach to the surface facilities or the
 12 facilities on the vessel and the riser
 13 configuration, we have a pretty flexible and
 14 adaptable system that could be expanded using
 15 existing processing capacity.
 16 As Sarah alluded to early on, we
 17 think this system will greatly enhance our
 18 simultaneous operations capabilities. There
 19 will be much fewer vessels and equipment
 20 operating in the near vicinity of the
 21 wellbores. So that's a significant improvement
 22 for us.
 23 It is a purpose-built system, which
 24 is something very important to pre-designed,
 25 engineered, and even functionally-tested prior

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1 to deployment. So some of the startup problems
 2 that were alluded to earlier will be greatly
 3 minimized.
 4 We are capable of a rapid response.
 5 We believe that we will begin mobilization
 6 within 24 hours, especially with the subsea
 7 mechanical connections that Charlie alluded to.
 8 Those move very quickly. And we can have the
 9 full system responding within weeks if we
 10 needed the riser assembly and the collection
 11 vessel.
 12 And, again, we plan to maintain the
 13 system in a continuous readiness -- it will be
 14 ready for immediate deployment, so continually
 15 functioning technically and improved.
 16 We've been targeting an extremely
 17 robust design. You've heard "adaptable and
 18 flexible." A lot of us on the technical side
 19 refer to this as essentially a toolbox with
 20 every type of mechanical adapter pre-engineered
 21 that we can potentially require.
 22 If we can't mechanically connect,
 23 we, would again use this new and unique caisson
 24 assembly to capture the entire wellhead
 25 assembly.

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1 We designed it to operate in a wide
 2 variety of water depths. We've taken into
 3 account the ocean conditions within the Gulf of
 4 Mexico, and even our -- so that we can sustain
 5 and get connection.
 6 And more importantly, the system is
 7 scalable. We can utilize existing response
 8 capabilities in the Gulf and adapt it into the
 9 system to enhance our overall capture system.
 10 Moving forward, to give you a
 11 little idea of what our schedule looks like, we
 12 recognize this is a very large project. This
 13 is a mega-project in and of itself with
 14 hundreds of people ultimately involved in the
 15 construction.
 16 But more importantly, in the
 17 long-term maintenance and operation of the
 18 system, we recognize this piece of equipment is
 19 going to have a very long life. It will need
 20 to be maintained on a state of readiness and
 21 also be technologically evergreen. We will be
 22 incorporating new advances continually into the
 23 system.
 24 Over the next six-month period, we
 25 are going to complete the establishment of the

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1 project organization, finalize our engineering
 2 plans, and move quickly into construction.
 3 To date, we've had over 40
 4 technical people dedicated almost on a
 5 full-time basis to this. It's really been kind
 6 of an unprecedented engineering effort for our
 7 four companies to come together so quickly and
 8 advance the design.
 9 We'll move quickly to the
 10 establishment of the new company, and Sarah
 11 will provide some additional details on that.
 12 This new company will be responsible for the
 13 ultimate operation, maintenance, and deployment
 14 of this equipment.
 15 More importantly, we're going to
 16 use our ability to go out and secure available
 17 equipment. As Melody alluded to, we have
 18 substantially increased our response
 19 capabilities in the Gulf of Mexico, and we do
 20 want those capabilities to be -- so we will be
 21 utilizing this new organization to secure
 22 available equipment that is fit for purpose,
 23 contract with existing vessels, make commercial
 24 arrangements for the equipment that's out
 25 there, so that we can maintain our immediate

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1 response capabilities.
 2 Additionally, we will be engaging
 3 with government agencies to validate and review
 4 the system, get improvements into it.
 5 And finally, very quickly, move
 6 into construction of this. We have an
 7 extremely aggressive time-line, and we will be
 8 focusing on expedited delivery of these
 9 components.
 10 Over the next 18 months, as
 11 equipment becomes available -- actually, as
 12 soon as six months, we will incorporate that
 13 new equipment into the warehouse.
 14 And so ultimately at 18 months, we
 15 envision having the new fit-for-purpose system
 16 completely available, fabricated, with our new
 17 response vessel, capable and ready to go
 18 keystone.
 19 Long-term -- and Sarah will outline
 20 this a little bit more -- we do envision
 21 significant research and development being done
 22 inside this containment system.
 23 We realize this is cutting edge
 24 technology, and we will continue to stay on
 25 that leading edge, so this company will be

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1 responsible for design enhancements,
 2 improvements, and technological advancements
 3 with the company.
 4 MS. SARAH ORTWEIN:
 5 Our four companies are moving
 6 forward now to move into detail design,
 7 engineering, and construction of our new
 8 equipment. And we're also beginning
 9 immediately to secure access to existing
 10 equipment and to vessels.
 11 As mentioned previously, ExxonMobil
 12 has been designated the lead for the
 13 engineering and construction phase of the
 14 system; but at the same time, our four
 15 companies are moving together to form a
 16 non-profit organization, the Marine Well
 17 Containment Company, that's going to be
 18 responsible for operating and maintaining this
 19 system.
 20 Within that company, there will be
 21 fully-trained crews that will be provided to
 22 operate the equipment. And the responsibility
 23 of this company will be to ensure that the
 24 equipment is operational and ready for
 25 immediate response in the event of another

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1 incident.
 2 It also, as Steve mentioned, is
 3 going to be capable of conducting research.
 4 We're building the system with existing
 5 technology today, but we want the capability of
 6 expanding. The system will be capable of
 7 expanding to include technology that's
 8 developed, so that we keep pace with the
 9 industry. And so we will be conducting
 10 research within this company to make sure that
 11 we keep this system up-to-date and advancing
 12 from a technology standpoint.
 13 Our four companies have come
 14 together to make this initial investment and to
 15 advance this design in an area that we have
 16 seen learnings from from the current incident.
 17 We are encouraging all of industry that's
 18 working in the Gulf of Mexico to join us in
 19 becoming a member of the Marine Well
 20 Containment Company. We're working through the
 21 agreement for that company now, and we'll be
 22 looking to others in the industry to join us.
 23 The system itself will be available
 24 to all entities, all operators operating in the
 25 deepwater Mexico, members and non-members

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1 through service agreements. But again, we are
2 encouraging all of industry to join us, all of
3 the operators in the Gulf of Mexico, to join us
4 in this company.
5 And as we progress in developing
6 this system-building, designing and building
7 it, we will be engaging with state and federal
8 regulators and legislators, government in
9 looking at the design of the system.
10 Now, concurrent with this project,
11 as Melody mentioned, there are significant
12 industry efforts underway to improve
13 prevention, well intervention, and spill
14 response.
15 To ensure that we can progress
16 continued safe drilling operations, these
17 efforts that Melody talked about will continue.
18 Development of the Gulf of Mexico
19 resources is critically important. It accounts
20 for 30 percent of domestic oil and gas
21 production and supports more than 170,000
22 American jobs, and many of those jobs are right
23 here in Louisiana.
24 The American people expect that the
25 energy that we all need will be produced safely

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1 and reliably, and that's an expectation that
2 our industry shares. It's an expectation that
3 we're committed to meet.
4 The system that we've described
5 today embodies that commitment. It's a system,
6 again, that we intend never to use; but if we
7 must use it, we're confident that the system
8 will be able to quickly and effectively
9 mitigate the impacts of any deepwater blowout.
10 It exceeds the current response capabilities,
11 and it's the kind of response system the
12 American people expect and deserve.
13 We thank you for allowing us to be
14 here today, Director Bromwich. We're happy to
15 take any questions you have.
16 **DIRECTOR MICHAEL BROMWICH:**
17 Terrific. I want to thank you all
18 four of you for outlining and describing your
19 proposal and your plan. I think it's extremely
20 helpful, and it's an important contribution to
21 the dialogue.
22 Let me ask, the first question that
23 I have to -- I think this was Melody's slide or
24 portion of the presentation. I think all of
25 you, but particularly Sarah and Melody,

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1 emphasized the component of public assurance.
2 The public needs to be assured that
3 if there is, God forbid, another spill of the
4 kind that we've witnessed over the last several
5 months, that there will be this new spill
6 response capability in place. And you've
7 outlined, in general terms, the time-line for
8 that.
9 Have you thought or considered some
10 reporting to the public as mileposts are
11 reached?
12 For example, you outlined that your
13 objective and your hope is to have response
14 capabilities in place within approximately six
15 months.
16 You will know whether you've
17 reached that milestone, and presumably some of
18 us will know when you reached these milestones,
19 but the public may not.
20 Have you thought about what forms
21 of communication or updating you are going to
22 provide the public as your containment proposal
23 proceeds?
24 **MS. MELODY MEYER:**
25 We are certainly welcome to input

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1 as to what kind of communication is needed to
2 provide those assurances.
3 We're currently working on our
4 time-line for our schedule to secure the
5 existing equipment and start our construction
6 of new equipment, but certainly we could
7 definitely contemplate a communication plan to
8 show our progress. And we're certainly welcome
9 to input in that area.
10 **DIRECTOR MICHAEL BROMWICH:**
11 I think that would be great.
12 Can any of you describe how the
13 lessons learned from the failures and, more
14 recently, some successes in the containment
15 process that's been dealing with Deepwater
16 Horizon, how those are being brought into the
17 process so that you can benefit, again, both
18 from the failures and the successes?
19 **MS. MELODY MEYER:**
20 Since the incident occurred, BP has
21 reached out and asked for all of our companies
22 to help and participate in their response. So
23 we've had the opportunity to work with them and
24 provide technical input into their
25 deliberations and have certainly learned the

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1 procedures and some of the best practices that
 2 they're developing as their moving forward with
 3 their response.
 4 Following, as we're forming this
 5 new company, we'll continue to engage with
 6 them, to learn what they're learning from the
 7 incident response, and evaluate the types of
 8 equipment that have been used and the types of
 9 equipment that we'll bring into the new
 10 company.
 11 **DIRECTOR MICHAEL BROMWICH:**
 12 Okay. Terrific.
 13 Next question is for Charlie.
 14 I don't know if we need the slide.
 15 It's Slide 4 that has the various pieces of
 16 equipment that you envision being part of this
 17 capability.
 18 Which pieces of those equipment
 19 currently exist at least in some form?
 20 And you mentioned a number of them,
 21 I think, are yet to be built.
 22 But can you give the group here and
 23 the public a sense of which of these pieces of
 24 equipment already exist, at least in some form,
 25 even if you plan to modify them, and which are

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1 completely new?
 2 **MR. CHARLIE WILLIAMS:**
 3 Well, in some form, actually, you
 4 know, each piece of equipment up there has been
 5 constructed, but not specifically designed for
 6 this purpose, but we have constructed all those
 7 pieces of equipment.
 8 We can go out and -- and
 9 particularly, the key thing that we can procure
 10 right now are adapters that can hook onto the
 11 wellheads and the subsea containment assembly,
 12 because, you know, the key components of that
 13 are like the current -- similar to the current
 14 blowout preventers. So primarily, around
 15 adapters and connectors and that.
 16 And then, of course, all of the
 17 flowlines and jumpers are things that have been
 18 constructed in the industry. So many parts of
 19 this, we can get either right away or quickly,
 20 because they have been built in the industry.
 21 And then we'll move into our specific designs
 22 in constructing things that are specifically
 23 designed for this purpose.
 24 But early on, particularly in
 25 connecting to the well and shutting in the

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1 well, those pieces of equipment ought to be the
 2 soonest to have available.
 3 **MR. STEVE BROSS:**
 4 If I can add, it's very important
 5 from an engineering perspective to establish a
 6 containment design to utilize the proven
 7 existing technology. We didn't want to have to
 8 rely on a research and development program to
 9 generate new technology for this. We recognize
 10 it will be a big portion of our work going
 11 forward, but the entire design as envisioned is
 12 all existing, proven capabilities.
 13 **DIRECTOR MICHAEL BROMWICH:**
 14 Lars? Bill?
 15 **MR. LARS HERBST:**
 16 I had a couple of questions.
 17 And thank you for the presentation,
 18 a very excellent presentation on the concept.
 19 One question, as I think we learned
 20 from BP in this incident, that it takes a lot
 21 of other vessels in the field to actually
 22 deploy this equipment -- rigs, very specialized
 23 vessels -- to deploy some of the equipment that
 24 you're talking about here.
 25 It's consorted looking at how that

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1 other equipment moves other vessels, that you
 2 have assurance that you have access to that.
 3 BP had some of these already under contract.
 4 So some of it came quickly; some of it took a
 5 little bit longer perhaps, but depending on the
 6 size of the company and the equipment that you
 7 would have under contract.
 8 What other agreements are there
 9 under this consortium?
 10 **MR. STEVE BROSS:**
 11 We absolutely envision that the
 12 containment systems will have to have access to
 13 the equipment utilization contracts with a
 14 number of folks.
 15 We have focused, though, on a
 16 highly-flexible capture system. It's a fairly
 17 large work platform that we can greatly reduce
 18 the simultaneous operations -- so a capture
 19 vessel with significant capabilities.
 20 However, we recognize we will have
 21 to have fit-for-purpose access contracts,
 22 utilization contracts, with a number of key
 23 service providers. And that will be part of
 24 the response companies agreement.
 25 **MR. CHARLIE WILLIAMS:**

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1 And like we pointed out, the
 2 freestanding risers and all, quite a bit of
 3 this will be drilling-rig deployed. It's going
 4 to be deployed with a drilling rig.
 5 As we said, one of the intents is
 6 to try to minimize the footprint, but there's
 7 still going to be significant footprint, even
 8 with minimizing it.
 9 **MR. LARS HERBST:**
 10 That's what the question was about,
 11 as far as obtaining those rigs that you need,
 12 other rigs that you need to deploy this
 13 equipment --
 14 **MR. CHARLIE WILLIAMS:**
 15 That's right.
 16 **MS. SARAH ORTWEIN:**
 17 Some of the very early work in this
 18 next six-month period will be in identifying
 19 and arranging for the commercial arrangements
 20 that we need to get the first -- for the Marine
 21 Well Containment Company to get the first --
 22 first call on the types of vessels and
 23 equipment we'll need.
 24 **MR. LARS HERBST:**
 25 And one other quick question.

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1 I guess this issue about
 2 right-sizing equipment, as far as what size.
 3 You made reference to 100,000 barrels of oil
 4 per day. Obviously, we see in some
 5 calculations worst-case discharges higher than
 6 that.
 7 Is there a tie-back into the well
 8 design itself and design in the capping stack
 9 for choking back a well so that maybe your
 10 containment system doesn't have to be as large
 11 as what a worst-case discharge may be?
 12 **MR. CHARLIE WILLIAMS:**
 13 That's right. That's one of the
 14 keys; is with it fully contained, we can hold
 15 back pressure on the well and actually adjust
 16 the rate; hopefully, just simply shut it in;
 17 but if it can't be shut in, then we can adjust
 18 the rate by holding pressure.
 19 And it is in modules, these 25,000
 20 barrel-a-day modules and 50,000 barrel-a-day
 21 risers. But we will go ahead -- and I'm sure
 22 there will be more things added to the kit, so
 23 that we can respond to different size events.
 24 **MR. BILL HAUSER:**
 25 I had one quick question on --

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1 we've seen, over the days of the incident, the
 2 impact that the ROVs have on activities down
 3 there.
 4 Are there plans to develop new ROVs
 5 or new functions for those?
 6 **MR. STEVE BROSS:**
 7 Our current approach has been to
 8 design a system that's deployable within the
 9 capabilities of the industry currently. That
 10 industry has done a very good job advancing
 11 their technology.
 12 And we feel like we've got a system
 13 right now that can be deployed within the
 14 capacity that the industry currently has.
 15 But again, given the modular
 16 approach that we have, we will be enabled to
 17 incorporate new technology as it becomes
 18 available to us.
 19 **MR. CHARLIE WILLIAMS:**
 20 And we will have launch capability
 21 built into the vessels. The containment
 22 vessels will have pre-installed launch
 23 capability. We can put ROVs there.
 24 And, of course, all of the ROVs
 25 will have these upgrades that we've talked

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1 about, of having high-pressure pumps and
 2 additional capacities, so if you need to
 3 intervene on the BOPs, they will have that
 4 capacity added to them.
 5 **MR. BILL HAUSER:**
 6 Thank you.
 7 **DIRECTOR MICHAEL BROMWICH:**
 8 I have one final question.
 9 I think that all four of you, both
 10 today and in previous discussions of this, have
 11 described this really as an unprecedented
 12 coming-together of four major oil companies.
 13 Can any of you describe how this
 14 came about, how it came about that you joined
 15 forces in a way that I gather has not been done
 16 before?
 17 **MS. SARAH ORTWEIN:**
 18 Our four companies have had the
 19 opportunity in the last 90 days or so to be
 20 together in a number of forums.
 21 And as we've learned more about the
 22 incident, it's become clear, as we showed in
 23 the first chart that Melody went through, that
 24 there were three key areas that we needed to
 25 focus on.

