

1           USCG/MMS MARINE BOARD OF INVESTIGATION  
2           INTO THE MARINE CASUALTY, EXPLOSION, FIRE,  
3           POLLUTION, AND SINKING  
4           OF MOBILE OFFSHORE DRILLING UNIT  
5           DEEPWATER HORIZON, WITH LOSS OF LIFE  
6           IN THE GULF OF MEXICO 21-22 APRIL 2010  
7           Wednesday, May 12, 2010

8                           \* \* \* \* \*

9                           The transcript of The Joint United  
10                          States Coast Guard Minerals Management Service  
11                          Investigation of the above-entitled cause,  
12                          before Dorothy N. Gros, a Certified Court  
13                          Reporter, authorized to administer oaths of  
14                          witnesses pursuant to Section 961.1 of Title  
15                          13 of the Louisiana Revised Statutes of 1950,  
16                          as amended, reported at the Radisson Hotel,  
17                          2150 Veterans Memorial Boulevard, Kenner,  
18                          Louisiana, 70062, on Wednesday, May 12, 2010,  
19                          beginning at 8:00 a.m.

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2 MEMBERS OF THE BOARD:

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4 UNITED STATES COAST GUARD

5 DAVID DYKES, CO-CHAIR  
6 MINERALS MANAGEMENT SERVICE

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15 REPORTED BY: DOROTHY N. GROS, CCR  
16 CERTIFIED COURT REPORTER  
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1                    P R O C E E D I N G S  
2                    CAPT NGUYEN:  
3                    Good morning everyone, please take  
4                    your seats. The Joint United States  
5                    Coast Guard and Minerals Management  
6                    Service investigation is now in  
7                    session. Court recorder, let's go on  
8                    the record. We will be honoring the  
9                    same guidelines and rules of  
10                    engagement as I have outlined  
11                    yesterday. I would like to remind you  
12                    to silence your cell phone and the use  
13                    of electronic recording devices is not  
14                    authorized.

15                    Witnesses for today's hearing  
16                    should be excused from the hearing  
17                    room. (Witnesses comply.) Before we  
18                    start with our first witness I would  
19                    like to put things in perspective.

20                    This is the first of four planned  
21                    public hearings. We are having these  
22                    public hearings to examine the safety  
23                    net. We start out with this first  
24                    hearing to look at the role and  
25                    responsibility of the coastal state,



1           which is the United States. So, we  
2           have witnesses from the U.S. Coast  
3           Guard and also the Minerals Management  
4           Service testify. And the next level  
5           from the bottom up is the flag state  
6           and we will have representative of the  
7           Marshall Island to discuss their role  
8           and responsibility within the safety  
9           net. And as we work upward we will be  
10          reaching the operators and then  
11          finally the owner within the safety  
12          net. So, the second and third public  
13          hearings will involve personnel from  
14          the -- that was working on the  
15          DEEPWATER HORIZON and also corporate  
16          personnel to discuss decision making  
17          and safety codes as we explore and  
18          identify the causes of the casualty  
19          and also to obtain information to  
20          prevent recurrence of this type of  
21          casualty. And then the fourth public  
22          hearing that's where we bring in  
23          expert witness and also to tie up any  
24          loose ends in terms of clarifying  
25          information and collect additional



1 data as needed.

2 So, that's the framework that we  
3 will proceed with these public  
4 hearings and I just want to let you  
5 know that.

6 The first witness of the day will  
7 be Mr. Mike Saucier with the Minerals  
8 Management Service.

9 \* \* \* \* \*

10 MICHAEL SAUCIER,

11 after being first duly sworn in the cause,  
12 testified as follows:

13 E X A M I N A T I O N

14 BY MR. MATHEWS:

15 Q. Mr. Saucier, for the record can you  
16 please state your name and spell your last  
17 name?

18 A. Michael Saucier, that's S-A-U-C-I-E-R.

19 Q. Can you please inform the board by who  
20 you are employed?

21 A. I'm employed by the Minerals  
22 Management Service.

23 Q. And what is your current position at  
24 the MMS?

25 A. I'm the regional supervisor for field



1 operations Gulf of Mexico region.

2 Q. And how long have you been the  
3 regional supervisor of field operations?

4 A. It's going to be two years in July.

5 Q. Can you give us your educational  
6 background and your qualifications to be the  
7 regional supervisor or field ops?

8 A. I have a bachelors of science degree  
9 from Louisiana State University in 1984.

10 Q. Prior to being the regional  
11 supervisor, was there any other positions that  
12 you held within the MMS and can you elaborate  
13 on those?

14 A. Yeah. I began with MMS in 1984 as a  
15 staff engineer. In 1988 I was promoted to  
16 Houma District drilling engineer. Then in  
17 1995 I became Houma District manager. And  
18 then in November of 2007 I became deputy  
19 regional supervisor for field operations -- of  
20 district operations. And in July of 2008 I  
21 became regional supervisor for field  
22 operations.

23 Q. And how long did you serve as a  
24 drilling engineer within the Houma District?

25 A. Approximately eight years.



1 Q. Can you briefly describe your  
2 responsibilities in that role when you were  
3 the drilling engineer?

4 A. Yes. Basically it was reviewing  
5 permits to drill. Ensuring that, you know,  
6 the permits are complete and accurate and that  
7 the operator -- everything that was submitted  
8 was according to regulations and then, once  
9 they began drilling the well, following the  
10 well through and any changes that needed to  
11 get approved my MMS we would get the request  
12 in to the district, review it and ensure that  
13 those changes that they needed to do were in  
14 accordance to the regulations.

15 Q. And, outside of the drilling engineer  
16 responsibilities, what are your current roles  
17 as the regional supervisor within field ops?

18 A. Well, presently I'm in charge of  
19 basically the district operations as one part  
20 and I'm going to elaborate a little bit on  
21 that. We have five districts across the Gulf  
22 of Mexico: New Orleans District, Houma  
23 District, Lafayette District, Lake Charles and  
24 Lake Jackson, Texas District. So, I would  
25 oversee those operations and in addition to



1 that on a regional side I oversee the pipeline  
2 section, office of safety management, office  
3 of structural and technical support and the  
4 plans section.

5 Q. Do you know --

6 A. Excuse me, as well as technical  
7 assessment.

8 Q. Do you know approximately how many  
9 inspectors we have within the MMS Gulf of  
10 Mexico region that you oversee?

11 A. It's a total of 53 inspectors, but, if  
12 you include the supervisory inspectors, you're  
13 looking at 58.

14 Q. Do you know if current MMS regulations  
15 have specifics on deep water operations in the  
16 Gulf of Mexico?

17 A. Well, if you're talking about the  
18 drilling regulations, the section that would  
19 cover deep water operations is under the BOP  
20 section, sub-C operations for the BOP stacks.

21 Q. And how does the MMS evolution with  
22 technology and regulations how do you play a  
23 role in the evolution of how MMS reacts to  
24 current technology and what's going on in deep  
25 water operations?



1           A. Because, as everyone knows, I mean  
2 deep water operations are continuously  
3 changing. So, we have our technical  
4 assessment group and any new technologies that  
5 are brought forth to us that group is the  
6 group responsible for going ahead and, you  
7 know, taking a look at the technology,  
8 researching it and seeing that at least it's  
9 in line with what our regulations would  
10 require just to ensure that the new technology  
11 they want to use is safe and, you know -- be a  
12 safe pollution free type of operation.

13           Q. Prior to this incident, were you aware  
14 of anybody in that outfit or the Gulf of  
15 Mexico region that were working on any type of  
16 deep water drilling regulations that could  
17 have any type of effect on what's going on  
18 deep water right now?

19           A. I guess back -- I think it was around  
20 2001 there was some draft rules concerning  
21 secondary control systems for BOP stacks. And  
22 those rules didn't stand up to headquarters to  
23 continue through the process.

24           Q. So, approximately since 2001, about  
25 nine years, we've been working on the process



1 of that deep water regulation for secondary  
2 back up systems?

3 A. That's correct. Unfortunately I guess  
4 the process is going through getting new regs  
5 incorporated takes a long time.

6 Q. And at the time of the status of the  
7 incident where are those regs now? Do you  
8 have any idea where those regulations stand?

9 A. As far as I know they're still up in  
10 headquarters.

11 Q. Back to inspections, can you give me  
12 some type of quick overview of any policies we  
13 may have in concerns to drilling inspections?

14 A. Basically the drilling inspections we  
15 have the potential incidents and non-  
16 compliance, PINC list that the inspectors go  
17 by when they're performing the drilling  
18 inspections. And, when they do that, that  
19 list basically tells you the different items  
20 to look for during an inspection. In addition  
21 it tells you how to inspect for that item.  
22 And, also, if you find a potential incidence  
23 of non-compliance, how to take the action.

24 Q. And how often do we perform drilling  
25 inspections in the Gulf of Mexico?



1           A. We preform them at a minimum once a  
2 month, but we can do more if need be.

3           Q. In yesterday's testimony it was  
4 brought to our attention that an inspector if  
5 issues a S-INC, a shut in INC that they need  
6 to contact their immediate supervisor to have  
7 the authority to shut in a rig; is that a  
8 written policy or some unspoken rule that may  
9 not be documented?

10          A. It's not a written policy. It's  
11 recommended that an inspector does contact  
12 either the supervisor inspector or district  
13 manager to go over what they found and just to  
14 ensure that it is a violation of the regs and,  
15 again, also just for notification purposes to  
16 let the district know that they're going to be  
17 shutting in a rig. But I guess one other  
18 qualifying statement would be that, if it's  
19 such a serious incident that it's a threat to  
20 human life or the environment, they can go  
21 ahead and shut it and then give us a call.

22          But, if they could, we recommend that they  
23 call before.

24          Q. To your knowledge after you reviewed  
25 the last inspection on April 1st, did you find



1 any type of indication that there was anything  
2 that warranted a shut in?

3 A. No, I didn't.

4 Q. Do you know how many rigs are  
5 currently operating in the Gulf of Mexico in  
6 water depths greater than 5,000 feet  
7 approximately?

8 A. Yeah, the approximate number and I  
9 think I checked it yesterday and that number's  
10 around 16.

11 Q. To your knowledge, as of today are all  
12 of these drilling rigs up to date on  
13 inspection?

14 A. Yes.

15 Q. Do you know if there's any indication  
16 of any problems that the board needs to be  
17 aware about of any potential issues related to  
18 this one?

