

**Bureau of Safety and Environmental Enforcement (BSEE)**

**Workshop Part 4 on “Rigs-to-Reefs” program**

**Moderator:  
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MS. : (In progress) – and because I did say that questions of clarity have priority, I have a question – (inaudible) – from the gentleman here in the – (inaudible) – shirt. This pertains to the previous conversation – (inaudible).

MR. : All right. We've been talking about, you know, artificial reefs and different aspects and all, but one thing that's been left out that we haven't discussed today. And I don't know who can answer this question on the panel, but I think it's very important. Because these structures have been out here for 40 and 50 years and because of this being a process that we've removed a thousand in the past four years and the speed at which they're being removed, does anybody have any information on what the impact on the coast system is, you know, with this fast transition that's taking place, pulling this out of the ecosystem as fast as it's happening?

MR. : (Audio interference) – if I can ask you to address that a little bit, on the numbers over the last four years, how many of those were – or would we know sort of the percentage of those were caissons versus platforms versus structures that were supporting habitat? Do we know that kind of information?

MR. : It's based kind of on the one-third-one-third-one-third aspect where you have the majority of them are probably caissons and small well-protective structures. And most likely the upper third may be even a little bit more the jacketed facilities, so there's a great deal of those.

And again, it's – without the biological assessment data for each individual platform, it'd be hard to tell what particular species were there. We do get some indication from National Marine Fisheries Service when they do the observation work of what was taken if explosives were used. But on the other half, where nonexplosive cutters are used, we don't have any of that feedback data.

And – but our EISs, environmental impact statements, prepared either when we were MMS, BOEMRE, now BOEM and BSEE – they considered those same numbers as what's come out. We projected these numbers for quite a few years, and it was all in the coordination work that we did with NMFS and the other groups. So we're not really moving – if anything, I think we're a little slower. We thought Idle Iron would have a – more of an effect at this point, but it hasn't. It's – we've kind of been keeping pace with this standard prior to the implementation of the Idle Iron program.

MR. : And I think BOEM is working on the EIS currently or updating an EIS or doing a new one.

MS. : Well, we are finalizing the supplemental EIS for the current five-year plan, and nothing significant has changed (since ?). It would still be able to (tier ?), so we don't have any information if there's been a huge ecosystem shift due to the removal of these platforms.

MR. : (Off mic.)

MR. : So with this fast track of them being pulled out of the ecosystem, you know, is there a study going to be initiated to figure out what impact it's having, or is there any – has anybody ever thought about doing a study of, well, these – you know, X, Y and Z have been here for 42 years, so it is a – you know, it's like a – it's caused the creation of a reef, and then it's pulled out of the system, and then you have multiples happen within a short period of time. Does it – maybe I should have said it this way. Does it have an effect on an ecosystem, on a whole as a part?

MR. : Well, it can when you compare – you know, the EIS that Kyle (sp) was talking about is – (inaudible). If you were to do a supplemental EA, it's a document basically on just the – (inaudible) – impacts. That's all – (inaudible) – with BOEM. That's announced with our future coordination with the National Fishery Service.

It will take that into consideration, but the – we have to look at the holistic aspect of it as well, where it's – I don't have – (inaudible) – the percentage, because I heard you use it in a couple of discussions. The platforms and the makeup of the artificial material is but a fraction of the natural habitat of the – (inaudible). We have to look at the – (inaudible) – involved in this, you know? Just look at the – the platforms weren't an – (inaudible) – ecosystems to themselves. They're – (inaudible) – you know, they're working with the – (audio interference) – the other topographic features – (inaudible) – what we call the – (inaudible) – features.

So structure is only a fraction of a percent of what's actually not live, bottom or active – (inaudible) – off Mexico. And our studies look at it that way, so we're not – we don't have any studies out, I don't think, at this point. And some of that's just structures as being the only part of the ecosystem. We have to look at it in a broad sense, the cumulative sense. And it's always an opportunity. We always try to (go out there ?) – (audio interference) – maybe studies could come in. We do have a solicitation – (inaudible).

MS. : (Inaudible.) We do ask – we put out the – (inaudible). And basically it overviews our needs, research needs, and that comes from – they need the documents. (Inaudible) – we get information that could help us better analyze all these scenarios that we look at for the Gulf of Mexico. And – (inaudible) – to the public and both proposals are brought in and compared to – (audio interference) – and that eventually – so you can be awarded, so – (inaudible).

MS. : Thank you. We had another question on clarity here. (Inaudible.)

MR. : Alan Redwall (sp) – (inaudible) – committee. This question's from T.J. (ph). T.J. (ph), most of the time when I ask you questions, I know the answer, and I just want to validate. We've heard about the amount of removals. We've heard the rate. We've heard the pace. We've sensed the uneasiness. The replacement by new facilities that are coming in – do you have a ratio of how many?

MR. : Because the Gulf is moving into deeper water, the shelf structures – the replacement ratio is probably – let me guess – 250 out to every 15 to 20 in annually. That’s kind of – and from the folks who do the commissioning and the installation, is that about what you guys are seeing? Yeah, that – again, the shelf – other than the gas reserve issues that are keeping people on the shelf is most folks are moving into the deeper waters.

MR. : This is the clarity of the answer. Our total structures remaining is 300 – 3,797. We’ve taken out 3,295, and we’ve reefed 295 in Louisiana, and we reefed 123 in Texas. So actually, right now you’ve got over 4,000 live habitats still remaining. And –

MR. : Well, there are actually 2,980, I believe, structures remaining – (off mic) – again, and that third by third by third ratio – and don’t believe everything you see on the website. (Laughter.)

MS. : That’s on the website?

MR. : No, this is a – this is a report that was generated.

MS. : Oh, OK.

MR. : Yeah, there – when we say – again, you may be including subsea templates, subsea manifolds, PLIMs, PLETs – a lot of acronyms out there for oil and gas folks. But there’s – those are also considered structures because they’re given a complex ID number. A structure that comes all the way to the surface, whether it’s a caisson, well-protector or jacketed platform, there’s around 2,900 right now, 2,900, 2,950. The numbers as far as those that went into the reefing program – I believe they’ve come up a little bit. I’m not sure at what point that that was done, whether it was five minutes ago or not. But that sounds about right: 400 to 500 in the state programs have been into artificial reef program.

