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BOEMRE Director Discusses Strengthened Oversight of Offshore Oil and Gas Drilling and Development at Gulf Oil Spill Series

WASHINGTON – Bureau of Ocean Energy Management, Regulation and Enforcement Director Michael R. Bromwich delivered remarks today at the Center for Strategic and International Studies Gulf Oil Spill Series in Washington, D.C.

Director Bromwich discussed lessons learned from the Deepwater Horizon blowout and spill, ongoing regulatory reform efforts, and the reorganization of the former Minerals Management Service.

Director Bromwich's remarks, as prepared for delivery, are below:

Good morning. Thank you very much for inviting me to participate in the Center's Oil Spill Series.

It is a pleasure and a privilege to be here with you to discuss the profound changes that are taking place that involve oil and gas drilling and development in the waters off our country's shores. These changes are long overdue and, as is so often the case when it comes to serious reform anywhere, are being spurred by a major catastrophe – the unprecedented deepwater blowout of the Macondo well, the explosion and sinking of the Deepwater Horizon drilling rig, the tragic deaths of 11 workers, and a spill of nearly 5 million barrels of oil into the waters of the Gulf of Mexico.

The Deepwater Horizon tragedy has shaken government, and I hope industry, out of a complacency and overconfidence that had developed over the past several decades. That complacency and overconfidence – hubris is not too strong a word – created a circumstance in which the increased dangers of deepwater drilling were not matched by increased vigilance and concern for the safety of those operations.

This morning, I will discuss the steps that our agency is taking to renew its commitment to the responsible stewardship of our nation's resources on the Outer Continental Shelf (OCS). I'll also discuss the reforms that are necessary, both in government and in the oil and gas industry, to ensure that this activity, which is vital to our economy and security, is conducted safely.

Not quite seven months ago, I became the Director of the Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE), the offshore energy regulator that was created by Secretary of the Interior Ken Salazar soon after the Deepwater Horizon accident to replace the former Minerals Management Service (MMS). The mandate I received from President Obama and Secretary Salazar was as daunting and ambitious as it was urgent – to reform offshore energy development, starting with the agency responsible for overseeing it.

Since that time, we have been working to make the changes necessary to restore the public's confidence that offshore oil and gas drilling and production are being conducted safely and with appropriate protections for marine and coastal environments.

My remarks today will address the changes that have occurred and are ongoing in the oversight of oil and gas operations on the OCS. This topic, of course, could not be more timely. As you know, the National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling released its

findings and recommendations this week. The Commission's report is a thoughtful and comprehensive analysis of not only the spill itself, but of the history and development of offshore drilling and of the regulation of offshore drilling. I want to commend the Commission and its staff for their hard work, their professionalism, and their willingness to cooperate with us and listen to different points of view. I encourage each of you to read the report. For our part, even though we had many discussions with the Commission and its staff over the past six months, we are thoroughly reviewing and analyzing the report and its recommendations.

As the Commission describes in its report, regulatory and industry reform in the wake of a significant offshore disaster has happened before. The United Kingdom and Norway substantially changed their oversight of offshore drilling and production following the Piper Alpha and Alexander Keilland incidents. Australia is currently facing many of the same issues we are confronting following the Montara blowout, which occurred only eight months before Deepwater Horizon.

The specific challenges facing us, however, are unique in many significant respects. The scale of the offshore oil and gas operations in U.S. waters, particularly in the Gulf of Mexico, is vastly greater than those in the North Sea. The economies of many of the Gulf Coast states, particularly Louisiana, are closely tied to offshore industry. The Gulf accounts for more than 25 percent of domestic oil production and approximately 12 percent of domestic gas production. One of the key problems that we are addressing – and that cannot be avoided – is this: how will government and industry make the fundamental reforms necessary to improve the safety and environmental protection in this massive industry, while at the same time allowing for the continuity of operations and production?

To illustrate the problem, consider this: U.K. offshore production (which again is at a much smaller scale than in the Gulf) dropped off substantially for two years following the Piper Alpha incident. The major challenge facing us and the industry is to dramatically improve the safety of drilling in the Gulf of Mexico, particularly in deepwater, while continuing with operations, keeping production flowing and keeping people working.