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1 Schwartz professor of River and Coastal Studies
 2 at Tulane University. So Dr. Meffert is home
 3 here.
 4 And he has a variety of research
 5 interests and will be talking to us about the
 6 near- and long-term effects on ecology and
 7 hydrologic processes and talk a little bit
 8 about renewable energy and technology.
 9 Sitting to his immediate left is
 10 Melanie Driscoll. Melanie is the Director of
 11 Bird Conservation for the Louisiana Coastal
 12 Initiative, and she leads the Audubon's efforts
 13 to identify, prioritize, monitor, and implement
 14 conservation initiatives for important bird
 15 areas in Louisiana.
 16 And then, finally, to her left is
 17 Mike Voisin. Mike has his own business, the
 18 Motivatiit Seafood Company.
 19 Did I pronounce that correctly?
 20 Terrific.
 21 And Mike will talk to us about the
 22 importance of the Louisiana seafood community
 23 and the importance of continuing the
 24 development of seafood and oil and gas
 25 resources.

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1 So we're delighted to have these
 2 four distinguished people here to contribute to
 3 our discussion.
 4 And without any further comments,
 5 let me turn it over to Dr. Sears
 6 MR. STEPHEN SEARS:
 7 Thank you.
 8 I appreciate the opportunity to be
 9 here. What I would like to talk about is our
 10 concepts with the LSU petroleum engineering
 11 faculty and staff on spill containment.
 12 This is something that we've had an
 13 interest in for a number of years now, had sent
 14 proposals in, and had a lot of thought about
 15 how this might be done.
 16 So what I'm going to be talking
 17 about this morning is really an independent
 18 view that we have been working on. And we were
 19 not really aware of the industry effort until
 20 it was announced in the press a few days ago.
 21 We did not see the presentation
 22 this morning until just now. So I think it's
 23 going to be an independent view of what we
 24 think is important.
 25 I will say, starting out, that I

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1 think there's a lot of overlap, and I do think
 2 that the industry proposal is an excellent one.
 3 So let me start out with the first slide.
 4 We have at LSU a number of faculty
 5 and staff. We do have industry experience in
 6 deepwater operations. And in the last hundred
 7 days, we've gotten literally hundreds of
 8 inquiries from the media.
 9 And because of, I think, future
 10 litigation concerns, there's been relatively
 11 little hard information that's come out from
 12 either the government or BP as far as numbers
 13 and actual details of what's happened with the
 14 Macondo spill.
 15 Where we have gotten hard
 16 information, it's been in a situation where one
 17 member of the faculty has been involved in
 18 consulting or peer reviews and has been under
 19 confidentiality agreement.
 20 So this has been developed without
 21 a whole lot of detailed information. It's more
 22 conceptual-looking at what's been happening and
 23 even before the Macondo well blowout.
 24 So with that in mind, I think what
 25 you're going to see here is some thoughts from

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1 some people with industry experience, some
 2 subject matter expertise, but haven't had the
 3 chance to actually look at the hard technical
 4 details of what happened with the BP spill.
 5 So this is a slide of our
 6 perceptions of the BP spill and some of the
 7 areas of concern, from this and others, that we
 8 see would need to be addressed in an oil spill
 9 containment system.
 10 The first one is obviously the
 11 volume of the flow. It went from a thousand
 12 barrels to 80,000 barrels.
 13 What we tell the students is, if
 14 you want to design a solution, you have to
 15 define the problem. And obviously, two orders
 16 of magnitude almost did not define the problem,
 17 and the initial efforts were woefully
 18 undersized as far as being able to actually
 19 contain the spill.
 20 And the second part is hydrate
 21 control. The first system failed because of
 22 hydrates. But to actually manage hydrate
 23 control, obviously, requires volumes of
 24 hydrocarbons and the types being produced in
 25 order to address that issue.

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1 So that's something we see as an
 2 area of concern that came up in this Macondo
 3 spill.
 4 The next one is that the system
 5 that was leaking wasn't a single-point source.
 6 What we had initially, there were two or three
 7 leaks in the riser on the sea floor. One was
 8 patched, which left another flow at the end of
 9 the riser.
 10 The riser was removed, so it came
 11 from the wellhead. And then after that, there
 12 was some concern about it breaking through and
 13 coming out somewhere nearby on the sea floor,
 14 with the sea floor another uncontrolled floor.
 15 So not only did we have multiple
 16 sources of the leak, but we also had changes in
 17 where that leak came from over time. So we see
 18 that as an essential concern here that would
 19 need to be addressed by a containment system.
 20 The next one didn't happen,
 21 fortunately. Initially, before they knew what
 22 had happened, there was concern what had
 23 happened to the Deepwater Horizon and was it on
 24 top of the well.
 25 There was some debris the riser

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1 near the well had initially, but that is a
 2 concern about what happens if the access to the
 3 flow is impeded because some debris has come
 4 down on top of where you finally control the
 5 system.
 6 The next one is remote monitoring
 7 capability. There's a tremendous capacity for
 8 that in industry right now, and we saw a little
 9 bit of that in the videos, et cetera.
 10 I'm sure there's a lot more data
 11 coming in to the Incident Command Center, but
 12 the containment system, you know, would need to
 13 have that sort of -- not only maybe monitoring,
 14 but also controlled, especially if you had to
 15 move off people for a tropical storm or a
 16 hurricane approach.
 17 And then the last one is
 18 maintaining the capacity to intervene in the
 19 well, as well as to contain the flow. The
 20 containment system doesn't preclude the ability
 21 to intervene.
 22 So this is our
 23 independently-developed picture of what a
 24 containment system would look like
 25 (indicating). And it looks very close to what

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1 Charlie Williams just showed himself.
 2 And we've got a number of
 3 components to it. There's an intervention
 4 vessel, collection vessel, transportation,
 5 probably had some structures on the sea floor
 6 to run pipelines through from the different
 7 components.
 8 And what we're showing here is a
 9 system that really is similar to putting a cap
 10 on top of a well, if you could get to it, in
 11 containing the flow of air while maintaining
 12 the intervention capability.
 13 We do think that it's important
 14 that if it came up outside of the well, you
 15 know, that there's something, cap or something,
 16 that could be in place for containment besides
 17 something that was installed directly on the
 18 wellhead.
 19 And here is some of the potential
 20 sources of the leak that we think the
 21 containment system needs to address.
 22 The first one would be if the riser
 23 is still connected to the rig, but the riser
 24 was still leaking while it was still connected.
 25 The second one is what happened

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1 here. You have a leak in the subsea blowout
 2 preventer or the wellhead.
 3 The third one is there's some leak
 4 from tubulars below the surface. We don't know
 5 what happened here. Obviously, we don't have
 6 any information from that, but that's a
 7 possibility that would have to be addressed.
 8 Leaks from pipelines or flowlines:
 9 Initially, that's what this was. It was coming
 10 out the end of the riser. But if there were
 11 leaks from pipelines or flowlines, the system
 12 would be able -- need to be able to contain
 13 that kind of data.
 14 And then the fourth is a big
 15 concern in the last few days, a couple of weeks
 16 ago, about was this going to come up through
 17 the sea floor. And there needs to be some
 18 method of addressing the flow if it did come
 19 outside of the well into, you know, shallow
 20 sand and then erupt near the well but not
 21 directly from the wellbores itself.
 22 So these are all possible leak
 23 sites that we think need to be addressed in a
 24 containment system. And I would say the
 25 presentation this morning, I think they largely

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1 have thought of most of these.
 2 So the next one -- let me go to
 3 this one, what we think needs to be in a system
 4 like this.
 5 And the first one is off-the-shelf
 6 components should be used wherever they can.
 7 The second, if at all possible, the
 8 needs to preserve the intervention capacity
 9 capability so that it can be killed and the
 10 containment system doesn't preclude being able
 11 to get back into the wellbore, if that's
 12 possible.
 13 And third one is, I think,
 14 important; that if new leaks come up in
 15 different places over time, that the system,
 16 once it's out there, is flexible enough so that
 17 it can be moved around or additional collection
 18 points put in place to address that.
 19 The third one is compatibility and
 20 getting data from different sources, et cetera,
 21 components from different sources.
 22 Ability to capture sea floor leaks,
 23 I've already addressed and talked about.
 24 Capability to determining the flow
 25 accurately, I think, is critical. There was at

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1 Purdue, I think, an engineering professor that
 2 estimated 70,000 barrels a day fairly early in
 3 this whole process. It looks like he was
 4 pretty close.
 5 There must be some ways of doing
 6 this, but I think that that is a critical
 7 component here, to be able to address it. And
 8 that's related again to hydrate control.
 9 And then rehearsals to make sure
 10 that it does work and it's fitting together,
 11 everything is performing as designed, we
 12 believe it's important.
 13 Then remote surveillance and
 14 operating capability: I believe that there are
 15 some wells that can be operated by remote
 16 control in the Gulf after people have to be
 17 evacuated for tropical storms, at least.
 18 So some capacity there to actually
 19 be able to monitor and maybe even keep it
 20 operating with a remote shut-in capability and
 21 the approach of a storm, we believe, should be
 22 part of a system like this.
 23 An ability to stay on location, at
 24 least through a tropical storm: We realize in
 25 a hurricane, everybody has to leave, and that's

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1 not manageable. But for something like Bonnie,
 2 to be able to not have to shut down the system
 3 and move off would be desirable.
 4 And this is our view as outsiders,
 5 informed outsiders, of what we think the
 6 current status is of these different
 7 components.
 8 The intervention vessel, yes,
 9 they're available right now. Riser pipelines
 10 systems are available off the shelf.
 11 Processing and transportation, FBSOs, are
 12 available and could be put in place.
 13 The mooring and the dynamically
 14 position systems are off-the-shelf, available,
 15 and in place to be modified.
 16 And there's a lot of technology out
 17 there, remote surveillance and operations for
 18 drilling and production, that could be adapted
 19 to this.
 20 And two big questions are the
 21 containment systems, what's available; and
 22 obviously, that will take some engineering
 23 design and development.
 24 And second is a well control
 25 intervention system, what can be done to better

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1 facilitate being able to get back into the well
 2 and kill it while all this is happening, is
 3 something that we think needs further
 4 development.
 5 So then there's the next steps and
 6 to what happens. And as I mentioned before,
 7 from the Macondo experience, you know, we
 8 really had no access to detailed information.
 9 What we believe should happen is
 10 that there should be some public expertise,
 11 academic or otherwise, involved in the framing
 12 stage, that obviously is happening right now,
 13 looking at different scenarios and having some
 14 experts from outside industry involved in that,
 15 so that all the things are thought of, and so
 16 that in six months, if LSU or somebody else is
 17 asked, "What do you think of this system," you
 18 know, we have had the access to the specifics
 19 and can credibly answer the question, which we
 20 really haven't been able to do a whole lot of
 21 with detailed inquiries about what is happening
 22 with the Macondo blowout.
 23 So that would be our recommendation
 24 for the next step going forward on the framing,
 25 conceptual design with a system like this right

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1 now.
 2 And then the detailed design,
 3 obviously, there's a lot of expertise in these
 4 companies and industry and consultants. I
 5 believe there's also some in academia. And our
 6 recommendation for that would be to use the
 7 best available expertise, wherever it is.
 8 So that is my presentation.
 9 **DIRECTOR MICHAEL BROMWICH:**
 10 Thank you very much, Dr. Sears.
 11 I think the format will follow, is
 12 to hear from all the panelists, and then we'll
 13 come back and ask questions. That ensures that
 14 all of you will have sufficient time for your
 15 presentations.
 16 So with that, Dr. Meffert.
 17 **DR. DOUG MEFFERT:**
 18 I want to first thank you, Director
 19 Bromwich, for convening this session.
 20 And on behalf of Tulane, I want to
 21 welcome you all to our campus. And for those
 22 of you that are out-of-town, I want to welcome
 23 you to New Orleans on this nice cool day. But
 24 it is cool in here, at least.
 25 As I start, I just wanted to

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1 mention also some of the capacity that's
 2 happening at Tulane. We have about 94 faculty
 3 that are working either perspective or actively
 4 on oil spill-related activities, on everything
 5 related to ecology, economy, geology,
 6 hydrology, mental health, public health,
 7 community health, and even law.
 8 This expertise, I think, is what we
 9 need to bring to bear, looking forward, in
 10 terms of long-term coastal restoration and
 11 energy exploration.
 12 And I also just wanted to mention
 13 that Tulane is partnering with LSU and the
 14 University of Louisiana at Lafayette and the
 15 University of New Orleans to form what's called
 16 the new Gulf Research Institute for a resilient
 17 Louisiana, where we can start looking at all of
 18 these near-term and long-term issues.
 19 So moving on to the presentation as
 20 Dr. Bromwich mentioned, I am going to be
 21 talking more on sort of the ecological and the
 22 environmental side, looking back and looking
 23 forward.
 24 And so -- oh, and as a side bar,
 25 for more information -- I should have had this

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1 on the first slide, if I were smarter. But you
 2 can go to "oilspill.Tulane.EDU" to find out
 3 more. It's a portal to Tulane's capacity.
 4 So this is why we're all here.
 5 This is the drainage basin of the Mississippi
 6 River and its tributaries. Two-thirds of the
 7 Continental U.S. -- and just as an intro, this
 8 drainage system that created these lands and
 9 these natural resources, including oil and gas
 10 -- and this is just a cartoon done by Rich
 11 Campanella at our center, looking at basically
 12 seven of the largest spill-take episodes that
 13 really created this coastal zone, which has
 14 more coastal wetlands than any of the other
 15 continental states.
 16 And this is what the habitats like.
 17 They could be Cypress Tupelo Swamp on the upper
 18 right, the Mississippi River in the Estuary of
 19 the Gulf of Mexico, and salt marsh, which is
 20 shown here on the lower right.
 21 These wetlands are really and the
 22 river are what created the port of New Orleans
 23 and this precarious juxtaposition of wetlands
 24 in the City of New Orleans.
 25 And this is a view looking from the

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1 east down the Gulf intracoastal waterway here
 2 on the right (indicating), and the Mississippi
 3 River Gulf outlet here on the bottom, which was
 4 closed after Katrina.
 5 Some more functions in value --
 6 some of these, we saw in the earlier
 7 presentation. But this is the value that these
 8 wetlands provide, not just Louisiana, but the
 9 country and the world, including the oil and
 10 gas that was mentioned earlier, and the
 11 fisheries which relates to the ecology. And
 12 you can read the figures there yourself.
 13 So oil and gas exploration has
 14 always had this precarious relationship with
 15 our coastal wetlands and their sustainability.
 16 This is well-distributed before and
 17 after for domestic onshore wetland oil and gas
 18 exploration, comparing 1945 to 1998, of a
 19 certain area in Louisiana.
 20 And so historically, going from the
 21 '40s to the '90s, there really was no
 22 complimentary relationship between oil and gas
 23 and our coastal wetlands. And there was no
 24 mitigation in terms of exploration for wetland
 25 mitigation banking, and there were no financing

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1 that came from the economies of oil or gas that
 2 actually would go towards coastal restoration
 3 until, really, the 1990s.
 4 And so oil and gas exploration
 5 through direct losses of dredging, but then
 6 also indirect losses from increase wave energy
 7 and saltwater intrusion have resulted in what
 8 is arguably the largest single cause of coastal
 9 wetland loss in Louisiana, losing 25 to 30
 10 square miles per year. We're losing about 25
 11 square miles now because we have less to lose.
 12 And by some best estimates, it's
 13 oil and gas exploration that, through direct
 14 and indirect losses, account for about 37
 15 percent of the coastal wetland loss that we've
 16 been experiencing historically in Louisiana.
 17 And this is another famous GIS
 18 wetland loss historical, as well as a
 19 projection done by John Borrow, formerly of the
 20 USGS, now the Corp of Engineers, showing all
 21 the areas in red that have been lost from the
 22 1930s to really the present, and looking
 23 forward to 2050.
 24 John borrow also did this graph
 25 after Hurricane Katrina, and that yellow line

