

Bureau of Safety and Environmental Enforcement (BSEE)

Workshop Part 1 on “Rigs-to-Reefs” program

Introduction:

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U.S. Department of the Interior**

Moderator:

Erness Wright-Irvin,

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DAVID SMITH: I'm David Smith. I'm with the Bureau of Safety and Environmental Enforcement. I want to welcome all of you here today. Can everybody hear me in the back OK? All right, I want to welcome all of you here today for our second in a series of meetings on Rigs-to-Reefs. And I'm very pleased to see so many folks who have come from Texas as well as other areas in the Gulf region and definitely appreciate your willingness to travel. We didn't want to have all the meetings in one place and force the same people to have to travel all the time. So we mix these things up as needed.

We're going to have a pretty full agenda today. And we have a facilitator with us, Earnes Wright-Irving (sp), who's going to be helping us out to keep things on track so that we can make sure that we get all the discussion points in that we need to and hopefully leave here today with an idea about where we need to go next.

Our first meeting in Houston, I thought, was very helpful to a number of us in the federal agencies, and I hope for those of you who attended as well, in that we learned what some of the concerns were, we learned some of the myths out there about some of the decisions that have been made, and we started talking a little bit about where we might go from there. And this workshop is an output for that.

So what we hope to accomplish today is a little better understanding of the process for converting a platform to a reef and a way ahead and a – (inaudible) – on how we actually start doing some planning and the information needs that you all would have as to how we would do that so we don't have surprises so that folks don't go out to an area and find out that a platform that's been there for 20 years is suddenly gone and they didn't know it was leaving. So how do we manage that process a little bit better?

But to start us off, I'm going to introduce our director for BSEE, Jim Watson. Jim has been with the bureau about a year and a half now. And he was with us Houston and it turned out he had another speech here this morning, so he's going to have to leave, but we're fortunate enough to be able to get him on the same day as the workshop in his agenda.

JAMES WATSON: Thanks, Dave. And you know, I want to start right out by thanking the University of New Orleans here for this facility and also the folks that helped to get us all organized here. There's some good, hard-working people in our BSEE organization, including Dave and his staff but also folks from the New Orleans region down here, the Gulf region. And you know, I think we've got a nice facility here today to get this worked out. It looks like we filled just about every seat so if there's any stragglers, they better get here fast and get those last seats.

We are very focused on having a good dialogue about this issue. I've been trying to work it in that sort of context since it came up on my watch here as the director. And we've found that venues like this are the best way to go, that we – as Dave mentioned – we've already had one

meeting which had a lot of interaction down in Houston. Actually, I attended a meeting of the Fisheries Advisory Committee even before that, down in Corpus Christi.

I've had meeting with various congressman, and I want to say that they've been very, very responsive. In fact, Congressman Palazzo from Mississippi has a representative here today, his chief of staff. So I think we've got – you know, we've got the right folks, both within government and outside of the government and representing just private citizens in the – you know, in the mix here.

So this is – this is something that we are going to try to move that ball down the field toward a solution that will, I think, solve everybody's concerns, but not just have an answer that's "stop" or "we can't decide" or "wait till next year" or something like that. I think that now is the time to sit down and do good, constructive work on this issue.

One of the things that is important to the bureau is thinking about the hurricanes seasons when nobody else is thinking about it. One of the big drivers for the current policy that we have now is several bad hurricane seasons that had occurred in which these whole structures just were knocked down by the weather. And that's not – that's a – that's a non-plan, when you just let nature topple something over.

So we hope that you will deal with the facts as they are in the Gulf of Mexico. A lot of these structures are old, but as you know some people would say, well, this is – this is very difficult because to take a platform out is also certain – there's a certain amount of destruction to that – going on at that stage. So what we have to do is find the balance. And I think that's our goal here today.

We have with us all these federal agencies. We also have the – a representative here from the state of Louisiana who will speak to you later. What we plan to do is to have a little bit of an education process upfront and a lot of time for facilitated discussion once everybody kind of gets on the same plane with how these processes work.

So as I said, we're committed to approaching these issues in a collaborative manner. We really need your input. And I just want to thank the University of New Orleans once again for their hospitality and hope you all have a very, very productive and valuable day today. So thank you very much. (Applause.)

MS. : Good morning. My name is Earnes Wright-Irving (sp). I'm going to be your facilitator today. I have a history of 27 years as a hospital facilitator in academic tertiary institutions, like emergency rooms and trauma centers in lots of critical industry issues in health care. Through that process, I learned that collaboration is not an easy thing, but it is absolutely essential when you have people with very specific skills and knowledge that have to work together in order to save lives.

What you are doing here is in the same vein of collaboration because each of you have specific skills, knowledge, talent that we need to harness and figure out how we can move forward to solve the critical issues in the Gulf. So I spent the last 10 years using those skills I

learned to work with groups that are seeking to find a way forward, harnessing the talents of everyone in the room.

I think we have a really wonderful agenda planned for today. And as facilitator, I just want you to know that my commitment to you is based on my two foundational values: One is inclusive participation of everyone in the room – so that means no one speaks before anyone else; everybody is expected to participate. And the second is profound respect for everyone in the room, which means that we say things in ways that people can hear them. If you hear something that's very antagonistic, your emotional responses go up and you can't hear.

So my role here is to create a safe space with profound respect and inclusive participation so that we can really work through these very complex issues, but find solutions and answers. And that's what we're looking for. My goal today is that we have a very robust discussion and deliberation that allows all parties in the room to share their ideas and their concerns. There is wisdom where – when perspectives are shared, and that's what we're aiming for.

Everyone should have a printed agenda. Did you get one when we walked in? And if there's some concerns about that, I brought some extra flip charts and I can write it on the wall so make sure we're moving at a good pace. We'll have two presentations this morning, then we have a lunch break for about an hour, then we have an afternoon of strategizing how we move forward on some critical decisions. We plan to end at 4:00 talking about next steps and a general reflection on how productive the session was today.

Now, before we start, I just want to let you know, people have said what are those colors on the table for? And so before we start, so you know what they're for so you can start thinking, I've written them out. You have four colors. And I've written them out. Hopefully you can see this. We're going to structure the process for input. And I wanted to say this upfront even before introductions so everyone is clear.

The papers on the table are if you have any questions of clarity about what anyone has said here, all you got to do is hold up this pink piece of paper. This means priority. I will recognize you and, you know, be very clear, because in order to make the decisions everyone has to have a common basis of understanding about the information. So pink is questions of clarity.

If there's a green – this is what you really liked – you heard something you really liked and you want to speak to that. The next color is yellow. It's caution for me that there are some issues that what you heard today, something that you think that won't work. I'm not sure. I – caution – I think this won't work, and why you think it won't work. So I will ask questions in this order. And the last one is blue, that you have specific recommendations on an issue that you want to speak to.

So after we have presentations I will ask for input based on this order and this structure. So the first questions I will always ask, are there questions of clarity? We have two floor mics here. If you can hear me if I walk away from the mic, then that's fine. If your voice is such that you need to step up to the mic, there's a mic on this side and a mic on this side of the room.

You can come up, but I will acknowledge people with pink first, the questions of clarity, and then if you come up – if I see you with the – a blue sheet and we're not to recommendations yet, I will ask you to wait because I will get to that point. But you can take that sheet and kind of make some notes because we want all of those recommendations to come forward. Are there any questions about the process? Yes.

MR. SMITH: Earnes (sp), I've got something. I failed to mention, we are going to actually be videotaping this session, like we did in Houston. And we'll be editing that down and putting it in usable chunks on our BSEE website. So it actually would be helpful if you're either close to a microphone or projecting loudly so that our cameras can pick up and we can make sure that we're getting any questions or feedback or things like that, so that we can get an accurate transcript as well because we want – for people who were not able to attend today, we would want folks to be able to see and hear the discussions that we had.