MR. : Yeah, it’s just – you know, we still have a lot of platforms in. It is moving. It’s changing, you know, but we still have a lot of – a lot of structure out there. In the numbers we’re seeing now, the 200 and – 54, sorry; I was corrected – 254 last year, I believe, 200 – in the 80-range the year before – those numbers are coming down as the operators are removing more of the facilities that have no future use.

So the Idle Iron program, again, though a totally different and separate program – it isn’t really linked to the Rigs-to-Reef – it is removing a lot of the facilities that don’t have any future use on the OCS, and those numbers are tapering. So this year I’m not sure if we’ll see 254 or not.

MR. : I have another question up here.

MS. : We have another question here, and then I’m going to take one last question if it’s a – certainly a question of clarity, because we have two other areas we have to move forward.

MR. : On the question of risk, that – you know, that the oil companies say they have – and I'm not doubting that they have them – but do we know, percentagewise, what's the percentage of risk of leaving these platforms out there in the Gulf, you know, that are going to be hit by vehicles or vessels out on the water? What is the percentage of risk? Because I think that ought to be a big factor in making a decision about how – or what we do with them.

MR. : I don't think we have any because we kind of don't want to see anybody run into a structure. So I think, again, if it's out there and there are – if your navigation buoys, if your navigation devices, your horns aren't maintained, you have a higher risk of being impacted. If you do not have a liable party and a facility remains above the water line, again, you have a higher chance that it's not going to be fixed, maintained and be damaged. (Inaudible.)

MR. : The answer that you – way you can find that answer is the Coast Guard investigations all allisions between boats and platforms, and there are numerous allisions every year with operating platforms, much less nonoperating platforms. It's a commonplace that happens – all you got to do is go to any one of the shipyards. You see the boat with the bow smashed in or the outriggers ripped off? They ran into a platform.

MR./MS. : (Off mic.)

MR. : Well, actually, we would say the operators need to talk to the Coast Guard because they're the ones that assume the liability when the vessel hits it. And again, it – that's why, again, we can't – they're not – the vessel hits – (inaudible) – but again, the federal government isn't assuming the liability; the taxpayers aren't assuming that liability. I clarified that. Yeah. Thank you.

MS. : OK, we have one more question of clarity. And we have two more questions before we adjourn for the day.

MR. : Yes, ma'am. This is a question of clarity on the question this guy was asking here about – earlier about the documents or the assessments that's done that – I have a question about the NEPA analysis. How come the NEPA doesn't look at the areas where that platform came from? I think Jim Cowan (sp) – is he in the room? I think he's the one that does most of the counting of the fish out there in the Gulf of Mexico. He's responsible for it, isn't he? At LSU? And they're not counting the fish around the platforms. And how come the NEPA document hasn't addressed the coral reefs on these platforms? They're not the same coral reefs that the – (inaudible) –

MR. : Because the coral reefs are protected under executive order, which has a nuance in it that says it does not apply to OCS oil and gas facilities. That's why they're not – that's why we removed structures with protected corals on it.

MR. : And that's why I can still harvest corals. I'm just asking about the NEPA. Why don't they study that area? Why don't you go to that area where the platform was and try to catch fish there and see many fish you can catch?

MR. : Well, again, because National Marine Fisheries hasn't identified any fish on those structures as being protected or in need of a biological assessment, because we do look – and we – every facility and all of the components and all of the anchoring, whether they're using a derrick barge or a liftboat, the spudcan holes – we're looking at – all that goes into our database system, our environmental – oh, excuse me – operations assessment separation under BOEM, in coordination with the scientists that work for Dr. Caller (sp). They do look at all those components, potentially sensitive biological features, again, not with the eye that the structure is the protected resource. The structure is the temporary resource that's required to come out as per our regulations. So what we're looking at is do the anchors go to close to a pinnacle feature, a biological bank, a biological zone? We keep the anchors completely away from there. The coral on the structure – again, it's why you can collect them is because the executive order exempts them as being protected on oil and gas facilities, because they're not native, natural structures. You have the – we'll talk to Department of Justice about that. But again, it's not – it's not our – the corals aren't under the BSEE and BOEM oversight. That's under National Marine Fishery Service – (off-mic exchange) –

MR. : Could you use the mic, please?

MR. : Yeah, if they're – if they are under the Endangered Species Act and listed, then they do fall under us. And right now there's a proposal out there for, I want to say, 66 species, the vast majority of which are out in the Pacific. But in that case, then it does. So as the EA and EISs are conducted, where NOAA has the authority to weigh in is on MMPA issues, Endangered Species Act issues and on EFH-related issues, but not on species that fall outside of those areas.

MS. : (Inaudible.)

MR./MS. : (Off mic.)

MR. : Correct. They're exempt as per the president's executive order. I believe it was Clinton. We only look at the natural environment. We're protecting the natural environment, not the artificial substrate.

MR./MS. : (Off mic.)

MR. : But again, NOAA – then you're talking to the right agency, then, because BSEE and BOEM do not have oversight over those corals. If, in our coordination, the work that we do – and this – we talked about the supplemental EA that we're going to be working on for decommissioning – NOAA is going to be a cooperating agency on that because they're going to use it for protected species issues under MMPA, Endangered Species Act and the EFH consultation that's going to come out of it. If those species are declared to be endangered species and the executive order is modified – am I not using it? Sorry. Waving a microphone at me.

MS. : We're – we want you to –

MR. : Wrap it up?

MS. : Wrap up.

MR. : Good luck with that. (Laughter.) Sorry. No, they – that – we would take lead from them. If they declared that these resources needed to be protected, then guess what? BOEM would do the environmental assessment. They would outline which mitigation needed to be done. We needed to do surveys on each one of the structures. We needed to do fish counts before – again, these are great ideas, but BSEE and BOEM don't make those decisions. We use the NEPA process, in coordination with the work we've already done with NMFS, to determine what is necessary. What is necessary now is protected species when it comes to marine mammals, sea turtles on the Gulf of Mexico. That's what we're limited to.