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1 that you see to the right of New Orleans is the
 2 path that Hurricane Katrina took in 2005, and
 3 you can see some more areas here in red.
 4 We lost 117 square miles of coastal
 5 wetlands in direct losses from Hurricane
 6 Katrina, and these were the wetlands that
 7 provide valuable buffers for cities like New
 8 Orleans. It's arguably about 50 years of
 9 wetland loss that would have happened anyway
 10 had Katrina not happened.
 11 So this is a disaster, though, that
 12 as it relates to oil and gas, created a policy
 13 window. And had it not, I think, been for
 14 Hurricane Katrina, the Gulf of Mexico Energy
 15 Security Act probably wouldn't have passed
 16 through Congress.
 17 And it's really the GOMESA Act that
 18 was championed by Senator Landrieu and Senator
 19 Dominici that allowed for a percentage of the
 20 federal offshore leases and the income from
 21 that to go towards coastal restoration of
 22 coastal states.
 23 And it's very important legislation
 24 that largely would kick in with some of these
 25 deepwater leases that will be opening up in

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1 2017, but money coming in already right now.
 2 Now, this is a graphic from The
 3 Times Picayune, who's done wonderful graphics
 4 from both Katrina and this particular disaster.
 5 It's comparing the Ixtoc spill to the -- when
 6 the Deepwater Horizon spill was at its largest
 7 extent.
 8 And I show this just because I want
 9 to talk about fisheries a little bit. There
 10 was a fisheries crash with the Ixtoc spill, and
 11 then the fisheries did rebound several years
 12 later. But it's a different system in the Bay
 13 of Campeche, as you can see here.
 14 Well, it's on the bottom left. The
 15 pointer is not really working.
 16 It was not adversely affected. The
 17 Bay of Campeche is really the most valuable
 18 part of the estuary on the Mexico border that
 19 provides for the ultimate fisheries. And so I
 20 think that's part of the reason the fisheries
 21 bounced back, because the bay was not impacted
 22 heavily.
 23 And that's really what remains to
 24 be seen, I think, here in our Louisiana
 25 estuaries and the other estuaries in

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1 surrounding areas.
 2 Again, this is another graphic done
 3 by The Times Picayune which eloquently shows,
 4 basically, the food chain, going down from the
 5 small plankton of shrimp and blue crab that
 6 provide the basis of the food chain for the
 7 larger species, also that we catch, that
 8 support our cultures, our economies, and the
 9 ecology.
 10 And the long-term impact of both
 11 oil and dispersants, I think, on the bottom of
 12 the food chain is an important question that
 13 has not yet been answered.
 14 And so I am relieved to hear, at
 15 least preliminary, that the FDA has ruled that
 16 the seafood consumption is safe in some of
 17 these areas.
 18 But we really don't know
 19 ecologically, and I think in terms of a
 20 fisheries economy, what the future is going to
 21 hold. So we need to be -- we need to be safe
 22 about future exploration, obviously.
 23 And this is a graph of coastal
 24 Louisiana. The areas in orange are basically
 25 the oyster leases that are in coastal

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1 Louisiana.
 2 And I show this because -- not just
 3 to show you that we have a lot of oyster leases
 4 here in Louisiana, but as a defense mechanism
 5 to prevent the oil spill from coming into
 6 Louisiana, what's called the Kanargone
 7 Diversion, which is right up here on the top
 8 here, was opened up so that freshwater -- there
 9 could be a freshwater wedge, to keep the oil
 10 out of Breton Sound.
 11 What happened, of course -- and we
 12 may hear about this more later -- we had some
 13 massive kills in terms of oysters. And as I
 14 understand the natural resources damage
 15 assessment process, the compensation would be
 16 from oil-impacted damage.
 17 And as I understand it from the
 18 hearing last week in Baton Rouge, the fishermen
 19 that have lost incomes because of the death of
 20 these oysters would not be compensated under
 21 the NRDA process because the oysters were
 22 killed by freshwater, not by oil, but the
 23 freshwater is put in there to keep the oil out.
 24 So I think, looking forward, we
 25 need to think carefully about how we look at

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1 compensation related to future impacts from oil
 2 and gas.
 3 In my last cartoon from The Times
 4 Picayune, we have a major learning lesson, I
 5 think, a model laboratory that's happening
 6 right now with the sand berms that are being
 7 built where over a hundred miles of sand berms
 8 have been proposed with several segments being
 9 permitted along the barrier islands to keep the
 10 oil out of the estuaries of coastal Louisiana.
 11 And this cartoon on the top shows
 12 what the sand berm design looks like, 20 feet
 13 wide on the top and a shallow sort of 20 to one
 14 slope going into the Gulf. It does not look
 15 like a barrier island. And that's what is
 16 shown as a cross-section on the bottom.
 17 I myself have been skeptical of the
 18 efficacy of these sand berms, even if they were
 19 to be completed, and the timing alone in terms
 20 of when there would be construction -- when
 21 they would be finished in terms of
 22 construction, is actually not in timing with
 23 what we were needing to do at this particular
 24 oil spill.
 25 So that's my personal and

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1 professional opinion on the berms. I think the
 2 construction has been largely for political
 3 reasons.
 4 But the main point I want to make
 5 with the sand berms is that I think -- first of
 6 all, we're going to learn what worked and what
 7 didn't work with these sand berms in the
 8 future, and that will help inform if it's a
 9 viable oil prevention mechanism in the future.
 10 But I think the equally important
 11 issue here is communication, because these sand
 12 berms have been alternately reported as serving
 13 as barrier islands or serving as storm surge
 14 protection devices.
 15 And that's not what they are.
 16 That's not what they ever were. That's not
 17 what they were designed to be. The State knows
 18 that that's not what they were designed to be.
 19 And yet, in the media, you read
 20 that even BP executives are skeptical about the
 21 efficacy of these berms and then touting that
 22 the State wants to promote them because they
 23 actually want them as storm surge protection.
 24 Well, that's not true.
 25 And I think, just looking forward

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1 in the multitude of activities going on, we
 2 need to be careful and precise with the
 3 community, who's really in a position to fear,
 4 and represent the uncertainties with these
 5 evolving and speculative technologies and be
 6 clear what they are and what they are not.
 7 And this is what the sand berm is
 8 right now (indicating). It's already eroded to
 9 just a one-mile segment. This was taken last
 10 week, last Friday after Hurricane Bonnie. This
 11 is in the Chandeleur Islands.
 12 And then briefly looking forward,
 13 again as a policy window, I am encouraged by
 14 Secretary Ray Mabus' recovery plan, that he's
 15 not only looking at long-term recovery issues,
 16 but what he's also describing as energy
 17 transition, that our dependence on oil and gas
 18 is a reality.
 19 The exploration of oil and gas and
 20 its linkage now to coastal restoration is an
 21 economic reality. Looking forward, though --
 22 and as Secretary Mabus will come out in several
 23 months with his recovery plan -- that we need
 24 to start looking, in addition to oil and gas
 25 and safe oil and gas exploration, we really

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1 need to increase our investments in green jobs
 2 and renewable energy and take advantage of the
 3 assets that each of the parts of our nations
 4 have in terms of renewables.
 5 And that's what this graph is
 6 showing. It's just that you have -- solar may
 7 be more viable as an industry in the West; wind
 8 may be more viable in certain areas in the
 9 North and in the West; but that, again, with
 10 the river system, which is an environmental and
 11 strategic core advantage for us, that we could
 12 be looking at hydrokinetic energy, for example,
 13 as a renewable energy resource.
 14 And one advantage of renewables is
 15 that it is the future, someday, of our viable
 16 energy economy. And the other advantage of
 17 renewables is that they don't spill in the
 18 first place, so you don't have to contain them.
 19 And then, finally, this is a
 20 trailer actually that was an evacuation trailer
 21 of a friend of mine who is a member of the
 22 United Houma Nation, which is 16,000 Native
 23 Americans that live in these coastal fringe
 24 areas. And these are people that are employed
 25 in the fisheries industry and in the energy

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1 industry, 16,000 people.
 2 And these are the ones -- and
 3 Director Bromwich, when you were talking about
 4 tens of thousands of people whose jobs depend
 5 on these systems, these are these people.
 6 And this trailer became sort of a
 7 political statement after Katrina, "One Gulf,
 8 One Nation, One Promise." And I think this
 9 message holds just as true for this particular
 10 event because these are the people not only
 11 whose jobs depend on these natural resources;
 12 these are the people that are the working
 13 coastal communities that are serving the
 14 nation. And I think we need to look at them as
 15 our clients moving forward.
 16 Thank you.
 17 **DIRECTOR MICHAEL BROMWICH:**
 18 Thank you.
 19 Our next presenter is Melanie
 20 Driscoll.
 21 **MS. MELANIE DRISCOLL:**
 22 Thank you.
 23 Director Bromwich, I would like to
 24 thank you for convening these public-listening
 25 sessions and for everyone for being here.

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1 I'm going to speak a little bit
 2 differently. I'm speaking for Audubon, but
 3 also for the other environmental members of the
 4 environmental community and for the living
 5 natural resources of the Gulf of Mexico. So
 6 you won't see a whole lot about well
 7 containment. We've had the engineers, and
 8 that's really their specialty.
 9 We the living resources of Gulf of
 10 Mexico need you, the oil companies, the federal
 11 and state governments and the American public,
 12 to focus on prevention of oil spills and to be
 13 able to implement immediate containment in the
 14 event of a blowout if we are to move forward
 15 with more deepwater drilling in the future.
 16 We the people, the islands and
 17 marshes, the mammals, birds, fish, reptiles and
 18 plants of both the deep and shallow water
 19 environments need you to protect us before you
 20 protect the profit margin, for we exist in a
 21 working landscape where birds and dolphins,
 22 oils and gas, shrimping and crabbing, and
 23 hunting and fishing have coexisted for decades.
 24 We exist in one of the richest natural
 25 ecosystems in the United States and perhaps in

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1 the world.
 2 The entire coast of Louisiana
 3 consists of important bird areas, and there are
 4 additional important bird areas across the Gulf
 5 of Mexico, and these marshes and waters provide
 6 much of our nation's seafood, much of our
 7 nation's energy, as we've heard in the previous
 8 discussions.
 9 It is likely, indeed anticipated,
 10 that we will continue deepwater drilling in
 11 this working landscape. And that probably
 12 still makes sense if we can manage to have well
 13 containment be a priority and a capacity that's
 14 within our scope.
 15 However, we should be very careful
 16 about considering drilling in other pristine
 17 environments. We've already seen what the
 18 environmental and economic damage can be.
 19 We need you, the federal
 20 government, to create and enforce strict
 21 regulations to ensure that deepwater drilling
 22 can be conducted with a greater degree of
 23 safety.
 24 We need the oil and gas industry to
 25 follow and respect those regulations, to change

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1 the batteries, to do the safety tests, to pay
 2 attention to the results, and to invest the
 3 money into troubleshooting every time there's
 4 an indication of a problem with a well.
 5 We need the oil and gas industry to
 6 do what they're taking steps to do, to create
 7 technologies and solutions so that we never end
 8 up in a situation that we've been in for the
 9 last 100-plus days.
 10 Because once the well blows, it's
 11 too late to avoid the damage. It's too late to
 12 avoid the harm. There will be deaths, human
 13 and animal. There will be environmental
 14 damage. There will be economic damage to
 15 communities, local people, and the American
 16 public. This can no longer be acceptable
 17 business practice.
 18 We need you to put as much money,
 19 creativity, and effort into the development of
 20 blowout prevention and well containment as you
 21 put into the methods to drill faster and deeper
 22 and to extract more oil.
 23 We need you to put more money into
 24 these processes than has ever gone into the
 25 cleaning, of the few of us, that you have been

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1 able to capture and rehabilitate.
 2 We need you to employ the best
 3 solutions suggested from input by the world's
 4 best scientists and engineers, and they need to
 5 come not only from within the industry but also
 6 from within the academic communities.
 7 You must listen to those experts
 8 and implement their solutions to protect us,
 9 the living resources.
 10 Whether these strategies include
 11 duplicate blowout preventers, relief wells dug
 12 to within feet, not a mile of a well, before
 13 oil is even tapped or new technology such as
 14 the ones described by today's panel and by
 15 Dr. Sears, we need those backup strategies to
 16 be in place.
 17 Because several of the technologies
 18 used during the initial weeks after the well
 19 blew out were used in 1979 during the Ixtoc
 20 spill and they failed in several hundred feet
 21 of water, we've been in the process of
 22 inventing new technologies while tens of
 23 thousands of barrels of oil were gushing into
 24 the Gulf every day.
 25 Inventive new technologies now

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1 follow through on these plans and test them
 2 before the next blowout, not during.
 3 Just as new products and
 4 technologies are never tested on wildlife
 5 during an oil spill, they're always lab-tested
 6 before, so it should be with well containment
 7 technologies.
 8 This is a graph showing the numbers
 9 of dead oiled birds in yellow, live oiled birds
 10 in magenta, and the total oiled birds in blue.
 11 What I would like to point out
 12 about the graph, the numbers on the bottom are
 13 the days of spill. The data weren't reported
 14 publicly until about 38 days into the spill,
 15 and by then, over 300 birds have been collected
 16 dead and about 60 had been collected alive.
 17 These under-represent the total
 18 mortality, and this is just looking at the bird
 19 data, and they could under-represent it by
 20 anywhere from a quarter -- this could be a
 21 quarter of the birds that have been affected, a
 22 tenth.
 23 Likely in this case, because
 24 islands haven't been breached to collect dead
 25 individuals because of nesting season, it well

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1 under-represents the total mortality.
 2 Once the blowout happens and the
 3 best solution lies several months down the
 4 road, the harm is done. The deaths have
 5 already happened, whether or not they are ever
 6 counted.
 7 Day 1, 11 people die. Two attempts
 8 to shut down the blowout preventers failed.
 9 Day 6, blowout preventer repairs
 10 failed.
 11 Day 10, the first oil bird was
 12 rescued.
 13 Day 18, the containment dome
 14 failed.
 15 Day 39, top kill failed; junk shot
 16 failed.
 17 Day 46, there's a spike in the
 18 collection of live oiled birds.
 19 Day 47, the plans to close vents
 20 on the containment cap were abandoned.
 21 Day 66, Hurricane Alex approached.
 22 The well gushed unchecked once again.
 23 Day 78, there was a marked increase
 24 in the collection of dead oiled birds.
 25 Day 81, the old containment cap was

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1 removed.
 2 Day 86, the well was thought to be
 3 completely contained.
 4 Day 87, the supertanker skimming
 5 test was considered a failure.
 6 Once the oil begins to flow, when
 7 there's no solution at hand, no technology in
 8 place ready to be deployed, you turn our home
 9 into a war zone. You disturb our peaceful
 10 nesting islands in your attempts to rescue and
 11 rehabilitate us and to protect our
 12 environments.
 13 You protect us after the fact with
 14 imperfect protection, imperfectly managed, and
 15 that is only because we are human and because
 16 there is no way to do this perfectly once a
 17 well cannot be contained.
 18 When well containment fails, there
 19 are no solutions, only sacrifices of
 20 individuals to protect populations, only
 21 decision rules applied as consistently and
 22 fairly as they can be to decide who is
 23 sacrificed and who is saved.
 24 It must never again be acceptable
 25 to perform a massive chemical experiment on our

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1 gulf or ocean waters in the living resources
 2 within.
 3 Without the technology in place to
 4 stop a leak and without access to a sufficient
 5 work force of vessels to skim the oil near the
 6 well site, we come under assault from chemical
 7 dispersants that you employ to keep the oil off
 8 our shores, just as we have come under assault
 9 from the oil itself.
 10 You must realize that we are your
 11 indicator of the harm you're causing to your
 12 food source, your environment, and your
 13 communities.
 14 After the 11 workers who were
 15 tragically killed during the rig explosion, we
 16 were the next to die, but our deaths only
 17 foreshadowed the potential deaths of the
 18 workers exposed during cleanup, that their
 19 deaths may lag by many years.
 20 Our reproductive failures may
 21 represent the reproductive failures that your
 22 children may face in decades to come.
 23 We the living resources include
 24 those children, their parents working to clean
 25 up hazardous materials, and the residents of