So with that I also need to let you know that it is being recorded, just for your own awareness. And also, I didn't ask about turning off cellphones and things like that, or silencing them, so that they don't interfere with the audio. Thanks.

MS. : Sure. Thank you, Dave. Well, he just gave me a segue to my next guidelines. There are some guidelines that I will ask you to be very specific about and adhere to in this session because we've got a lot of work to cover. One is, I want you to listen deeply to what is being said. Jot your notes down on the pads if you need to, but listen deeply. The second is, share the air. We don't want anyone to dominate the discussion. We have a lot of people in the room. We all have specific talents. Please share the air.

The next one is, participate fully. Bring your whole self into it. Listen with your heart as well as your brain and your intellectual capacities. And finally, I want you to relax and be yourself. We're all in here together. We all share common human characteristics. We all are interested in the resiliency of the Gulf waters. And the last thing is, please turn your electronics off or put them on silent. If they're in your pocket or in your purses, please get them out now and turn them off and turn them to silent.

So as we begin, I would like to first recognize – because people have come in and sat in certain tables and that was at my request because I wanted to make sure that we had all the interests in the room and we could recognize them. At tables one and two – where are tables one and two? Are they up here? Two and one? Oh, OK, back there. People sitting at those tables, you represent the fisheries – the fish habitat industries?

No? Table two is – (laughter) – are you all mixed up in table two? Oh, that's all right – that's all right. But we have table two and table one in the back. Are you representing the fish habitat industries?

MR. : Negative. No.

MS. : Negative, OK. (Laughter.) Well, that didn't work. But we're resilient and we plan. (Laughter.) So who is representing fish habitat industries here? Would you please stand?

MR. : Fish habitat industries?

MS. : Fish habitat.

MR. : (Inaudible) – association, at your service. Thank you.

MS. : OK, great. Thank you. Both of you?

MIKE HURST: Mike Hurst, Corpus Christi SEA.

MS. : OK, thank you.

BENNY GALLAWAY: Benny Gallaway, representing Southern Shrimp Alliance.

MS. : Great. I'm glad you're here. I appreciate it. Yes.

BRENT CASEY: Captain Brent Casey, Port Aransas Boatman Association, Port Aransas, Texas.

MS. : From what association from Texas?

MR. : Port Aransas Boatman Association, Port Aransas, Texas.

MS. : OK, boatman, OK, great, thank you. We should have – oh.

TOBY ARMSTRONG: Toby Armstrong. I'm representing the Louisiana Council of Underwater Diving Clubs.

MS. : Great, thank you. We have representatives from the oil and gas industry. We had hoped they were sitting at tables three and four. Is that correct?

(Cross talk.)

MS. : OK. Can you all – we don't have time everybody to individually introduce themselves, but I wanted to give that shout out to the fish and shrimping industries. So I was glad you were able to do that. Could you stand, please, so we know where you are?

(Cross talk.)

MS. : Oil and gas, great. No, there's never too many in the room. OK, thank you for showing up. (Laughter.) Oh, tables three, four and seven, OK.

The decommissioning operators, are you here? Are you at table five and – five and six? OK, can you stand so everybody can just visually see how many people representing that industry, wherever you are? OK, great. Thank you.

We have recreation and commercial fishery. We have representatives from that industry. Can you stand, please? Is – are at a particular table? OK. Great.

MR. : Southern Shrimp Alliance is represented, they're just – (inaudible).

MS. : Great, that's all right. (Laughter.) We all belong. We all cross sectors here and belong to more groups. The conservation alliance – the conservation industries, is there anyone here? Welcome. Glad to see you.

We talked about shrimping – and then we have state and federal officials other than those at the table, in the dais up front. Do we have any other state and federal officials here that are – OK. Great.

I wanted you to see the different perspectives in the room. And the reason I asked you to sit together, because as those tables where there's a cohort, if you want, we will have some time for some discussion at the table. So if there's some issues that you really want to bring up and you talk about at your table, maybe a representative from the table can address those issues instead of everyone individually coming up. But we'll see how that works. We want to make sure that all the perspectives are brought to bear.

So I'd like to take a minute then to move to our agenda and have the panelists up front – (phone rings). Oh, we have a cellphone that was left on. Probably was not his. But thank you for taking care of that. I would like now at this time to have panelists introduce themselves. And if you could stand when you introduce yourselves and – (inaudible) – if there's enough room for you to stand at those tables without knocking each other over, if you could stand and introduce yourselves just briefly, all the people here, so we know who you are, and then we will start with the individual – you know, your presentations. So we can start at the far – my left.

MR. : I'm Rusty – I'm Rusty; I'm with NOAA Fisheries. I'm the national recreational policy advisory there, at NOAA fisheries.

T.J. BROUSSARD: I'm T.J. Broussard; I'm the regional environmental officer for the Gulf of Mexico region for the Bureau of Safety and Environmental Enforcement, formerly MMS. And – (off mic) –

MR. : Is the speaker system on? Because it doesn't sound like it's on. (Inaudible.)

(Off-mic exchange.)

MS. : I'm Marie Keller (ph). I'm with the Bureau of Ocean Management – formerly MMS as well. I'm in the Office of the Environment, the Biological Science Unit.

MR. : Hi, good morning. I'm Mike Farrety (ph), I'm with the Army Corps of Engineers here in New Orleans. I'm in the regulatory branch, and we basically deal with the – (off mic) –

RUSTY WRIGHT: Hi. Rusty Wright with the Coast Guard district here in New Orleans.

(Off mic.)

ANN CAMPBELL: Ann Campbell, EPA. I'm the associate director for ocean and coastal programs at EPA.

MS. : We would like to start the presentations now. Dave, do you want to have a few words – (off mic) –

MR. SMITH: Yeah. (Inaudible.)

MS. : Thought we needed another mic here. (Inaudible.)

MR. : All right. That is nice. So we kind broke everything up into three different discussion areas. And the first one we wanted to talk about – the permitting process, and as soon as our audiovisual guy is back in here, we'll have the slide up on the screen. And we've also posted it in a couple of places around the room so that you can look at it during breaks and that sort of thing – if we can study a little bit more closely. It is a complicated chart, which is why T.J. is going to explain it. (Laughter.) It's not complicated to T.J. – he does this all the time – but for the rest of us, it's kind of difficult to figure out exactly who does what where.

So he's going to talk about that a little bit, because one of the concerns that we've heard is about the permitting process and how much time that can take to happen if a company decides that they want to reef a platform.

So T.J.'s going to talk a little bit about that. Then we have Doug Peters from Louisiana, who is going to talk about the Louisiana role in the permitting process – (off mic) – in Houston, Texas to talk about how Texas did it so, so we want to be able to do the same for Louisiana – this morning. And then after that, Vanessa (sp) is going to start with her color-coded questions, and we'll see how things go from there. So I'm going to turn it over to T.J.

(Cross talk.)

MR. BROUSSARD: Morning again. My name's T.J. Broussard, again. I've kind of been dealing with Rigs-to-Reefs since about 1999. Started on the (NEBA ?) side. And my group worked with it from the planning. We had kind of a Rigs-to-Reef team, I think, beginning probably about 2004, 2005 in response to the 2005 hurricane season, where we had members of what was then MMS' Gulf of Mexico region working the issue from the structure side – the Office of Structural Technical Support – at that time Ramona Sanders, I think, was on the team – I stole her to work with our group now.