MS. : OK, we have one last question of clarity because it sounds like this issue, there might be something outside of this meeting or a subsequent meeting, go more in-depth, because we've had a lot around coral and the other fish species, nonfish species in this marine habitat.

One more question, and we're moving – (off mic) –

MR. : My question is – I guess I want to know how you see this process moving forward in a beneficial way absent some sort of moratorium or stop for some short period of time to the decommissioning process. I know we started out saying, you know, we want to look at constructive ways to move forward, and you don't want to just hear, hey, we need to stop things. At the same time, from the numbers I look at just at your website, there's 29 platforms still in existence that we're talking about. There's 800 that are subject to Idle Iron and replacement ratio of 15 for every 250 that are coming out that will drastically change sort of the landscape, because we're talking about shallow-water platforms. And why – you know, how do we move forward? Everybody in here seems to be in agreement that the habitat is good, you know, the things that we're talking about, trying to reach a solution is a good idea, but we all know it's not a quick process. And as I look at your website, you know, there's a very accelerated decommissioning process for the next couple of years, and then it drops off. Like you said, that's – they're gone. And –

MR. : Let me jump in on this one if I can. I think one of the things we need to do better – and when I get back to D.C. tomorrow, we'll work on (splitting ?) that out so you see what actually – that 800 represents as far as, you know, the third-third-third that T.J. (sp) was talking about so we know whether these were caissons or structures that are – that are actually conducive to habitat. So let me do that. One of the things that we have to take into account at BSEE and that is very important to the companies is the issue of liability. If you just call a halt and say you want to do it – I've seen recommendations for two years to decommissioning activities – there are a lot of unintended consequences to that. And one of those is the continued liability on a company for if anything happens to that platform during that two years while we're studying this. And that's something that I don't think the government's going to put onto industry. But I think there are smart ways to go about it without calling an all-out halt. And that's one of the goals for this is how do you figure out what those smart ways are? And – but –

MR./MS. : (Off mic.)

MR. : Well, the Idle Iron NTL, the Idle Iron notice to lessees that we sent out did not call for a blanket removal of all the idle infrastructure. They called for a decommissioning plan.

And so what we want from the companies is, what are they going to do with that? How are they going to decommission this idle infrastructure? And that plan could include a Rigs-to-Reef proposal.

And I can tell you right now, from working with Director Watson for the past year and a half, he is not the type of person who's going to stand up and say, OK, you want to reef this, but it's going to take you six months to get a proposal; this thing's been idle; take it out or else get a fine. He's not going to do that. If you come to him and you say, I want to do a reef, and the state's in line with it and some preparatory work has been done, we're going to work with the companies to do the reef as opposed to saying, you have to take it out by this date or get a fine, and T.J. (sp) has alluded to that as well. But Director Watson is very committed to making sure that we do this in a smart way but that we also meet our statutory federal obligations when it comes to decommissioning.

So I think that an all-out halt has the potential to do more damage than – or as much damage as taking them out, but I think that we have to figure out a way that those that come out come out smartly and those that can stay do stay, and, you know, that the revisions that we're doing to the 2009 addendum are trying to make it easier to reef, trying to make it easier to reef in place. But we can't just blanketly decide to do that either. So this is going to take us – I'm going to cut off this question now and move on to the next one because one of the things that I've heard today, and I heard it when we were in Houston as well, if we make a decision to say, OK, you can just reef in place, and BSEE probably has the authority to do that under certain circumstances as long as everybody else is in agreement, there are a lot of people in this room that that's going to have a very negative impact on. So we can't just come up with these decisions without your input. And I think that each group that we have in this room needs to be somehow represented in that process. And there are groups who didn't make it today. There are people with different interests that didn't make it today that should be a part of that process.

So the question that I have now – and I'm only going to talk about this for about 20 minutes, and then we're going to get into the last question so we can wrap up by 4:00 – the question I have now is what mechanism exists by which the public and all of these interested stakeholder groups get to have input into the process in the artificial reef program as it relates to decommissioning of obsolete oil and gas platforms. There are already public comment periods that the Army Corps of Engineer has, there are processes by which the states go out and seek comment, but absent from this sort of a gathering like we have today, as I mentioned before lunch, what process already exists by which you all get to provide feedback into how we move forward from here. And if that process does not exist, or if the current mechanism can't be modified, how do we go about creating that.

MR. : Over here.

MR. : Thank you. I'm Bruce Tack (ph). The great joy about being independent is you worry less about how people – how many people are happy or not. I guess to me, as I was



thinking about your question, I've been thinking about it since you mentioned it this morning. Two things come to mind. One is, there are really a series of individual nested decisions that are pending on this topic. And I think T.J. (sp) made a really important comment shortly where he said, you know, if NOAA announce – makes a judgment about central fish habitat or whatever and there's mitigation requirements, then BOEM and BSEE will of course take that onboard and deal with that. I think that is a hugely important segment because there has been a fair amount of confusion I think within my conversations with some of my former colleagues in the oil and gas sector as to the interrelationship between the fishery management council decisions and how BOEM and BSEE would take that onboard and handle that.

But to your point on how people provide input, I just jotted down three or four things where everybody in the room, whatever your view is, has an opportunity. The explosive removal of structures – (inaudible) – regulation I think is timely. And that's a very open process.

The second one is, there's a Gulf fisheries management council. And I think Ted (sp) and I are certainly aware of the ad hoc panel – the larger issue is to the question about ecosystem habitat that the gentleman from Port Rands (ph) has risen. I think it's a great question, and the gentleman from Louisiana has made that point. I'm not sure that the world has yet come to a decision on a central fish habitat, the impact of these things. And so my expectation is, I'm guessing that I wouldn't be at all surprised to see the council formally talk about it an amendment to a fishery management plan which would trigger an EIS deliberation and under their process. So all the signs, all the input from the fishing guys and the (divers ?) and so forth, that's an existing process.

The third one is, it was a fairly extensive discussion with respect to alternative, you know, materials or approaches to reefing. What I didn't hear mentioned is another opportunity for public engagement, which is – my understanding is that NOAA and the Corps owned a thing called the national reefing plan. And it's been a while since that has really been really called up and reviewed, but it's hard for me to manage in any, if you will, lower-level, more distributed discussions or decisions could be ultimately validated if that document was not called up and revised.