While the Commission has been doing its work, we at BOEMRE have been working to address many of the issues identified by the Commission. Let me be specific about what we have already done, and what we plan to do in the future. Together with Secretary Salazar, we have undertaken the most aggressive and comprehensive reform of offshore oil and gas regulation and oversight in U.S. history. This includes the reorganization of the former MMS to establish mission clarity and to strengthen oversight; and it also includes the development and implementation of heightened standards for drilling practices, safety equipment, and environmental safeguards.

These new rules set forth prescriptive standards that industry must meet. But they also establish, for the first time in the U.S. offshore regulatory system, performance-based standards focused on the identification and mitigation of specific risks associated with offshore operations.

These changes are substantial, and more work is being done to ensure that these changes are both lasting and effective. The ultimate goal is to establish an industry-wide culture of safety, and to have well-equipped and professional regulators. Both elements are necessary to keep pace with the challenges and risks of offshore drilling, particularly as those operations push into new frontiers and face increased technical challenges.

I. Reorganization

Let me outline for you the main elements of our fundamental reorganization and reform of the former MMS. As has been previously announced, in the place of the former MMS – and in the place of BOEMRE, the direct and temporary descendant of MMS – we are creating three strong, independent agencies with clearly defined roles and missions. MMS – with its conflicting missions of promoting resource development, enforcing safety regulations, and maximizing revenues from offshore operations and lack of resources – could not keep pace with the challenges of overseeing industry operating in U.S. waters.

The reorganization of the former MMS is designed to remove those conflicts by clarifying and separating missions across three agencies and providing each of the new agencies with clear missions and new resources necessary to fulfill those missions. We are designing and implementing these organizational changes while we fully take into account the crucial need for

information-sharing and the other linkages among the functions of the former MMS. This is essential to ensure that the regulatory processes related to offshore leasing, plan approval, and permitting do not succumb to bureaucratic paralysis.

On October 1 of last year, the revenue collection arm of the former MMS became the Office of Natural Resources Revenue. Over the next year, the offshore resource management and enforcement programs will also become separate, independent organizations. The next steps in the reorganization are more difficult, but also more important: they involve separating the energy development functions from the safety and environmental enforcement functions:

- On the one hand, the new Bureau of Ocean Energy Management (BOEM) will be responsible for managing development of the nation's offshore resources in an environmentally and economically responsible way.
- On the other hand, the new Bureau of Safety and Environmental Enforcement (BSEE) will enforce safety and environmental regulations.

Over the past several months, we have been gathering the facts that are necessary to complete the reorganization in the most rational and sensible way. We have been busy interviewing Bureau employees in all of our regional offices; collecting and analyzing data relating to the Bureau's processes, systems and regulatory metrics; and developing various models and options for restructuring and reforming the Bureau.

This work has been painstaking and time consuming, but it is critical to inform decision-making regarding the transformation of the Bureau.

We are close to being ready to lay out the detailed framework for the reorganization. Our design will be shaped by the following concepts:

- We will separate resource management from safety oversight to allow our permitting engineers and inspectors greater independence, more budgetary autonomy and clearer senior leadership focus. The goal is to create an aggressive and tough-minded but fair regulator that can effectively evaluate the risks of offshore drilling, will promote the development of safety cultures in offshore operators, and will keep pace with technological advances.
- We will provide a structure that ensures that thorough environmental analyses are conducted and that the potential environmental effects of proposed operations are given appropriate weight during decision-making related to resource management in BOEM. That structure must ensure that leasing and plan approval activities are properly balanced. These processes must be both rigorous and efficient so that operations can go forward in a timely way – but they must be based on a complete understanding of the potential environmental effects of those operations. We must also ensure that appropriate mitigation of those potential environmental effects are in place.
- We will also strengthen the role of environmental review and analysis in both organizations through various structural and organizational mechanisms.

These reforms are in general alignment with the recommendations of the Oil Spill Commission. As we continue moving forward, we will continue to take the Commission's recommendations into account in designing the final reorganization structure.

II. Implementation Teams and Other Reforms of BOEMRE Policies

Let me next discuss the important, substantive work that is going on within the agency to provide the tools, training and changes to the culture to make sure that the reorganization will have the effects we seek.

As part of our broad and continuing reform efforts, we have created 11 Implementation Teams that have been hard at work for several months. They are the central focus of our efforts to analyze

critical aspects of BOEMRE's structures, functions and processes, and implement our reform agenda.