We had a member of what was then – (off mic) – aspect at the time, and one of our biological scientists, Herb Lee, who could not be with us today. And most – I think a lot of you

were in the 2008 workshop we had. So we discussed a lot of this in different types of flowcharts that didn't necessarily look like that schematic on the back of your refrigerator. But we want to walk through the process in the sense – (off mic) – in a very – (off mic) – this is actually very dumbed-down format – big box format – Washington, D.C. format, I think I've been accused of saying before – that explains some of the process, and it's somewhat of a parallel process, that it's somewhat of a parallel process that we proposed in 2008. We had – back at that time, we had some of the same exact issues. Why is it taking so long to get a permit approved at the time in MMS – when you wanted to propose Rigs-to-Reef when, at the time – as we do now – we support and encourage reefing as much as possible in the state programs?

So what we had proposed then was, please, when you go and speak to the state – at the same time, come in and talk to us so that you don't find out that there's a roadblock down one of these parallel routes. And that's what happens, for the most part, today when the operator goes into the state office – whether it's – (name inaudible) – with Texas or Doug with the Louisiana program – Mississippi, Alabama, we invited those guys to come. We have had some reefing with Mississippi and Alabama – not as much. And we've even talked to Florida. You've got to kind of go and ask them if we can have a rig. So they're kind of waiting, and we'll see how that goes.

But we – out of the 2008 meetings we had, we've kind of seen this take effect, where the operator would propose – (off mic) – plan or their structure removal permit. At the same time, they came in with – to the state with their reef proposal. The reef proposal goes through a separate process – we'll let Doug talk a little bit more in detail about that – that involves the Corps of Engineers and the Rivers and Harbors Act permit.

And our office currently – I won't speak MMS-talk – but in the current BSEE/BOEM process, Office of Structural and Technical Support again receives it, overviews the permit application, makes sure that all the components that are necessary are there. Once we have what a – deemed complete permit application, the permit is then sent to the BOEM Office of Environment, the Operations Assessment Section. They prepare an environmental assessment on every single structural application proposed, whether it's Rigs-to-Reef or whether it's not.

Whether it's explosive severance, whether it's nonexplosive severance – every removal is considered a major federal action. We prepare an environmental assessment that, luckily enough, is tiered back to – and I didn't bring it with me – a programmatic environmental assessment that we don't have to refill all the blanks. So we just tier to it, and it allows us to prepare an EA in a matter of days versus months and years.

The EA is prepared by the BOEM – (off mic) – the BOEM operations assessments section. At the same time, structural support is reviewing it from the engineering standpoint and the regulatory standpoint. They inform my group. I'm the chief of the Environmental Enforcement branch; we kind of have the environmental side on the BSEE side of the table. When the EA is completed, the active donation information is submitted from the state to our to Rigs-to-Reef coordinator. We have a Rigs-to-Reef coordinator in BSEE that kind of, daily coordinates with Dale (sp) – with all the state groups and oversees that we have everything needed for the state for the state for the – (off mic) – permit.

The EA is completed; we write what's called a finding of no significant impact off of the EA. So just because we split MMS, we don't double up the work. We let them write the environmental assessment, and we do the decision document, basically, that says that there will be no significant impact on the operations. We then give it back to the Office of Structural and Technical Support – these guys will do a site clearance approval – that's the site clearance trawling or verification methodology to make sure no obstructions remain on the OCS and a removal approval. And at that point, the operator, if he has the state components completed, can conduct their removal operations, their reefing – whether it's reefing in place, reefing in a new reef site or an existing reef site. There's information that comes back – I'll let Doug speak to as far as the post-reefing surveys, donation agreement – and then whatever necessary site clearance verification work is completed at that time.

Generally, if it's an abandoned place, we generally go with Sonar. If it's coal removal to a new reef site or an existing reef site, you have – (off mic) – trawlers doing the work. The – (off mic) – that's it, in a nutshell. Most of our – again, before 2008, most of our bottleneck came in kind of going at this in serial pattern. Now that we work every issue, I think Doug gives us a heads-up every time he gets an application. Every time we get an application, we work with him. The parallel route kind of helps us speak to the process. There's an internal permitting decisions that we're going through right now in order to streamline the process as well, within BSEE itself – regarding APMs – applications for permit to modify – basically, your well decommissioning permits that have to be approved as well.

That we're working with our district office to try to streamline most of those processes – as well, because those – we want to make sure that when the site goes to artificial reef, or when the material goes to an artificial reef site, that all the pipelines have been properly abandoned and decommissioned – all of the wells have been properly (PNA'd ?) and decommissioned. What we don't want to have is Doug adopting a site and it have well issues and problems that – again, we're going to be asking fisherman and divers to enjoy it, we don't want to have future well operation issues there.

That's part of the internal coordination that we're working through right now. I think we'll be able to report back to everyone in the next probably several weeks that we've made some improvements. And that's it for the permitting side of the equation. Do you want to introduce – go ahead and have Doug – if we could have Doug Peters from Louisiana Department of Wildlife and Fisheries – y'all know him on the operator side – the second half of the equation, and he will talk to us about the Louisiana – (off mic).

DOUG PETERS: Well, thank you. I see a lot of familiar faces, and I've worked with many of you on different artificial reef projects in various aspects. I'm going to give you a very brief overview of the program. I know some of you have heard it in quite detail; others may not have heard it at all. But anybody who wants more detail after I give this talk, I'll be around, and I'm more than willing to present that at a later date. But as far as the permitting process goes, I'm going to start out that we do have nine artificial reef landing areas off the state of Louisiana that go from the west side of the state to the east side of the river.

So – and these are quite large areas that were set up around 1986, with one addition shortly thereafter that allowed for the creation of artificial reefs off this great state. So a lot of reefs have been developed in those planning areas. We had 45 of those. There was later on, in the early '90s, the development of a special artificial reef site outside those planning areas for special cases. We've developed 17 of those reef sites since the implementation of that program, and then we also have another program that basically constitutes an area kind of off the continental shelf. It's for platforms in greater than 400 feet of water, where we can possibly considering reefing those in place as long as they meet the criteria of our deep water amendment, and also, other government regulations that are involved in that.

So the first thing that usually happens is that I either have the operator or consultant contact me or, if I see a structure that we feel would be a great habitat for the program, I will contact them. And we start discussions on, what are the options for that structure? The placement, other things in the area – I mean, there's a lot of considerations involved in determining what those options. I'm not going to get into the specific details, because each structure is individual. But basically, we come up with usually one to two options, and some of it's sometimes reefing in place, if that's possible. But a lot of times, we tow it to an existing reef. So we have 70 artificial reefs right now, and all of them are available for enhancement.

So – but once we've kind of picked a site and know if there's any conflicts or anything, we try to work through all those conflicts before we get to going through the core permit process. There's a lot of structures that come out, and if they're just towing them to an existing reef site and not establishing a site, we don't have – it's pretty standard, and we know there's not a lot of conflict. We know the structure fits – we know it's just structural (seals ?). But if there are known conflicts with creating that reef site or bringing that structure to an existing rig site, we coordinate heavily with the agencies that are involved, whether it's U.S. Coast Guard, BSEE, or even sometimes, you know, some of our state regulatory agencies. So there is a coordination process even before we get to the permitting stage.

Now, once everything looks like we've resolved most of that and we think can proceed on, we go and apply for a U.S. Army Corps of Engineers permit. And we need that for every structure, regardless of whether the reef is established or not. This is kind of a deviation from the Texas program. I know that because I worked for the Texas program for a number of years. In Texas, they can develop a reef site, and it's pretty much open for bringing structures in at a later date, provided they give the information to the U.S. Army Corps of Engineers after – (off mic). But in Louisiana, it's a little different with the (New Orleans port ?).

So we go through that process. And currently, when I give the application to Florida, I give it to the U.S. Coast Guard, I give it to BSEE, I give it to BOEM and a number of other entities that – (off mic). So we broadcast that well before it gets out on public notice that the U.S. Army Corps of Engineers. There is a public grace period for each structure; it's typically 15 to 30 days, depending on the situation. Goes out and then we take comments or concerns – we may have to address those if they're not – and what we're waiting for is the Corps to finally give us an approved permit.