Final point I guess is – and this is a toxic statement – you know, there's been quite a lot of discussion over the last two, three years. I was at a djoci (ph) meeting the last two days where the notion of a national ocean council and regional planning bodies that bring all kinds of people together to deal with conflicts was talked about. So that may be worth some consideration if we're setting up, you know, some one-off ad hoc kind of grouping to deal with this – (inaudible) – with the Navy and I believe the Gulf of Mexico program manager for EPA or the co-leads, now, that may be something else worth thinking about. Thank you.

MS. : (Off mic.)

MR. : (Off mic.)

MR. : We could also – any of the NEPA documents that are being prepared like the one Ari (ph) mentioned, the supplemental EIS, has an open public commenting period on it. The

rule-making that we're undertaking right one at (National Marine ?) Fisheries Service, which is going to have an ESA consultation aspect and an MMPA rule-making effort – the MMPA rule-making – (inaudible) – requires a public review process that will be in the Federal Register, and it'll take into consideration the EA that we're working on right now supplementing. All that is part of the public process, as you were mentioning, that if I remember right, in 2005 when we did the last work up, there were comments on the fisheries. And again, we left it to National Marine Fisheries Service to answer those questions – here are – what the potential impacts are, and would they have that same opportunity every time we do the central fish habitat coordination when they – they look at the whole program. And the whole program means installations and removals and all of the techniques and methodologies in between. So it's part of the open dialogue we have with National Marine Fisheries Service.

MR. : Yeah, then – and then more narrowly than that, if – should the ad hoc committee to the fishery management council and the – and the Gulf council decide that it's appropriate to go forward with some sort of EFH designation for our official structures, there would be additional opportunities. Whether the council chose to do through a single sort of large EFH amendment or whether they modified individual fishery management plans to add an EFH component within the appropriate ones, however it was done, there would be opportunities for public comment there, as mandated through Administrative Procedures Act, NEPA and all the other – (off mic).

MR. : So through these, all the people representing the various groups in this room will be able to provide input.

MR. : Yeah. It would be a series of public hearings with an open public comment period and – so just a typical federal rule-making.

MR. : (Off mic.)

MS. : (Off mic.)

MR. : I won't cut you off.

MR. : Cooperation I see as a very difficult issue in this group. We have too many diverse interests. Broadly, most of groups represented here likes the status quo, keep it as it is. I can't see any change unless Congress direct us to pass legislation. Again, even if they pass a legislation, the administration's charged with enforcing the laws of the land, and if they – if they choose not to, well, so be it.

The president can issue executive orders, stop the decommission process. The secretary of Treasury could issue – probably issue the same type of order.

This – I voted for this administration, you see, OK? But this is – one aspect of this administration I'm opposed to is that we take (in the clue ?) from not Big Oil but other side may have, with the environmentalists, and as long as that's taking place, I don't believe that there will be any changes, you know. Thank you.

MS. : Do we have any other responses to the question on the floor?

MR. : You know, I was looking for an entity to handle this. You didn't specify if it's regional or local, statewide, because Louisiana Wildlife and Fisheries has within its blanket Louisiana Shrimp Task Force. We have all of the fisheries represented. And that would be a good entity for this state, you know, to work this through, because we're all – we're all represented there.

MR. : Should it be a state issue? Should it be a Gulf region issue?

MR. : I don't think that you could leave state representation out.

MR. : Right. Right. I mean, it would have to be included, but would you – should each state be looking at this differently, or should there some sort of a group that would be put together that would look at this through more of a regional perspective with the input from the states?

MR. : And as a follow-up, if you're dependent on the Gulf Council, I hope you've got a lot of years.

MR. : (Chuckles.)

MS. : Please step to that mic there.

MS. : I don't know if I'm speaking exactly to this point, but I do think it intertwines, and we have so many user groups in this room. And this is the first time I've been part of one of these meetings, but I do permitting – that's my business – environmental permitting, and I work with Mike Fairby's (sp) group a lot, the Corps of Engineers, and with DNR (sp). And their office, although there are many different user groups, whether you're a commercial real estate developer or residential real estate developer or a municipality, you need to run a sewer line, you're growing, you're not growing, you need to improve infrastructure, whatever it is, there's a lot of different reasons – some people don't want it in their backyard, NIMBYs, whatnot – but there's a process for it, and it's called the CUP, and it goes through DNR (sp), goes through to all the other agencies, and there's a process.

I'll be the first to say it's not perfect, but I started doing what I do during the inception of that process, and there are some growing pains there.

I think if we get to a point – and I have to say that the Gulf is one of my passions; I spend most of my weekends out there – but I think we get to the point where we get to the Rigs to Reef as a viable solution and there's a process to go through, and it makes it easy for everyone in this room, whether it's the oil companies or the shrimpers or the divers. It's not only about the money for the oil companies, because the shrimpers want to make their money. The divers want to go do their recreational diving or commercial diving. You want to collect your coral. Everybody has a monetary interest. It may be on different levels, but it's all there.

So if we can provide some type of a mechanism to get the permit, to (reefs down ?), where it's not going to impact everybody – I think your name is Beau (sp) – you made a good point: Can we come together to that type of a solution and then get to someone who can work through the labyrinth of the permits and make it easy for everybody to utilize the system?

So that would be my advice as – to get to that process where it can be done once the solution is there.

MS. : Any other responses to the question on the floor? It's not an easy one, but it's one we really need to address.

MR. : What I'm thinking I'm hearing is that there are opportunities for public input, but there's not necessarily a planning body that's already set up to deal with – handle this sort of a – because one of the things that I think we would want to look at is how would you develop that, or would you develop that?

Over here.

MR. : I think you just touched on a – on a really great point. There's – I mean, the ad hoc restoration committee for the Gulf Council – I mean, that's where you could put your – like the actual rule-making through, but to come up with the solutions and get all these industry groups involved, you're going to have to create something – something new. I believe that the committee that's formed – I don't believe is going to be able to get the answer we're looking for.

MR. : All right.

MR. : Earlier Dave and I were talking, and out of all the discussion today, it all reverts back – we do a lot of finger-pointing. And I come off like I'm mad at them. I'm not. They're doing a job, just like anybody else.