19 A. No, not that I know of. We've  
20 conducted -- because of the incident we've  
21 conducted a blitz inspection on all the deep  
22 water rigs. And the inspection really came  
23 out pretty good. A couple of minor issues,  
24 but I don't think anything that's critical.

25 Q. Can you please tell us what you looked



1 at during that blitz inspection? What was  
2 verified or what was inspected by our  
3 inspection staff?

4 A. We did our typical inspection, which  
5 covers everything, but we specifically keyed  
6 on BOP issues, looking at the BOP tests and,  
7 if anything was noted in the BOP tests about  
8 any particular failures and what was the  
9 corrective action to make sure that was  
10 corrected. We also checked to make sure that  
11 they did the well control drill. There's a  
12 weekly well control drill required. So, we  
13 wanted to key on that, also, to make sure that  
14 everybody was making sure that was getting  
15 done.

16 Q. Can you give us a description of how  
17 MMS sets up it's inspection work force as a  
18 role? Earlier in your testimony you mentioned  
19 something about a supervisory inspector. Can  
20 you give us some type of idea of what roles  
21 the inspector has, the supervisor inspector  
22 and then I guess possibly you?

23 A. Well, yeah. Basically the supervisory  
24 inspector we have one in each district. So,  
25 we have five supervisory inspectors in all.



1 And then they're in charge of their inspection  
2 force, which like in New Orleans there's 12  
3 inspectors. Houma, Lafayette and Lake Charles  
4 there's 11 and Lake Jackson is 8. And they're  
5 in charge of those inspectors to ensure that  
6 they're inspecting the drilling rigs and  
7 production platforms as required and also  
8 verifying that they're, you know, completing  
9 the forms correct. And any issues come up it  
10 goes up to the supervisory inspector to help  
11 resolve those issues. If need be then the  
12 district manager or even myself could become  
13 involved on any type of potential problem that  
14 may occur, as far as interpretation of regs or  
15 what not.

16 Q. And then at the inspector level are  
17 there only inspectors that are solely  
18 dedicated to the drilling process or are they  
19 cross meshed into doing drilling and  
20 production?

21 A. Years back that's how it was, we had  
22 drilling and production inspectors. But  
23 several years ago it was decided to go ahead  
24 and have the inspectors being able to inspect  
25 both production and drilling rigs. And the



1 main reason for that, from what I understand,  
2 was basically, you know, an inspector could --  
3 you know, you have -- if they go inspect a  
4 platform and there's a rig on the platform  
5 they can do both, the production inspection  
6 and the rig inspection. No need to bring a  
7 different inspector to do the rig. In  
8 addition to that, if -- when the inspector's  
9 offshore if an incident occurs that would  
10 require us to go take a look at what happened,  
11 we don't have to be concerned about looking  
12 for a specific drilling or production  
13 inspection. So, that's why we started cross  
14 training inspectors.

15 Q. Talking about cross training, I know  
16 we have testimony from a predominantly  
17 production inspector. What kind of training  
18 does the MMS offer to this inspector to get  
19 him caught up to speed especially into deep  
20 water technology drilling issues?

21 A. Well, the main training for our  
22 inspectors is basically on the job training  
23 from a senior inspector. In addition to that  
24 every year we do send our inspectors to  
25 training. And we kind of base the need on



1 what they think they need in particular. Like  
2 for deep water or any type of drilling,  
3 there's well control training. We try to make  
4 sure they get that in addition to this general  
5 aspects of wells. But, like I said, I think  
6 primarily the on the job training with the  
7 senior inspectors.

8 Q. Is that senior inspector are they  
9 possibly non-dedicated drilling inspectors or  
10 are they more production orientated?

11 A. Well, if you're going to train them in  
12 drilling, you're going to try and get one  
13 that's more versed in drilling. Although  
14 everybody does both the drilling and  
15 production, you still get those who have more  
16 of a drilling background and those that have  
17 more of a production background. So, when you  
18 train them in drilling, you try to use the  
19 inspectors with more of the drilling  
20 background. If you're training them in  
21 production you try to use the inspector with  
22 more of a production background.

23 Q. Now, who's responsible for ensuring  
24 that our inspectors receive that training and  
25 on the job training that you're talking about?



1 A. The supervisor inspector.

2 Q. The supervisor inspector in the  
3 district level?

4 A. That's correct.

5 Q. Does that supervisory inspector  
6 document any of the training?

7 A. Yes.

8 Q. Where is that documentation located?

9 A. That would be located in the district.

10 Q. Would that be available to the board?

11 A. I'm sure we could probably get that,  
12 yes.

13 Q. To your knowledge do you know  
14 specifically if any of the training that they  
15 receive is surrounded on issues in the deep  
16 water drilling specifically?

17 A. I'm not sure.

18 Q. How do you measure the performance of  
19 our inspectors? Are they doing a sufficient  
20 job or are we just going out there and talking  
21 to people? How do you measure the components  
22 that they're actually doing what they're  
23 getting paid to do and for the benefit of the  
24 MMS?

25 A. There's several ways we monitor that.



1 One is the supervisor inspector obviously  
2 keeps track of what his inspectors are doing,  
3 he reviews their paperwork once they come back  
4 in from inspection to ensure it's being filled  
5 out properly. In addition to that he goes  
6 offshore with them on different occasions to  
7 do inspections with them just to kind of  
8 ensure that he knows that they're doing the  
9 right job. In addition to that we have an  
10 operation analyst located in our regional  
11 office, which is basically a foreman  
12 inspector. And he goes and do both the  
13 drilling and production audits in the  
14 districts and spend a week -- for example,  
15 like on one trip he would go down to a  
16 district, spend a week there on the drilling  
17 side. And he would review the paperwork.  
18 Randomly select paperwork to review it and  
19 check to see and make sure it was filled out  
20 properly and then he would spend two to three  
21 days going offshore with different inspectors  
22 and observe their inspections.

23 Q. Is there a process in which the MMS  
24 tries to ensure consistency across districts?  
25 I'm very well aware that some districts don't



1 have deep water operations. Is there some  
2 mechanism in place that the MMS has with their  
3 inspection staff to ensure that each district  
4 is performing consistently in accordance with  
5 the regulations?

6 A. Several years back there was a  
7 supervisor inspector team that was established  
8 and they meet either by telecom or in person  
9 once a month to go over inspection issues.

10 For example: If one particular district a  
11 particular issue comes up that's noted and  
12 when the team meets they discuss it to ensure  
13 that the resolution is broadcast to all the  
14 districts so that we can become as consistent  
15 as possible.

16 Q. From your knowledge was this the first  
17 deep water blowout in the Gulf of Mexico?

18 A. In water depths greater than 5,000 as  
19 far as I know, yes.

20 Q. Have we had blowouts in the past in  
21 1,000 feet?

22 A. From 1,000 --

23 Q. Or loss of well control, excuse me.

24 A. We did have loss of well control, but  
25 nothing to the extent that we had here.



1 Q. The magnitude.

2 A. Correct.

3 Q. What type of aircraft do you have to  
4 ensure proper inspections to make sure you can  
5 get out to the remote locations on a monthly  
6 basis as you alluded to earlier? Do you ever  
7 have any type of issues with your assets?

8 A. Across the Gulf we have a total of 14  
9 aircraft that we lease. And the way they're  
10 broken down is New Orleans, Houma and  
11 Lafayette we have three in those districts and  
12 we have -- each one has two AS350s and one  
13 A109. And then in Lake Charles we have three  
14 AS350s and then Lake Jackson one AS350 and an  
15 A109. So, for a total of 14 aircraft.

16 Q. So, with those 14, do you ever have  
17 district sharing aircraft that would prevent  
18 inspections within 30 days?

19 A. A couple of years back -- well up  
20 until a couple of years back we did have to do  
21 some sharing because we didn't have the A109s  
22 in all the districts. And we were able to do  
23 that. We still were able to accomplish our  
24 mission because we tried to use the twin  
25 engine -- this is a twin engine aircraft to do



1 the deep water inspections, but we did get our  
2 contract revised and we added a A109 in both  
3 Lafayette and Lake Jackson Districts.

4 Q. On BOP stacks in the Gulf of Mexico,  
5 are you familiar if there are secondary back  
6 up systems in case the primary functions of  
7 that BOP stack fail?

8 A. Actually since this incident occurred  
9 we went ahead and did a survey and all the  
10 deep water -- well, all the deep water --  
11 well, all the subsea sacks do have back up  
12 systems.

13 Q. They have them, but does the MMS  
14 specifically require them?

15 A. It is not in our regulations that we  
16 require them. But it's definitely highly  
17 recommended. Back in 2000 we issued a safety  
18 alert and an NTL and again in 2009 we issued  
19 an NTL basically stating, you know, the MMS  
20 highly recommends that you do have a back up  
21 system for your BOP stack.

22 Q. What was that NTL written in response  
23 to? Was it another incident or was there some  
24 type of -- can you please acronym NTL for  
25 those -- I know what it means. It's a notice



1 to leasees. The notice to leasees, was it  
2 issued in 2001 you said?

3 A. It was either 2000 or 2001, but there  
4 was an incident that occurred in 2000 that was  
5 an accidental disconnect of the LMRP, from  
6 what I recall. And everything I guess worked  
7 out okay, but we wanted to be sure that the  
8 BOPs do have a backup closure system and  
9 that's why the safety alert was issued and NTL  
10 was issued and, again, another reminder if you  
11 want to call that NTL issued back in 2009.

12 Q. Okay. So, just for clarification, MMS  
13 has no regulation, but they have an NTL that  
14 has the recommendation to have it?

15 A. That's correct.

16 Q. As far as secondary back up systems,  
17 does the MMS require any type of inspection on  
18 the secondary back up systems even though we  
19 don't have any regulation authority at this  
20 time, do you know if we require any type of  
21 inspection on them?

22 A. No, we don't.

23 Q. There's another secondary question:  
24 ROV intervention, does the MMS require any  
25 type of inspection during stump testing on ROV



1 intervention?

2 A. No, we don't.

3 Q. To your knowledge do you know if BP  
4 had any secondary systems on this BOP stack?

5 A. Actually they did on this BOP seg.  
6 They had the hot stab, the ROV intervention  
7 ports.

8 Q. And could you please inform me what a  
9 hot stab is?

10 A. It's a location on the BOP stack,  
11 which is obviously located on the sea floor,  
12 where the ROV, remote operated vehicle, could  
13 go up to it, stab into that port and actuate  
14 the rams.