On approval of that permit, we proceed on with working with the owner-operator that's donated the structure to work out the actual donation, which – we spell out all the details of what's required at each reef site, and, you know – you know, the real-life savings – any requirements that the permits have. And we put that all into a document, which is signed by both parties – the Louisiana Department of Wildlife and Fisheries and owner-operator or operators.

And that's our binding agreement of how this goes. In the meantime, this is going through the BSEE process, and hopefully, at the end of that, we're all merging and we're ready for operations. And then the company will notify us, and we'll then begin removal of the structure. And they start removing the structure, and there's the procedures for how we do that. And then finally, once the structure is deployed, you have to provide us with survey information and stuff to ensure that you've applied with all the permits and our donation group.

One of the final things is getting that final certified survey – (off mic) – survey and then the real-life savings that we've negotiated. And typically, after that, when we're assured that everything's been done, we will work on the letter of acceptance. And that is the final transfer of the structure to the State of Louisiana. It is no longer owned by the donating partner. So that's really a boiled-down version of the process. Like I said, I'm more than happy to answer any questions and discuss the specific details. And I'll be here the rest of the day.

MR. : Thanks, Doug – thanks, Doug. The master of ceremonies has left, but I believe we are – oh, there he is.

(Off mic.)

MR. : Let's go ahead and – I was just going to go ahead and start with the discussion. So if there were parts that people didn't understand, now's the time to ask those, and we'll talk a little bit more about the process.

MS. : Is there any questions of clarity now about the permitting process? The overview? Just stand if you – everybody's clear? Just stand and pose your question.

Q: T.J., can you help – or can you clarify again what specific steps BSEE has taken to help streamline the process, or are you guys still working on that internally? Like, can you share with us what is being done internally at BSEE, and if so, if there's a specific goal you guys are trying to reach – (off mic) – that would be more definitive than what it is now?

MR. BROUSSARD: The goal is pretty much as fast as possible. And some of the internal is the coordination with the district offices pertaining to the APMs. Not every facility going to an artificial reef site has wells. And you'll probably realize those move quicker, but almost all the facilities out there have some type of well component to it.

What we're trying to do is make sure that we have commonality between the rest of the decommissioning program – basically, all of the structures that didn't go in for scrapping or for reuse. And that is one of the tools or one of the areas where we think we're going to be able to speed up the process – where we still have coordination with our district and our pipelines group,

but for specific permit applications only. So it won't be every permit application; we're looking at only ones where we don't want the State of Louisiana or the State of Texas to adopt a problem bubbler well or a nondecommissioned pipeline. So we're looking at those, and that should come out shortly.

And again, those – our goal for getting a reef permit through – what we'd like to do is, we'd like to be done and waiting on Doug at – for the most part.

MR. PETERS: That's not going to happen. (Laughter.)

MR. BROUSSARD: All right. But we're shooting for that; that's our goal. Hope that helped.

Now, we will be able to provide a little bit more detail as we go forward.

MS. : There will be another presentation on some proposed policy changes, and we hope to get to, you know, the meat of your question. And then – you have a question of clarity?

MR. : I do. (Off mic.) T.J., I had a quick question on the environmental assessment, please. If you could elaborate on it in a little bit more detail. And, you know, specifically are there assessments of the species and life forms as well, or could you touch upon these some more?

MR. BROUSSARD: Yes.

MR. : And then also, triggers to ensure that reef program managers are being contacted in other states, and Louisiana seems to have a pretty good rapport, but Mississippi and Alabama – you mentioned there might not be constant conversations – (off mic.)

MR. BROUSSARD: OK. Well, we do have an open dialogue with Mississippi and Alabama. We actually met – I want to say, on the heels of the 2008 workshop that we had, Lars Herbst, the regional director at the time, asked for Ramona, Herb, Leakey (sp) and myself to go and meet with all the state agencies. We went to Florida. So that tells you we went way over.

And it was the idea of more open communication between the state programs. And not only for what goes into Rigs-to-Reef, but what goes into the state programs. Alabama's a good example where the – off the coast of Alabama is a – the reef ball program, the kind of open, secretive, don't put it out there, don't tell anybody where you put the reef site. Well, a lot of these personal, I guess you call them, reef sites are being placed within the – (inaudible) – radius of where we want to decommission the structure.

So, we actually – you have one end of the federal government telling the operators to please remove all obstructions from the seabed around your facility, and you have the Alabama program permitting reef sites within a couple hundred feet of an existing platform. That requires more communication and that's what we've asked the state of Alabama to work with us on. We also – I think when we met with Alabama, we met with the Mobile Army Corps of Engineers

Office because we feel that this is another instance where the federal agencies should be talking more as well.

Mississippi, again, there's not as much reefing off of Alabama and Mississippi simply because of their number of facilities. But – (inaudible) – was in contact with the Alabama office and Mississippi. He calls them, talks to them probably once a month or so. Don't think they could have made today's meeting, I think, just because of the late nature of the workshop. They will participate in future work and we are, again, anything out of this workshop we will be presenting back to them.

As far as an environmental assessment, again, under the National Environmental Policy Act, when you have a major federal action from a – from an agency, you have to prepare some type of a compliance document with NEPA. And in the case of explosive severance or mechanical severance of a decommissioned structure, we write environmental assessments on all.

As I mentioned before, and now I'm sitting here, we wrote a programmatic document. We don't want the federal government to kill the trees to make this every time we come in with a removal operation. So, what we did was we wrote a programmatic environmental assessment in coordination with National Fishery Service – I think you guys were a cooperative agency on this document – because this serves as both a carrier for the Endangered Species Act – the consultation that would have to take place because, again, it's another major federal action that has the potential to harm and threaten an endangered species.

It also has the potential to harm marine mammals, so we have to do MMPA, Marine Mammal Protection Act, consultation and coordination. And that's where we – (background voices) – agency agreement with National Fishery Service-St. Petersburg; I believe, Cyro (ph); and their headquarters in Silver Springs (sic), so that the work and the information could go into their programs where they consult with us on the operations. It also goes into the essential fish habitat coordination that Dr. Callard (ph) – (off mic) – for us. Now, on the – (off mic) – side, she handles it for the BSEE organization as well – (inaudible) – where NMFS is coordinating with us for all the species that aren't included under MMPA and ESA.

The marine mammal species – of course, all of the great mammals are protected. So, where we're mostly looking at, the five species or four species of the coastal dolphin and the sperm whale, which we do have in the Gulf of Mexico out in the deeper waters; and the five species of sea turtles. And we do not coordinate with the U.S. Fish and Wildlife Service because we don't have removal operations closer into the beach where you have the Gulf sturgeon – what are some of the other critters? Beach mice, birds and so on.

Most of our operations, we have a federal OCS so they're at least 3 miles around. So, the Fish and Wildlife Service isn't part of that coordination; National Fishery Service is. And what they did with the programmatic EA is they did kind of a programmatic consultation with us. So, when they worked this through us, what they didn't want to see as well is 100-plus applications sitting on their desk when they were posing the same exact operation on the federal OCS. So, they did programmatic ESA consultations with us and MMPA consultation, and they give us

what's called terms and conditions of the biological opinion incidental (take ?) statement, and also an MMPA rulemaking effort, which our last one was in 2008. And as long as the operations are done within those terms and conditions, we abide by the same mitigation requirements; we abide by the proper monitoring, which – all monitoring especially if you're talking explosive severance is handled by the National Fishery Service. The Galveston laboratory – (inaudible) – and his group does all of the marine mammal and sea turtle monitoring for the operations.