These teams are integral to our reorganization effort and are considering the various recommendations for improvement that we have received from several sources, including the Oil Spill Commission, the National Academy of Engineering, and the Safety Oversight Board commissioned by Secretary Salazar. In short, these teams are laying the foundation for lasting change to the way BOEMRE currently does business and the way its successor agencies – BOEM and BSEE – will do business in the future.

I want to take a moment to briefly describe the key areas and issues that these teams are working on.

1. **Permitting.** We have a team devoted to reviewing and improving BOEMRE's drilling permit review and approval process. This process is central to ensuring that proposed drilling operations will be conducted safely. This review and evaluation process must be rigorous, but it must also be efficient so that proposed operations are not unduly delayed by the process. This team has been working on plans to address the permitting workload in light of current resources. The team is also developing a comprehensive handbook of policies and practices. This handbook will be designed to assist permit reviewers in carrying out their responsibilities and ensure greater consistency across our offices and clarity for industry.
2. **Inspections.** We have several teams that are focused on the various discrete issues associated with developing effective, risk-based approaches to our offshore inspections programs. Among other things, these teams are focusing on:
 - Analysis of alternative organizational structures, development of risk-based inspections programs that target risks posed by specific types of operations, the appropriate distribution of inspections personnel throughout the organization, and internal management and oversight structures.
 - Defining near- and long-term strategies for inspecting industry compliance with safety and environmental regulatory requirements, including the safety measures imposed by the Drilling Safety Rule published last fall. We are also developing the infrastructure and will be recruiting the expert personnel necessary to conduct real-time monitoring of the highest risk operations, such as deepwater drilling operations. Such monitoring of industry performance during critical phases of drilling operations is a capacity that we feel strongly must be developed, and is consistent with the findings and recommendations of a review by the National Academy of Engineers that Secretary Salazar commissioned.
 - We are developing training programs and curricula for inspectors, supervisory inspectors, and engineers involved in BOEMRE's safety compliance and enforcement programs. As I recognized very soon after arriving at BOEMRE, and as is discussed in the Commission report, substantial improvements in our training programs are necessary. The design and implementation of BOEMRE's training and professional development programs are central to our reform agenda. This team is working on evaluating the resources necessary to develop an appropriate in-house training program, the development of both new recruit and refresher training curricula and programs, the development of a formal field training program, the creation of individual professional development plans for these personnel, and programs to ensure that government personnel keep up with technological developments related to offshore operations.
 - We are also examining how to provide our personnel with better inspections and enforcement tools, including technological solutions, for increasing inspections coverage and efficiency and for improving the Bureau's ability to conduct real-time monitoring of offshore drilling activities. We are evaluating the increased use of laptop computers and digital tablets by inspectors and environmental enforcement personnel. We are also analyzing the potential of

satellite imagery, e-inspections software, and live data feeds from offshore facilities to enhance our inspections capacity and effectiveness.

- Finally, we have introduced, for the first time in the U.S. regulatory system, performance-based standards for the identification of safety and environmental risks and the development of systems and personnel requirements to address those risks. These performance standards are embodied in our Workplace Safety Rule, otherwise known as the Safety and Environmental Management Systems or SEMS rule published last fall. We have a team devoted to designing an oversight program for reviewing and evaluating operators' compliance with these new safety performance requirements.
3. **Regulatory Enforcement.** We are evaluating the adequacy of the enforcement tools available to us – including the system for documenting and tracking incidents of non-compliance with prescriptive regulations, the adequacy and use of civil penalties, and the process for evaluating operator qualifications, and the system for debarring unsafe operators. We are reviewing potential gaps in our regulations, including a thorough review of the regulatory standards used by other countries. We are also looking for ways to enhance the civil penalties available for violations of BOEMRE's safety and environmental regulations, although our view is that legislation is required to make those more meaningful. The current enforcement framework, which permits maximum fines of only \$ 35,000 per day, per incident, is patently inadequate to deter violations.
 4. **Environmental Compliance and Enforcement.** We have a team that is focused on designing new inspections and enforcement programs relating to environmental compliance, which has not existed to this point in the agency. This team is developing staffing plans, analyzing support requirements, and systems for obtaining information necessary to support environmental enforcement.
 5. **Incident Investigations.** We have an Incident Investigations team that is, among other things, evaluating and developing investigative procedures relating to specific categories of accidents and incidents, including industrial accidents on rigs and platforms, fires and spills. We are identifying the types of expertise necessary to support BOEMRE's investigations programs, and designing systems for tracking the status of investigations, the imposition of sanctions based on investigative findings, and the implementation of improvements to safety and environmental regulations and practices recommended as a result of investigations.
 6. **Oil Spill Response.** Finally, we have a team that is conducting a comprehensive review of spill response and the adequacy of operators' oil spill response plans (OSRPs). This team is working closely with the U.S. Coast Guard and other federal agencies on developing enhanced spill response plans and more effective reviews of those plans in light of lessons learned from the Deepwater Horizon oil spill response.