15 Q. Did they have an ESD, emergency  
16 disconnect system, in this -- associated with  
17 this stack as well?

18 A. Yes, they did.

19 Q. Did they have a dead man system  
20 associated with the stack?

21 A. Yes, they did.

22 Q. Also, another secondary system that  
23 I'm aware of: Did they have any auto shear  
24 capability --

25 A. Yes.



1 Q. -- on this one?

2 A. Yes, they did.

3 Q. Can you please elaborate as to what  
4 maybe either one of these components might do  
5 in lieu of a failure? Auto shear first?

6 A. Basically if -- if you're -- if you  
7 loose complete hydraulic and electronic  
8 control of the stack from the surface and you  
9 completely lose integrity of that system, then  
10 it would initiate an automatic closure of the  
11 -- of the -- in this particular case it would  
12 issue an automatic closure of the pipe ram and  
13 casing ram, from what I recall.

14 Q. And how about the dead man?

15 A. That's if you had a separation from  
16 the LMRP, lower marine riser package, from the  
17 BOP. We would close the same thing, the blind  
18 ram and the casing rams. I believe that's  
19 what it is on this stack.

20 Q. So, it's safe to say, from your  
21 testimony, that the stack that we're  
22 discussing had an ESD, a dead man, an auto  
23 shear and ROV hot stab capability?

24 A. That's correct.

25 Q. Was the stack equipped with acoustic



1 back up system?

2 A. No, it was not.

3 E X A M I N A T I O N

4 BY MR. DYKES:

5 Q. Clarify one thing, if you don't mind,  
6 it had an ESD, emergency shut down system, or  
7 it had an emergency disconnect system, an EDS?

8 A. From my understanding it was an  
9 emergency disconnect system.

10 Q. Okay.

11 E X A M I N A T I O N

12 BY MR. MATHEWS:

13 Q. Talking about the emergency  
14 disconnect, does the MMS have any type of  
15 requirements or inspection methodology to  
16 ensure that the emergency disconnect system  
17 works?

18 A. No.

19 Q. To your knowledge has the MMS funded  
20 any studies on the capability of shear rams?

21 A. Yes.

22 Q. Could you please elaborate on that?

23 A. I'm aware of a report and again the  
24 date would be around 2000, 2003 conducted by  
25 West Engineering on the capabilities of shear



1 rams.

2 Q. What did that report indicate, present  
3 findings to the MMS?

4 A. Basically there was cases where the  
5 shear rams were unable to cut through some of  
6 the drill pipe. They did a -- you know, they  
7 did a study to determine if they could or  
8 could not and there was some found that  
9 couldn't.

10 Q. So, does the MMS actually require the  
11 operator to submit with their application, in  
12 accordance with the regulations, information  
13 on how they ensure that the blind shear rams  
14 can actually shear drill pipe?

15 A. Yes.

16 Q. Do you know if the operator, BP,  
17 submitted that within their application for  
18 this well?

19 A. It's my understanding they didn't for  
20 this well, but it still doesn't remove the  
21 requirement that they should have the  
22 capability.

23 Q. But it is the requirement for the  
24 regulations to submit that description within  
25 accordance with the regulations within the



1 APD?

2 A. Yes.

3 Q. How often are operators required to  
4 test their subsea BOPs on the drilling rig?

5 A. Well, they should do it at the  
6 beginning of the well when the subsea BOP  
7 stack is on surface. You have to do a stump  
8 test and then, once you run the subsea BOP  
9 stack to the sea floor, you do your initial  
10 BOP test. And then thereafter it's at case in  
11 point or every fourteen days at a minimum.

12 Q. So, the set date for a BOP test is  
13 every fourteen days?

14 A. That's correct.

15 Q. Are you aware of any studies that the  
16 MMS has done on why we have that fourteen day  
17 test and the reliability and frequency of the  
18 fourteen day test?

19 A. Several years back -- and I wasn't  
20 intimately involved in it, there was a study  
21 performed on the fourteen day test and I guess  
22 the results of the study indicated that  
23 fourteen days was a reasonable time frame.

24 Q. As far as the personnel on the  
25 HORIZON, is there any process that the MMS



1 does that would ensure that they were  
2 qualified and/or trained to do their job?

3 A. Well, we have our Subpart O training  
4 requirements. And basically the operator's  
5 responsible to ensure that the people that  
6 work in the offshore environment are properly  
7 trained for the job their performing.

8 Q. Had the MMS preformed the Subpart O  
9 audit on BP with DEEPWATER HORIZON in the  
10 recent past?

11 A. I'm not aware. I don't know.

12 Q. And who actually preforms those  
13 Subpart O audits?

14 A. The Subpart O audits, some of the  
15 testing can be done by the inspectors and we  
16 also have some staff in the region that can  
17 preform those audits.

18 Q. And, in that Subpart O audit, are they  
19 really just verifying that they went to a  
20 training course or are they verifying that  
21 they're actually qualified to do their job?

22 A. I guess it would be a combination of  
23 both. Looking at the training courses they did  
24 go to and ensuring that it matches up to the  
25 position they're working.



1 Q. Does MMS have any requirements as to  
2 work hours that an offshore employee must work  
3 continuously or is there a cut off rule where  
4 we say "An offshore operator may not be  
5 working their staff more than twelve hours a  
6 day"?

7 A. No.

8 Q. Earlier -- I just wanted to back up a  
9 little bit, you said that you had a BS, a  
10 bachelor of science from LSU. What did you  
11 get your BS in?

12 A. Petroleum Engineering.

13 MR. MATHEWS:

14 David?

15 E X A M I N A T I O N

16 BY MR. DYKES:

17 Q. You mentioned about the West Study and  
18 being able of shearing the drill pipe. What  
19 were the results of that study? Was it  
20 certain sizes of drill pipe could not be  
21 sheared by the blind shears or --

22 A. From what I recall it was certain  
23 sizes weren't able to be sheared. If I recall  
24 correctly, it was larger sizes.

25 Q. The larger heavy wall drill pipe?



1 A. That's correct.

2 Q. From what you understand in the  
3 response center where you've been working for  
4 the last several weeks, has that been an issue  
5 in this? Was Transocean using heavy wall  
6 drill pipe to your knowledge?

7 A. I'm not sure what drill pipe they were  
8 using, but I do know at this point until we  
9 actually recover the stack and see what was  
10 going on we really won't have a good idea of  
11 what the issue is. It's going to be very  
12 important for that stack to be recovered so we  
13 can determine what kind of problems there is.

14 EXAMINATION

15 BY CAPT NGUYEN:

16 Q. Good morning, Mr. Saucier.

17 A. Good morning.

18 Q. Thank you for being here. I have a  
19 number of questions for you. First of all I'm  
20 trying to get it clear in my mind in terms of  
21 the scope of MMS responsibilities and  
22 activities. Can you walk me through, you  
23 know, the system that -- the drilling  
24 production system that MMS is responsible for  
25 and activities that the government oversight?



1           A. Well, on the drilling side we are  
2 responsible for all the permitting to do the  
3 drilling operations as well as the inspections  
4 of the drilling operations. I mean we track  
5 everything that goes on from the beginning to  
6 the end in the drilling operations. The same  
7 thing with production. You know, we looked at  
8 all the permits from installing the production  
9 platform. We've got a structure and technical  
10 support section that reviews the structure.  
11 The production system we have engineers review  
12 the safe chart and flow schematic. We do  
13 inspections on the production system. So,  
14 basically we encompass all of the activities  
15 done in Federal Waters ensuring that they meet  
16 the regulatinos.

17           Q. Okay. So, for drilling MODU, such as  
18 the DEEPWATER HORIZON, you're responsible from  
19 the top of the riser all the way down to the  
20 bottom of the well?

21           A. That's correct.

22           Q. Okay. So, within that system -- and  
23 then all the associate components dealing with  
24 drilling?

25           A. All the components that deal with



1 drilling. The only thing on a MODU, for  
2 example, you're not responsible for is the --  
3 I guess you'll call the floating, the vessel  
4 part, which the Coast Guard is responsible for  
5 that.

6 Q. Yes, sir. So, within that system,  
7 which components are most critical to the  
8 safety of the operation?

9 A. I think it's a lot. All of your  
10 components put together are critical for the  
11 safety of the operation. From your BOP stack  
12 to your gas protectors to the safety valves.  
13 Every component has its place.

14 Q. Okay. Now, we talked a lot about -- a  
15 lot of attention given to the blowout  
16 preventer. My understanding is that -- and  
17 we're talking about West Engineering Study and  
18 we talked about -- and my understanding is  
19 that West Engineering is the one that -- the  
20 only one that do the certification on blowout  
21 preventers; is that correct?

22 A. West doesn't -- as far as I know, West  
23 doesn't do any certification of blowout  
24 preventers. I think blowout preventers are  
25 manufactures -- the API-6A if I recall



1 correctly that actually -- they've got to meet  
2 those standards.

3 Q. Okay. So, let's say this particular  
4 case Cameron produced -- manufactured the  
5 blowout preventer.

6 A. Correct.

7 Q. Who's witnessed the functional testing  
8 of the blowout preventer?

9 A. Who witnessed the testing --

10 Q. Who witnessed it?

11 A. On location?

12 Q. I mean a manufacturer produced a piece  
13 of equipment. How do we know if it's designed  
14 properly and tested properly?

15 A. It's designed --

16 Q. Before installation.

17 A. It's designed according to the API  
18 standard-6A.

19 Q. Who ensured that?

20 A. The API.

21 Q. So, API go out and take a look at this  
22 piece of equipment and make sure it's tested  
23 properly, functions properly?

24 A. That I don't know.

25 Q. Okay. So, there's American Petroleum



1 Institute standard which Cameron used to  
2 design their equipment to, but then there's  
3 nobody to ensure that it functions properly?

4 A. I don't know if somebody does or not.

5 Q. Okay. So -- alright. And that piece  
6 of equipment get sent to the site to get  
7 installed and -- I just want to understand,  
8 you know --

9 A. Well --

10 Q. -- if there are multiple critical  
11 components within the system, what is the --  
12 who ensure that these critical components work  
13 properly? Is it just the operator? Is this a  
14 self certification kind of operation here or  
15 what?