The EA – the programmatic EA took into consideration corals, fisheries, navigation, infrastructure, and like most large environmental assessments do, the program – the tiered documents that we do simply reference the material there because the studies have not changed. The studies that changed that we would have to revise the programmatic document, we're in the process of doing that right now. I'm not sure if – I believe – (inaudible) – presented that to the congressman that we're in the process of doing a supplemental programmatic document that's going to have to take into consideration a lot of the changes since the Macondo incident, new issues regarding corals and, again, any new studies that we can get regarding fish species. So, that – the EA does take that into consideration but it has to go back and look at what was approved through National Fishery Service, what is the conditions we have under the essentials – the essential fish habitat – the EFH consultation with NMFS – and any of the other conditions that we may place on it.

So, the environmental assessment also takes into consideration the topographic maps we have in the Gulf of Mexico, the garden bags (?). We have issues where we don't allow anchoring near potential archeological resources. There's a great deal of shipwrecks in the Gulf of Mexico. There's biological features, chemosynthetic organisms, deep-water corals, even sites that we find from other BSEE operations such as pipelines, the planned work that we do, the drilling work. We take all that environmental data and we place it in a – we have a very big GIS system that when they do the environmental assessment, it takes into consideration all the biological components, infrastructure components, and we can put additional mitigation on the amount of time.

So, the permit application that comes out of the office of structural and technical support is conditioned on the mitigation out of the NEPA document. And then, in most cases it's anchorage avoidance. If you use explosives for severance work, there's a list of 20 different scenarios you have to comply with as far as the monitoring of the explosive units. And all of those components are put into the permit approval letter.

(Off-side conversation.)

MS. : Yes, the gentleman with the glasses – (off mic).

MR. : On the question of – (off mic) – the state gave the donation back because I understand 50 percent of what's saved goes to the state, where in Louisiana – (off mic) – recently came out of – (off mic) – government of Louisiana has raided the \$45 billion out of the fund – (off mic) – general fund, the state general fund. And I want to know how can you – (off mic)? I gave money to – (off mic) – Louisiana state constitution, that money was designated for the – (off mic). And my understanding of the Louisiana – (off mic) – promises the – (off mic) –

who donated that money that that would be the purpose of it. How are we going to address that? Thank you.

MR. SMITH: Doug? (Laughter.)

MR. : Doug, did you ride in today on a bicycle from Baton Rouge? Did they take your car? (Laughter.)

MR. : All I can actually say about that is that that was legislative action that was outside of my office that was taken to move that money to other things to balance the state budget. So, I – I'm not in any position to say yea or nay on how that's done but that was legislative action.

MR. : (Off mic) – more clarification, the article states that the wildlife conditions – (off mic) – Bobby Jindal and the state of Louisiana – (off mic) – back to the – (off mic). And all these people – (off mic) – by Mr. Jindal, so they're probably all looking at losing their job.

MS. : I am on the – (off mic) – commission.

MR. : Sorry.

MS. : My name is Anne Taylor (sp). I am on the commission.

MR. : Sorry – (off mic).

MS. : And we are working – we are working with Governor Jindal to make sure we do maintain that money in the fund – (off mic).

MR. : Maybe I thought – (off mic).

DAVID CRESSON: Good morning. My name is David Cresson, with CCA. I have a question specifically. Doug mentioned the special artificial reef sites but the question may be more for T.J. or somebody else. We think it's important that those be re-established. I think you mentioned there were 17 reefs in Louisiana in SARS sites. And I wonder if you could clarify or maybe – over here clarify why those are no longer an option for reefing, and is it something that we could reconsider – (off mic)?

MR. : That's more a BSEE question. I think that – just about the agenda. I think that's what we're going to talk about. The 2009 addendum, we're going to – we're going to talk specifically on that and as far as that – (off mic). So, do you want to cover it now or do you want to wait until we get into that part of the agenda? I mean, it's –

(Cross talk.)

MR. CRESSON: – about the addendum first and then – (off mic) – questions about that – (off mic) – and proceed with that.

MR. : But I – I'm going to get to that specific issue at the next stage of the meeting, but we'll cover it.

MR. CRESSON: Thank you.

MR. : Yeah, Buddy Alloway (ph). I – we're conducting a large, long-term experiment where we're taking structures and moving them here and changing the nature of them. Is there – has there been or is there any attempt to use this experiment as a basis for finally resolving the issue of production versus traction on – (off mic) – either before or after – (off mic) – on these patrol areas. We've had the opportunity with these programs to really – (off mic) – about the effects – (off mic). What does it mean to the population of the fisheries as a whole across the board – (off mic) – recreational fisheries – (off mic) – platforms critical to certain life stages – (off mic) – question with what's going on but I don't see – (off mic) – a program with sufficient statistical design to address that issue. Have we introduced a long-term, science – (off mic) – assessment program to take advantage of an experiment – (off mic)? And I'll just expand it – (off mic) – and analyze what the effects are.

Are those studies being done, is my question.

MS. : We do have a lot of study – about 20 studies that do focus on fish using these platforms as habitat. I know that there are more studies that are – have been coming up toward – to us as possibilities in the future and they are looking at that type of monitoring and long-term – almost looking at baseline monitoring. A lot of it has to do with funding – (off mic) – but I do know we do have a lot of interest out there. So, hopefully, if we cannot find it, someone else can.

MR. : You know, this question has been asked, you know, for the 30 years I've been in the business. It's always a question of funding, and funding is never available. So, here's an opportunity, it seems like to me. There are some risks with moving these platforms. There may be some risk with changing the nature of them. We don't know the consequences. We're not going to get the answer important to these structures – (off mic).

(Off-side conversation.)

MR. : – legitimately looking as we go and making funding a priority to assess the effects. Again, I've been critical of the studies that have been done but I haven't seen the statistical design that enabled one to answer the key questions they have to.

MS. : All right, thank you.

(Cross talk.)

MS. : – bring up that issue – (off mic). Yes?

MR. : My name is – (off mic) – and looking at streamlining the process. Maybe, Mike, could you verify why in Louisiana individual permits are required from the Corps versus in Texas?

MR. : Well, when the reef (scientists ?) set up here in Louisiana, they did not go through the regulatory routes, so we do not have mechanism right now to allow a more streamlined process beyond what we have in place now under the individual permit process. We have worked with Wildlife and Fisheries back in the mid – I want to say early to mid-'90s on establishing a general permit-type process which would allow something that sounds much more similar to what Texas has. And communication between our departments fell apart and did not take place. Doug and I have talked recently about the potential of – (off mic) – two wildlife officials at this time but we haven't really gone any further than initial discussions.

But the basic answer is we did not review the initial – (off mic) – through the permit process so there's no mechanism right now.

MR. : But there is a possibility.

MR. : Sure.

MS. : Any good questions – (off mic) –

MR. : I'm a little confused and I'd like to ask for clarity and hopefully this'll be helpful for the other sectors of the Gulf of Mexico. Down in Port Aransas, Texas, out 100-mile radius, we've got some of the most – (off mic) – dock sites around you. Most of our platforms were 4-pile to 16-pyle platforms. Back in 2005, I worked with Apache Oil, and we were able to get a Mustang A-16, which was a 12-pile – (off mic) – in place on the first three quadrants that happened. After that, wind and – (off mic) – coming on and we were working hand in hand with Texas Forest and Wildlife. And it came up to the 2008 meeting, and at that meeting we were promised a minimum of five platforms to be rigged in place. And they all came down, and we got these big circles where these platforms were going to be rigged. Well – (off mic) – dock sites. Well, as it turns out, none of these five platforms were rigged. They were all blown high explosives.