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1 the Gulf Coast out of work and losing hope as
 2 their livelihoods depend on the living
 3 resources.
 4 There is no escaping the law of
 5 reciprocals. When you fail to contain a well
 6 for three months, you've failed to protect all
 7 of us -- birds, dolphins, fiddler crabs,
 8 shrimp, oysters.
 9 When you cannot focus enough on
 10 prevention, you fail the fishermen, the
 11 oystermen, the crabbers, their husbands, wives,
 12 and their children.
 13 You must enforce and respect strong
 14 regulations. You must create and field-test
 15 effective technologies, and you must place
 16 their solutions at ready access to the well
 17 sites before we move forward at all of
 18 deepwater drilling, for all of our sakes.
 19 Thank you.
 20 DIRECTOR MICHAEL BROMWICH:
 21 Thank you very much.
 22 Our final presenter on this panel
 23 is Mike Voisin from Motivait Seafoods.
 24 So, Mike, it's all yours.
 25 MR. MIKE VOISIN:

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1 Thank you, Director Bromwich. I
 2 appreciate the opportunity to share a few words
 3 about the seafood community and a few words
 4 about the first panel.
 5 I will start by saying how
 6 impressed I was with the first panel, their
 7 presentation and their indication of the
 8 willingness to move progressively towards
 9 containment of future potential spills.
 10 The seafood community shares with
 11 them the same goal, and that is that they build
 12 all this equipment and never have to use it.
 13 Now, we are, as many others, kind
 14 of friendly fire to this situation, not
 15 expecting it to occur but dealing with it.
 16 The Louisiana seafood community is
 17 comprised of about 17,000 commercial fisherman,
 18 influences about 91,000 jobs, about 2.2 billion
 19 dollars in seafood sales, and we produce about
 20 one and a half billion pounds of seafood
 21 annually. Retail sales are about 2.2 billion.
 22 Economic impact is about 3.1 billion. Overall
 23 job support is 34,000. And about 216 million
 24 is the state and local tax revenues.
 25 I'm going to go through these

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1 relatively quickly, and then I'll have some
 2 comments at the end.
 3 In the seafood community, these are
 4 the maps that became very familiar with this.
 5 There's been over 40 closures in a hundred days
 6 and openings at different fisheries.
 7 This happens to be the Wildlife and
 8 Fisheries Recreational & Commercial Fishing
 9 Closure map, and it is dated. It's probably
 10 two weeks old now. Since then, we've had
 11 significant openings for recreational and
 12 partial openings for commercial.
 13 We also have the Health Department
 14 that deals with the oyster community, and those
 15 are the oyster areas that you see outlined in
 16 yellow. And those are actually the current
 17 closures for oysters in Louisiana.
 18 Raul Armesto said that, "The world
 19 isn't interested in the storms you encountered,
 20 but whether or not you brought in the ship."
 21 I've been very impressed --
 22 although there's a lot of challenged people by
 23 what's been done in terms of response to this
 24 disaster, but I've been very impressed with the
 25 response by the oil and gas community, them

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1 coming-together, the seafood community working
 2 hand-in-hand with them on the vessel of
 3 opportunities program, and all of the
 4 communities in coastal Louisiana coming
 5 together to protect what we know as a national
 6 treasure, coastal Louisiana.
 7 And we will get through this and
 8 will bring our boat home, I can assure you.
 9 The seafood community, to show you,
 10 May of 2009 versus May of 2010, the number of
 11 fishermen who fished in '09 was 4,500; 2,800 in
 12 '10;
 13 The number of trips: 36,000 down to
 14 19,000;
 15 Pounds landed: 37 million versus
 16 right at 12 million;
 17 Dockside value: 37 million to 16
 18 million.
 19 The numbers for 2010 are
 20 preliminary at this point.
 21 The Louisiana seafood community has
 22 a value chain, and it starts at the harvester,
 23 goes through to the seafood buyer, the
 24 unloading, the processor, the distributor, the
 25 restaurateur, and the retailer, with a number

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1 of stops in between.
 2 I always liked Charles Darwin and
 3 his quote, because I think a lot of it is true,
 4 and that is that we're not the strongest in
 5 South Louisiana, or probably the most
 6 intelligent. However, I think we have begun,
 7 and we have been through our generations of
 8 life here, to be the most responsive to change.
 9 When you're impacted over the last
 10 five years with five major events, the
 11 Deepwater Horizon being the most recent, you
 12 learn to adapt to change.
 13 The seafood community adapts well.
 14 It is challenged at this point, but I will say
 15 to you that the spill response, as I said
 16 earlier, has been impressive. Can it be
 17 better? Absolutely.
 18 I am significantly impressed with
 19 the presentations that were made prior to me.
 20 And the only time that all of this really got
 21 to me was when I saw the doggone pelicans.
 22 For some reason, the presenter
 23 before me shows the pelicans, and I'm starting
 24 to get choked up looking at the darn pelicans
 25 because it was just a symbol of what was

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1 challenged in this Gulf Coast.
 2 The response needs to be
 3 continuously available. I know there was a
 4 continuously available program before, and it
 5 worked. This was something we've never
 6 seen.
 7 I'm the seventh generation in the
 8 seafood business. My sons are an eighth
 9 generation. They work with me on a daily
 10 basis. They know that they're going to have a
 11 future because of programs like this where we
 12 will have oversight into what happens in the
 13 future, but also because the community of oil
 14 and gas producers is working together to solve
 15 the problems with the government agencies.
 16 And I've seen a great
 17 coming-together of all of those groups. Local
 18 governments, state governments, federal
 19 governments have come together to work to solve
 20 this problem.
 21 Apollo 13 was a favorite movie of
 22 mine. It wasn't a favorite time in NASA's
 23 life, but they worked the problem and they
 24 solved that problem. We're going to work this
 25 problem, and we're going to get the guys home

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1 safe.

2 I'm impressed with the Marine Well

3 Containment Company. It is an impressive unit,

4 and I look forward to its successful

5 implementation.

6 The oyster community, which I am

7 predominantly involved in, and the seafood

8 community have a tremendous amount of

9 transitional labor between the oil and gas

10 community and our community.

11 In South Louisiana, we have three

12 producing communities: Agriculture, seafood,

13 and oil and gas. They produce oil and gas

14 below the seabed. We produce seafood above the

15 seabed.

16 The transitional labor between us,

17 because we understand the waters, we work in

18 the waters, and that industry go hand in hand.

19 The current moratorium has been

20 challenging to both of those. The closures you

21 saw earlier has kept a lot of people from

22 fishing. But also, the moratorium and fear of

23 being able to develop oil and gas in the future

24 has created another fear in our communities.

25 And the stress levels that we've

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1 seen in our communities are above any I've seen

2 in my life anywhere. Hurricane Katrina was a

3 piece of cake compared to what we're having to

4 deal with right now.

5 So I encourage you to move forward

6 with these forums, move forward with the

7 opportunity to get us back in the Gulf doing

8 what we do best, and that's producing. We're a

9 producing, working coast.

10 Oil and gas is one of those items;

11 seafood is another item; and agricultural, of

12 course, is the third item.

13 Thank you again for this

14 opportunity to present this to you.

15 **DIRECTOR MICHAEL BROMWICH:**

16 Well, thank you very much for your

17 comments. And I want to thank all the

18 panelists for their presentations. I certainly

19 learned a lot and very much appreciate what

20 you've contributed.

21 Let me start with some questions.

22 And Dr. Sears, let me start with

23 you. I understand that you had not had any

24 significant exposure to the containment

25 proposal until you saw it today.

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1 I think it's important that we get

2 reactions not only from you and your group --

3 excuse me -- here at LSU but from the academic

4 community throughout the country.

5 I think that's important for two

6 reasons: Number one, because I think the

7 academic community has substantive

8 contributions that it can make; and number two,

9 I think it's important for public confidence,

10 that individuals of proper training and

11 experience but who are outside the oil and gas

12 industry and, therefore, don't have the same

13 financial and economic motives that members of

14 the oil and gas industry have, look at this

15 proposal, look at it critically, and make

16 suggestions.

17 So I'm well-aware that you haven't

18 had that opportunity, but I'm hoping that you

19 and your colleagues will be able to examine it

20 in the near term and will be able to give us

21 reactions to it. I think that will be

22 enormously constructive.

23 I was interested in your comments

24 about the lack of technical information that

25 has flowed to people in the academic community

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1 during the crisis. I was not aware of that.

2 That's not a part of the things that I have

3 been involved in.

4 Can you describe a little bit --

5 it's not the focus of the panels today -- but

6 I'm a little curious as to what kinds of

7 information has been shared with the academic

8 community and, at least in your personal

9 experience, what kinds of questions and

10 inquiries have been to you, seeking your advice

11 and counsel.

12 **MR. STEPHEN SEARS:**

13 Well, I think one good example

14 might be, early on -- I think it was about last

15 April -- I had a number of inquiries about what

16 the flow rate from a well like this could be.

17 And I had no specific information

18 technically about what had been found, the size

19 of the reservoir, the thickness of the

20 reservoir, viscosity, permeability, et cetera,

21 which had not been released.

22 I made a few comments that were

23 published in various newspapers about what a

24 deepwater well could produce, about 30,000

25 barrels a day in cold conditions.

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1 But I'm still not aware, and I
 2 haven't looked for it lately, that well logs,
 3 seismic maps, information on the size of what's
 4 been found. And deepwater, I think, fields are
 5 characterized as elephants or rabbits, or
 6 somewhere in between. I have no information on
 7 the size.
 8 I understand there's been some
 9 depletion of the reservoir, the pressures are
 10 dropping, but had no basis to make any
 11 prediction of that back then.
 12 So that kind of information has
 13 been very limited in coming out. There's been
 14 a lot of, I would say, "qualitative
 15 information" coming out. Some of it has been
 16 very good.
 17 And I would compliment again The
 18 Times Picayune. I think they've done a very
 19 good job looking at that and putting together
 20 some things that can help the public
 21 understand.
 22 But the level below that, except in
 23 these arrangements that have been made with
 24 individual faculty members or confidentiality
 25 agreements, there hasn't been a whole lot of

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1 that next level, hard numbers, and what's out
 2 there.
 3 **DIRECTOR MICHAEL BROMWICH:**
 4 Thank you. Thank you very much.
 5 Dr. Meffert, one question for you.
 6 One of your slides suggested that
 7 oil and gas exploration accounts for
 8 approximately 37 percent of wetlands loss.
 9 I'm just curious, what's the basis
 10 for that kind of calculation? What goes into
 11 that?
 12 I understand that -- I don't think
 13 it pretends to be precise, but just how do you
 14 arrive at a ballpark figure like that?
 15 **MR. DOUG MEFFERT:**
 16 That particular study was done by
 17 late Shea England at UNO. And the tricky thing
 18 is, you're right, it's not precise because all
 19 the reasons for wetland loss exacerbate each
 20 other basically, because another big reason
 21 we're not building wetlands is, of course,
 22 because of the leveeing of the Mississippi
 23 River, which historically provided the
 24 sediments that build the coastal wetlands in
 25 the first place.

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1 So between the leveeing of the
 2 Mississippi River, oil and gas exploration,
 3 navigation waterways that were dredged,
 4 invasive nutria eating these marsh plants right
 5 down to the nubs of the root's decay, and then
 6 sea level rise -- the sea level rise that we're
 7 seeing is another reason for coastal wetland
 8 loss, as well as the natural subsidence.
 9 So, in general, we have had the
 10 loss component but none of the gain component.
 11 That particular estimate of 37 percent was just
 12 based on looking at these exacerbating multiple
 13 causes in trying to get a total on -- you can
 14 certainly measure the direct losses from oil
 15 and gas. So that's a component and the
 16 indirect losses that -- that the wave energies
 17 and saltwater intrusion would provide.
 18 So that's a quantifiable number.
 19 And I think what they did in that particular
 20 study is they had to rectify that with, "Okay,
 21 so that's wetland converted to open water is a
 22 relative percent to coastal wetlands, but what
 23 part of that loss might have happened anyway
 24 due to the subsidence or lack of freshwater?"
 25 And so then they would adjust it accordingly.

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1 **MR. STEPHEN BROMWICH:**
 2 Great. Thanks very much.
 3 Lars? Bill?
 4 **MR. LARS HERBST:**
 5 Just a couple of questions.
 6 First for Dr. Sears.
 7 I think it was an excellent
 8 presentation, and I think one of the points, I
 9 think, was expanding the thought beyond what
 10 this actual incident was and that there are
 11 many other ways that we need to be looking at
 12 for containment.
 13 But one question that I do have is,
 14 I think, a point that you made of somewhat
 15 chasing leaks that may occur in a riser system
 16 all the way back to the well, and if we could
 17 get maybe your thoughts on the need for maybe
 18 early decision-making to remove the leak path
 19 from a low pressure, say, riser system and
 20 getting back to what we saw in the first panel,
 21 as far as trying to contain the well.
 22 **MR. STEPHEN SEARS:**
 23 Well, my point was less on whether
 24 that was the right decision or not. I think,
 25 in retrospect, removing the riser right away

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1 and focusing on a single point might have been
 2 the thing to do, but then that may have
 3 increased the flow. So that's something,
 4 again, I don't have a lot of hard data to
 5 judge.
 6 My point was more that when a
 7 system like this is set up -- and this was a
 8 good example -- you had a difference in
 9 location of, I think, about 1,500 feet in
 10 different points of flow over time. And if
 11 flow would come up from outside the well, there
 12 may have been another leak, 1,500 feet away
 13 somewhere else. This changed over time.
 14 So I think that the presentation
 15 this morning did show flexibility was important
 16 and there was a capacity there for multiple
 17 containment systems.
 18 But we think it is necessary that
 19 the system, once it's deployed, you don't have
 20 to then pull anchors and move it over or bring
 21 in something and start over again; if you find
 22 out that instead of one source of flow, you
 23 have three, and instead of being in one
 24 location, now they're 1,500 feet apart, that
 25 it's able to react to that.

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1 MR. LARS HERBST:
 2 One other question for Dr. Meffert
 3 and, really, Ms. Driscoll, and Mike Voisin
 4 also.
 5 This group right now is looking at
 6 containment today somewhat. We'll also be
 7 looking into deepwater safety and response.
 8 And it's maybe the response to questions,
 9 especially as it applies to Louisiana, the
 10 birds, the marsh, the oysters. Are there any
 11 thoughts that you may have on improving, say,
 12 boom and how to protect marsh and how to
 13 protect oysters better?
 14 Do you envision that there needs to
 15 be improvement in booming to protect those
 16 assets?
 17 MR. DOUG MEFFERT:
 18 I guess I'll just start off by
 19 saying the boom should be deployed obviously
 20 before the oil comes on, but it shouldn't be
 21 deployed too early.
 22 And I think that's what we saw in
 23 some cases here, that boom was deployed very
 24 early, and then it actually degraded and had
 25 fallen apart somewhat by the time the oil got

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1 in, so it got into some of these marsh areas.
 2 The other important aspect of the
 3 boom, I think, is how it's applied. And it
 4 should be from vessels and not from land. And
 5 it shouldn't be applied on the land itself,
 6 because I think, as much as the oil can damage
 7 the coastal marshes, the physical impacts of
 8 either people, you know, the people working
 9 with vessels of opportunity, if they're
 10 actually on the marsh, applying boom or if the
 11 boom is being pushed into the marsh, that
 12 physical impact can be much more destructive
 13 than even the oil itself.
 14 And I have seen some examples,
 15 actually, of -- of not boom for keeping the oil
 16 out, but actually some boom that had absorbed
 17 peat moss for absorbing oil and water, I've
 18 seen some footage of people just rolling around
 19 this boom on the marsh, which is really
 20 destructive of the marsh. And I think that
 21 sort of application should not be done in the
 22 future.
 23 MS. MELANIE DRISCOLL:
 24 First of all, I would like to say
 25 that I think there was a tremendous response,

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1 and a lot of agencies and BP put a lot of
 2 effort into just a massive response that nobody
 3 was really quite prepared for.
 4 And I saw some improvements in
 5 things like boom management through different
 6 parts of the spill, and I also saw it kind of
 7 fall back apart at some point.
 8 I think that many people are aware
 9 that boom is not -- it's not a perfect barrier.
 10 It is something that requires constant
 11 management.
 12 I would echo Dr. Meffert's
 13 comments, but also say that there were long
 14 periods of time when boom that was washed up by
 15 waves onto islands and was just left.
 16 Sometimes, in the attempts to pull
 17 it off, nesting colonies were disturbed because
 18 there wasn't sufficient oversight by
 19 biologists.
 20 I think there's always room for
 21 improvement in coordination, having the
 22 biologists oversee the work more, having the
 23 work happen more regularly and faster,
 24 especially around the critical resources which
 25 the State identified really within the first

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1 week after this spill started.
 2 I think there's also a lot of room
 3 for improvement in communication, probably
 4 particularly from the state and federal
 5 governments about the decisions being made.
 6 A lot of what I did was trying to
 7 be out and interpret what was happening in
 8 terms of the birds and to help people
 9 understand that the response was measured and
 10 was deliberate and was being done to be
 11 protective of colonies and populations, to
 12 dispel that urge that people had to rush out
 13 and do their own bird rescue.
 14 I think that really educating the
 15 contractors doing the work about the biological
 16 resources that they're working in -- the marsh,
 17 the colonies -- really educating the public and
 18 educating people who were working within the
 19 program, like the fisherman, about sort of what
 20 the roles are and what the appropriate
 21 responses are, just public.
 22 The clarity behind that could have
 23 really helped dispel some of the anxiety,
 24 although certainly it would not have dispelled
 25 all of it.

