

Meeting Terrorism through Regulation and Compliance

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The Minerals Management Service (MMS) is the Nation's designated steward of mineral resources on the outer continental shelf (OCS). This stewardship responsibility requires MMS to achieve a proper balance of providing energy for the American public and protecting the unique and sensitive coastal and marine environment.

Safety, to people and the environment, is paramount in our work. Like the California State Lands Commission, MMS and the companies operating facilities on the OCS (operators) know how to anticipate and prevent accidents. The safety record for OCS operations in this area is exemplary. Since 1970, OCS operators have produced about a billion barrels of oil from Federal lands offshore California. In that same period, about 843 barrels have been spilled from these operations. This is 0.0000843% of the total production. This compares to the over 800 barrels of oil that naturally seeps into the waters offshore southern California every week.

There are several reasons for this outstanding record. The offshore operators have spent a great deal of money developing new technologies, training their personnel, and securing the best equipment to safely explore and extract oil and natural gas. For its part, MMS has established and maintains a comprehensive and practical regulatory and compliance program. Compliance is backed up 365 days a year by knowledgeable and experienced inspectors. They and the operators work cooperatively to head off trouble before it can start. Together, they know how to spot potential problems and deal with safety issues in the many and complex steps of producing oil on the OCS.

On September 11, 2001, we all got a new safety issue to deal with – terrorism.

Fortunately, the offshore oil and gas regulators and operators are not starting from scratch with this issue. In no small part, this is the result of a well established and accepted regulatory and compliance program.

For some aspects of meeting terrorism, we are already well prepared. For example, if a platform is hit by a terrorist attack, we know how to deal with evacuation, fire, explosion, and hazardous materials spills. Not only are there regulations and policies in effect, but, more importantly, there are frequent drills and practices for dealing with these critical safety issues.

Offshore oil and natural gas exploration and production has the advantage of being conducted in a controlled environment. Gaining access to a platform is

problematic; platforms are difficult to get to and access is controlled. The operator decides who can come aboard the facility. We are ready for an attack, should one happen. However, where we still need work is in the area that provides the theme of this conference – Prevention First.

I think this is a particularly significant issue in California. An offshore platform may not be a terrorist's highest priority simply because there are not a lot of people on one. However, a high terrorist priority is gaining public attention and press coverage. Due to the narrow continental shelf off California, platforms here are relatively close to shore and, generally, visible from the beach. (It is partially for this reason that offshore oil and natural gas production has been so controversial in this State.) And these beaches are in the biggest media market in the world. There are more television media vans in southern California than anywhere in the United States. There is no doubt that all these communication vehicles would be at the beach in short order should anything happen on a platform.

In the Pacific OCS Region, we have focused our attention in particular on the possible boarding or capture of a platform. Rather than considering new regulations to address this matter, we have looked to less formal ways of increasing vigilance and improving cooperation and communication among and between a host of parties. We have taken a hands-on approach and tried to find the most common sense, practical way to do things.

As Tom Readinger, the MMS Associate Director for Offshore Minerals Management, said recently, "I firmly believe that MMS should take a proactive approach in homeland security – one that is consistent with our mission to manage OCS mineral resources in a safe and environmentally sound manner."

MMS has issued Threat Advisory Guidelines that mirror the Homeland Security Advisory System. These lay out procedures for MMS personnel and offshore operators to follow in various threat conditions, from "low" to "severe."

Here, in the Pacific OCS Region, we have also established effective liaisons with the Coast Guard, Federal Bureau of Investigation, local law enforcement agencies, and the appropriate military agencies. Without exception, these organizations have been responsive and great to work with.

To assist law enforcement in the event of a platform being captured, Tom Dunaway, our Field Operations Regional Supervisor, has prepared books providing detailed information on each platform in the region, with photographs, schematics, and layouts. With this resource, local law enforcement and the FBI will fully understand the physical facilities and be able to safely negotiate around and through them, even in the pitch dark.

We have also established a system of reporting any suspicious activities in the vicinity of the platforms. This system includes both the California State Lands Commission-regulated platforms and those under MMS jurisdiction. It is really quite simple. If an operator spots something unusual, such as a strange boat hovering around their platform, they report the situation to one of our District Offices with as much descriptive information as possible. In turn, the District Office will pass this information on to all other offshore platforms and the Coast Guard. Then, all operators can be on the alert for the vessel of concern, and the Coast Guard will take whatever action is appropriate including bringing in local law enforcement agencies or the FBI.

The alert system has been a real community effort. The idea was first suggested by David Rose of Arguello, Inc. at a meeting we had shortly after 9-11 with our operators, the FBI, and Coast Guard. Then, the process and form we use was developed jointly by MMS, the Coast Guard, and the Ventura County Sheriff.

For years, one of the roles of our inspectors has been to act as observers of the general environment as they fly to and from the platforms. They have always been alert for any signs of oil in the water or boats in distress. Because of the new safety threat, we have also given them some training on how to better recognize anything that might indicate the presence of divers or swimmers.

When it comes to spotting potential trouble on an oil platform, no one is better than our inspectors and the people who work on the platform every day. They are intimately familiar with the facility, inside and out, and have the experience to look at a pipe or valve and recognize potential weak spots. Prevention first is their job. Remember, these are the very people who have set the exemplary safety record I referred to earlier. For meeting the new threat, there is only one problem. None of these people know anything about being a terrorist or how a terrorist might look at a platform.

So, we are launching a program to help our inspectors view a platform as a terrorist might. When President Bush announced his National Strategy for Homeland Security, one of his initiatives was to use the "Red Team" concept to assess vulnerability to terrorism. We are working with one of the military's premier anti-terrorism groups to use their "Red Team" to develop a checklist enabling inspectors to identify vulnerabilities and weaknesses for the platform operators. This is similar to what we already do in our Focused Facility Inspection Program, where we go through a facility from top to bottom identifying technical and management problem areas and opportunities for improvement.

Clearly, it is very much in the State and Nation's interest that agencies work together closely to achieve protection of the offshore platforms. We are doing just that with the California State Lands Commission. Already noted is our shared Suspicious Activity Reporting System. The California State Lands Commission will also be part of the development of the "Red Team" checklist

effort. Meeting the terrorist threat together makes all the sense in the world, because, for a terrorist, one California platform is like any other.

These new but simple efforts, coupled with our existing regulatory and compliance program, will do much to bring us up to speed in the post 9-11 world. Rapid and effective response opportunities have been enhanced. Prevention first is our objective.