And the thing about south Texas, we don't have a large concentration of these platforms like they do in the northern Gulf. And out in Port Aransas, we have a mud-sand bottom. So, as far as the fishing industry down there, we kind of leaned on these platforms – (off mic) – you know, for our fishing partners. For our – (off mic) – keeping up business – (off mic).

So, I would like to know what happened in the permit processing – why south Texas was targeted and all of our platforms were removed within a short period of time. And by the way, on one island – (off mic) – Big double Yellow, Mustang 739, there was a spotted owl that lived on that platform, too, that's no longer there.

MR. : Well, the national fisheries team – (off mic) – Apaches our responsibility normally to bring him back to shore safely. As far as Louisiana – the south Texas area was not

targeted by our agency. It was a ripple effect from the 2009 addendum that we put out in order to stop the Rigs-to-Reef program from being labeled, as it was at the time by the media, as an ocean dumping program because secondly – and not off of Texas because we didn't have hurricanes Ike, Katrina, Gustav and – (off mic) – run across those areas. Most of the material being proposed in the – at that time was toppled and damaged, destroyed facilities. And so the 2009 addendum which we didn't do in a vacuum; we actually worked with the state agencies, talked with them about it. It came about to try to tap the breaks a little bit. It had some conditions in there that wanted us to have more public involvement. The state of Texas, as you mentioned, did not have the public engagement process that, let's say, the state of Louisiana did. So there were areas that were being reefed that the shrimping industry off of Port Aransas was not going into the – onto the table. They were not allowed to make their comments.

So, again, we'll talk about the 2009 addendum and the modifications coming up in the next session, but we didn't target any specific group. It was more ripple effect because one agency overseeing all the permits – (off mic). So, the modifications on the – at the time and in this program affected not only Texas; Louisiana, Mississippi and Alabama. And that's some of the things that I think we've moved past; we've worked with the EPA; we've worked with the state agencies, we worked with Dale Schively (ph) in Texas, and those things are going to be brought back up.

Ultimately, it's always the responsibility of the operator to push the issue unless – as the 2009 addendum basically stopped certain off – out-of-reef-area permits. So, that's what we're trying to work on right now and that's kind of the continuation. We see this round of meetings here and the ones we did in Texas, in Houston, as a continuation of that 2008 workshop and the 2009 addendum. And we believe we've made lots of progress. The state of Texas does have several reef sites now established off of Port Aransas, and we're going to work to make sure that as much as possible can be placed into those locations.

MS. : Another question – (off mic)?

MR. : My name's Johnny Marquez (sp). I'm with the Coastal Conservation Association in Mississippi. I guess this question is for T.J. You've indicated that you operate under a programmatic environmental assessment and within that you've got mitigation measures that you have to comply with for each one of these removals. And I was wondering if you could elaborate a little bit on that. You know, what goes into that. Exactly what sort of mitigation measures are required for loss of habitat, for incidental take, for each one of these structures that's removed.

MR. : The loss of habitat was discussed in the programmatic EA. That we do it site-specifically is the other part of that. So that we don't reinvent the wheel, we basically tear back to this programmatic EA. We write about 40-page EA – what we call site-specific and streamlined based off of this one. The mitigation again is specific to the particular location.

So – and again, in some locations, near the reef banks, near artificial reef areas, near biological zones, we have anchoring restrictions. We have even restricted the use of explosives around certain areas like the – (inaudible) – banks. There's other components that – again, if

you're – if you have an explosive severance operation, there are a set of series – a series of mitigation that's carried out by the National Fishery Service in order to prevent incidental take of the sea turtles and marine mammals.

Fish are not considered – there are no fish species in the Gulf of Mexico on the OCS at the platform locations that are considered threatened or endangered at this point. And therefore, National Fishery Service never gave us conditions of approval for those species. They – again, the – and the EA looked at things in a cumulative sense, the programmatic EA, when compared against the recreational fishing industry, the commercial fishing industry, the by-catch and the shrimping industry, and what is going to be incidental take of fisheries from the decommissioning of the – (inaudible) – of the – of the structures. And it was not – because again, structures – Doug knows the specific percentage, because I heard you quote it a few times – the number of facilities in the Gulf of Mexico is still a fraction of a percent of the natural habitat in the Gulf of Mexico. And again, more in some areas, less in some areas, but up until this point, the environmental work that we've done has shown that the removal of the facilities will probably allow for the movement of the species to another reef site or to another location, or to a natural area in the – within the location area. But there are no mitigations for anything other than protected and endangered and threatened species.

MR. : I just have one quick follow up. So as far as the habitat, you seem to indicate there are mitigation measures for – if there is other habitat nearby, like anchoring restrictions. But there's not anything in the way of mitigation measures for the actual habitat that's being lost by the removal of the structure.

MR. : That's because the structure is – as per the federal regulations and the statute, temporary facility. And then to go on to the OCS and then be taken off at the time when the hydrocarbons are dried up. Again, if we had an operation on the OCS, which we've had several, where they wanted to put a pipeline through a live bottom area, grass beds, topographic main, if – and the Gulf Stream Pipeline is a good example of one – you're talking probably in the realm of a mitigation banking that our friends at the (corps ?) do quite a bit, whereas if you destroy this amount of habitat, you go and replace habitat here. And maybe that's what you're getting towards.

The thing is, is we're not destroying natural habitat. We're actually removing temporary facilities as per law and regulation that is required to come off the OCS. And again, if the feeling is these need to be now considered natural habitat, there's where we have to have you people talk to Congress, because – and that's part of the ongoing conversations we're having now with National Fishery Service on whether or not these structures will be considered essential fish habitat. And all of these things are being done by federal agencies in somewhat of a balancing act, because there are other uses of the OCS outside of recreational, commercial fishing, shrimpers, transportation, oil and gas industry – we're trying to do a balancing act with all of the federal partners.

And again, the big nuance is, we're not removing the Garden Banks eastern structure. We're removing a temporary facility placed on the OCS as per the regulations and the statutes.

MS. : There was a gentleman with a vest, yes.

MR. ARMSTRONG: Yeah, Toby Armstrong with Louisiana Council of Underwater Diving Clubs. This is for the environmental assessments. You say that protected species, endangered species – (inaudible) – environmental assessment, you do not take the rig out?

MR. : No, the – again, the rig has to come out as per the OCS Lands Act –

MR. ARMSTRONG: Well, I'm just – (inaudible) –

MR. : OK.

MR. ARMSTRONG: If you have protected species associated with the platform, what happens?

MR. : If there are turtles, that's a good example, we have to –

MR. ARMSTRONG: I'm talking about specifically, let's say, about jewfish or the like.

MR. : Those are not protected species under the Endangered Species Act.

MR. : Sawfish are. Sawfish are.

MR. ARMSTRONG: I think it is. Jewfish is not?

MR. : (Inaudible.)

MR. ARMSTRONG: Now, also to another thing, don't you all get – I've heard they're saying – they give an incidental mammal kill permit out when they dynamite these rigs.

MR. : No sir. There's an incidental take that if we harass the animal, and as per National Fishery's – and again, National Fishery Service has been observing every single effuse of explosives in the Gulf of Mexico since probably about 1983, and we have never had a marine mammal take, mortality or a marine mammal harassment.

MR. ARMSTRONG: I've read an article where actually that's not true, but I'll try to run that down for you. Thank you.

MR. : Please do. Yeah – (inaudible) –

MR. ARMSTRONG: (Inaudible) – after one explosion.

MR. : You see, the thing is the – the – (inaudible) – Laboratory in the National Fishery Service is there doing the observations. I've read every trip report they've done. And we – and – (inaudible) – I read the last one and I left it on my desk – there's to-date of all the removals done in the Gulf of Mexico, never been a marine mammal mortality or take.

MR. ARMSTRONG: I'll see if I can run that article down.

MR. : Please do, please do.