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1 MR. MIKE VOISIN:
 2 As I said in my presentation, I've
 3 been very impressed with the response. You
 4 have to imagine what we've gone through in
 5 terms of the largest oil spill in the U.S.
 6 history. So I've been very impressed.
 7 There are some real challenges.
 8 The Vessel of Opportunity Program is a great
 9 program. In the seafood community, our
 10 challenge now is not so much what's happened
 11 except the oyster community where we had the
 12 freshwater diversions open as a tool to keep
 13 oil out, which wiped out a significant amount
 14 our crop going forward, so there are going to
 15 be interesting things happening there.
 16 Our challenge now is really going
 17 to be longer term, the brand that we are, Gulf
 18 Seafood, Louisiana Seafood, and we have got to
 19 some way overcome that.
 20 I think the fishing community
 21 working with the oil and gas community and this
 22 new group that's being put together on the new
 23 spill response, they need to do trials; they
 24 need to continue to keep the Vessel of
 25 Opportunity group in a partial check, maybe not

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1 as many as they've signed up, but maybe there's
 2 a core of a hundred that they have, that they
 3 keep fully trained and equipment available to
 4 them so that they can respond immediately.
 5 But, again, I'm very impressed with
 6 the response that's occurred, given the size of
 7 the challenge that they've faced.
 8 DIRECTOR MICHAEL BROMWICH:
 9 Great. Thanks.
 10 Bill, do you have one final
 11 question before we wrap up?
 12 MR. BILL HAUSER:
 13 No.
 14 DIRECTOR MICHAEL BROMWICH:
 15 Okay. Terrific. Thanks very much
 16 to the second panel. I very much appreciate
 17 the presentations and the contributions by the
 18 panel members.
 19 We're going to take break until
 20 11:30 now, and we're going to resume with a
 21 panel of public officials. So we'll see you
 22 back then.
 23 (WHEREUPON, A SHORT BREAK WAS TAKEN.).
 24
 25

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1 PANEL III
 2 DIRECTOR MICHAEL BROMWICH:
 3 Thanks very much. And welcome to
 4 our third and final panel today, the panel of
 5 first public forum.
 6 Today's subject, as you know was
 7 and is, spill containment, but an important
 8 part of the program, really from its inception,
 9 has been to try to get the views of public
 10 officials in the areas in which we're visiting.
 11 So we're delighted to have an outstanding and
 12 distinguished group of public officials here
 13 today to participate in our third panel.
 14 Let me introduce them briefly. And
 15 because there's so many of them, I won't go
 16 into their distinguished backgrounds. I will
 17 simply identify them by name and position.
 18 Starting immediately to my left is
 19 Louisiana's Lieutenant Governor Scott Angelle.
 20 Second, sitting next to him to his
 21 left, is United States Congressman Joseph Cao.
 22 Sitting to his left Grand Isle
 23 Mayor David Camardelle.
 24 Sitting to his left is Terrebonne
 25 Parish President Michel Claudet.

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1 Sitting to his left is Lafourche
 2 Parish President Charlotte Randolph.
 3 And sitting to her left is New
 4 Orleans Mayor Mitch Landrieu.
 5 We are supposed to have yet another
 6 person, Paul Naquin, St. Mary Parish President.
 7 We hope he will join us, but I think we should
 8 go ahead and get started.
 9 Because of our limited time, I
 10 would like the distinguished public officials
 11 to try to limit your comments to five minutes
 12 or so. We would like to be able to have an
 13 opportunity to ask you questions afterwards,
 14 and because there are so many of you and the
 15 limitations of time, we would ask you to try to
 16 limit yourselves.
 17 So thank you very much for coming.
 18 We very much appreciate your participation in
 19 this important public forum, and we look
 20 forward to the discussion in the next 45
 21 minutes to an hour.
 22 LT. GOVERNOR SCOTT ANGELLE:
 23 Thank you, Director.
 24 It's my pleasure to welcome you and
 25 your staff to America's energy state. I thank

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1 Mayor Landrieu for his hospitality in hosting
 2 us here at Tulane University. Certainly, I
 3 thank you for your public service, and as I
 4 expressed to you when I visited with you in
 5 Washington, your willingness to serve the
 6 nation in these challenging times.
 7 This is a very important subject
 8 matter which I'm passionate about; that is, a
 9 viable, safe domestic energy industry. And
 10 while the previous generation may have had as
 11 their focus the three Rs -- reading, writing,
 12 arithmetic -- I believe one of the greatest
 13 challenges for the next generation or this
 14 generation of Americans will be the balance of
 15 the three Es, and that is energy, environment,
 16 and the economy.
 17 I bring greetings to you from
 18 Governor Jindal and the men and women of
 19 Louisiana who have been working for last
 20 100-plus days to restore our way of life on the
 21 Gulf Coast and also ask that you remember the
 22 11 victims and their families in your prayers
 23 as we move forward.
 24 Certainly, I want the record to
 25 reflect that Louisiana does have a long and

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1 distinguished history of fueling America.
 2 Here we are the epicenter for oil and gas
 3 exploration, production, distribution,
 4 refining, and processing for the nation, as
 5 well as for imports of foreign oil and
 6 liquefied natural gas, one of the few states
 7 that has embraced LNG.
 8 We rank first in OCS crude oil
 9 production, first in OCS natural gas
 10 production, first in OCS revenue generated for
 11 the federal government, first in mineral
 12 revenues from any source to the federal
 13 government, first in foreign import oil volume,
 14 third in crude oil prove reserves, third in
 15 total energy from all sources, first in natural
 16 gas processing capacity, second in petroleum
 17 refining capacity, and second in primary
 18 petrochemical production.
 19 You see when it comes to the energy
 20 production, energy security, there's no more
 21 important piece of real estate in all of
 22 America than Louisiana; and because of our
 23 willingness to host the activities that many
 24 states simply refuse to do so, every American
 25 is tied to Louisiana and the Gulf of Mexico

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1 through the gas pump.
 2 About a third of our nation's
 3 domestic production comes from the Gulf, and
 4 nearly 90 percent of that comes from deepwater
 5 wells. Shutting down new drilling threatens
 6 our ability to sustain the production we need
 7 to fuel this nation. We have seen how quickly
 8 a drop in production can hurt our economy.
 9 Looking back to 2005, Louisiana was
 10 devastated by Hurricanes Katrina and Rita,
 11 storms that interrupted production from the
 12 Gulf of Mexico.
 13 In the week after Katrina, the
 14 national average of the price of a gallon of
 15 gasoline spiked 46 cents, a 50-cent increase in
 16 the price of a gallon of gasoline cost American
 17 consumers \$1.4 billion a week.
 18 A moratorium does not strike as
 19 swiftly as a hurricane, but the longer drilling
 20 is halted, the more domestic production will
 21 suffer as existing wells play out with no new
 22 wells to replace them.
 23 More than 360 new wells were
 24 drilled in the Gulf OCS in 2009, and the
 25 resulting production helped America to rely

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1 less on foreign imports to fuel our nation.
 2 The Gulf of Mexico is indeed the golden goose.
 3 The six-month halt we already faced
 4 could mean an estimated four percent drop in
 5 2011 production, and that production could lag
 6 for years.
 7 And while I have huge concerns
 8 about a six-month moratorium, I am concerned
 9 about what also may be a longer moratorium. I
 10 was encouraged to read your comments about
 11 perhaps trying to shorten the moratorium.
 12 However, Morgan Stanley issued a
 13 report June 1st, 2010, wherein they have
 14 estimated a 60 percent chance that the
 15 moratorium will last at least a year to 18
 16 months, a 35 percent chance that it could last
 17 four years, and only five percent chance that
 18 deepwater drilling will resume by next
 19 February.
 20 These kinds of reports, based on
 21 the concerns for the Administration's ability
 22 to promulgate regulations in a timely fashion,
 23 are drying up investments in the Gulf
 24 industries and increasing economic trouble for
 25 our people, our businesses, and our government.

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1 Even in shallow waters -- again, I
 2 was encouraged by your comments -- even in
 3 shallow waters, there is no declared
 4 moratorium, but drilling has merely come to a
 5 halt, even as the industry has reached out to
 6 the regulators to find a way forward.
 7 In 2009, before the moratorium, the
 8 lowest new permit total for a single month in
 9 OCS shallow waters was eight. The number of
 10 new permits approved in the last three months
 11 combined for five doesn't even match that low
 12 watermark.
 13 I appreciate the previous
 14 opportunity to visit personally with you,
 15 Mr. Director, about the concern for shallow
 16 water permits, an area that the President and
 17 the Secretary have both said are permissible
 18 for drilling operations.
 19 I appreciate the fact that we have
 20 had over a dozen conference calls, each with 25
 21 to 35 participants since June 22nd to get into
 22 the weeds on exactly what is being required
 23 within the NTL06.
 24 Yet, since this effort began,
 25 permits for only two new wells have been

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1 issued. Again, this is an area that both the
 2 President and the Secretary have publicly
 3 stated are open for drilling.
 4 I respectfully urge you to redouble
 5 the agency's efforts to get shallow water
 6 permits issued as the Louisiana economy hangs
 7 in the balance.
 8 To help with this, I am hosting a
 9 workshop next week in Louisiana to facilitate a
 10 process to make certain the industry is doing
 11 everything it can to share information about
 12 best permitting practices.
 13 It is critical that the Bureau of
 14 Ocean Energy employees are operating within a
 15 culture that allows them to issue the very
 16 permits that the President and Secretary have
 17 indicated are available.
 18 We have heard from a variety of
 19 folks within the bureau that they are fearful
 20 to lose their jobs if they do their jobs.
 21 Again, as a result of our private
 22 conversations, I know that is not your
 23 intention. I say that publicly. However, I
 24 think it is a concern worth revisiting and
 25 providing an increased management review of the

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1 shallow water permitting at the most senior
 2 levels of our federal government.
 3 Again, a substantial interruption
 4 of production will mean a greater reliance on
 5 foreign sources of energy and greater exposures
 6 to increased prices.
 7 If we take a look back at the last
 8 several decades, we have had six recessions in
 9 this country since 1972. Prior to each one of
 10 them, the price of oil saw a sustained increase
 11 over the previous year, a major increase in
 12 fuel price, and it's always either been an
 13 indicator or a driver that a major recession or
 14 a downturn in our economy is on the way.
 15 Oil reached \$147 a barrel in July
 16 of 2008, more than double what it was the
 17 previous July. By October 2008, that swept up
 18 our national economy, helped cripple our car
 19 manufacturers, our banks, our housing markets.
 20 We may be seeing that again.
 21 I would point out to everyone that
 22 the price of oil has risen 11 percent since the
 23 moratorium was declared, from \$77 to \$86 a
 24 barrel. I'm not at all indicating that is the
 25 only reason that it has as in fact increased,

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1 but it certainly has contributed.
 2 Supplies being reduced, energy
 3 prices going up, and more Americans out of work
 4 in a faltering economy cannot be the response
 5 and legacy to this tragedy.
 6 We have a variety of reports I will
 7 share with you that indicate from 10,000 to
 8 20,000 jobs will be lost in Louisiana.
 9 Again, this is not about
 10 stockholders of BP, Exxon, Shell, Chevron, or
 11 Conoco. It's about jobs, jobs, jobs -- jobs
 12 that will be affected not only on the rigs but
 13 also in the service industries, the welders,
 14 the fabricators, the diesel mechanics, the
 15 pipefitters, the boat captain, the forklift
 16 operators, the dock workers, the service
 17 technicians, the plumber, the sandblaster, the
 18 warehouseman, carpenters, janitors, crane
 19 operators, the pump mechanic, and the
 20 electrician.
 21 But it won't stop there. The hotel
 22 worker, the retail clerk, the auto mechanic.
 23 But it won't stop there. Restaurant workers,
 24 caterers, waitresses. But it won't stop there.
 25 Banks and real estate. It won't stop there.

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1 Local government revenues will be
 2 impacted, which impacts school teachers, police
 3 officers, and other vital services. They all
 4 bear the brunt of the shutdown, and no one has
 5 ever indicated who will pay for the cascading
 6 impact of this decision of the federal
 7 government.
 8 This six-month moratorium which the
 9 United States federal court system has called
 10 arbitrary and capricious is indeed, we believe,
 11 a moratorium on middle class Americans.
 12 While it may be difficult for the
 13 federal government to understand, the local
 14 governments most impacted by this oil spill,
 15 some of them with us today, and the Louisiana
 16 Seafood Research and Promotion Board have all
 17 indicated they are opposed to this moratorium.
 18 In this unique slice of America, we
 19 have demonstrated we can't fuel America and, at
 20 the same time, provide the nation with over 20
 21 percent of the nation's commercial fisheries
 22 catch.
 23 Again, we understand it can't be
 24 business as usual, but we believe a six-month
 25 moratorium is an overreach. And it's at a time

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1 when American families are already struggling
 2 to make ends meet and a time when our country
 3 can't afford to lose a single job.
 4 We cannot threaten more jobs when
 5 this nation has already invested nearly 800
 6 billion dollars in stimulus funding to boost
 7 the economy and create jobs when we still have
 8 an unemployment rate running near ten percent.
 9 The safety record in the Gulf of
 10 Mexico does not support a reaction that places
 11 so many working families in jeopardy. We have
 12 drilled over the last 60 years 50,000 wells in
 13 the gulf, 32,000 of those in deep water. And
 14 prior to this, we have never seen this kind of
 15 action.
 16 Five of the seven experts chosen to
 17 review the Department of Interior Safety Study
 18 that led to the moratorium publicly opposed the
 19 use of their name and involvement to justify
 20 such a blanket moratorium.
 21 In their public letter of
 22 opposition, on Page 2 was the statement -- and
 23 I quote -- "A blanket moratorium is not the
 24 answer. It will not measurably reduce risk
 25 further, and it will have a lasting impact on

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1 the nation's economy, which may be greater than
 2 that of the oil spill," unquote.
 3 DIRECTOR MICHAEL BROMWICH:
 4 Can I ask you to start wrapping
 5 up --
 6 LT. GOVERNOR SCOTT ANGELLE:
 7 Sure. Absolutely.
 8 DIRECTOR MICHAEL BROMWICH:
 9 -- just in fairness to the other
 10 panelists?
 11 LT. GOVERNOR SCOTT ANGELLE:
 12 I'm almost there.
 13 Again, I would state we recognize
 14 that it can't be business as usual, but a "one
 15 size fits all" is not the solution.
 16 A comparison to our nation's
 17 reaction to 9/11 is appropriate: A tragedy of
 18 epic proportions, a tragic loss of life, tragic
 19 economic losses, tragic breaches of all type of
 20 security plants, multiple planes in multiple
 21 cities from a variety of airlines, a systemic
 22 failure.
 23 But in spite of that systemic
 24 failure, there was no six-month moratorium on
 25 the airline industry. The leadership of our

