



MARINE MAMMAL COMMISSION

15 September 2009

Minerals Management Service
Attention: Regulations and Standards Branch
381 Elden Street
Herndon VA 20170-4817

Re: Safety and Environmental Management Systems for Outer Continental Shelf Oil and Gas Operations, 1010-AD15

To Whom It May Concern:

The Marine Mammal Commission, in consultation with its Committee of Scientific Advisors on Marine Mammals, has reviewed the Service's proposed rule concerning safety and environmental management systems for Outer Continental Shelf oil and gas operations (74 Fed. Reg. 28639). The Commission supports the proposed rule and the goal of reducing the risk and number of accidents, injuries, and spills associated with these activities.

RECOMMENDATION

The Marine Mammal Commission recommends that the Minerals Management Service move forward to implement its plan to require safety and environmental management systems for all oil and gas operations on the Outer Continental Shelf.

RATIONALE

Safety and environmental management systems are a common means of analyzing hazards, training personnel, establishing operational procedures and safe work practices, developing emergency response plans, investigating accidents, changing equipment and procedures after an accident, and auditing and recordkeeping. They are used to promote safe and environmentally sound operations in a variety of industries and federal, state, and local governments. For the oil and gas industry, these systems often are based on the American Petroleum Institute's Recommended Practice for Development of a Safety and Environmental Management Program for Offshore Operations and Facilities. In addition, guidance for development of such systems is provided by various safety professionals and commercial software programs.

The Minerals Management Service categorizes oil and gas activities on the basis of production levels and the number of operations per operator. At least 70 of the 130 oil and gas operators working on the Outer Continental Shelf have a voluntary safety and environmental management system, including all "high activity" operators (13 of 13) and most "moderate activity" operators (29 of 41). However, only 28 of the 76 "low activity" operators are known to have a system in place. Lack of participation by operators at any level of activity is a serious concern because, as described in a 1999 National Research Council report and noted in this week's issue of *Science*, even under ideal conditions cleanup crews are able to recover only 30 percent of spilled oil. Depending on the timing and location, even quite small spills are capable of having devastating effects on seabirds, waterfowl, and polar bears.

Statistics on oil spills issued by the American Petroleum Institute indicate a reduction in the frequency and size of spills over the past decade. Much of that reduction is attributed to better equipment. Of 1,443 incidents documented by the Service between 2001 and 2007, only 25 were due to failure of a safety device. In contrast, no improvements were noted in three important categories, related to (1) operations conducted in a safe and workmanlike manner, (2) equipment maintained in a safe condition, and (3) safety of personnel and all necessary precautions taken to correct and remove any hazards. The Service therefore concludes, and the Commission concurs, that further reductions in accidents, injuries, and spills are most likely to come from prevention of human errors.

The proposed rule would require lessees and operators to have in place safety and environmental management systems for oil and gas operations on the Outer Continental Shelf. Qualified auditors would review these systems at least once every three years, and the reviews would be observed by personnel from the Minerals Management Service's Regional Supervisory Field Office. During an audit or at any time, the Minerals Management Service or an authorized representative would be able to evaluate any aspect of the safety and environmental management system, including documentation of contractors, independent third parties, and designated qualified personnel. Within 30 days after the completion of an audit, lessees and operators would be required to submit a report to the Regional Supervisory Field Office and to retain all records of the audit for at least five years. In addition, each year they would be required to submit a simple one-page performance measures data form. The Service could respond to shortcomings by (a) issuing an Incident of Noncompliance, (b) requiring the lessee/operator to revise and submit a plan to address identified deficiencies, (c) assessing civil or criminal penalties, or (d) initiating probationary or disqualification procedures to prevent the lessee/operator from participating in oil and gas activities on the Outer Continental Shelf.

The Service's proposal to mandate safety and environmental management systems is reasonable and should help reduce or prevent the occurrence and the financial and environmental costs associated with an actual spill or accident. The Commission does not believe that the financial cost and workload to develop and implement such a system would be unduly burdensome, even for low-activity operators. In addition, the Commission believes that lessees and operators should bear the costs of ensuring that their operations are environmentally safe. For those reasons, the Marine Mammal Commission recommends that the Minerals Management Service move forward to implement its plan to require safety and environmental management systems for all oil and gas operations on the Outer Continental Shelf.

Please contact me if you have questions regarding our recommendation or rationale.

Sincerely,



Timothy J. Ragen, Ph.D.
Executive Director