MS. : So you perhaps –

MR. : But the fisheries –

MS. : – send that information so we can resolve that issue – (off mic).

MR. : And you wanted to know about the fisheries, the jewfish, the – I guess smalltooth sawfish is not found out on those facilities on the OCS.

MR. : It's the sperm whales, the turtles, sturgeon, smalltooth sawfish, but the – but that's it right now for what's covered under ESA.

MR. ARMSTRONG: I know this might not be classified as endangered, but I'll tell you what, we can only go out and catch two red snapper for three months in a year. That's pretty endangered to me.

(Cross talk.)

MR. : And again, the agency that oversees the red snapper from the take of recreational fisherman, the by-catch from recreational fishermen, the by-catch of the shrimping industry also oversees our decommissioning program. And then – (off mic) –

MR. : Sorry, can you – (inaudible) –

MR. ARMSTRONG: No, I'm just saying, I mean, I know these aren't officially endangered or protected species, but when you have a recreational fisheries getting down to where you can catch two red snapper a day for how – what's – how many days is the seasons?

MR. : Thirty eight last year, yeah.

MR. ARMSTRONG: Thirty eight – I mean, that's sort of an endangered –

MR. : Well, the species actually is doing substantially better than it has in the past few years. The population is expanding. We're seeing bigger fish, more fish, fish in more places. What is happening unfortunately as to the – to the fishery itself is that as those fish are getting bigger, we're seeing increased – (inaudible) – catch rates and we're seeing more people able to actually access the fish. For example, I'm over in Tampa Bay area, we have a fishery there now for red snapper that we haven't had in 35 years. So more and more people are able to access it. So the bottom line is that the fish are – the catch of fish is going up more quickly than the quota is being increased. And the quota is increased – has roughly doubled in the last three year. This year, they just increased it to a little over 4 million pounds where it was a little over 2 million

pounds about three years. But because they're being caught more quickly than the quota is going up, unfortunately, the season is getting shorter.

MS. : We have a question. The gentleman in the front.

MR. : Yes – (off mic) – Louisiana – (off mic) – what do you – (off mic) – I think the – (off mic) – about why Louisiana does what it does, why we have a system, it's because of – I'm a little, you know – (off mic) – everybody can see that, I started doing work on rigs at least back in 1984 – (off mic) – there was a very, very good process of all user groups –

MS. : (Off mic) – a little bit?

MR. : – where all user groups were involved, including oil and gas, shrimp fishery, recreational, and anybody else that used the Gulf of Mexico. And that's how we created the Louisiana Rigs-to-Reefs program. I'm listening to the direction that this – (off mic) – is like reef (in place ?) and letting existing structures stay in there, and you know, we went through all of this back in the '80s and '90s when we developed all of this. And there was agreements made and according to the agreements, the contracts and the permits that the oil and gas entities signed, well, they were going to return the Gulf back to it originally, you know? We have as kind of like a positive to oil and gas; we created all this good habitat. And that's why we have Rigs-to-Reefs, because it gets in location where everybody's – (off mic) – all through the years,

And the incident with the red snapper, I was at the Gulf Council meeting a couple of weeks ago, and – (inaudible) – arguing over the red snapper. I think a lot of that is government – the way that government does their population accountability. You know, those numbers really need to be changed. I think there's a –

MS. : Sir, can we have your question on clarity please?

MR. : I just like talking. (Laughter.)

MS. : Well, that's awfully – (inaudible) – want to solve this problem – (inaudible) –

MR. : (Inaudible) – would be – to address Benny's concern, that we had over \$40 million of Louisiana reef funds that could have been used for this kind of studies, but the government – (inaudible) – was taken away, what we're saying right now.

MR. : Thank you.

MR. : Thank you very much. (Scattered laughter.)

MS. : Is there someone else – a question of clarity who hasn't spoken yet? I have two questions on the floor, from two people who have already spoken. Is there no one else that has any – yes.

MR. : For – (inaudible) – the approximate time, the average time for – from the time the operator submits dual applications state – (inaudible) – to the times that the structures remain down. Think of the last 10 structures that have been put in, give us the average time that that kind of process took. And I see – (inaudible) – (chuckles) – and basically, what was the longest the shortest? And what was the problem with the longest, and what went right with the shortest?

MR. : The short was because once the permit leaves BSEE, it kind of falls on the state of Louisiana's – (inaudible) – so I –

MR. : (Inaudible)?

MR. : (Inaudible.) (Laughter.)

MR. : I'm wondering –

MR. : I mean, this is for the backup (center ?), the backup (center ?) right now –

MR. : (Inaudible) – corps of engineers that's sticking along for the – (off mic), or –

MR. : We had – there's internal BSEE bottlenecks that – I can't necessarily speak to all 10 – again, we permit a lot of removals and not all them go to Rigs-to-Reef. There is some components, like we talked about on Oahu, that we're trying to streamline because there's a pipeline issue. And again, sometimes, it's outside the operator's hands, because the operator may own the facility – and the operators can always correct me on this – but you may have a pipeline company that's not even part of your group that has yet to decommission properly the pipeline that runs into that structure. So sometimes, the wait on the pipeline group to get a decommissioning or a right – (inaudible) – permit – (inaudible) – or sometimes, you're waiting on the APMs for the wells because the structure's ripe and ready to go into the reef program, but the well itself has problems. And there's components that the district is looking for.

Now, what we're trying to solve internally is that – we don't have a chicken and an egg situation. Well, the district's saying, well, I need to see the permit approval first before I give the APM approval. And – or we don't have – the region's saying, well, I need to see the APM approval before we give the – so what we're trying to do is either work with both groups or keep both groups – (inaudible). But no, we're – we are working through that process in order to make it more streamlined. It gives us a – (inaudible) – we – again, we don't want Doug to adopt a reef site where there's well issues, and we don't want to adopt a reef site where there's an active pipeline or pipeline components in it. What we're shooting for, whether it – and you will probably see this – the structures that are going to go to an existing reef site, those are going to go through the – (off mic) – and literally, we push them out – I want to say 15 in the last two weeks to build reef sites, to existing reef sites. That's – again, that's – (inaudible) – somewhere, you're not going to worry about the APMs at that well – at that location where it's already existing. You don't worry about the pipelines, because we've already handled all the pipelines issues at that existing location. There's no reason for those to sit on a burner waiting for one internal group to budge versus another one. So those are moving quicker.

The ones that are going to take longer is – (inaudible) – because you want to make – again, we don't want Doug or Dale to adopt an area that's going to have a problem well, because we want the well to be taken care of before you remove the structure out of there, because it's easier – you guys know – to get down – (inaudible) – and get the work done. So we're shooting for as quick as – literally, we're going to – we're going to keep Doug to the end hopefully. And – but what we – what we should see is maybe a month or two within our agency, and at the same time, you're handling all off the core engineering issues and the state issues.

MR. : Is – (inaudible) – to have the work – (inaudible) – a year in it?

MR. : I'm just going to say that the quickest we've ever had this all together is probably three months. That is not a realistic timeframe.

MR. : Average?

MR. : I would – I would say six months is realistic, if – (inaudible) – establish reef site and there are no other external factors involved. If we have external factors, I've seen it go over two years. And I – to be honest with you, there was one that was a hurricane – (inaudible) – that went 10 years. I just completed it fairly recently. So it's variable. It's based on a lot of factors – (inaudible) – said. And we do the best we can, and we try to – (inaudible) – all those issues before we get to all the permitting and stuff so that it goes as quickly as possible.

MS. : Thank you. (Jay ?).

MR. : I just want to throw in a teaser for this afternoon as well on this topic. One of the things that we are going to be looking at – a lot of the stuff that you see in the slide – and I mentioned how difficult it was for me earlier – has to be done for engineering, for safety, for environmental protection and those types of reasons, statutory, regulatory and all of that kind of stuff.

