

Testimony of Sandra Fury
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Admiral Watkins and members of the commission, I am Sandra Fury, manager of Health, Environment and Safety of ChevronTexaco's Deepwater Business Unit.

The offshore oil and natural gas industry has a story to tell about the industry's environmental and safety record. We think it's a good one. Perhaps the U.S. Energy Department said it best: According to a 1999 report by the agency: --and I quote--"The U.S. oil and gas industry has integrated an environmental ethic into its business culture and operations."

And we have. Before oil or gas comes from beneath the seabed, each offshore rig is examined and tested in accordance with the rigorous environmental standards.

The offshore oil and natural gas industry is a worldwide leader in offshore technology development. New technologies mean increased production at vastly improved rates of efficiency and with minimal impact. These same technologies enable us to produce offshore oil and natural gas safely and with little environmental risk in an environmentally protective manner.

For example:

Remotely operated vehicles allow close monitoring of subsea and seabed conditions.

Sophisticated high-pressure valves on platforms close automatically when they detect an unusual event.

Automatic failsafe devices are installed below sea level to protect the seabed and marine life.

Master control switches to shut down operations are located at easy-to-reach stations on each platform, and often at onshore control facilities hundreds of miles away.

The industry has maintained an exemplary safety and environmental record even in the face of Gulf hurricanes with winds of 100 miles per hour or more. And, thanks to some of the most advanced technology in the world, the energy industry continues to do a better and better job.

Many of our critics worry about oil releases. So do we. Our goal is to eliminate them. Even as production has increased, the small amount of oil in the Gulf of Mexico from oil and gas operations has declined dramatically. According to the U.S. Coast Guard, between 1985 and

2000, 6.3 billion barrels of oil were produced in federal offshore waters with less than 0.0001 percent spilled. That is a 99.999 percent record for clean operations.

The major source of oil in the Gulf of Mexico is natural seeps, not OCS operations. Natural seeps are responsible for 30 percent of the oil in the Gulf. Municipal wastewater discharges account for another 27 percent. Industrial discharges, urban runoff, upriver runoff, and shipping all put more oil into the Gulf of Mexico than OCS operations.

Nonetheless, we are vigilant. The industry and the U.S. Coast Guard have crews and equipment ready at a moment's notice to quickly contain and capture any oil spill.

Thirty years ago, oil and gas producers created Clean Gulf Associates, and it has evolved into a state-of-the-art spill response organization with equipment and vessels ready to respond throughout the Gulf.

The Marine Preservation Association is composed of energy companies in every sector of the business, and helps fund the Marine Spill Response Corporation—known as the MSRC. It also has a fleet of vessels built to recover and store thousands of barrels of oil. The MSRC has numerous storage barges and 325,000 feet of booms to contain floating oil, plus seven command centers. The boats and equipment are kept ready for quick response at 47 locations along the Coast.

To make sure that crews and equipment are ready, the federal Minerals Management Service makes surprise inspections up and down the coast.

In other areas, we also strive to minimize our environmental impact, and the offshore energy industry has much less impact than most people think.

Protection of fragile wetlands along the Gulf Coast is a high priority. For example, as a result of advanced technology, improved operating practices, increased mitigation efforts, and effective cooperation with federal and state agencies, the oil and gas industry's impact on coastal wetlands has been reduced by 90 percent since 1982.

Another area of concern is the well being of offshore fisheries. Hypoxia, or lack of oxygen, is a concern and is caused primarily by nutrient enrichment from agricultural and urban runoff. Discharges under strict permit limits from offshore platforms contribute less than one half percent of the nutrients that can cause hypoxia.

We are concerned about the decline in the Gulf's fish stocks, primarily caused by over-fishing. Oil and gas production structures provide important fish habitat in the Gulf. Scientists have found that fish like to live near these artificial reefs. Five to 100 times more fish can be concentrated near offshore platforms than in the soft mud and clay habitats elsewhere of the Gulf.

As a result, 70 percent of all fishing trips in the Gulf head for oil and natural gas platforms. Likewise, 30 percent of the 15 million fish caught by recreational fishermen every year off the coasts of Texas and Louisiana come the waters around platforms. Even when the platforms stop producing oil, they are increasingly placed as “rigs to reefs” so the fish will stay too.

Last but certainly not least, safety is a top priority. Workers on offshore platforms are less likely to get hurt or sick than workers in many other sectors of the economy. According to the U.S. Department of Labor, the injury and illness rate for the private workforce in the United States is 6.3 per 100 full-time workers. The same figure for the offshore oil industry was 2.3 per 100 workers. Or, to put it another way, federal statistics show that injuries in the offshore industry are almost two-thirds less than the national average. Further, the injury rate in the offshore industry has fallen by 37 percent between 1995 and 2001.

Oil and gas operators have established a strong record of environmental protection and safe operations, while providing valuable energy resources to our nation. We are committed to this standard for the future, and committed to the success of your mission — a comprehensive and coordinated national ocean policy supporting resource use and conservation.

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