MR. : Yeah.

MR. : I take it (to ?) passion what takes place out in my waters. That's my backyard, that's my playground, and I respect it.

But there's a lot of pressure on the oil industry. I've worked for the oil companies – guys, y'all got any job openings? (Chuckling.) I need – I need another job.

But anyway, the thing about it, there is – it's – a lot of things have gray area, but right now we're dealing with stuff black and white. The oil companies are stuck with a responsibility, and they want to get out of that liability. It's a – it's a responsibility of liability. And it's a – it's just a – it's black and white. It's either – they relinquish it and the state takes it, but there is no bridge to get it into a private sector. Like Rick (sp) – we were talking, you know, like there's dive clubs, there's sport fishing organizations. You know, they contribute money that could be allocated to help build a bridge.

And my thought, my opinion is to form a committee. Like Shane (sp) was saying, let's come up with a committee to bring a bridge together, where it's not so black and white that it has to be either the oil companies take full responsibility and liability, or the state does, but make a bridge to where we can bring it in to where the private sector could come in and help with a balance and a cushion to relieve this liability where this entity's not all responsible and this entity's not all responsible, but blend it out to where it's a public thing, where it affects all of us, not just one.

Thank you.

MR. : (Off mic.)

MR. : OK.

MR. : (Off mic.)

MR. : Yeah. So the way I did that is in the meeting in Houston, we had a sign-in sheet, and so I automatically captured all those email addresses.

But that's not the only people that we sent invites to. What we did is we asked each of the agencies to forward to groups of people representatives that they know that they work with on a regular basis, and we did the same as well with organizations that we work with on a regular basis. So that's kind of how we tried to put that out.

I've been criticized for not issuing a press release and making this a big public announcement about the meeting, but I knew that if we had 400 people in the room, we would not be able to do anything.

So rather than have a public comment period where you typically have like – you're in the NEPA process, where you have a panel of folks who listen while everybody – just make comments, our goal here today was really to have everybody be able to make some points and to be able to address these issues. So we wanted to keep it to a smaller group, but we did not tell anybody you can't come. And so as word spread around, we did that.

So I would ask that you do sign up, make sure that we do have your contact information, and make sure to stay in touch with any organizations that you're here with, so that if notices go out – and I'll try to do better about getting things up on our website earlier as well.

But you know, that's going to lead into another question, unless we have other suggestions about a planning body. I don't think we can solve that between now and 4:00. (Chuckles.) And I think we could have a very lively discussion about the need for it.

So what I would like to do, then, is move into the last question and talk about that for the next few minutes. And that's the one I mentioned first this morning, about your informational needs. So what kind of information, data do I need to make available to you through BSEE?

What do you need from the other agencies? What do you need from the states? What do you need from each other and in order to actually be able to continue contributing to this discussion? And so that helps us all get on the same page.

A lot of misinformation out there about what the Idle Iron NTL did. So one of my first goals when all of this started was try to correct that and figure out a way to do it. A lot of information about the number of platforms that are coming out, but it's not very well-presented and that we don't show the types of platforms coming out. So I'm already taking that back as a to-do for me.

So I would ask – just throw it around the room, what do you and – what you use the Gulf for, what information do you need from us, from the states, from each other in order to be able to make informed decisions and provide actual thoughtful and constructive input to us as to how to move forward?

MR. : I got – I got a blue question on this one. The first thing that comes to mind – and if you want to call it essential fish habitat, if you want to go down that road, you know, say that these things provide so much habitat; you're providing so much for the fishery, we need to get the actual data, some concrete data, not just anecdotal evidence on production versus attraction. We've got to get that solved before we can – we can move forward on the rest of it. That's the biggest issue that's holding – I know it's holding fishermen back from buying into this – to the data that's there. We're not counting the fish on artificial habitats. We're not certain that they're providing – they're providing more fish, but they could just be attractive, and we need concrete evidence on that.

MR. : Chuck (sp) needs to write bigger. (Laughter.)

MR. : I definitely agree with what you say. The question about production versus attraction has been around for a while. I think we've – (chuckles) – pretty much beat that horse into the ground. But the reason that the information is not out there is for what you say. It's not available to us. We've been looking for information like that. So I think you're right.

What – if we could have a place that we could go to and get an assessment of what environmental organisms are on the platforms, because I don't even think we even know – I mean, I'll – I don't know of any – there's very few others that are out there actually looking at the organisms that are on the platforms. And I know there's not much publication at all. Gallaway's – we've been using Gallaway's stuff for a long time, and we're continuing to add to it.

So again, I'd – you know, the question is, you know, how can we save these platforms and the fish too, and does our offshore oil royalties – can they be diverted in any way to help put some funds in this, to have the – to get the information out, either do the assessments of the coral? I know you were saying you all look at not just the platform itself, but is there a way that we can look at the platform itself, and how does it affect that particular region that it's in, fish or invertebrates or such? So thank you.

MR. : Well, a short answer from the NEPA side, in my old role in the agency, is that in order to require an assessment of the resources on the structure, the federal government has to mandate to the operator, you must do an assessment of the structure. And the only way, again, we can do that is if we're instructed that the resources there need to be protected. And – whereas we do that with the mammals and the sea turtles.

If part of the ad hoc discussion and part of the NMFS discussion says, you should do this, we will take it into – you know – oh, yeah, Dr. Gallaway and I spoke the other day on the phone about kind of a more holistic kind of cradle-to-grave study about the attraction versus the production aspect, using the facilities that are out there as kind of a control source. That's what we would like to see too. I mean, that's part of what BOEM's responsibility is. From our standpoint, it is facilitating these type of studies so that we can learn, so that we can put it into the NEPA, so that we can then mitigate and oversee the operations.

MS. : Are there any other responses?

MR. : T.J., would it be possible to go to OMB and ask for an information control number and make that request of industry?

MR. : Chuck (sp), aren't you working on an OMB request right now for –

MR. : Not with – (off mic).