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1 nation did pick an arbitrary time-line and
 2 backed into a solution.
 3 Our leaders immediately implemented
 4 best practices to protect our country. It
 5 didn't eliminate risks. It's impossible to
 6 eliminate all risks. They mitigated risks with
 7 air marshals on planes, National Guardsmen
 8 posted in airports. Travelers were instructed
 9 to arrive earlier. They were instructed to
 10 pack differently. And we did not accept
 11 business as usual, and it worked, and we did
 12 all this in four days.
 13 We have continued to review and
 14 enhance security, as so we should, and we
 15 haven't had a successful attack since.
 16 I think the recent NTLs on safety
 17 measures set a high standard. We need to begin
 18 to look at opportunities to begin to issue
 19 permits. Secretary Salazar just said last week
 20 that he is allowing shallow water drilling
 21 operations to implement new standards and
 22 simultaneously continue to operate. We can
 23 make that same standard apply to deepwater
 24 drilling.
 25 2.7 billion loss to the economy in

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1 the next six months, 707 million in lost wages,
 2 100 million in lost state property taxes, 219
 3 million in lost federal revenue, a loss in
 4 valuable oil and gas production.
 5 Again, I have the reports that I
 6 have referenced. I would ask that they be made
 7 part of the report.
 8 Again, I thank you for your public
 9 service and opportunity to be here and implore
 10 you all to work very hard with us as your
 11 partner and with the oil and gas industry to
 12 lift the moratorium prior to November 30th.
 13 Thank you, sir.
 14 **DIRECTOR MICHAEL BROMWICH:**
 15 Thank you very much, sir.
 16 Congressman Cao?
 17 **CONGRESSMAN ANH ("JOSEPH") CAO:**
 18 Thank you very much. And I would
 19 also like to thank the Lieutenant Governor for
 20 his speech. I believe that he has said
 21 everything that every one of us wanted to say.
 22 But with that being said, first of
 23 all, I appreciate that we are looking at ways
 24 to reform the former MMS, which is now the
 25 Oceanic Energy --

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1 **DIRECTOR MICHAEL BROMWICH:**
 2 It's a long name, Bureau of Ocean
 3 Energy Management Regulation and Enforcement.
 4 **CONGRESSMAN ANH ("JOSEPH") CAO:**
 5 And I appreciate the fact that we
 6 are trying to rebuke corruption at the new
 7 bureau, because we have seen the devastation
 8 that occurred in the Gulf. And, obviously, we
 9 don't want that to happen again.
 10 And I appreciate your role in
 11 trying to improve the efficiency of the new
 12 bureau, and I want to again stress the term
 13 "efficiency," because what I have been seeing
 14 so far, that the new bureau has not been very
 15 efficient in releasing new permits for shallow
 16 drilling, and I believe that the bureau has not
 17 been very efficient in trying to assess the
 18 impact of the moratorium on the livelihoods of
 19 the people down here.
 20 And I believe that many members on
 21 the Hill do not understand how the life of the
 22 people in Louisiana are so integrated to the
 23 energy issue to the issue of the Gulf.
 24 And the moratorium that has been
 25 put on the Gulf Coast region has devastated

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1 many sectors of this economy and will continue
 2 to devastate the economy of this state if we do
 3 not address the moratorium immediately.
 4 Yesterday, when I was flying over
 5 the Gulf with other members of Congress, I
 6 spoke with, for example, the helicopter pilots
 7 of one of the charter companies, and he told me
 8 that since the moratorium was instituted,
 9 one-third of the chopper pilots basically were
 10 essentially laid off.
 11 I will be speaking to the Chouest
 12 Company this afternoon, and based on my
 13 preliminary conversations with them, they have
 14 released several thousand workers from their
 15 companies because they service the rigs that
 16 are under moratorium.
 17 So these are real jobs, and these
 18 jobs affect real lives, and people don't seem
 19 to understand the urgency. The federal
 20 agencies do not seem to understand the economic
 21 predicament that the moratorium has put and
 22 imposed on the people of this region.
 23 So as we go forward in trying to
 24 look at safer ways to continue with offshore
 25 drilling because -- based on my conversation

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1 with the administration, with the President,
 2 offshore drilling in the Gulf will continue.
 3 So as we go and look at a more safe
 4 way to drill and a more efficient way to drill,
 5 we also have to put into perspective how the
 6 lives of people down here are so integrated
 7 with the energy sector of this region.
 8 And to continue with this
 9 moratorium, to continue with the inefficiency
 10 in allowing new permits for shallow drilling,
 11 will eventually destroy the economy of this
 12 state and this region.
 13 So I thank you very much for
 14 providing me to be part of this panel, and I
 15 hope to work with you in the future, for us to
 16 look at ways to officially address the issue of
 17 safety, but at the same time do it in the way
 18 that will not devastate the thousands of lives
 19 that are dependent on the energy industry.
 20 Thank you very much.
 21 DIRECTOR MICHAEL BROMWICH:
 22 Thank you very much for your
 23 comments, Congressman.
 24 Mayor?
 25 MAYOR DAVID CAMARDELLE:

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1 Good morning. I want to thank you
 2 all for inviting me here. The last time I
 3 think we talked right after the last session.
 4 I'm going to go ahead and start off
 5 -- you know, my Island is the home of tourism
 6 and fishing and sports and commercial,
 7 especially commercial and oil field, which our
 8 fishing grounds are gone and also oil
 9 industrial. With the moratorium, it's really
 10 devastating on the Island. It could be a great
 11 deal of economic damages.
 12 We're witnessing, as we speak, the
 13 Lieutenant Governor speaking and also with
 14 Congressman Cao, what he's talking about with
 15 the helicopter pilots, one-third of them.
 16 Well, it's like a ghost town right now, the
 17 offshore workers coming in and out, to go
 18 offshore off the town of Grand Isle. We see it
 19 every day.
 20 You know, the President was good
 21 enough to come and visit with us two to three
 22 times and talked with him face to face. He
 23 said once the well was going to be capped, he
 24 was going to come and make the quick decision
 25 and come in and lift the moratorium.

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1 Well, now I'm asking you to ask the
 2 President to stick to his word, because I'm
 3 telling you, I have people that can't pay their
 4 water bills, their gas bills. There's no way
 5 of making a living.
 6 Some of the portion of recreation
 7 is open to catch the fishing, but the crab
 8 fishing, my bait shops, everything is just
 9 closed.
 10 As long as I'm mayor, I'm not going
 11 to shut the water off. I'm paying the federal
 12 loan to the federal government for a water
 13 line, so the federal government is going to
 14 have to come to me.
 15 And now I'm dealing with the oil
 16 field offshore, the people that's not making a
 17 living, drilling offshore. This is
 18 devastating. I'm surrounded by water. I'm
 19 seven miles long. We make our living in the
 20 waters.
 21 And I appreciate you listening to
 22 us and bring the word back to Washington, and
 23 maybe we have to take the keys away from the
 24 people up North; and when they get up in the
 25 morning, take their car keys away and give them

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1 a pair of tennis shoes and go to work. Or
 2 maybe I need to get to Abbeville, Louisiana,
 3 and close the gas when it's going to be
 4 wintertime, and maybe I'll get the attention
 5 from the people up North. This is serious.
 6 I met with Dr. Boulbe (phonetic
 7 spelling), who spoke months ago, you know. And
 8 he came up with an idea, you know, that said
 9 that -- separate unsafe and recommendations to
 10 the President first came out. He felt that two
 11 weeks of inspections could have made that
 12 separation and less than a handful of 33
 13 deepwell projects would have been stopped. It
 14 would have been a sensible approach.
 15 Again, I preach, my fishing is
 16 gone, my oil field is gone. We have no way of
 17 making a living, no way of making a living.
 18 People can't hang on no more.
 19 And BP has been stepping up to the
 20 plate a little bit at a time. They've been
 21 coming across trying to help us. You might get
 22 a check; you might not get a check.
 23 Everyday, in my office, I have two
 24 girls. That's all they do is answer the phone,
 25 "why this one didn't get a check, why that one

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1 didn't a get a check." That's all I do, is
 2 take fires out, you know. I really, really
 3 represent our people.
 4 And you know, earlier in your
 5 testimony, one of the questions you had asked
 6 "what can we improve on lessons learned," and
 7 you guys need to hear that.
 8 You know, I'm like a soldier in
 9 Iraq. I'm on the frontline. I can handle any
 10 hurricanes. Born and raised in hurricanes.
 11 Seen my family lose everything in 1965. But
 12 when this oil spill came, my hands were
 13 handcuffed.
 14 I just couldn't -- I could have
 15 gotten things done a lot quicker, but I had to
 16 go drive an hour half, all the way to
 17 Schriever, Louisiana, to get some decisions
 18 made.
 19 The ways to improve the oil
 20 response, number one, is the agencies. The
 21 Corps of Engineers took too long to give me
 22 just a little green light to put dredges out
 23 there, and my neighboring parishes, St. Bernard
 24 and Plaquemines Parish.
 25 The Corps of Engineers, to approve

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1 a barge just to put pilings to anchor it out,
 2 took too long.
 3 And at the same time, the sand
 4 berms that my fellow elected officials from the
 5 east of me, and even to the west of me, you
 6 know, just waiting and dealing with the sand
 7 berms.
 8 The Coast Guard -- and, again, the
 9 Coast Guard has really stepped up to the plate
 10 as of today -- but, you know, to improve, the
 11 Coast Guard should have plans ready and permits
 12 at the time. Nothing was planned.
 13 And why not listen to the local
 14 people? Why not listen to the local -- the
 15 elected officials there and tell you where it's
 16 at, where we think the oil is coming in?
 17 You know, I was fighting five
 18 parishes. I could have protected five agencies
 19 or five -- I'm talking about different parishes
 20 I could have protected if I could have put them
 21 rocks out there.
 22 I had every environmentalists
 23 fighting. Groups from the Netherlands, 95
 24 pages, so the Colonel could make a decision.
 25 You know what? When you're under

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1 emergency, you got to save the community. And
 2 That's a lesson learned, you know. I wanted to
 3 go put the rocks out, but I was threatened to
 4 be put in jail, and now the rocks are being
 5 donated.
 6 BP had gave me the credit cards to
 7 come in and go ahead and put right around
 8 60,000 tons of rocks to protect the five
 9 passes. I was denied by federal agencies:
 10 EPA, NOAA. We fight it every day.
 11 The President needs to come in. He
 12 needs to come in and clean some of these boards
 13 up. I'm telling you the truth. There's too
 14 many of them.
 15 And I want to respect the
 16 environment, but at the same time, watching the
 17 oil two weeks later -- you look at The Times
 18 Picayune, the environmentalists are upset
 19 because Lake Pontchatoula got oil in it, when I
 20 could have prevented it, probably 70 percent of
 21 it, if they had listened to just a Cajun
 22 engineer, as a commercial fisherman working
 23 down there and watching how the oil comes in,
 24 watching the fishermen and telling me where the
 25 currents are coming in.

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1 It's just too long, it's just too
 2 much, it's too frustrating. I say when you're
 3 under emergency, go on and do the right thing.
 4 And when you've got another man's credit card,
 5 like BP, like I had it, at the time I could
 6 have prevented all this oil from coming in.
 7 Now I don't know what's on the bottom.
 8 But I can tell you one thing: I
 9 got cut off net shops. We're going to go ahead
 10 and make three nets, and we're going to start
 11 Tuesday morning. We're going to find the oil.
 12 I just found out yesterday in Houma, there's
 13 been a study in the back of Barataria estuaries
 14 to find out that, "Oh, we've been testing the
 15 bottom of the oil." I've been asking for that
 16 information for the last hundred days.
 17 So, you know, it's things like that
 18 that I'm asking you, Mr. Director, that you
 19 need to know in case something like that
 20 happens.
 21 But in the meantime, job losses --
 22 you know, we have our shrimpers cannot shrimp
 23 any more. Our shrimpers don't even buy ice and
 24 fuel.
 25 The biggest shrimp shed in America

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1 is on Grand Isle. Should have bought seven
 2 million pounds of Brazilian shrimp this season.
 3 It's a ghost town. It's a ghost town. They
 4 offered them 65,000 up to 125,000, when this
 5 man should have been making six or seven
 6 million dollars.
 7 I shipped him away on vacation. I
 8 sent him off the Island. He left yesterday
 9 morning just to get away. Very frustrating.
 10 We put barges there. We paid him
 11 so much a month to try to, every type of way I
 12 can to provide, to protect him so I can make
 13 him happy, make the marinas happy.
 14 The oil came through me to come in
 15 and make the restaurants, trying to deal with
 16 all of this. The only thing in the stores
 17 right now is imported shrimps. It's a shame.
 18 The oil field workers, the drilling
 19 ban is in effect, the rig workers can't work,
 20 everything from drilling to painters and
 21 supplies. Scott did a good job, deck hands,
 22 the boats, the welders, the pipefitters. Even
 23 the little lady that wants to get her hair
 24 fixed in Grand Isle, her husband can't give her
 25 no money. It's time -- it's time let us go

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1 back. Got kids that are starving right now.
 2 We created jobs. BP was wonderful
 3 to come in and create jobs. The kids are
 4 starting school next Thursday.
 5 And this revolving circle between
 6 the seafood industry and oil industry and the
 7 fabrics of Louisiana -- if the boat shrimpers
 8 and the oil workers and the crabbers are not
 9 out there working, then they don't buy
 10 supplies. The workers of Louisiana buy all the
 11 supplies from the local stores, the fuel docks.
 12 If the local supply chain is not
 13 selling goods to the boats and the workmen in
 14 those companies don't earn any revenues, if the
 15 stores on the shores don't earn any revenues,
 16 they can't keep their usual staff and cut back,
 17 losing more jobs.
 18 These jobs in the stores and
 19 companies that supply the boats or the workmen
 20 are usually held by the wives and family
 21 members of the men that are working offshore in
 22 the oil and shrimping and crab industry. Now,
 23 because of the shutdown caused by the oil
 24 spill, no one in the family is being paid.
 25 If the businesses on land are

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1 laying off and the people stop spending at
 2 restaurants and stop shopping for non-necessary
 3 items and other businesses start feeling
 4 pressure, more people are laid off, and the
 5 staffs are cut back, with more jobs being lost
 6 because of the oil spill, but a few jobs that
 7 are left in our area are gone.
 8 You know what destroys me? Two
 9 weeks ago, I flew in the back of the Gulf about
 10 25 miles offshore, really 38 miles offshore,
 11 and Charlotte, the Parish President from
 12 Lafourche Parish, said at the last testimony,
 13 what really disturbs me is right off of the
 14 shores of Grand Isle and Lafourche Parish, the
 15 Loop facilities, there is more and more oil
 16 tankers that's anchored out in Gulf of Mexico.
 17 You know what? Shame on us.
 18 Knowing that we seeing all these wells that's
 19 offshore in our backyards, knowing that our
 20 people can't work on these rigs, and we're
 21 sending more oil tankers in our backyards in
 22 the Gulf of Mexico. Shame on all of us.
 23 It's time. We don't want a check
 24 from BP no more. We don't want a check from
 25 the FEMA. Our people don't even want to go --

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1 it's amazing, some of the people have never
 2 went to BP yet on my Island, still struggling,
 3 hoping that the tourists come in.
 4 The Governor did a fine job. The
 5 Governor came in with the Secretary of Wildlife
 6 and opened recreational fishing, and a few
 7 tourists came to our Island. Even though our
 8 beaches are closed, you cant enjoy the waters.
 9 At least, they get to go out and go fish.
 10 Our kids can't swim. They can't
 11 enjoy nothing. But the bottom line is, "Pay
 12 attention to us, open our waters back, and
 13 we'll leave the government alone."
 14 Thank you sir.
 15 **DIRECTOR MICHAEL BROMWICH:**
 16 Thanks very much for your comments.
 17 I appreciate it.
 18 Mr. Claudet?
 19 **MR. MICHEL CLAUDET:**
 20 Thank you, Director, Mayor
 21 Landrieu, and Tulane for having us here today.
 22 I have the distinct honor of
 23 representing Terrebonne Parish, and my parish
 24 derives its name from two French words which
 25 are Terre and Bone, which means "good earth."