As you can tell, the goals of these implementation teams are ambitious; the teams have become the main engine of our reform efforts.

In addition to the important work of the implementation teams, I want to briefly mention a number of other significant internal reforms.

We are in the midst of a review of our application of the National Environmental Policy Act (NEPA), including in particular the use of categorical exclusions. We have obtained public comments on our NEPA policy and we are in the process of reviewing and analyzing the comments we received. We are working closely with the Council on Environmental Quality (CEQ) on this evaluation. In the meantime, we have announced a policy that will require that site-specific environmental assessments, as opposed to the categorical exclusion reviews performed in the past, will be conducted for all new and revised exploration and development plans in deepwater.

To address conflicts of interest, we have issued a tough new recusal policy that will reduce the potential for real or perceived conflicts of interest. Employees in our district offices must notify their supervisors about any potential conflict of interest and request to be recused from performing any

official duty in which such a conflict exists. Thus, our inspectors are required to recuse themselves from performing inspections of the facilities of former employers. Also, our inspectors must report any attempt by industry or by other BOEMRE personnel to inappropriately influence, pressure or interfere with his or her official duties. Soon, we will be issuing a broader version of the policy that applies these ethical standards across the agency. I know that this will present operational challenges for some of our district offices in the Gulf region, which are located in small communities where the primary employers are offshore companies. But the need for tough rules defining the boundaries between regulators and the regulated is both necessary and compelling. These rules are necessary to assure the public that our inspections and enforcement programs are effective, aggressive and independent.

Finally, we will continue to recruit internal and external candidates for the new Investigations and Review Unit, a team of professionals with law enforcement backgrounds or technical expertise whose mission is to do several important things: first, promptly and credibly respond to allegations or evidence of misconduct and unethical behavior by Bureau employees; second, pursue allegations of misconduct against oil and gas companies involved in offshore energy projects; and third, provide the Bureau with the ability to respond swiftly to emerging issues and crises, including significant incidents such as spills and accidents.

All of these measures will help us ensure the rigorous and independent oversight of offshore drilling.

III. New Safety and Environmental Regulations

I have discussed many of the reforms that we are pursuing to improve the effectiveness of government oversight of offshore energy development and drilling. These changes are both substantial and necessary. However, as the Commission's report makes abundantly clear, industry must change as well. My agency has a clear and important role in helping to spur that change. We are doing so through the promulgation of new prescriptive regulations to bolster safety, and to enhance the evaluation and mitigation of environmental risks. We have raised the bar for equipment, safety and environmental safeguards in the drilling and production stages of offshore operations – and we will continue to do so in open and transparent ways in the coming months and years. We have also introduced – for the first time – performance-based standards similar to those used by regulators in the North Sea. We have done all of this through the development and implementation of the two new rules, announced last fall, that raise standards for the oil and gas industry's operations on the OCS.

The first rule, the Drilling Safety Rule, is an emergency rule prompted by Deepwater Horizon that has put in place tough new standards for well design, casing and cementing – and well control equipment, including blowout preventers. For the first time, operators are now required to obtain independent third-party inspection and certification of each stage of the proposed drilling process. In addition, an engineer must certify that blowout preventers meet new standards for testing and maintenance and are capable of severing the drill pipe under anticipated well pressures.

The second rule we implemented is the Workplace Safety Rule, which aims to reduce the human and organizational errors that lie at the heart of many accidents and oil spills. The development of this rule was in process well before Deepwater Horizon, but as described in the Commission's report, the promulgation of these performance-based standards was frustrated for a variety of reasons. Unfortunately, as was the case in other countries such as the U.K. and Norway, it took a major accident to provide the impetus necessary for these standards to be imposed.