MR. : Never mind. (Laughter.) That's – it's something we could do. I mean, again, it takes a long time to get these OMB numbers where we make a – we demand it. But again, if – it's probably easier through coordination with the respectable agencies. If Fish and Wildlife or National Marine Fisheries Service or any of our other partners said, this is required, then we'd ask for it. It would be implemented either into an interim policy and then our regulations, and that can be done. But again, this is where we've got to keep the lines of communication open and where next week's meeting is going to be important for any type of feedback.

Dr. Calver's (sp) going to be taking notes while – (off mic).

MS. : I noted that – oh, there's – OK, before I acknowledge this gentleman, I've noted that a lot of you have been quiet. You've been absorbing it all. You've been mulling it around in your brain. So for those of you who haven't spoken yet and have been really listening deeply to the conversation, I would ask you to share your ideas on this, because we've had a whole day of discussion, and I want to make sure that you don't discount the importance of what you have to offer.

So I'm asking for anyone who hadn't spoken yet today and has been listening and struggling with the same questions we're struggling with, do you have something to add in terms of this question or something else that we've discussed? (Laughter.) The gentleman in – (chuckles) – OK, gentleman in the back, then – OK.

MR. : (Off mic) – technology age. I know you guys have access to a lot of shake (ph) files. You know, for people in here who don't use our GIS, great program. Could you all maybe help these guys with information from the industry, which we'd be glad to provide, to make more shake (ph) files available on your website for these people to download, which could be around fish habitats? Maybe that third-third-third you're going to build, maybe make it accessible on a shake (ph) file where they can download it and view it on maps? And, you know, we have that ability. They have access to the program. They just need the files to upload it for later. Is that – is that a fair question?

MR. : I think it's going to be a technology issue for us right now, but it's not something that's out of the realm of possibilities as we continue to – (inaudible) – money on it.

MR. : Yeah, it's something we do on a daily basis. When you submit your EP/DOCD pipeline application, everything you submit to us, we're inputting it in our GIS –

MR. : (Off mic.)

MR. : You could.

MR. : (Off mic.)

MR. : Right. And that's kind of the approach that Dave was talking about earlier with the group down in Corpus, that we tried – are, I think, maybe still trying to hand off the data to the Heart Institute, because they have the capability of taking those shake (ph) files, putting it onto the system and having it where anybody can go and look up the data. We're – that –

MR. : (Off mic.)

MR. : Yeah, and that's what we were hoping the Heart Institute would do, is make it available where you didn't need to have our GIS open on your kid's laptop. You could literally just go right to the website, see the information laid out in several different orientations. But I don't – I'm not sure if we're there yet with those folks. And it's something Dave, I think, mentioned. If we can't get it done there, we'll work with our own federal partners.

MR. : (Inaudible.)

MR. : We'll figure it out, but it's a good point.

MS. : All right, I have a comment right here.

MR. : Thank you very much. In the interest of full disclosure, my name is Camp Matins (sp). I live in Louisiana. I'm a CCA National Board member. I'm on the Gulf Council. I'm on the Gulf (Division ?). This is my life.



I think those – the membership of CCA when we first got involved in this – (off mic). I don't think our membership realized how complicated this issue really is. It seems simplistic to a lot of our people, and it is not simplistic. I used to work for a major oilfield service contractor.

I would like to – this is going to move forward. February the 28<sup>th</sup> is going to be a meeting of the Gulf Council ad hoc committee on essential fish habitat in Tampa. It's a one-day meeting. I would encourage any of you who are interested in this thing to try to attend. It's – I think it's going to be streamed.

I think the Gulf Council's a good place to stay in touch with vis-à-vis your input from the public. I think the website is pretty good. You know when the public meetings are, when the council meets publicly. It's going to meet at least one location in each of the five Gulf states. I foresee that the Gulf of Mexico Marine Fisheries Commission has become more interested in this because it does affect state waters. This points to so many things that we're talking about now.

Just for the sake of example, those of you who are interested in fishing know that regional management is a controversial issue that's been discussed recently. I sort of see that extending to this issue. I think the problem set Florida has, which I don't mean to minimize – are real problems – are different than the problems that Texas has and different than the problems that Louisiana has. This is not going to be solved tomorrow.

But I think that – and I'm the first to admit, sir, that the Gulf council is a slow-moving process. And maybe that's by design. Nonetheless, I would encourage you to stay in touch with the commission website, council website. This is going to get a lot more attention. We at the CCA look forward to working with our friends in the industry. They have opened our eyes to issues that we really didn't consider, but we don't believe any of these issues to be issues that cannot be solved. I think that there are a lot of ways that the structures can be put to use. And I certainly – again, I'm the first one to admit leaving it in place standing up in the air is probably not one of them.

But there are other ways, depending on the depth of the water, depending on how many of these zones that we can permit that are within the distances that allow the service companies to move this material economically to different reef locations. I think we all need to be open to this. This is – it's not going to – everyone's not going to be happy. Maybe everyone's going to be unhappy. That happens. But at the end of the trail, I think we need to solve this problem, not just for me. I'm old. And the problem needs to be solved for future generations of all the Gulf residents, all five Gulf states.

Thank you so very much.

MS. : Thank you. The floor is still open for someone who has been listening. In the back. How could I forget about you? I'm so sorry. (Off mic.)

MR. : All right, this is going to be short and a little self-serving. There's a lot of groups here, and I've been trying to learn about everyone's concerns. I also work in an industry that basically does decommissioning. And I hear words like "moratorium," and it scares the hell

out of me because we represent groups that you're talking tens of thousands of people if you put a moratorium out there that all of a sudden are going to be put out of work. And so that's a big number. And that's tens of thousands of people that have families. Those families buy shrimp. They buy snapper. And so you've got to think, when you're doing all this, that just saying, put a moratorium on it or stop this – it affects more than just maybe your little world. It affects a lot of people.

MS. : Thank you. Someone who has not yet spoken. I'm opening the floor for those of you who have been struggling with these issues and been listening. You have something to contribute.