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1 And for many decades, we have
 2 enjoyed the wonderful bounty of our lands and
 3 its unique landscape and our culture that has
 4 brought abundant fisheries, beautiful
 5 landscapes, and a special culture that draws
 6 countless visitors every year.
 7 The work force in my parish is
 8 approximately 60 percent, directly or
 9 indirectly, oil field and approximately 20
 10 percent, directly or indirectly, fisheries.
 11 Our people have always lived off of
 12 the rich natural resources. And with 80
 13 percent of my work force either directly or
 14 indirectly working in the fishing industry and
 15 the oil field, it's important to note that the
 16 Terrebonne Parish seal has both the fishing
 17 vessel and an oil rig on it.
 18 Unfortunately, with the horrific
 19 event of the explosion of the Deepwater Horizon
 20 where 11 people lost their lives, many of my
 21 people were actually faced with the reality and
 22 the possibility for the very first time that
 23 they might not be able to even catch their food
 24 or continue their livelihood. My people could
 25 not take advantage of the Gulf's abundant

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1 bounty and they may have been prevented in
 2 working in the seafood industry, but we thought
 3 we still had the oil field.
 4 The people in my parish have always
 5 had a delicate balance between fishing and the
 6 oil industry, and they would go in and out of
 7 the fishing and the oil field, depending upon
 8 economic conditions. This is the first time
 9 that we've ever had our two major industries
 10 down at the same time.
 11 However, in my parish of
 12 approximately 120,000 people, even with them
 13 all being so upset with the damage to our
 14 fishing and environment from the oil spill,
 15 I've not met one person in my parish that's in
 16 favor of a moratorium.
 17 We all know that there were
 18 inspections by MMS immediately after the
 19 incident, that there was the Department of
 20 Interior Safety Report of May 27th that made
 21 recommendations and substantial additional
 22 recommendations by countless other experts in
 23 the field, including the American Petroleum
 24 Institute, and we've all seen the new proposals
 25 shown by the first panel this morning.

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1 We all know that there were
 2 countless human errors on the Deepwater
 3 Horizon, and we believe that we've all learned
 4 a very harsh lesson.
 5 There is no company drilling in
 6 Gulf that wants another incident like the
 7 Deepwater Horizon. We know that many companies
 8 could not financially survive such an event,
 9 and all of the drilling companies are acutely
 10 aware of that.
 11 My parish had the lowest
 12 unemployment rate in the entire nation prior to
 13 this Deepwater Horizon event. And I was not
 14 concerned about my parish after the spill,
 15 because we found out from BP that they agreed
 16 to compensate us. But now I'm truly scared
 17 about the future of my parish, because we all
 18 remember the '80s, and this moratorium is an
 19 injury that we do not have a remedy for.
 20 In my parish, we're budgeting for
 21 massive cuts right now and preparing for the
 22 worst because we remember the '80s. So from
 23 the lowest unemployment, we're now looking at
 24 possibly having one of the nation's highest
 25 unemployment rate.

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1 So this is my plea to you and your
 2 agency. We've all learned a valuable lesson.
 3 The point has been made. We think that there
 4 is enough information now to lift the ban and
 5 implement any additional safety regulations.
 6 We have lost deepwater rigs
 7 already, and we have many people unemployed in
 8 my parish and many that are being told that
 9 they're going to be transferred to foreign
 10 countries or other parts of the United States.
 11 Please lift the moratorium and
 12 enact a regulation as promptly as possible so
 13 we do not lose our people, like we did during
 14 the collapse of the oil field in the '80s.
 15 We still have time to save our
 16 population, our tax base, and our service
 17 companies that populate my parish. We can
 18 train our skilled work force to comply with
 19 your safety regulations, whatever they might
 20 be, and we have the Cajun ingenuity to actually
 21 take advantage of whatever you're going to
 22 promote.
 23 And on any of these safety
 24 regulations -- and our service companies, I
 25 promise you, will take advantage of it in the

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1 future drilling in the Gulf.
 2 I urge you to investigate the
 3 causes of the BP disaster and to implement the
 4 necessary safety policies to ensure that this
 5 type of crisis will never happen again, but I
 6 encourage you to do it in an expeditious manner
 7 while allowing deepwater exploration to
 8 continue and our people to continue working.
 9 If that's not done, up to 80
 10 percent of my work force, which is composed of
 11 fisherman and the oil field, will in a
 12 relatively short period of time be rendered
 13 unable to provide for their families through no
 14 fault of our time.
 15 We have never stopped airplanes
 16 from flying or coal mines from being dug
 17 following disasters. The point has been made,
 18 and we ask that you please lift the moratorium.
 19 The most critical thing is not only
 20 the moratorium but is the loss of our
 21 population. During the '80s, we lost a lot of
 22 our population. Once they leave, they don't
 23 come back. It's critical resources, skilled
 24 personnel. And please lift it as soon as
 25 possible.

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1 Thank you for your time. And I
 2 look forward to any questions.
 3 **DIRECTOR MICHAEL BROMWICH:**
 4 Thank you very much for your
 5 comments. I very much appreciate them.
 6 Ms. Randolph?
 7 **PARISH PRESIDENT CHARLOTTE RANDOLPH:**
 8 Thank you, Director Bromwich. It's
 9 a pleasure to be here today and to state our
 10 case, if this was to a judge and jury perhaps.
 11 We would like to certainly bring
 12 home to you what we are experiencing right now
 13 in Lafourche Parish.
 14 First, though, I would like to tell
 15 you that I appreciate your comments yesterday,
 16 that there is a glimmer of hope, potentially
 17 that this moratorium could be lifted a bit more
 18 expeditiously, or could be actually before the
 19 November 30th deadline.
 20 But I am concerned about the series
 21 of meetings that are planned. I do know that
 22 two of them were planned in Pensacola and Santa
 23 Barbara. If you're going to talk about
 24 moratoriums there, I think they have some
 25 self-imposed moratoriums about oil and gas

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1 drilling, and they're not exactly friends of
 2 the energy industry.
 3 So I'm hoping that the focus there
 4 will be on oil spill response and not on the
 5 oil and gas industry.
 6 I wanted perhaps to just add a few
 7 anecdotes to what's been said, because
 8 certainly, statistics have been presented to
 9 you.
 10 I had the opportunity to speak with
 11 President Obama back down at Port Fourchon. He
 12 was a pretty brave man, because he came down
 13 the day after he announced the moratorium.
 14 So he came to us, and I had the
 15 opportunity to talk to him. He told me that
 16 the mood of the country was such, that he felt
 17 he needed to impose this pause, this
 18 suspension.
 19 I recently participated in the
 20 National Association of Counties Conference in
 21 Reno. And the Environment, Energy and Land Use
 22 Committee, upon which I serve, 75 percent of
 23 the participants voted to approve our
 24 resolution to end the moratorium after 30 days.
 25 I would have preferred "time served." At the

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1 final business meeting where each state has an
 2 allotted number of votes, it passed without
 3 objection.
 4 NACo is comprised of elected
 5 officials representing 77 percent of the
 6 population of this country. I don't believe
 7 that there's a more scientific or accurate poll
 8 of the American people out there.
 9 What the other elected leaders at
 10 the conference most empathized with was the
 11 loss of jobs. They represent counties in
 12 Michigan, California, Ohio, and in Florida,
 13 where the unemployment levels are higher than
 14 the national average.
 15 They question the government action
 16 that would eliminate jobs when the rest of the
 17 country is struggling to put people back to
 18 work.
 19 In April, prior to the spill, we
 20 shared the lowest unemployment rate in the
 21 nation. And they're very concerned that the
 22 ban will result in higher energy costs, which
 23 is something that we can't quell and we can't
 24 quantify right now.
 25 To bring it home more, our

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1 Lafourche Parish school board is postponing its
 2 plans to build a new career school. They have
 3 money to build it. The uncertainty of this
 4 moratorium is causing them concern about the
 5 future tax money to staff it.
 6 In June, the 911 Board was prepared
 7 to proceed with the construction of a new, more
 8 secure site. They have since postponed this
 9 plan because the loss of revenue could result
 10 in an inability to repay the bonds.
 11 It's important to note that
 12 Emergency 911 had to shut down operations
 13 during Hurricane Katrina because of the flimsy
 14 tin building they're currently in.
 15 The Greater Lafourche Port
 16 Commission has reduced rent to its oil and gas
 17 support service tenants at Port Fourchon by 30
 18 percent. This drastic action was taken in the
 19 hope that these companies can remain afloat
 20 until November 30th.
 21 The 33 rigs targeted are all
 22 serviced out of Port Fourchon, which happens to
 23 be the economic engine of Lafourche Parish.
 24 This stoppage would not only
 25 decrease funding and postpone planned expansion

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1 for the Port. A forensic audit by our parish
 2 assessor indicates the parish coffers will be
 3 reduced by 40 percent in 2012. Nine of the top
 4 ten taxpayers in Lafourche had facilities at
 5 the Port.
 6 Property taxes from our police
 7 department, our schools, our drainage systems,
 8 our port, the rich and natural resources and
 9 therein contribute bills and royalty revenue to
 10 the national treasury. Plus, located off our
 11 shore, as David mentioned, is the Louisiana
 12 Offshore Oil Port.
 13 Just across the river from here,
 14 Northrop Grumman has announced they will close
 15 their Avondale Yard, transferring only a few of
 16 the 5,000 people who now work there.
 17 There are Lafourche area
 18 businessmen who have long eyed that sight for
 19 its location on the Mississippi River. These
 20 shipbuilders, oil service suppliers, have
 21 suffered most from the moratorium's impact.
 22 One lost a 300 million dollar contract in the
 23 first week. They are not in a position now to
 24 even consider the site due to the uncertainty
 25 of the moratorium. If they were, they could

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1 potentially hire all those workers who are now
 2 working there.
 3 Some 50 or so years of drilling
 4 50,000 wells in the Gulf has produced fuel for
 5 this country without major incident until BP
 6 personnel, on many levels, made reckless,
 7 tragic, unsafe and improper decisions, leading
 8 up to the explosion of the Macondo well. They
 9 are truly the responsible party.
 10 Yes, MMS employees have not
 11 monitored the industry properly because of the
 12 so-called cozy relationships, and I know we're
 13 supposed to address that today.
 14 I think a memo sent out to
 15 employees, "To do your job is one of the best
 16 ways to revamp an agency, and if you won't do
 17 your job ethically, morally, or legally, then
 18 you should not work at an agency."
 19 And I think the lure from the
 20 energy industry should be something that normal
 21 human beings can resist. And if you're
 22 employed by an agency, they should act
 23 accordingly.
 24 We've seen Corps of Engineers very
 25 frequently assume positions with private

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1 contractors, hired only because of their
 2 friendship with current personnel and knowledge
 3 of the inner workings of the Corp.
 4 The same is true with just about
 5 every government agency. Can't change human
 6 beings.
 7 I'm wrapping it up.
 8 **DIRECTOR MICHAEL BROMWICH:**
 9 I wasn't even going to rush you.
 10 Go ahead.
 11 **PARISH PRESIDENT CHARLOTTE RANDOLPH:**
 12 Oh, good.
 13 The Department of the Interior
 14 study conducted after the BP incident estimated
 15 that a moratorium would result in a loss of
 16 120,000 jobs. That's the immediate impact.
 17 Long-term, this action could cause one million
 18 people to lose their jobs.
 19 Those who remain employed will
 20 follow their employers overseas. And I've
 21 gotten heartbreaking letters from family
 22 members whose husbands are now working in
 23 China, who are now working in Brazil, when they
 24 were a phone call and boat ride away for many,
 25 many years, sometimes up to 33 years.

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1 What's the result of this all this?
2 Less American jobs and more imported oil.
3 The much vilified big oil --
4 Chevron, Exxon, Shell, ConocoPhillips, and yes,
5 BP -- will not feel the effects of this
6 moratorium.
7 They have already begun
8 negotiations with other companies and countries
9 throughout the world to continue exploring and
10 producing oil and gas.
11 It is the Gulf South support
12 service companies and the Americans employed by
13 them who are hurt by this pause.
14 On Friday, Representatives Waxman
15 and Markey successfully passed a bill in the
16 House setting new guidelines that they say will
17 guarantee that an event such as this spill will
18 never happen again. I caution people about
19 using the word "guarantee."
20 The bill also requests an end to
21 the moratorium. They say they were able to do
22 so because the House's own investigation was
23 complete, and they were satisfied that BP's
24 actions were not industry standard. Study
25 after study after study has revealed that what

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1 happened on April 20th was not systemic.
2 Mr. Bromwich, we're all
3 environmentalists. We fish recreationally.
4 Others fish commercially. It's imperative that
5 all of the people that use our water -- the
6 shrimpers, the sports, and those who make their
7 living providing energy to our nation --
8 protect each other's way of life and coexist
9 happily.
10 This is the message, please, that
11 you bring back to Washington.
12 Thank you.
13 **DIRECTOR MICHAEL BROMWICH:**
14 Thank you very much.
15 Finally, Mayor Landrieu.
16 **NEW ORLEANS MAYOR MITCH LANDRIEU:**
17 Mr. Director, thank you.
18 I'm really proud to be sitting on
19 this dais next to Parish President Randolph and
20 Claudet, Mayor Camardelle, Congressman Cao, and
21 our great Lieutenant Governor.
22 I didn't have this opinion before
23 today, but I now will pronounce that he's the
24 best-looking, most articulate Lieutenant
25 Governor that we ever had. He also is the only

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1 one I've ever seen that speaks faster than the
2 Governor now.
3 And I really do want to thank
4 Scott. Sometimes, history puts people in
5 places where they don't expect to be, but as
6 Secretary of Natural Resources, I can't really
7 think that the State would have a better
8 spokesman as their Lieutenant Governor, and now
9 he's an ambassador to the state, than Scott.
10 And Scott, you've done a fantastic
11 job. And I would like to adopt verbatim what
12 his comments are and just add a couple to them,
13 if I might.
14 First of all, it's important that
15 you recognize the bipartisan statements that
16 are being made in Louisiana as it relates to
17 the moratorium.
18 Unfortunately, that should go
19 without saying, but in Washington, DC, which is
20 torn apart by sometimes partisan conflict and
21 stagnation, it's important for the United
22 States of America to recognize that Democrats
23 and Republicans alike are down here for the
24 same reasons and are in support of ending a
25 moratorium sooner rather than later.