16 A. I mean obviously the operator wants to  
17 make sure it works properly because it's for  
18 the safety of drilling the well and the crew  
19 onboard. In addition to that, even when MMS  
20 goes and perform an inspection, we check the  
21 results of the BOP test that was preformed to  
22 ensure that it held the proper pressures for a  
23 certain period of time. So, we are verifying  
24 that it is holding.

25 Q. But, by the time it's on the ocean



1 floor installed, isn't that a little bit too  
2 late?

3 A. Well, if it doesn't hold the pressure,  
4 then they have to repair it and ensure that --  
5 retest it until it does hold.

6 Q. Wouldn't it be better to have it done  
7 on land, you know, in terms of pressure  
8 testing and function testing before it gets  
9 down to the ocean floor?

10 A. It probably would be advantageous to  
11 the operator to have that, but of course in  
12 transport -- you've got to transport the BOP  
13 on site and that's why they do a stump test  
14 before even putting it down on the sea floor  
15 to ensure it's holding pressures at that point  
16 and everything's working properly. And  
17 that --

18 Q. So -- I'm sorry. So, my understanding  
19 is that it is designed to industry standard,  
20 manufactured by industry, installed by  
21 industry with no government witnessing  
22 oversight of the construction or the  
23 installation; is that correct?

24 A. That would be correct.

25 Q. Okay. What other critical components



1       went into the system, beside the blowout  
2       preventer that this skim applied to? Okay.  
3       So, you had a blowout preventer that is --  
4       seems to be self certification here, from what  
5       I see, by industry. What other components  
6       within the system -- the mud pump, is that  
7       also the same thing? Is that self certified  
8       by industry with no government oversight?

9       A. That's probably correct. I mean they  
10      build the rig, it's designed by the  
11      manufacturer of the rig, you know, the company  
12      who owns the rig. And all the equipment is  
13      put on there by that company. But, like I  
14      said, once we get out there we do inspections  
15      to ensure certain critical components work  
16      properly going through our inspection process.

17      Q. So, let's say if it's a U.S. MODU.  
18      You have the Coast Guard on one side dealing  
19      with the marine system, the vessel itself, the  
20      stability structures and all that, life  
21      saving, firefighting, and then on the other --  
22      so, there's a fairly tight safety regimen for  
23      that, you know, in terms of standards,  
24      constructions and inspection and all that.  
25      But on this side over here for the operation



1 side the equipment is self certified by the  
2 operator?

3 A. Correct.

4 Q. Okay. With regard to the drilling  
5 operation, which aspect of the drilling  
6 operation is most critical to the safety of  
7 the operation?

8 A. What aspect is --

9 Q. Right.

10 A. -- most critical to the safety?

11 Q. When they start drilling into the  
12 ocean floor into -- which aspect is most  
13 critical? Casing, plugging? I don't know,  
14 which aspect --

15 A. Well, I think they all are.

16 Q. Yeah.

17 A. Each component, when you're drilling  
18 the well, each component has it's own reason  
19 for being there. And you take one away and  
20 you're going to no doubt have a problem. So,  
21 each -- like I say, all the different aspects  
22 each one is critical to the drilling of the  
23 well.

24 Q. Okay. So, MMS approved the design of  
25 the well; is that correct?



1           A. We reviewed the design of the well,  
2 correct.

3           Q. And you approve it; is that correct?

4           A. That's correct.

5           Q. Okay. Right now, from what I  
6 understand from the question, is that you  
7 approve a design, but we don't know for sure  
8 what actually is installed; is that correct?

9           A. No, we do. Once we approve the design  
10 of the well, any changes to that design has to  
11 come through MMS for approval.

12          Q. Right, but one of the questions I  
13 think Mr. Dykes was asking was about the shear  
14 ram. Maybe I misunderstand here. The  
15 question is that there's an uncertainty  
16 whether the shear ram would cut the pipe  
17 because we don't know the actual condition --  
18 characteristic of that pipe; is that correct?

19          A. Well, we --

20          Q. If we approve the design then we know  
21 what the size that pipe is, we know what the  
22 capability of that shear ram is, we know what  
23 the functionality of that shear ram is. And  
24 we have some certainty that when we activate  
25 it it would cut the pipe and close the well;



1 is that correct?

2 A. That's correct under 324250416E I  
3 believe it is they require that they have to  
4 ensure that the shear ram is capable of  
5 shearing the pipe to be used.

6 Q. But we don't know for sure because we  
7 don't know what the pipe's -- the actual pipe  
8 that has been put down there; is that correct?  
9 Is that my understanding?

10 A. Well, are you talking about the actual  
11 type of drill pipe?

12 Q. Yes. We know what it say in the  
13 design, but we don't know what been put --  
14 actually been put down there in the well?

15 A. Oh, no. If we go out there to verify  
16 the type of drill pipe, no. We don't.

17 Q. Let me understand -- I mean there's a  
18 lot of questions as far as why -- why didn't  
19 the shear ram close the pipe and my  
20 understanding is that -- what I understand  
21 here is that we -- the shear ram was designed  
22 -- the BOP was designed according to API  
23 standard that some study that was done a while  
24 ago that indicate that some shear ram would  
25 cut some pipe, but we don't have a complete



1 picture here. To me I don't understand this.

2 A. Well, remember -- I mean, yeah, at  
3 this point we haven't even seen the stack to  
4 know what actually happened. You know, we  
5 don't know that the shear ram actually didn't  
6 activate. It could be across -- a tool joint  
7 could be across the location of the shear ram,  
8 if that's the case, where there's a tool joint  
9 across a shear ram is not going to initiate a  
10 complete shearing and sealing. So, we won't  
11 know that until we recover the stack.

12 Q. But we don't know what happened, we  
13 don't know what's actually installed; is that  
14 correct?

15 A. What was installed as far as the drill  
16 pipe?

17 Q. As far as the drill pipe and whether  
18 the shear ram is adequately designed to cut  
19 the pipe or not, do we?

20 A. Offhand I don't have the numbers on  
21 that, no.

22 Q. Now, you talked about there were rules  
23 for deep water operation that have been  
24 proposed in 2001?

25 A. Correct.



1 Q. Okay. Now, in those proposed  
2 regulations, are there any things in there  
3 that are critical to the safety of the MODUs  
4 operating on the OCS right now?

5 A. Those regulations require the  
6 operators to have the secondary back up, but,  
7 as I mentioned earlier, we did survey the rigs  
8 out there presently and they all do have a  
9 secondary back up.

10 Q. Okay.

11 A. But this would be the official  
12 requirement in the regulation.

13 Q. Okay. When you sent out -- so, right  
14 now it's not enforceable because it's not in  
15 the regulation?

16 A. Correct.

17 Q. So, we have no safety notices out  
18 there and it's up to the industry to comply or  
19 not?

20 A. No, actually we do. We issued a  
21 safety alert back in 2000 and also a note to  
22 leasees in 2001 and 2009 to highly encourage  
23 them to have a back up activation system.

24 Q. Highly encourage, how's that translate  
25 to enforcement?



1 A. There is no enforcement on it.

2 Q. Okay. Is it true that there's not a  
3 safety alert -- I think joint Coast Guard and  
4 MMS about the average weight of an individual  
5 worker on the OCS is greater than that of  
6 what's in the regulation right now? I believe  
7 in the regulation right now it's 165 pounds  
8 for average individual weight and there was a  
9 safety alert indicating that it's much greater  
10 than that. Are you aware of that?

11 A. Yeah, I think I've heard that in the  
12 past, yes.

13 Q. Okay. So, one of the aspect of this  
14 investigation is to look at search and rescue  
15 operation and if we -- if the life boats are  
16 not -- standards are not adequate for the  
17 actual situation I don't understand why it's  
18 not in regulation and, you know, in these  
19 notices. I don't understand if they're not  
20 enforceable then what good are they? That's  
21 just --

22 A. Yes.

23 Q. -- I mean you probably have the same  
24 frustration I am with these things.

25 A. I'm not that familiar with that



1 particular item.

2 Q. So, we have self certification  
3 equipment, critical equipment, we have safety  
4 notices that are not enforceable. On the MMS  
5 side in terms of the drilling equipment  
6 operation, how much interaction do you have  
7 with the flag state?

8 A. None, as far as I know.

9 Q. There's no interaction between the  
10 flag state and MMS?

11 A. I'm trying to recall. I know we've  
12 got to have certification, some papers for the  
13 rig, but I don't recall that. I'm not sure on  
14 that item.

15 Q. And that's something we're going to  
16 explore when we have Coast Guard witnesses  
17 also and also when we look at -- examine the  
18 -- you know, have the representative from the  
19 flag state to testify because this is a  
20 foreign vessel and I would like to understand  
21 the relationship between -- when we look at  
22 the safety net, we look at the coastal state  
23 is down here and the flag state responsible is  
24 up here and right now we're looking at the  
25 interaction between the agency of the coastal



1 state right now and I want to see if there's  
2 any interaction between an agency of the  
3 coastal state with the flag state. And, to  
4 your knowledge, there's no interaction between  
5 MMS and the flag state; is that correct?

6 A. Correct, that's correct.

7 Q. Okay. Besides the Coast Guard, what  
8 other federal or state agency that MMS is  
9 dealing with with regard to MODU operation and  
10 design offshore? Like for example OSHA, do  
11 you interact with OSHA with regard to MODU  
12 operations?

13 A. A lot of the PINCs that we operate  
14 under basically cover I guess some of the  
15 items OSHA would look at, but we really don't  
16 have much interaction with OSHA on it.

17 Q. Okay. So, for the safety of the crew  
18 on the DEEPWATER HORIZON, is it Coast Guard,  
19 is it MMS, is it OSHA, is it flag state?  
20 Who's responsible for looking out for the  
21 occupational health and safety onboard the  
22 MODU?

23 A. I can speak for MMS in that we go out  
24 there and we do our inspections and we're  
25 looking for safety items, any hazards that



1 could, you know, cause injury to personnel.

2 So, you know, we're looking at that also.

3 And, as I understand, Coast Guard with safety

4 -- just as I understand, safety device,

5 evacuation and whatnot. So, I think it's a

6 combination of MMS and Coast Guard.

7 Q. So, when you identify safety items, do

8 you have any enforcement authority to follow

9 up?

10 A. Yes.

11 Q. For -- for --

12 A. If we see a hazard, a tripping

13 hazards, or anything that could cause harm to

14 an individual, we have an incident which is

15 kind of a general incident to cover those type

16 of issues.

17 Q. Okay. Now, beside MODU floating

18 units, that's a MODU, does MMS have the

19 responsibility for fixed platforms out there?