So when we started talking about the permit process with all the federal agencies a few months ago, one of the things that I wanted us to key in on were are there redundancies? Are there multiples places where you have to have comment periods, for example. And if so, can you have one comment period that would cover all three or four things? What we found was there was not a lot of redundancy in the actual process.

So then we struggled with what do we do to try to improve it? So as TJ (sp) said, we're looking internally to see ways that – and within BSEE when we're actually doing the permitting, we can find the things that can be streamlined. But one of the things that kind of jumps out at me that I'm hoping we can discuss this afternoon is the upfront stuff and sort of the planning stuff. So why wait until you know that your platform is about to be decommissioned or that it's been idle for five years and you got to do something with it. Why wait till four years and 11 months to put in permit for decommissioning?

And also how do a lot of the people in this room have a say as to whether a particular platform stays. Is there a mechanism that that can happen, because right now what we're looking

at is very much a governmental process through which a permit is issued. But if you got somebody in the shrimping community, you got charter and recreational fishermen who have grown accustomed to these areas and depend on these for their livelihood. How do they get to influence this process?

So one the things that I'm hoping you'll be thinking about as we go through today and during our lunch break is, when we come back, how do we address those type of questions? What sort of a mechanism could be set up so that we go ahead and identify platforms that we consider right now to be very essential and that would be value-added to a state's reefing program, and then how do you set up a collaborative environment where each of these affected communities get to provide input into that process?

So it's going to be a matter of the operators sharing their schedules and their ideas with the state folks, the state folks reaching out to all the interested communities, and everybody having a dialogue about what to do with these individual platforms in order to try to streamline this process even further. If you know a few years out that you got a platform that you really want to reef, why not start a few years out and go ahead and have that in the plan as opposed to waiting until you got to start worrying about hurricanes coming through and wiping them out, because we all know that once a platform is toppled it's a lot more difficult to clean up and it's a lot more dangerous to both the people working out there and the environment, and it does not help the habitat whatsoever.

So these are all the types of complex issues that we're having to deal with in BSEE. And I always say that none of us are as smart as all of us. So that's why we want to continue this type of a group and this afternoon come back, after lunch – go home, take a nap – come back and help us figure that out. Thanks.

MS. : We have two more questions of clarity. (Off mic) – question still?

MS. : Yes. I was speaking with Doug (sp) about the rigs that are going into the Rigs-to-Reef program this year. I believe it's 25 or – around 25. And there's 300 scheduled to be decommissioned. I was wondering if, based on this meeting, is there – are y'all considering delaying some of that decommissioning of the 300?

MR. : "We all" being BSEE? All it takes is an operator to come to us and say – and you know, we've done it probably about eight times in the last three months – where an operator came and said, you know what? We really want to give this – (inaudible) – with Texas. (Inaudible) – is making me take it out. We literally can say, we got the time, we'll keep working with you to get the structure into the Rigs-to-Reef program.

And that's been the call from Director Watson and from Lars (sp) in the Gulf of Mexico region that, again, we can – most of these facilities should already be – (inaudible). A lot of facilities are already on terminated leases way past a year. So for us, it's better to hesitate, hit the breaks a little bit and give Doug (sp) and Dale (sp) and a little bit more time to get it into the system. We're willing to do that.

MS. : Yes, sir, and then the last question of clarity.

MR. : What I don't understand is, years ago when platforms were first put in, there was an agreement that they all were going to completely move and restore the Gulf back to its natural state. Now, I think most of us realize, especially off of Louisiana and the mouth of the Mississippi and the – (inaudible) – rivers, it's mostly muddy bottom, there's – (inaudible) – of usually 20 to 30 feet thick at the bottom.

So the natural state is not very productive for fish-like marine organisms. And an example, city park in New Orleans, if man plants a live oak, and a live oak lives 2(00)-300 years, man planted that. That wasn't nature. But it has become a habitat or birds, insects, squirrels – not unlike the platforms.

And I'd like to read – this is from a press release put out by BOEMER, March 18, 1984: Man doesn't create artificial reefs. Mother Nature does. Man can only place vertical structures offshore, which are needed in the Gulf of Mexico, so that Mother Nature – just like that live oak in the city park – Mother can take over and organisms can attach to – (inaudible). OK.

MR. : If that's a BSEE question, we don't – what are the permitting processes for the live oak? I mean, there's – (laughter) – the regulations, the law says: it goes in, it comes out. And we're happy to work with Congress if they want to change the law and say: it goes it, it don't have to come out. Again, that's where you guys fall into play. I mean, that's where the public can participate in the process, working with the industry. We have to follow the law and that's the law in the regulations.

MS. : OK. (Inaudible.)

MR. : Can I – can I add another – (inaudible) – too, because one of the other things that we're going to be talking about this afternoon is what else can be put in. So does this have to strictly be an oil and gas issue? Are there things that we can do as part of the state's artificial reef plan, working with all of the affected agencies, so that you start putting other things in so that the platforms, which have a lot of top things and other things on them, have to come out, there's less of an impact.

So that's one of the things I'd like everybody to be thinking about this afternoon as well: Does it have to just be a platform? Are there other structures that can be put in now to start mitigating future removals?

MS. : OK, we have one last quick question and then we're going to go. Hopefully it's sort and a short answer. That would be great.

MR. : I have a direct question for TJ (sp), really kind of following on your lead of applying for a reef permit early. In today's regulatory environment, you know, how early before cessation of production can I actually go to you guys and engage you for a permit for a reef site of an existing facility?

MR. : Well, the – prior to, I think – (inaudible) – the Office of Structural Technical Support Industry, you could get a permit in 1993, and it'd still be active to today. But I believe we do have a two-year time period of a shelf life on the permit. (Inaudible) – stand up, sorry. But there is a two-year permit limit now that I'm sure we could work out – coordinate with the structures group that if you're proposing it for the Rigs-to-Reef that we may have to relook at it before you actually do the work because the environmental standards may have changed, but there's no reason why we couldn't work with you to get kind of an extended permit because that one is being slated and accepted by a state group.

MS. : From the – (inaudible) – application standpoint, I would say that you want to be mindful of the kind of information that's required in that application. There's some very specific operational issues that you may not know three to five years out because you don't – you don't have contractors selected, you may not have done all of your inspections, you may not know what you're going to be facing. So there are some restrictions from that standpoint. However, there may be opportunities to start planning in advance with the state because the information that's required may not be as time sensitive, so.

MR. : So to lay out an operational plan, it's really premature to permit – make a request for a reefing site. So five years – (inaudible) -- if there's no clarity – (inaudible) – right before the review at that point. Is that –

MS. : Yeah, five years in advance I would think would be difficult. And some of these operators who do submit permits could probably speak to that a little bit better. I would say a couple years in advance might be something that's more realistic.

MR. : And we've had internal discussions about – in the Gulf of Mexico, we only require the final permit application for removal. Our regulations actually do allow for a decommissioning plan, which currently is only effective for the Pacific region. If you would like to buck the regulations and come in and say, we want to do above and beyond, you can always come up with decommissioning plan which, again, could speak to your preplanning and wait for your removal application to on the items Ramone (sp) was talking about, once you've got your contractors lined up.

MS. : OK, well thank you –

MR. : So does that work for the state? I haven't heard from the state yet.

MR. : (Inaudible) – I'd like you to come to me as soon as you know the structure's going to be coming out. I can give you the options for the day. You know, obviously I can't foresee the future and changes, but I'm working on several projects that are five years down the road from now and we can at least start preplanning, figure out where we're going with it and come up with viable options. But like they said, at the end of the day, if regulations change, we have to maybe change our approach.

MS. : Is that it? Thank –

(END)