You've spoken, but you have something to contribute. I haven't gotten another – someone else – (off mic) –

MR. : I'll make this very quick. I'm – brought this point up earlier, but I think this is probably more the place where you wanted it. You're asking what we could – you could provide to us. And earlier I had indicated, you know, information on rigs that are – that are going to be scrapped or, you know, in the program – the sooner we can get that information – really, we don't need to rely on the – (inaudible) – something as simple as an Excel spreadsheet, I think, can be provided very quickly to provide us the opportunity to work with our states, with the companies, you know. We feel time is of the essence. Things are happening very quickly. And to this gentleman's point over here, I certainly understand that. I don't mean to set moratorium to – I understand. People are making commitments. Money is being invested. Plans are being made. You know, and to work at a solution, we need that information sooner rather than later. So thanks.

MR. : I had one more point to that same gentleman in the back. One thing we are going to need to provide meaningful input is some economic analysis on what this means. We're going to need some economic efficiency stuff done and to find out where this needs to go and in what way we can make that happen. But they employ a lot of people. A lot of jobs and a lot of money are on the line for decommissioning these rigs, just like it is in the recreational fishing interests that we have. I mean, this is our livelihood too. But I mean, they have jobs just like we do.

MS. : I think as I look at the list of interests on the evaluation form, at the bottom, it says, my interests are conservation of fish habitat – and I think we've heard today for people who are concerned about that – decommissioning operations – I remember them speaking – and the oil and gas development companies. We heard from them. Recreation and commercial fishing – I think we've heard from that group – the shrimping industry, and certainly state and federal officials who are in the room. Are there any other interests here that you feel your concerns have not been brought to the floor? Or did we cover all of them? Are there any groups that are not here that you feel should have been represented in this type of forum? We want to be inclusive. I mean, today's world is moving so quickly, no one of us can really identify everything that's out there. We need all those perspectives.

MR./MS. : (Off mic.)

MS. : Great. Thank you. That's a critical point. Thank you – (inaudible) – for adding that. Are there any other questions you have related to this particular one here?

MR. : No.

MS. : The focus – topics – (off mic) –

MR. : I think one of the things that I'd like to do with the remaining time that we have – and we don't have to take it all up because I know everybody's about spent, and you know, we have a few follow-ups from – (inaudible) – as well – you know, kind of thinking about the way ahead, we did the informational meeting in Houston, and that was us talking to you. We did this meeting today, which was primarily us talking to each other. Be thinking about the types of needs for what we do next. Do we do another workshop like this? Was this useful to you? That's what those evaluation forms are going to help us decide. So be honest on them because what I'd like to be able to do is start focusing this a little bit more. Now that we've put some of these issues on the table, how do we start addressing them, and what's the best format to do that? And I – you know, in November – we were hoping to have another workshop in January. That slipped to February, obviously, with the holidays and everything else going on. You know, it's kind of like the time frame too. So on your evaluation forms, please make sure you have – (off mic) – because we want to make sure we move forward in a way that's going to help you, because it's going to help us make better decisions if we do that. So – (off mic) –

MS. : (Off mic.)

MS. : Well, you have certainly indicated your intense interest in the topics here today. And I thank you for your participation and your attention. What I'd like to do is have some general reflection because when you write down your comments that are individual – and this will only take about 10 minutes, 15 minutes, and we'll still get you out of here before 4:00. But I'd like to have some group reflection, if you could. You don't have to wait to be called on. But I have a couple of questions because I do have a process and a structure for asking these questions. I'd like to know, for those of you who have been here all day, what really stood out to you about today's meeting? What really hit you about today's meeting? Anyone? Yes.

MR. : (Inaudible) – the possibility and – (inaudible) – apparently have in the system the – (inaudible) – and I'm encouraged to hear how – (inaudible) – did not really intend – (inaudible) – ability to work in this system – (inaudible) – regarding – (inaudible) – they didn't have any flexibility. I think there is some flexibility to help work this out.

MS. : OK. Great. Thank you.

(Inaudible) – stood out to you – (inaudible).

Just want to – (inaudible) – today. What do you remember that really stood out to you? There's no right or wrong here.

MR. : (Inaudible.)

MS. : (Inaudible.)

MR. : (Inaudible.)

MS. : (Inaudible.)

Anyone else?

We did do some things today, unless you're all brain-dead.

Let me ask you, what happened today that you really liked and you think went well?

Yes.

MR. : I just think – (inaudible) – availability – (inaudible) – input – (inaudible) – available – (inaudible).

MS. : Anything else that you remember that went well?

Yes.

MR. : (Inaudible) – outside of the – (inaudible) – area and that we don't have to – (inaudible) – you may be 16 or 50, so that's a huge plus.

MR. : (Off mic.)

MR. : What?

MR. : (Inaudible) – something I said, and that's not true.

MR. : Oh, I thought – I'm sorry; I thought – (inaudible) – was no longer – (inaudible).

MR. : Correct. We no longer have a policy for 85-foot trigger – (inaudible) – better word for market – (inaudible) – we no longer have that policy where you evaluate each location – (inaudible) – by a (cell ?), into a (cell ?).

MR. : So we may have the option – (inaudible) – than 85?

MR. : We have that option – (inaudible) – department – (inaudible).

MR. : OK.

MS. : Anyone else? Something that you think went well. Yes, sir.

MR. : (Inaudible.) And I go out there, and – (inaudible) – these structures – (inaudible). And something about – (inaudible) – year, a year and a half. And we go out – (inaudible) – inspect these – (inaudible) – every six months – (inaudible). So with a higher market than – (inaudible) – the deficiency – (inaudible).

And – (inaudible) – just from my experience – (inaudible) – the Gulf of Mexico – (inaudible) – there's 300 – (inaudible) – a year. So the – (inaudible) – before they take – (inaudible) – year and a half. (Inaudible.) It's a long time. So all this habitat, they – (inaudible) – shrimp – (inaudible) – some of them – (inaudible) – for four years – (inaudible). (Inaudible) – because – (inaudible). And all the – (inaudible) – and they get – (inaudible) – that you put the – (inaudible) – and the lights – (inaudible).

And then you have – (inaudible) – bad problem with – (inaudible) – or from – (inaudible) – 10 foot above the water, and you hit – (inaudible) – water, you drown. So – (inaudible) – you got – (inaudible) – in place. And then – (inaudible) – first bad – (inaudible). Thank you.

MS. : Thank you.