20 A. Yes.

21 Q. Can you describe your responsibility

22 and activities please?

23 A. Like I mentioned earlier, I mean when

24 an operator wants to install a fixed facility,

25 they come into our office of structural and



1 technical support and -- you know, with the  
2 plans of the facility and the design and what  
3 not and then in addition we review safe  
4 charts, flow schematics for the production  
5 facilities, ensure everything is in accordance  
6 with the regs and we inspect them.

7 Q. Okay. How many -- to your knowledge  
8 how many fixed platforms do we have out there?

9 A. We have approximately 3400.

10 Q. How many, sir?

11 A. Approximately 3400.

12 Q. 3400, okay. How many of those are  
13 manned platforms?

14 A. I don't know exactly.

15 Q. Okay. But there are manned platforms  
16 out there?

17 A. Yes.

18 Q. Okay. What is the inspection scheme,  
19 government oversight of the fixed platforms  
20 out there, in terms of inspection?

21 A. We have to inspect them. We try to  
22 get them at least a minimum of once a year and  
23 obviously, if we find issues, we will go more  
24 often if need be.

25 Q. Okay. Once a year, does that mean you



1 inspect 3400 fixed platforms once a year or --

2 A. That's what we -- that's our goal and  
3 obviously sometimes we're able to do it and  
4 other times, depending on the weather, if we  
5 have bad winters we may fall short of that.  
6 But we do keep them in a certain rotation  
7 cycle to ensure that we are getting them as  
8 soon as we can get to them.

9 Q. Okay. So, if you can't get to them,  
10 is there a self inspection scheme in place for  
11 this fixed platform, too?

12 A. We don't have any type of self  
13 inspection in place. I mean -- let me back  
14 up. We do have -- there are requirements to  
15 do some testing on the production facilities,  
16 monthly testing, quarterly testing, semi-  
17 annual testing and yearly testing, depending  
18 on the devices. I'd say they do have to do  
19 their testing. They have to record the  
20 results of that testing. We have incorporated  
21 -- we call it e-inspections where we can --  
22 like if we know we're going to be going out to  
23 a particular facility, we can request that we  
24 get access to the paperwork so we can begin  
25 our paperwork review from the office. And,



1 when we get out to a facility, we can do the  
2 main physical testing of the devices.

3 Q. So, these inspections are scheduled  
4 inspections or random inspections?

5 A. Scheduled.

6 Q. Scheduled. So -- but you said that  
7 you try to go out there at least once a year.  
8 So, am I understand -- is my understanding  
9 correct that a hundred percent of these  
10 platforms, fixed platforms, get inspected once  
11 a year?

12 A. That's our goal. It's not all the  
13 time that we make it because if you have a  
14 particular year with a lot of bad weather  
15 flying days it could put us behind.

16 Q. Do you --

17 A. We always try to catch up and get it  
18 back into that cycle.

19 Q. Yes, sir. Do you have -- does MMS  
20 keep track of the statistics of the percentage  
21 of fixed platforms that they looked at every  
22 year?

23 A. Yes.

24 Q. Okay. Do you have those numbers?

25 A. I'm sure we could get them.



1 Q. Okay. Does your -- is it in the 70,  
2 80, do you know?

3 A. Percent of what we get every year?

4 Q. Yes, sir.

5 A. I don't have that handy, but --

6 Q. In the regulation does it state a  
7 minimum percentage that MMS or Coast Guard is  
8 supposed to look at these fixed platforms a  
9 year, a minimum percentage?

10 A. No, it doesn't state any minimum.

11 Q. Okay. Thank you, sir.

12 MR. McCARROLL:

13 I have a follow up, Captain.

14 EXAMINATION

15 BY MR. McCARROLL:

16 Q. Mike, if a drilling contractor would  
17 call us and ask us to do a pre-inspection of a  
18 rig or even inspection of a rig that's in  
19 manufacturing, would we comply?

20 A. Yes, and we do do that.

21 Q. When we do inspections of production  
22 facilities, do we take risk into  
23 consideration?

24 A. That's correct.

25 Q. Thank you. Do we have something



1 called an MOC where we follow up on trouble  
2 operators or people that have bad inspections?

3 A. Yeah. Every month these districts  
4 release an MOC report. Basically what it  
5 outlines the inspections for that particular  
6 month that may have left a little bit to be  
7 desired, so we can return and inspect them  
8 again until they're fully in compliance.

9 Q. Thank you.

10 E X A M I N A T I O N

11 BY MR. MATHEWS:

12 Q. Mike, if a BOP was installed in the  
13 Gulf of Mexico improperly and not in  
14 accordance with API documents, would it pass  
15 an MMS requirement test?

16 A. I wouldn't think so.

17 E X A M I N A T I O N

18 BY MR. WHEATLEY:

19 Q. Good morning, sir. I just have a  
20 couple of questions for you.

21 A. Morning.

22 Q. I would like to go back just real  
23 quickly to this 2009 notice to lessees. Now,  
24 you indicated that, since it's not a  
25 regulation that it's simply -- excuse me,



1 since it's not a regulation that it's merely a  
2 recommendation that there is not specific  
3 enforcement aspect to that; is that correct?

4 A. That's correct.

5 Q. Okay. Do you have any idea despite  
6 that or have any type of feedback data that  
7 indicates which, if any, of the lessees who  
8 were notified actually took some type of  
9 corrective action and, if they did, what that  
10 action was?

11 A. No, I'm not aware of any action that  
12 any particular operator had to take. I'm not  
13 -- I think everybody had actually secondary  
14 back up systems, but I'm not positive, but I'm  
15 not aware of any action that they had to take.

16 Q. So, you basically don't have a -- you  
17 don't have a valid or an effective feedback  
18 mechanism to find out if anybody made any  
19 actual changes?

20 A. No.

21 Q. Thank you.

22 A. But we did check. Since this incident  
23 did occur, we did do a survey and everybody  
24 does have it that's operating in the Gulf  
25 presently.



1 Q. Thank you. I just have a couple more  
2 questions here for my own edification  
3 concerning the BOP stack. Now, if I  
4 understood your testimony correctly, the stack  
5 is stump tested before it's put down on the  
6 bottom and then it's periodically function  
7 tested while on the bottom and those tests are  
8 supervised or overseen by your inspectors at  
9 roughly a fourteen day interval; is that  
10 correct?

11 A. Well, when an inspector goes out --  
12 when an inspector goes out to do the  
13 inspection, they go ahead -- they review the  
14 paperwork of the BOP test because all the BOP  
15 tests have to be recorded, chart recorded, and  
16 documented in an IADC report, so that's what  
17 they go do when they're out there. They  
18 review the documentation of the BOP tests.

19 Q. Okay. And these tests that they go  
20 through, these tests are designed to test the  
21 system under we'll say normal operation; is  
22 that correct?

23 A. That would be correct.

24 Q. Okay. Now, based upon the study that  
25 you indicated you had commissioned, there were



1 certain circumstances in which it was  
2 recognized that the BOP stack may not be able  
3 to basically cut and shear the pipe under  
4 certain circumstances; is that correct?

5 A. Correct.

6 Q. Could you elaborate upon those  
7 circumstances which you're aware of where it's  
8 recognized that under the normal conditions  
9 and design characteristics of the stack the  
10 stack would not be able to actually shear the  
11 pipe?

12 A. Well, I don't know the particulars on  
13 that. I just know we have to -- you know, we  
14 want to make sure and that's why the  
15 regulation was put in that the company had to  
16 ensure that the rams they are using are  
17 capable of shearing the pipe they're using in  
18 the well.

19 Q. Okay. Perhaps I misunderstood you. I  
20 thought you indicated that there were actually  
21 known parameters, such as a joint connection,  
22 where if that happened to line up precisely  
23 where the ram was, it was recognized that it  
24 may not shear under the current design  
25 characteristics which are already approved?







1 Parties In Interest now. MOEX USA?  
2 COUNSEL REPRESENTING MOAX USA:  
3 (No response)  
4 CAPT NGUYEN:  
5 Halliburton?  
6 COUNSEL REPRESENTING HALLIBURTON:  
7 No questions.  
8 CAPT NGUYEN:  
9 M-I SWACO?  
10 COUNSEL REPRESENTING M-I SWACO:  
11 No questions.  
12 CAPT NGUYEN:  
13 Anadarko?  
14 COUNSEL REPRESENTING ANADARKO  
15 PETROLEUM CORPORATION:  
16 No questions.  
17 CAPT NGUYEN:  
18 Weatherford?  
19 COUNSEL REPRESENTING WEATHERFORD INC.:  
20 No questions.  
21 CAPT NGUYEN:  
22 BP?  
23 MR. GODFREY:  
24 No questions, Captain. Thank you.  
25 CAPT NGUYEN:



1           Transocean?

2           MR. KOHNKE:

3           I have a question.

4           E X A M I N A T I O N

5           BY MR. KOHNKE:

6           Q. Good morning, Mr. Saucier.

7           A. Good morning.

8           Q. Mr. Saucier, there has been perhaps a  
9 suggestion that the self certification of  
10 equipment that takes place offshore is lacking  
11 and that perhaps those that are doing the self  
12 certification are not doing their job. This  
13 self certification you're talking about, who  
14 is the "Self" that we're referring to? Who  
15 does this certification?

16          A. I'm not aware of who does the self  
17 certification. I'm just aware that we go  
18 inspect the BOPs, the test results I should  
19 say.

20          Q. Well, who performs these tests, these  
21 BOP tests offshore, the function tests and the  
22 pressure tests which are done -- the pressure  
23 tests every seven days, function every  
24 fourteen days. These would be the rig crew;  
25 isn't that correct?



1 A. That's correct.

2 Q. Alright. These people are depending  
3 upon their equipment and these tests for their  
4 safety and their lives --

5 A. Correct.

6 Q. -- isn't that correct?

7 A. Yes.

8 Q. And, if there is some cutting of  
9 corners, they're at the corner that's being  
10 cut. It is in their interest to preform these  
11 tests correctly and completely; isn't that  
12 right?

13 A. Yes.

14 Q. And, after performing the tests, all  
15 of the test results are recorded as you  
16 indicated; isn't that right?

17 A. Correct.

18 Q. And they're then signed off and  
19 they're made available to MMS when MMS comes  
20 out and inspects; isn't that correct?

21 A. That's correct.

22 Q. Alright. So, if MMS happens to come  
23 out on a day that these tests are being  
24 preformed then they can witness the tests,  
25 correct?