Operators now are required to develop a comprehensive safety and environmental management program that identifies the potential hazards and risk-reduction strategies for all phases of activity, from well design and construction, to operation and maintenance, and finally to the decommissioning of platforms. Although many companies had developed such SEMS systems on a voluntary basis in the past, many had not. And our reviews had demonstrated that the percentage of offshore operators that had adopted such programs voluntarily was declining.

In addition to the new rules, we have issued what we call Notices to Lessees (or NTLs) that provide additional guidance to operators on complying with existing regulations.

In June, we issued NTL-06, which requires that operator's oil spill response plans include a well-

specific blowout and worst-case discharge scenario – and that operators also provide the assumptions and calculations behind these scenarios.

Last month, we issued NTL-10, which establishes informational requirements, including a corporate statement from the operator that it will conduct the applied-for drilling operation in compliance with all applicable agency regulations, including the new Drilling Safety Rule. The NTL also confirms that BOEMRE will be evaluating whether each operator has submitted adequate information to demonstrate that it has access to, and can deploy, subsea containment resources that would be sufficient to promptly respond to a deepwater blowout or other loss of well control. This information will help us evaluate operators' compliance with current spill response regulations.

These changes and regulatory enhancements have been rapid, and there have been, understandably, a number of questions from industry and others about our new regulations, about the NTLs, and about how we will apply NEPA going forward with respect to deepwater drilling operations.

We have held dozens of meetings, both in the Gulf region and in Washington, D.C., as recently as yesterday, with federal and state representatives, industry groups, non-governmental organizations, and individual operators, to answer questions about the new rules and to provide clarity about the post-Deepwater Horizon regulatory environment. Last month, we also issued a guidance document, which provides a comprehensive and detailed outline of the way forward for permitting in deepwater. We have discussed the contents of the guidance with a number of companies and have received input on the guidance from them and from industry.

We know that this guidance will not resolve every question that an operator may have about the deepwater permitting process, but we intended it to address the significant questions that we have heard and to provide answers to help operators move forward with the resumption of work in deepwater.

The fact that continuing guidance is necessary is completely unsurprising. With the volume of new rules and formal guidance we have issued in recent months, the need for additional clarification was inevitable and necessary. It reflects no more than the fact that these are complex issues to work through, which is exactly what we have been doing.

We hope and trust that this guidance has substantially clarified some of the difficult and complex issues that have arisen in recent months. We are committed to working with industry to provide additional guidance on these and other issues as it becomes necessary. That said, one thing that the Secretary, I and BOEMRE believe firmly – and that is reinforced and supported by the Commission's report – is that a retreat on drilling safety is not an option.

IV. Future Reforms

As you can see, we have already put in place significant pieces of our comprehensive reform agenda. But our work is far from complete. The technology associated with offshore drilling will continue to evolve, as will the complexities and risks of those operations, particularly in frontier environments, such as ultra deepwater and the Arctic.

We will proceed through the standard notice and comment rulemaking process to implement further safety measures, including features of the next generation of subsea containment equipment such as blowout preventers and remotely operated vehicles (ROVs). As we have already stated, the Bureau will also promulgate additional workplace safety reforms through the rulemaking process, including requirements for independent third-party verification of operators' SEMS programs. We also will continue to evaluate the regulatory standards used by other countries to ensure that the standards applied in U.S. waters, as well as the agency that enforces those standards are world-class. These are among the issues discussed in the Commission's report, and the Commission provides useful insights about these issues.

Over the past few months, especially since our new rules were announced at the end of September, we have heard from countless companies, trade associations, and Members of Congress about the significant anxiety that currently exists in the industry that we will soon change the rules of the permitting process significantly, thereby creating further uncertainty about what is

required to conduct business on the OCS. The phrases we hear repeatedly are that we are “changing the rules” and “moving the goalposts” – the implication is that we have other regulatory requirements up our sleeve that we have not yet unveiled. This is not the case. Barring significant, unanticipated revelations from investigations into the root causes of the Deepwater Horizon explosion that remain in process, I do not anticipate further emergency rulemakings. Period.

But at the same time, we can no longer accept the view that the appropriate response to a rapidly evolving, developing and changing industry, which employs increasingly sophisticated technologies, is for the regulatory framework and the applicable rules to remain frozen in time. Over time, the regulatory framework and the specific requirements must keep pace with advances in the industry – and with industry ambitions to drill in deeper water in geological formations that have greater pressures.