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1 The second thing I would like to
2 say is that the City of New Orleans, although
3 it is not a coastal parish, has significant
4 interest in what happens in the coast, and our
5 lives are inextricably bound with each other.
6 As a matter of fact, the City of
7 New Orleans is a major landholder in Charlotte
8 Randolph's parish. And so physically what
9 happens in that parish is important to us, but
10 structurally as well, because the economy of
11 the City of New Orleans relies on what happens
12 on the physical lands that these ladies and
13 gentlemen represent.
14 The third point to be made again
15 and again is that the people of Louisiana have
16 been asked by this country to be the tip of the
17 spear for this nation's national security and
18 economic security and been called upon to risk
19 our livelihoods and our land and natural
20 resources for the benefit of the rest of
21 country.
22 And I think it's fair to say,
23 without equivocation, there's a very strong
24 feeling here that we haven't been respected for
25 that, haven't been compensated well for it,

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1 and, in fact, have been abused over a long
 2 period of time. And people are tired of it,
 3 and they want it to end.
 4 Charlotte mentioned that she didn't
 5 like the word "guarantee." Those of us that
 6 have been down here that have suffered the
 7 consequences of major calamities in the last
 8 couple of years know that only hubris would
 9 allow somebody to say that they guarantee any
 10 consequence that mother nature or a human
 11 frailty would bring our way. And I think that
 12 we should shy away from that as well.
 13 But having said that, it's also
 14 clear to us that if the rest of America
 15 continues to consume 20 million barrels of oil
 16 a day and we only produce eight, then the other
 17 12 have to come from somewhere.
 18 And if the Governor of California
 19 or the Governor of Florida or the people of
 20 America don't want to drill off of their lands
 21 and Louisiana will, then we have to find a way
 22 to do it safely, have to find a way that is not
 23 exploitive, that helps conserve the natural
 24 resource and the land.
 25 But, also, we have to do it in a

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1 way that continues to provide jobs and
 2 livelihoods. It is too trite to say that the
 3 moratorium adds insult to injury. The injury
 4 that was most correctly put on the shoulders of
 5 BP, because of actions that that company took
 6 and the consequence of that oil spill, are too
 7 well-known.
 8 Generally, you have the event
 9 itself. You have the frenetic attempt to cap
 10 the well, capture the oil, clean up the oil
 11 that's on the ground, clean up the coast, and
 12 then to compensate people through the claims
 13 process. But the insult on top of that is a
 14 moratorium that was, at least in our view,
 15 imposed in a clumsy way that was more of a
 16 reaction than based on great data.
 17 I know there are people in this
 18 country that have a different view of that, but
 19 we're the ones that are closest to it, and I
 20 think what you're hearing the parish presidents
 21 say is that we believe that you can do this in
 22 a safe way that makes sense. In other words,
 23 you can do it with a scalpel rather than a
 24 hammer.
 25 And we believe that all of the

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1 evidence that has been produced so far
 2 indicates that you can do it much more quickly
 3 and in a way that achieves the goals without
 4 adding the devastating insult to the injury.
 5 It cannot go without saying that BP
 6 is the primary responsible party. When
 7 Mr. Hayward left, the company begin to opine
 8 about the consequences of his departure, what
 9 Mr. Dudley would do, and they said that his
 10 goal was to increase the value of their shares
 11 and to limit their liability, which does not
 12 sit well with us who are more interested in
 13 making sure that people are compensated.
 14 However, there is no way, other
 15 than the hundred million dollars that has been
 16 set aside in an agreement between the federal
 17 government and BP, to compensate any individual
 18 or business for the incredible economic loss
 19 that is certain to continue to get worse going
 20 forward.
 21 And so I haven't heard anybody, as
 22 it relates to the moratorium, talk about how
 23 we're going to make people whole. And, of
 24 course, that is an issue that nobody wants to
 25 talk about because there is no answer, and the

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1 consequences of that are just too hard to
 2 contemplate.
 3 And so I would just urge you, in a
 4 very simple way, to end the moratorium now --
 5 as a matter of fact, August 29th would be a
 6 good date, which will be my suggestion to you
 7 -- and do it in a way that allows this industry
 8 to get back on its feet and to move forward.
 9 Now, there's no question that
 10 everybody in this room knows, as do you, that
 11 we have a lot of work to do together, that
 12 there's a historical reason why we're in the
 13 place that we're in, notwithstanding what
 14 happened on that day on that rig, and we have
 15 to do a better job of drilling safely. We have
 16 to do a better job of doing it in a way that
 17 conserves the resource and the coast.
 18 Because if you take away the
 19 possibility for the resource to be extracted
 20 and you destroy the land and the people that
 21 help you do it, it will end anyway of its own,
 22 sooner than we want it to. And we understand
 23 that.
 24 But we also understand that the
 25 rest of the country doesn't quite get how the

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1 oil and gas industry and the people of
 2 Louisiana and the fishing industry can live
 3 side by side and with each other.
 4 In fact, they are members of the
 5 same family. It is not unusual in many of our
 6 coastal parishes for a family to get up and
 7 some members of the family to work on the rig
 8 and some members to go fishing, and it's
 9 certainly not unusual for the same person to do
 10 both.
 11 And so we believe that there is a
 12 better way. We have presented that to you
 13 many, many different ways, and we would
 14 strongly recommend that you take back, to the
 15 President and to the powers that be, that
 16 ending the moratorium now actually is in the
 17 best interest of the country and the American
 18 people.
 19 Thank you very much.
 20 DIRECTOR MICHAEL BROMWICH:
 21 Thank you very much, Mayor
 22 Landrieu. Thank you, everyone.
 23 I really just have three comments
 24 in response.
 25 First, it's one thing to read about

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1 the economic and personal hardship. It's quite
 2 another thing to hear about the details that
 3 you've provided me here today. I very much
 4 appreciate that, and it has certainly added a
 5 new dimension to my understanding of what the
 6 real impact has been on the people that you
 7 represent. So I want to thank you for that.
 8 Number two, a couple of you talked
 9 about the shallow water drilling issue, and
 10 I've spoken a number of times about that, most
 11 recently yesterday, and I appreciate the work
 12 that the Lieutenant Governor has done with
 13 members of my organization to try to clarify
 14 things.
 15 I just want to make clear for, I
 16 think the umpteenth time, that there is no
 17 shallow water drilling moratorium. There
 18 hasn't been; there won't be.
 19 There has been a lack of clarity at
 20 times, as you know, Lieutenant Governor, in
 21 terms of what the end tails require and what
 22 information needed to be provided. I think and
 23 hope that those clarifications have now been
 24 made, that the information that shallow water
 25 drillers were looking for have been obtained,

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1 and they are in the process of submitting their
 2 applications or have already submitted their
 3 applications.
 4 I will tell you that we will work
 5 very hard, as expeditiously as we can, to
 6 process and approve those applications if they
 7 have the necessary information.
 8 We have no desire and nobody has
 9 secretly instructed me to slow-walk these
 10 shallow water drilling applications. Quite the
 11 contrary, it's in everyone's interests to get
 12 these processed and approved and get those
 13 people back to work.
 14 Finally, I think all of you
 15 addressed in one fashion or another the
 16 moratorium and the desirability from your
 17 perspective of shortening the moratorium.
 18 That's what these public forums are
 19 all about, is to gather information on the
 20 three critical issues that underlie the July
 21 12th moratorium that Secretary of Salazar
 22 issued. It's to gather further information on
 23 drilling and workplace safety, on spill
 24 response, and on spill containment.
 25 This is going to be a process

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1 that's going to go over the course of six
 2 weeks, and we'll be reporting on a realtime
 3 basis to Secretary Salazar and others in the
 4 administration about new information that comes
 5 in that may well result in the shortening of
 6 the moratorium, so that it ends before November
 7 30th.
 8 That's the purpose. That was the
 9 task that Secretary Salazar gave me. We're
 10 going about it in a very serious and
 11 constructive way.
 12 I don't know how many of you were
 13 able to hear the first panel this morning, but
 14 it is a major enterprise by four of the major
 15 oil companies to contribute a huge amount of
 16 money in a mammoth effort to spill containment,
 17 which we've all seen over the last hundred days
 18 or so was sorely lacking. Effort after effort
 19 failed and had not been well-thought-out in
 20 advance.
 21 I think what's happened is that
 22 this tragedy has focused the attention of a lot
 23 of people, including the major oil companies,
 24 on the need to make their operations safer and
 25 to plan in a far better and more coherent way

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1 than they have in the past, for dealing with
 2 what they previously thought was not going to
 3 happen; that is, a spill of this magnitude.
 4 Now we know it can happen. We hope
 5 it never happens again. But steps are now
 6 being taken to deal with it.
 7 So I'm hopeful that on spill
 8 containment, on spill response, and also on
 9 drilling safety, we will accumulate the
 10 information over the course of these next
 11 several weeks; that we will be able to, in a
 12 principled way, shorten the moratorium.
 13 When that will happen, I don't
 14 know, because we don't yet know all of the
 15 information that we're going to compile.
 16 I can assure all of you, though,
 17 there will be a very serious, sustained effort,
 18 and we are extremely serious about this.
 19 So thank you very much for your
 20 participation in the panel.
 21 And thank you to Tulane University
 22 for sponsoring it.
 23 PARISH PRESIDENT CHARLOTTE RANDOLPH:
 24 Mr. Bromwich?
 25 DIRECTOR MICHAEL BROMWICH:

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1 Yes.
 2 PARISH PRESIDENT CHARLOTTE RANDOLPH:
 3 With all due respect, sir, why
 4 can't this moratorium be lifted today?
 5 DIRECTOR MICHAEL BROMWICH:
 6 I don't know whether you've had the
 7 opportunity to read Secretary Salazar's
 8 decision memo. It's a lengthy document. It
 9 lays out in great and, I think, convincing
 10 detail what the reasons were for a lack of
 11 confidence in lifting the moratorium at that
 12 time.
 13 And let me just talk for two
 14 minutes about that.
 15 Number one, at that time, there was
 16 no compelling set of spill containment
 17 responses. There's still not. But the
 18 companies are now working on it, and so we can
 19 gain additional confidence from the steps that
 20 are now being taken.
 21 With respect to spill response,
 22 virtually all of the spill response available
 23 resources were being soaked up by the Deepwater
 24 Horizon spill. If another spill, God forbid,
 25 had happened, there wouldn't have been no

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1 resources essentially to deal with that. That
 2 too is changing. So this is a dynamic process
 3 obviously.
 4 And then finally, with respect to
 5 drilling safety, there are a number of things
 6 that need to be done, and we're going to be
 7 rolling out additional safety requirements that
 8 I don't think will take very long for companies
 9 to comply with. It's not going to be very
 10 costly. But in the experience and with the
 11 understanding of the experts we have here, they
 12 will significantly enhance the state of
 13 drilling safety so that we and you can have a
 14 higher measure of confidence that when
 15 deepwater drilling resumes, it will be done in
 16 a safer manner.
 17 So that's why the Secretary issued
 18 the moratorium when he did, and that's why we
 19 believe it is not yet ripe to be lifted.
 20 That being said, what this next six
 21 weeks effort is all about is gathering
 22 information to see whether we can get that
 23 higher comfort level that we need.
 24 PARISH PRESIDENT CHARLOTTE RANDOLPH:
 25 Then after the six weeks, then you

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1 would present a report for consideration?
 2 DIRECTOR MICHAEL BROMWICH:
 3 The report by its term -- Secretary
 4 Salazar asked me to submit a report no later
 5 than October 31st, but there is no requirement
 6 that I wait until October 31st.
 7 And what I've said publicly before
 8 is that I plan to keep him informed on a
 9 realtime basis on what I learn through these
 10 eight forums over the next six weeks.
 11 So I can't predict the future, just
 12 as you can't predict the future. What I can
 13 assure of you of is this will be a sustained,
 14 determined effort to gather the relevant
 15 information and try to obtain the level of
 16 comfort that we all need.
 17 U.S. CONGRESSMAN ANH ("JOSEPH") CAO:
 18 Mr. Director, with due respect, I
 19 would ask that you work with greater urgency,
 20 because I know, from speaking with the various
 21 entities and companies, whether or not they
 22 have the ability to survive another six weeks.
 23 So again, I want to re-urge the
 24 urgency of this review process; and if you can
 25 make any kind of definitive decision before

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1 that period, obviously, we would deeply, deeply
 2 appreciate it.
 3 Thank you.
 4 **DIRECTOR MICHAEL BROMWICH:**
 5 Thanks very much.
 6 **LIEUTENANT GOVERNOR SCOTT ANGELLE:**
 7 Mr. Director, is it fair to say
 8 that a recommendation would not be possible to
 9 Secretary Salazar until the six weeks of public
 10 hearings are complete?
 11 **DIRECTOR MICHAEL BROMWICH:**
 12 I think it's unlikely. We're
 13 committed to doing a full round of hearings,
 14 including wrapping up here in Lafayette on
 15 September 15th.
 16 **LIEUTENANT GOVERNOR SCOTT ANGELLE:**
 17 So that being the case, September
 18 15th perhaps, if we look at probabilities,
 19 would mark the -- perhaps the earliest time
 20 that we could go through this six-week period
 21 of time, at which point in time it would be
 22 obviously some time you and your staff would
 23 need to crunch through that information to make
 24 a report to the Secretary?
 25 Is it fair today, then, to say that

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1 it would be highly improbable that the
 2 moratorium could be lifted prior to, say,
 3 October the 1st?
 4 Because we do get a glimmer of hope
 5 when we read the comments today, but I think
 6 it's only fair for people who have to make
 7 decisions, who are burning through cash to keep
 8 employees employed -- there is absolutely
 9 nothing in the public record that indicates,
 10 other than this 100 million dollars that would
 11 be available by BP to pay those folks who are
 12 laid off, but it was made very clear to me that
 13 diesel mechanics, automobile mechanics, and
 14 retail store clerks, and folks that I have said
 15 were not direct employees of a drilling
 16 contractor or a energy company, there is no
 17 recourse for them.
 18 So what I don't want to do is give
 19 false hope, and I know you don't either,
 20 because I know your integrity. But is it fair
 21 to say that October 1st would be the earliest
 22 we can look at that?
 23 **DIRECTOR MICHAEL BROMWICH:**
 24 I don't want to speculate on
 25 specific dates. We are committed to going

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1 through with the rest of these public forums
 2 through September 13th.
 3 I will say that we are not going to
 4 wait to collect and analyze the information
 5 until we're done. We're going to do that on an
 6 ongoing basis.
 7 I'll take one more. Then I really
 8 have to wrap things up.
 9 **NEW ORLEANS MAYOR MITCH LANDRIEU:**
 10 To address the three substantive
 11 pillars that you would rely on to make a
 12 determination -- I believe that you said this,
 13 report it back to you -- spill containment,
 14 spill response, and drilling safety; and the
 15 reason why it was done was because the
 16 Secretary was uncertain that we had things in
 17 place to accomplish these tasks.
 18 I would make three comments about
 19 that, backwards.
 20 First of all, drilling safety.
 21 Now, I'm sure that you're doing
 22 everything you can to make sure that the
 23 industry is responding to your request, but I
 24 think I can say without fear of equivocation
 25 that every other oil company has now done what

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1 was absolutely necessary to make sure that they
 2 don't find themselves in the position that BP
 3 is in, with having their shares drop and their
 4 liability exposed.
 5 And I would ask you to take that
 6 into consideration in terms of what has
 7 transpired since the day this spill started and
 8 today.
 9 Secondly, it may be true that the
 10 spill containment was impossible while the well
 11 was still blowing and going, but if static kill
 12 works, spill containment is at its highest
 13 expertise now in the history of America, and
 14 the assets are actually onsite.
 15 So I would ask you to consider that
 16 as well.
 17 And thirdly, it's clear from the
 18 comments that were made this morning that the
 19 industry itself has now stepped up to the plate
 20 and, in a transformative way, corrected its own
 21 behavior in terms of being prepared for spill
 22 response.
 23 So I think there's a tremendous
 24 amount of evidence that the world has changed
 25 dramatically since the day that the moratorium

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1 was put in place and that, in fact, we could
 2 say fairly strongly that we are in a much
 3 better position than we were before this oil
 4 spill occurred to respond to another major
 5 event.
 6 And finally, I would just reiterate
 7 this. I understand that you're on a time-line,
 8 but also you can't pick your time and you can't
 9 pick your place, and I think what the
 10 Lieutenant Governor has said very clearly, that
 11 October 1st, if it's not a drop-dead date, it's
 12 a pretty tough date to go beyond, because
 13 decisions are being made in the private sector
 14 to move; and once they move, getting it back is
 15 going to be very, very difficult. And the
 16 consequences are going to be that much more
 17 dramatic if the industry and the people here
 18 can't make predictions about what to do in the
 19 future.
 20 So just as shareholders want
 21 stability and other folks want stability, folks
 22 in the industry need stability and some
 23 predictability too, and we would just encourage
 24 you to consider that as you move forward.
 25 DIRECTOR MICHAEL BROMWICH:

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1 We appreciate that, and we are very
 2 focused on that very much.
 3 Thank you very much.
 4 Thank all of you.
 5 (THEREUPON, THE PROCEEDINGS WERE CONCLUDED.)
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1 CERTIFICATE
 2 This certification is valid only for a
 3 transcript accompanied by my original signature and
 4 original raised seal on this page.
 5 I, LINDA ARANGUREN BALLEX, Certified Court
 6 Reporter in and for the State of Louisiana, as the
 7 officer before whom this testimony was taken, do
 8 hereby certify that the foregoing proceedings in the
 9 foregoing 175 pages was reported by me in the
 10 stenotype reporting method, was prepared and
 11 transcribed by me or under my personal direction and
 12 supervision, and is a true and correct transcript to
 13 the best of my ability and understanding;
 14 That I am not related to counsel or to the
 15 parties herein, nor am I otherwise interested in the
 16 outcome of this matter.
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 19 LINDA ARANGUREN BALLEX
 20 Certified Court Reporter
 21 Registered Merit Reporter
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