1 A. Yes.

2 Q. But on the current schedule MMS comes  
3 out every thirty days, but these tests,  
4 according to the CFR, which is in front of  
5 you, the pressure test is required every seven  
6 and the function test every fourteen, correct?

7 A. Pressure test every fourteen and  
8 function every seven.

9 Q. I had it backwards. And then of  
10 course prior to that there's a stump test?

11 A. That's correct.

12 Q. Alright. And these are all of the  
13 tests that MMS requires, they're all being  
14 performed and then the data is saved and  
15 recorded for those inspections by MMS?

16 A. Correct.

17 Q. Okay. Thank you very much.

18 CAPT NGUYEN:

19 Thank you, sir. I just want to  
20 clarify something. When I tried to  
21 explore this -- you know, what's going  
22 on with the safety net, in terms of  
23 like I said the coastal state, the  
24 flag state, the operator and owner.  
25 We're looking at -- we're talking



1 about self certification here. I'm  
2 trying to examine whether -- how  
3 adequate is the role of the  
4 government. And by no means I'm  
5 trying to portray that the operators  
6 are not doing their job. Okay. I'm  
7 just trying to identify whether the  
8 safety net -- if there's a layer in  
9 the safety net for all the parties who  
10 have a role to play. So, if I -- if I  
11 miscommunicate about the operator not  
12 doing their job, I apologize. But,  
13 that's not what I'm trying to do here.

14 Cameron?

15 COUNSEL REPRESENTING CAMERON INC.:

16 No questions.

17 CAPT NGUYEN:

18 Dril-Quip?

19 COUNSEL REPRESENTING DRIL-QUIP, INC.:

20 No questions.

21 CAPT NGUYEN:

22 Mr. Dykes?

23 E X A M I N A T I O N

24 BY MR. DYKES:

25 Q. Mr. Saucier, you told Captain Nguyen



1 earlier when it comes to occupational safety  
2 that we don't have specific regulations, but  
3 we have -- we have some regulations similar to  
4 what OSHA has. Are you speaking specifically  
5 to OSHA's general duty clause, which basically  
6 says that the employer's required to provide a  
7 safe work environment for the employees? Does  
8 MMS have a similar regulations similar to that  
9 language?

10 A. Basically, you know, we -- yes, we do.

11 And that it has to ensure that all operations  
12 are being preformed safe.

13 Q. Okay. And then I have a couple of  
14 other follow ups. Moving back to the BOP  
15 stack. The BOP stack is manufactured by  
16 Cameron and it is supposed to be manufactured  
17 according to a specific API specification,  
18 correct?

19 A. Correct.

20 Q. And that's specification --

21 A. From what I recall APIRP-6A, from what  
22 I recall.

23 Q. 6A, okay. As part of that  
24 specification, does MMS require that to be an  
25 API monogrammed piece of equipment similar to



1 the production safety systems equipment for  
2 pollution prevention?

3 A. I think it does, yes.

4 Q. Okay. So, if it has to receive the  
5 API monogram, that means that API has looked  
6 at that manufacturing process to ensure that  
7 that valve meets those specifications?

8 A. I guess that would be a true  
9 statement, yes.

10 Q. Okay. I just need to make sure I  
11 understood that. You talk about tool joint  
12 across the BOP stack, is -- and you have to  
13 make sure that tool joint is not in the BOP  
14 stack when you're getting ready to function  
15 the BOP stack, is that what they refer to in  
16 the term in rig language as "Spacing out your  
17 pipe"?

18 A. That's correct.

19 Q. Okay. So, that would be something  
20 that the driller would have to do in  
21 preparation of activating the BOP stack?

22 A. Correct.

23 Q. Okay. So, when we read that in the  
24 IADC report that they spaced out the drill  
25 pipe means that they made sure that there were



1 no tool joints across that BOP stack in  
2 preparation of activating that stack?

3 A. That is correct.

4 Q. Okay. I have no other questions.

5 E X A M I N A T I O N

6 BY MR. MATHEWS:

7 Q. Mr. Saucier, has the MMS put any  
8 current revisions or policies into place post  
9 the incident that took place on the DEEPWATER  
10 HORIZON that could prevent an incident similar  
11 to this?

12 A. We are looking at different things  
13 that may come into play. Actually on the  
14 drilling of the relief well on the DD3 we are  
15 ensuring that stack that we do test the hot  
16 stabs and secondary control system to ensure  
17 that they work at the pressure and pumping  
18 rate that the ROV can put out. But we are  
19 presently looking at different options that's  
20 going to -- for requiring on some of these BOP  
21 stacks, but I think, until we know for sure  
22 what happened on this stack, that's really  
23 going to then tell us what we need to do.

24 Q. So, essentially you have an  
25 application, a permit to drill, that's



1 approved with conditions on it?

2 A. That's correct.

3 E X A M I N A T I O N

4 BY MR. DYKES:

5 Q. Just some housekeeping. Mr. Saucier,  
6 you mentioned that there are roughly 3400  
7 platforms in the Gulf of Mexico. Are all of  
8 those major facilities or are they minor  
9 facilities? How do you classify those types  
10 of structures?

11 A. These run from minor to major, as you  
12 mentioned. Sent from a single well caisson,  
13 which is basically just one well drilled with  
14 a small deck on top all the way to a large  
15 complex production facility.

16 Q. So, do you have a ballpark idea of how  
17 many are classified as minor versus major out  
18 of that 3400?

19 A. I would be guessing if I told you.

20 Q. Okay.

21 E X A M I N A T I O N

22 BY MR. WHEATLEY:

23 Q. I just have a couple of quick follow  
24 ups here. You indicated that typically  
25 there's requirements for doing pressure tests



1 and function tests. Could you tell us in a  
2 typical situation how long does a pressure  
3 test take?

4 A. To do a complete BOP test, I think  
5 that would vary on the rig. But my  
6 understanding is it could take 24 to 48 hours  
7 is my understanding.

8 Q. Okay. How about the function test?

9 A. I'm not sure on a time frame in a  
10 function test, but obviously it would be much  
11 less than that.

12 Q. Okay. And, in order to preform these  
13 tests, am I correct in understanding that  
14 basically all drilling operations have to  
15 stop?

16 A. That's correct.

17 Q. Thank you. I have no other questions.

18 E X A M I N A T I O N

19 B Y C A P T N G U Y E N :

20 Q. Mr. Saucier, I have a couple more  
21 questions. On the fixed platforms, these are  
22 production platforms; is that correct?

23 A. That's correct.

24 Q. Okay. Now, there is another type of  
25 vessel out there that I guess we designated as



1 floating offshore installation?

2 A. Correct.

3 Q. Such as the THUNDER HORSE; is that  
4 correct?

5 A. That's correct.

6 Q. And for floating offshore installation  
7 it's both drilling and production operation;  
8 is that correct?

9 A. Correct.

10 Q. Okay. Now, can you tell me MMS  
11 program for floating offshore installations?  
12 Is it the same regulation that you applied to  
13 MODU that apply to FOI or is it more  
14 comprehensive requirement for FOI?

15 A. Well the floating production  
16 facilities have a lot more equipment than your  
17 MODUs. So, we do have different regulations  
18 for production and drilling. And, in fact, I  
19 just two or three months ago started putting  
20 together a team to look into developing  
21 specific deep water regulations for the  
22 floating facilities now that we've had enough  
23 experience with them and more of a background  
24 on their type of operation.

25 Q. So, you're talking about additional



1 weight on a vessel, production equipments and  
2 things like that, on these FOIs, that's what  
3 you said, right?

4 A. Additional weight?

5 Q. Yeah, you know, you have drilling  
6 equipment and you have production equipment.

7 A. Yeah, some of these production  
8 facilities could support a drilling rig on  
9 them also. Is that what you're alluding to?

10 Q. Right.

11 A. Correct.

12 Q. So, would these vessels like the  
13 THUNDER HORSE and I will ask the Coast Guard  
14 representative, but I understand when you add  
15 more weight to a vessel it affects it's  
16 stability. Who evaluates the added weight to  
17 the vessel? Is it MMS or is it the Coast  
18 Guard?

19 A. I know -- I know we do look at it, but  
20 I'm not familiar if the Coast Guard looks at  
21 it also. I don't know.

22 Q. So, if companies -- if operators come  
23 in and say 'I want to put this piece of  
24 equipment here, here and here', what do you  
25 look at them for? I mean do you look at them



1 to make sure that they're not in a hazardous  
2 location? What do you look for when they come  
3 to you to add additional pieces of equipment  
4 like on an FOI?

5 A. I mean obviously this is handled by my  
6 structural department. So, you know, I know  
7 they're looking at, you know, stability and  
8 ensuring that the additional weight they're  
9 putting on there still keeps the design of the  
10 facility within the design limitations.

11 Q. Do you know if they interact with the  
12 Coast Guard to make sure? Because the Coast  
13 Guard is responsible for the stability of the  
14 vessel and weight's added to a vessel I was  
15 just wondering if there's a tight linkage  
16 between MMS and Coast Guard?

17 A. I don't know the exact linkage, but I  
18 -- I couldn't tell you for sure.

19 Q. Okay. Now, you have -- go back a  
20 little bit. On a drilling operation, now, as  
21 I understand it, the regulation is not  
22 descriptive. It's more performance based.  
23 You leave it up to the operator to determine  
24 what is adequate; is that correct?

25 A. I don't follow your question.



1 Q. In terms of the qualification of the  
2 people involved in the drilling operation.

3 A. That's correct under Subpart-O, that's  
4 correct.

5 Q. Alright. Now, you've got -- now, on a  
6 floating offshore installation you also have  
7 production system on there.

8 A. That's correct.

9 Q. And operation. Is that the same  
10 scheme? That it's up to the operator to  
11 determine what's adequate for both operations?

12 A. That's correct. And we could audit  
13 the training, but that's correct. The  
14 Subpart-O allows the operator to determine  
15 what training is needed for that specific  
16 person to preform that specific duty.

17 Q. If the regulation is not descriptive  
18 therefore we don't have standards that we  
19 could evaluate the adequacy of something, how  
20 do you determine that what they have is  
21 adequate besides their words or if they show  
22 you that they've been through some course.  
23 How do you know that's adequate? How do you  
24 determine that?

25 A. Because we can go out there and issue



1 tests that we have developed and -- by them  
2 taking the test, it will give us an idea that  
3 these people have been properly trained.