We will continue to analyze information that becomes available, and we will implement reforms necessary to make offshore oil and gas production safer, smarter and with stronger protections for workers and the environment. In developing these reforms, we will balance the need for regulatory certainty – whose importance we well recognize – against the need to act on new insights and adapt to changing technology. And importantly, the processing of drilling permit applications and proposed drilling plans will not be delayed while these additional reforms are developed.

You know as well as I do that we can always do better -- and that we must always remain open to improvements in our regulations to develop the necessary culture of safety. In the past, industry has in many instances reflexively opposed new regulations. That is no more responsible than the mindless multiplication of new requirements for their own sake. We must strike a new balance that fully involves industry in the regulatory process, but that recognizes the need for us to exercise independent judgment.

Our challenge in the months and years ahead is to ensure that we do not once again become complacent, but rather that we continue to make progress in developing state-of-the-art safety, containment and response capabilities. Government, industry and the best minds in our universities must collaborate on ongoing research and development to create cutting-edge technologies in areas such as well condition sensor capabilities and remote BOP activation, among others. Government and industry must also work together to establish the necessary procedures and structures to address containment in the case of a blowout.

It is critical, for example, to ensure that, in the event of a loss of well control, containment resources are immediately available, regardless of the owner or operator involved. These are goals that we must pursue aggressively.

V. Offshore Energy Safety Institute

As an important step in this effort, the Department of the Interior is establishing an “Ocean Energy Safety Institute.” You have heard about the Institute from Secretary Salazar and from me, and it continues to take shape. The Institute will foster collaboration among all key stakeholders to increase offshore energy safety. The Institute will provide recommendations on matters and actions relating to offshore energy safety, including drilling and workplace safety, well intervention and containment, and oil spill response, as well as collaborative research and development, training and execution in these and other areas relating to offshore energy safety.

Among the Institute’s objectives will be:

- Developing a collaborative research and development strategy in the areas of drilling safety, containment and spill response;
- Recommending research to develop advanced drilling technology testing and implementation protocols;
- Understanding full-system risk and reliability analyses for the offshore environment;
- Developing an enduring research and development capability and a knowledge base useful

both for preventing and responding to accidents;

- Recommending joint training and emergency response exercises; and
- Increasing opportunities for communication and coordination among industry, government, academia and the scientific community.

Most importantly, this Institute is a key component of a long-term strategy to address on an ongoing basis the technological needs and inherent risks associated with offshore drilling, and deepwater drilling in particular.

VI. International Standards and Cooperation

A final – but very important – part of our long-term strategy includes continuing our collaboration with our international counterparts. The Commission’s recommendations stress the importance of sharing experiences across different international systems and in establishing global standards and best practices. We agree with that. The U.S. regulator can and should play a leading role in establishing those standards and elevating the safety of offshore operations around the world.

We have already taken positive steps in this direction. BOEMRE is one of the founding members of the International Regulators Forum (IRF) and regularly works with its counterparts in that context. This summer, we hosted a special meeting of the IRF in Herndon, Va. to share our experiences on drilling safety.

BOEMRE is also a substantial player in the Department of State’s Energy Governance and Capacity Initiative, a multi-agency global effort to provide a range of technical and capacity-building assistance to the governments and institutions of select countries that are expected to become emerging oil and gas producers.

We have also increased our bilateral outreach to our foreign counterparts. In October, I delivered a keynote speech at the IRF conference in Vancouver, Canada. Prior to the conference, I met with my counterparts from Norway, the UK, Canada and Australia. Later this month, I will be meeting with foreign officials from Australia and the United Kingdom to discuss our offshore regulatory programs.

Going forward, it is my hope that we will continue to collaborate with our foreign counterparts in developing safer, more environmentally responsible drilling on the OCS.

If I have learned nothing else in seven months, I have learned that passions run deep with respect to offshore energy exploration. I am committed to continuing the dialogue with industry, environmental organizations, and other stakeholders, improving the safety of offshore energy operations, and helping to strike the appropriate balance among the many legitimate concerns and interests that lie at the heart of offshore energy.

I thank you for your time and attention.

And now, I am happy to take questions with the time we have remaining.

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