Anything today happened and made you feel uneasy or uncomfortable in this session? Or did you feel a little bit, hmm, sure – you felt uneasy or uncomfortable? No? It's OK. You should – you should probably turn the recording off so I'd really get your answers.

Yes, sir.

MR. : (Inaudible) – uneasy and uncomfortable, but – (inaudible) – said that the reason – (inaudible) – and rigs – (inaudible) –

MR. : (Inaudible.) (Laughter.)

MR. : It was actually Bill Clinton's executive order, and – (inaudible) – tell me that exactly, no rush. But there was – it was the protection of – (inaudible) – protection of – (inaudible) – resources. You guys – (inaudible) – executive order was on the Clinton administration, but I'm saying there was a caveat on that that did not apply to the artificial – (inaudible).

MR. : So that could actually be looked – (inaudible).

MR. : (Inaudible.)

MR. : (Inaudible.)

MR. : Correct. And like most executive orders – (inaudible) – give us direction to follow at the executive branch.

MS. : Was today's meeting more like watching the sun rise on a spring day, or was it like hunkering down, waiting for a thunderstorm to pass?

MR. : Thunderstorm. (Laughter.)

MS. : Thunderstorm. Why? (Laughs.) OK. Why'd you think that? (Inaudible) – thunderstorms.

MR. : (Inaudible.)

MS. : All right. Anyone else? Someone else – (inaudible) – thunderstorm? You thought it was a thunderstorm. OK, hunkering down. Why?

MR. : Well – (inaudible) – years – (inaudible) – wonderful – (inaudible) – today than – (inaudible). I know – (inaudible) – I've seen your face over there, and I – (inaudible) – here, we're not – (inaudible) – really disappearing as fast as – (inaudible) – you guys – (inaudible).

MS. : Someone else? Ben (sp), what did you feel – (inaudible) – your experience?

MR. : Well, it's more like preparations with Katrina. The only – (inaudible) – one of the things that – (inaudible) – is that we have statutory requirements, we've signed leases that said – (inaudible) – and we're somewhat befuddled by the rash of other stakeholders that say, yeah, but we want – (inaudible). We would like those other stakeholders to understand that we have an obligation – (inaudible). Then we have statutory requirements. And then we sign a lease with the government that says we're going to take it out. So you've come a long way – (inaudible) – you say, whoa, time out, we don't want you to take it out. We've got a (lease ?) that said we're going to take it out. So it's a big concern with the industry who thinks we're playing the rules, we're following the rules, and now we're getting different signals about what we're supposed to do that's good corporate citizens.

(Inaudible) – with it. We deal with the agency on an – (inaudible) – basis where we can – (inaudible) – we do it, or – (inaudible) – challenge because – (inaudible) – all our other circumstances, we bring them in. In some cases, the hurdles are more – (inaudible) – to make it a reef than just to bring it in. So if you put the hurdles in front of us, you will not – (inaudible). So if you lock all the stakeholders – (inaudible) – you just cannot get around that issue about responsibility for the lease we signed and the statutory requirements. If there is a fishing group that wants to stand up and take over a platform, I wish you well because it's millions of dollars of expenses associated with just keeping it upright. And when it falls down, you're looking at 10, 15 times that cost – (inaudible). So the operators are merely trying to identify their risk, minimize their risk, follow the letter of the law and move forward.

So we're concerned. And like the gentleman in the back, when we say moratorium, that is really an emotional response on our part. A moratorium followed by – (inaudible) – has caused a real bad drop in the production in the Gulf of Mexico. We're at 1.6 million barrels per day before Macondo. Macondo was not – (inaudible). We had no way to provide input to that 1.6 million. We're still 250,000 barrels of oil per day down. And the reason we're down, you can trace back to – (inaudible). We will probably never catch up at the rate we are right now because of the increased scrutiny by the regulators, who are looking at everything we do. So yes,

we're real unprofitable. When the stakeholders come and say, hey, we want you to stop – (inaudible) –

MS. : All right. Well – (inaudible) – still on the table. Was this meeting like watching the sunrise on a spring day or like hunkering down waiting for a thunderstorm to hit us?

MR. : Yeah, well, I have to say that for 20 years now – actually, since '86 we've got 400 and something reefs out there. We've accomplished a lot as an industry. And I think that this industry ought to be very proud of what we've done to maintain the habitat, you know, doing it in the right way. And that's where it doesn't affect – negatively affect anybody. There is going to be an attrition. You are going to have a changing of the environment. But we're doing a very positive thing. So I think this should be looked at in a more positive light than a negative light.

MS. : OK, you feel the sun is rising. OK. (Inaudible.)

MR. : (Off mic) – I was born in '86. (Laughter.) (Off mic) – we're on – I think we're on the right track – (off mic) – everybody has the rules that they had to operate by, but – (off mic) –

MS. : Thank you. What is one insight you've had today that – (inaudible) – all this discussion, one insight you have as –

MR. : (Inaudible.)

MS. : (Inaudible.)

MR. : That's right. Don't hurt the trawlers. Yeah, you – don't intentionally, you know, go out and hurt somebody's, you know –

MS. : Unintentionally – (inaudible) –

MR. : Yeah.

MR. : (Inaudible.)

MR. : (Inaudible) – oil companies, so I'm just – (inaudible) – about 40,000 a year studying corals – (inaudible) – oil companies, so – (inaudible) – the oil companies feel like you guys are – (inaudible) – that's not my intent. The oil companies hire me because I – (inaudible) – potential problems, and they are to determine if the liability is – (inaudible) – don't go south – don't go to South Pass. All the platforms are out there – (off mic) – the fishing – (off mic) –

MS. : I want to thank you for spending your time – (inaudible) – extensive meeting that happens here and have all of you collected – (inaudible) – but it's because you're really rising to the challenge, figuring out how to solve these problems. And as the gentleman said in

the back, he may not be here because he spent a lot of years in the business, but – (inaudible) – next generation and – (inaudible) – figure out what we need to do moving forward that would benefit – (inaudible) – the Gulf and benefit – (inaudible) – energy – (inaudible) – so thank you very much for coming. We have lots of information that I'm sure BSEE and the other agencies would – (inaudible) – and I wish you safe travels out – (inaudible) – (applause) – thank you.

(END)