4 Q. So, you have tests for drilling  
5 operation and you have tests for drilling and  
6 production operations?

7 A. We have tests for drilling and we have  
8 tests for production, that's correct.

9 Q. What happens when -- what happens when  
10 people fail the tests you -- how often are you  
11 giving these tests? Every year?

12 A. It's randomly done throughout the year  
13 to randomly selected companies as we -- as we  
14 -- as we see fit. And, if someone doesn't  
15 pass a test or the grade we find is not  
16 adequate, we get with the operator and go over  
17 their training program and see what can be  
18 done to improve the training program.

19 Q. What happened to the personnel that --  
20 who didn't pass the test?

21 A. They should be given more training.

22 Q. Is --

23 A. Or more oversight by someone else for  
24 a particular job.

25 CAPT NGUYEN:



1           Any other questions from the board  
2           members?

3           E X A M I N A T I O N

4   BY MR. DYKES:

5       Q. With respect to the Subpart-O,  
6       typically when, based on what you're saying,  
7       we go out and conduct some random tests, but  
8       doesn't the inspection workforce, as part of  
9       their daily inspection is to evaluate the  
10      capability of those operators that are  
11      performing those inspections with the MMS  
12      inspectors?

13      A. That's correct.

14      Q. So, what I'm understanding is that  
15      each time that the inspector is on location  
16      and they're conducting an on site inspection,  
17      they're also evaluating the capability of the  
18      operators that are performing those job  
19      functions, correct?

20      A. That's correct, yes, sir.

21      Q. Okay. And typically, when we find  
22      somebody that is not capable of doing that  
23      job, doesn't -- what's typically the process?  
24      Does the operator remove that person from that  
25      position or does he put him under direct



1 supervision of a qualified individual?

2 A. My understanding is he's put under  
3 direct supervision of a qualified individual,  
4 right.

5 MR. DYKES:

6 That's all I had.

7 E X A M I N A T I O N

8 BY CAPT NGUYEN:

9 Q. I'm still trying to understand better  
10 with this qualification. Now, there's no  
11 licensing requirements for critical position  
12 involved in drilling or production activities  
13 on a MODU or an FOI?

14 A. No.

15 Q. Okay. So, there's no licensing scheme  
16 in place. The qualification -- the training  
17 is -- the government standard is performance  
18 based and it's involved OJT, on the job  
19 training?

20 A. Yes.

21 Q. And so the operator certifies --  
22 established what they think is adequate. They  
23 provide training and then qualify their own  
24 people to do the job?

25 A. That's correct.



1 Q. And then MMS goes out -- would go out  
2 and you would administer tests to --  
3 randomly --

4 A. Correct.

5 Q. And these tests -- what is the -- what  
6 is the composition of these tests, if you can  
7 -- is the test for each position on the rig or  
8 -- what are these tests?

9 A. The tests are developed by the  
10 position, depending what position you hold  
11 depends what tests that person receives.

12 Q. Okay. So, you randomly select  
13 operators or vessels out there have to conduct  
14 this tests. So, your inspectors go out there  
15 and administer these tests or do you have a  
16 different group of people going out to  
17 administer this knowledge, skills and  
18 experience tests?

19 A. Usually our supervisor inspector goes  
20 out and administer the tests.

21 Q. Okay. And then, if the crew member --  
22 for those that failed the MMS test, then they  
23 would be taken out of those positions or they  
24 remain in the position, but they would be  
25 under supervision of somebody who --



1           A. Usually they're under direct  
2 supervision of another person until they're  
3 deemed more competent in that position.

4           Q. And what is the close -- how does MMS  
5 follow through with that? How do you know  
6 whether that individual is going to be  
7 qualified or receive whatever he needs to do  
8 to be able to be fully competent in that job?  
9 How do you close the loop?

10          A. That I'm not quite sure right now.

11          Q. Okay.

12                 MR. DYKES:

13                         I've got a couple right quick.

14                         E X A M I N A T I O N

15                 BY MR. DYKES:

16           Q. As far as training, so MMS does not  
17 set the standard by which operators or  
18 drilling contractors must train their people;  
19 is that what I'm hearing?

20          A. Correct.

21          Q. Okay. But doesn't IADC have a  
22 standard training program for determining what  
23 the floorhands should know, what the drillers  
24 should know, what the derrickhand should know  
25 and what the toolpusher and the company man --



1 isn't there a program set up by IADC for  
2 covering drilling operations?

3 A. Yes, yes, there is.

4 Q. Okay. So, would it be safe to say  
5 that most drilling contractors, since most of  
6 them are probably members of IADC, follow the  
7 IADC training program?

8 A. I would say that would be a true  
9 statement.

10 Q. Okay. That's all I have.

11 E X A M I N A T I O N

12 BY MR. WHEATLEY:

13 Q. I just have a couple more questions  
14 here. Since we're talking about training  
15 standards and licensing standards: Are you  
16 familiar with any licensee standards for drill  
17 crews in other countries?

18 A. No, I'm not.

19 Q. And then finally: With respect to the  
20 test that's administered by the MMS for these  
21 various positions on a rotating basis, who  
22 develops those tests?

23 A. MMS.

24 Q. Could you basically elaborate on how  
25 they're developed and what criteria they use



1 in formulating those tests?

2 A. I'm not that intimately involved with  
3 that, so I wouldn't know.

4 Q. Okay. Thank you.

5 CAPT NGUYEN:

6 Since we asked a lot of questions  
7 up here from the board members, any  
8 questions coming from the Parties In  
9 Interest of the flag state? Okay.

10 E X A M I N A T I O N

11 BY CAPT NGUYEN:

12 Q. One more question from me: Mr. Dykes  
13 was taking about the IADC, can you explain  
14 what IADC stands for and what their --

15 A. Yes. It's the International  
16 Association of Drilling Contractors.

17 Q. So, is that an industry group?

18 A. Yes, it is.

19 Q. Okay. So, industry groups sets the  
20 standards that operators try to follow?

21 A. They set -- as far as the training  
22 goes, they do set the standard as what they  
23 think the person needs to be trained to ensure  
24 safe operations.

25 Q. What is the government's activities to



1 influence IADC standards?

2 A. I'm not aware.

3 Q. Alright.

4 CAPT NGUYEN:

5 Mr. Saucier, thank you for your

6 testimony today. Is there any

7 question or any information that we

8 have not asked you for that you would

9 like to provide to the board?

10 THE WITNESS:

11 Not that I can think of.

12 CAPT NGUYEN:

13 Thank you very much and if we have

14 further questions will you make

15 yourself available to the board?

16 THE WITNESS:

17 Yes, sir.

18 CAPT NGUYEN:

19 Thank you, you are dismissed.

20 We'll take a ten minute break.

21 (Whereupon, a ten minute break was taken off

22 the record.)

23 CAPT NGUYEN:

24 Please be seated. The board will

25 now call the next witness, Captain



1 Vern Gifford, Chief of Prevention 8th  
2 Coast Guard District.

3 \* \* \* \* \*

4 CAPTAIN VERN GIFFORD,

5 after being first duly sworn in the cause,

6 testified as follows:

7 CAPT NGUYEN:

8 Thank you sir, please be seated.

9 E X A M I N A T I O N

10 BY MR. WHEATLEY:

11 Q. Good morning, Captain. Thank you for  
12 coming. Could you please state your complete  
13 name and spell your last name slowly for the  
14 record?

15 A. My name is Captain Vern B. Gifford,  
16 G-I-F-F-O-R-D.

17 Q. And where are you currently assigned,  
18 Captain?

19 A. I'm assigned to the 8th Coast Guard  
20 District, New Orleans, Louisiana.

21 Q. And what position do you hold there?

22 A. I'm the Chief of the Prevention  
23 Division, which includes the commercial vessel  
24 safety mission, specifically vessel  
25 inspections and casualty investigations.



1 Q. Could you briefly outline for us your  
2 Coast Guard background?

3 A. Yes, I've spent 23 years in the Coast  
4 Guard after four years at the academy and I've  
5 got 16 years of marine safety and hull  
6 inspector, barge inspector, T-bone inspector  
7 quals and inspections.

8 Q. Are you familiar with a general  
9 regulatory oversight of mobile offshore  
10 drilling units or MODUs?

11 A. Yes, I am.

12 Q. Could you please describe for us the  
13 Coast Guard's general policy concerning the  
14 oversight of MODUs on the OCS?

15 A. If it's a U.S. flag MODU it has to  
16 comply with 46 -- the code of federal  
17 regulations chapter-46 parts-107 through 109,  
18 which deal with design and construction,  
19 operations, firefighting and life saving. If  
20 it's a foreign flagged MODU that operates on  
21 the United States outer continental shelf, it  
22 has to meet one of three different standards.  
23 Either it has to comply with the same  
24 regulations that a United States flagged MODU  
25 does, it has to have a standard by the flag



1 state that the United States considers  
2 equivalent to the standards of the United  
3 States or it has to follow the MODU code.

4 Q. Thank you. Are you familiar with the  
5 Coast Guard Minerals Management memorandum  
6 understanding concerning these issues?

7 A. I am.

8 Q. Could you kind of outline for us what  
9 the scope of that memorandum covers?

10 A. The Minerals Management Service  
11 handles drilling and all the systems directly  
12 related to drilling. The Coast Guard handles  
13 all the systems that are common on what you  
14 might find on vessels, that includes some of  
15 the hotel services, the sewage, the  
16 electricity, accommodation spaces, life  
17 saving, firefighting gear, pollution  
18 prevention in terms of garbage plastics,  
19 things generated by the ship itself,  
20 operations drills.

21 Q. Would it be fair to say basically  
22 everything from the drilling platform to the  
23 seabed is the MMS portion and the part upwards  
24 is the Coast Guard?

25 A. Yes, sir.



1 Q. Thank you. Now, referring to that  
2 particular memorandum, does it provide much  
3 detail concerning responsibilities?

4 A. That memorandum does and it has a  
5 series of MOAs, memorandums of understanding.  
6 There's five that I know of that really spell  
7 out specifically who does what given different  
8 items. First is MODU inspections, for  
9 instance. There's twenty different itemized  
10 systems and almost I think 75 subsystems and  
11 it specifically spells out either whether the  
12 Coast Guard, MMS or both handle those  
13 different subsystems.

14 Q. How much specific direction does it  
15 provide?

16 A. I think very specific direction.  
17 There's times where I think, depending on what  
18 the issue at hand is, that both services have  
19 to -- both agencies have to sit and  
20 communicate with each other. But in general  
21 it provides pretty good direction.

22 Q. Okay. Now, you indicated you're  
23 familiar with the series of memorandums of  
24 agreement which are kind of a -- if you will,  
25 a subpart. In particular are you familiar



1 with I believe it's memorandum of agreement  
2 OCS-5 as it relates to inspections and  
3 investigations?

4 A. That spells out the agreement that  
5 both agencies have with regard to  
6 investigations and basically explains what  
7 we're going through today, which is a joint  
8 investigation. Again, each agency's  
9 responsible going back to that original  
10 question. MMS for drilling. The Coast Guard  
11 for the vessel and it's systems and we, in  
12 terms of a casualty when there is one, and a  
13 casualty is anything where it effects the  
14 seaworthiness of the vessel or the fitness of  
15 the vessel for service or there's a death or  
16 injury. Perhaps like this, there's the loss  
17 of a vessel. It then spells out who handles  
18 each and it allows for what you have here,  
19 which is a joint investigation where the board  
20 has been convened with members from both  
21 agencies and the board produces a single  
22 report that is submitted simultaneously to  
23 both departments.

24 Q. Are you familiar with any specific  
25 Coast Guard policy letters dealing with this



1 particular topic?

2 A. Yes. Probably the most significant  
3 one is the navigation and vessel inspection  
4 circular or NVIC 3-88 change 1, which was  
5 updated in the year 2000. It spells out the  
6 requirements for a MODU, a foreign flag MODU,  
7 what it needs to do to obtain a Certificate of  
8 Compliance. And a Certificate of Compliance  
9 is issued after the Coast Guard goes onboard,  
10 examines the vessel, ensures that it meets all  
11 the requirements of the MODU code in this case  
12 and then issues that Certificate of Compliance  
13 for two years and comes back again after a  
14 year to verify that the vessel still meets all  
15 of the requirements.

16 Q. Now, does the 8th Coast Guard District  
17 also have additional policy letters pertaining  
18 to these issues?

19 A. We do. We have almost a hundred  
20 different policy letters, more than a dozen of  
21 which apply to OCS facilities.

22 Q. Now, these policy letters, obviously  
23 they're not regulation. What are they  
24 designed to do?

25 A. Fill in gaps where interpretation is



1 necessary or where we just need to ensure  
2 consistency of performance especially across a  
3 district where multiple units are involved in  
4 inspecting these MODUs. So, basically as  
5 needed we will go and generate policy.  
6 Typically with input from other -- the field  
7 -- the Coast Guard field units, the public  
8 when necessary, the mariners and industry.

9 Q. Thank you. Now, you mentioned  
10 certificates of compliance. I believe  
11 somewhere I had also read there's things such  
12 as -- they're called letters of compliance.  
13 Are they the same or are they different?

14 A. The Letter of Compliance has been  
15 replaced by a Certificate of Compliance in  
16 2001. So, it's the same vehicle just named  
17 differently.

18 Q. Okay. In reading through the  
19 regulations and NVIC and MODU code there's a  
20 distinction drawn between and inspection and  
21 examination. Could you please describe for us  
22 what each of those are and how they may differ  
23 in nature?

24 A. Based on the flag of the vessel, an  
25 inspection is done by the Coast Guard on U.S.



1 flagged MODUs. An examination is done by the  
2 Coast Guard on foreign flagged MODUs. The  
3 difference being that on a foreign flagged  
4 MODU it's the Classification Society working  
5 on behalf of the flagged state registry that  
6 goes out and does the bulk of ensuring  
7 compliance with the different -- in this case  
8 with the MODU code. And then the Coast Guard  
9 goes onboard the vessel just to verify that,  
10 yes, everything that the Classification  
11 Society says is in place is truly in place.

12 Q. Could you give us an estimation on the  
13 number of MODU qualified marine inspectors  
14 that you have here available in the Gulf?

15 A. Slightly over a dozen.

16 Q. And approximately how many MODU  
17 examinations and/or inspections are preformed  
18 by the 8th District in a given year?

19 A. We counted them up for 2009, the last  
20 full calendar year, and it was over 60. And  
21 by far and away 90 percent were examinations  
22 versus inspections. So, most of them are done  
23 on foreign flagged MODUs.

24 Q. Could you give us an estimation of how  
25 long does a typical inspection or exam take?



1           A. An inspection can take days. It  
2 definitely takes longer than an examination,  
3 again, because the Classification Society's  
4 already been onboard in terms of doing the  
5 examination. Examination usually takes maybe  
6 four to eight hours, depending on what's found  
7 and how many inspectors, Coast Guard MODU  
8 inspectors, are going onboard to do it. If  
9 they go onboard with a full compliment of  
10 three they can perhaps push it down to four  
11 hours, if not, it usually takes a full day.

12           An inspection, again, can take usually at  
13 least a long day if not days.

14           Q. Thank you. Here in the Gulf area  
15 which Coast Guard units typically carry out  
16 these responsibilities?

17           A. There's six of them. The Sector  
18 Corpus, the Marine Safety Unit Galveston, the  
19 Marine Safety Unit Port Arthur, the Marine  
20 Safety Unit Morgan City, Sector New Orleans  
21 and Sector Mobile. And the difference between  
22 those titles of marine safety unit versus  
23 sector is that the submarine safety unit --  
24 the marine safety units work for a  
25 corresponding sector. So, the sector is a



1 parent command and the marine safety units,  
2 for instance Galveston and Port Arthur, work  
3 for Sector Houston Galveston.

4 Q. Are there any other units, to the best  
5 of your knowledge, that are involved in the  
6 inspection examination program?

7 A. I know that they've started doing  
8 inspections out in the 17th District, which is  
9 Alaska.

10 Q. Thank you. Now, Captain, are you  
11 familiar with basically the Coast Guard  
12 Continental or Outer Continental Shelf  
13 National Center of Expertise? And, if you  
14 could, could you explain to us what that's  
15 designed to do?

16 A. About I would say almost three years  
17 ago in late 2007 the Coast Guard and Congress  
18 I think both realized that we needed to do  
19 more to enhance the quality of our service  
20 delivery in terms of inspections not just with  
21 outer continental shelf inspections, but  
22 across the board. And they developed an  
23 enhancement plan, a marine safety enhancement  
24 plan. And that enhancement plan spelled out  
25 the creation of these national centers of



1 expertise. There's seven of them and four of  
2 them are in the 8th Coast Guard District. And,  
3 of course, the one you mentioned which is the  
4 Outer Continental Shelf National Center of  
5 Expertise. And what they do is it's a mixture  
6 of very experienced MODU inspectors, folks  
7 who've been around for quite some time on the  
8 uniformed Coast Guard side. For instance,  
9 with the OCS I think it's billets of seven  
10 people. Three of those people are uniformed  
11 Coast Guard, four are civilian hires and the  
12 civilian hires are usually a mix of very  
13 experienced folks. A lot of them have spent  
14 time in industry. I know one gentleman has 39  
15 years with the petroleum industry. So, just a  
16 wealth of knowledge and have been very  
17 valuable to our staff at the 8th District  
18 because they're located here in Morgan City  
19 and they're located where the majority of the  
20 activity is. So, they're just a storehouse of  
21 knowledge. They help with best practices.  
22 They help -- they're helping to generate  
23 policy, they're helping to ensure consistency  
24 throughout not just the 8th district, but  
25 throughout the nation in terms of these



1 inspections. As you mentioned, we get  
2 inspections that are happening in D-17 and  
3 other places. So -- and they're helpful even  
4 with this casualty with the DEEPWATER HORIZON  
5 just getting the Coast Guard leadership up to  
6 speed on exactly what the nature's -- the  
7 complexities involved with a MODU going  
8 through and giving briefings, making sure that  
9 the folks who are involved in the response  
10 have full awareness of all the intricacies of  
11 MODUs.

12 Q. I want to shift -- focus here for just  
13 a couple of minutes and talk a little bit  
14 about programmatic training and oversight.  
15 You briefly discussed parts of the Marine  
16 Safety Enhancement Program. Are there  
17 additional entities beyond the National  
18 Centers of Expertise? And, if so, what are  
19 they and what are their functions?

20 A. The -- the administration, Congress  
21 and department have been extremely supportive.  
22 In addition to the NCOEs, the National Centers  
23 of Expertise, we also received over 400  
24 billets and reinspections and investigations  
25 to ensure that we had the right number of



1 folks to go out and they crafted a training  
2 program or they revamped the training program.  
3 We always had a training program in place, but  
4 they modified PQS, performance qualification  
5 standards. For instance with MODU, in order  
6 to become a MODU inspector there's a 13 page  
7 booklet that includes almost 200 -- I think  
8 it's 190 plus different tasks that a MODU  
9 inspector has to complete under the  
10 supervision of a qualified MODU inspector.  
11 And then, after completing those tasks, has to  
12 be recommended for a board by the qualified  
13 MODU inspectors and then they sit before that  
14 oral board and they evaluate the potential  
15 inspectors, communication skills, knowledge  
16 and, once they're satisfied, they then will  
17 allow that marine inspector, MODU inspector,  
18 to go out and do unsupervised MODU  
19 inspections. That's an element that's been  
20 improved. They've got a training officer now,  
21 so there's a training officer at each of these  
22 larger 8th District ports, again, to ensure  
23 consistency. The civilians usually don't  
24 leave as often as the military in terms of  
25 rotation. And the training officer then can



1 support that enhanced PQS program. There's a  
2 currency element now where before you might be  
3 able to obtain a qualification and then  
4 perhaps not use that qualification very often  
5 and then suddenly be in the position of having  
6 to perform an inspection again. Now you're --  
7 you have to every year go out and at least do  
8 one of these inspections to maintain your  
9 currency with the qualification. So, that's  
10 some of the aspects of the enhancement  
11 program.

12 Q. Thank you. Would you describe for us  
13 how does this training program and the various  
14 aspects apply to OCS regulation of MODUs?

15 A. Again, it just ensures that the folks  
16 that we have who are going onboard are fully  
17 well trained and are completely knowledgeable  
18 exactly of what the requirements are and what  
19 they have to do to ensure that they're  
20 certifying whatever vessel that they're  
21 leaving is fit for service with either the COC  
22 or with a Certificate of Inspection.

23 Q. You've generally outlined for us the  
24 requirements in order to become a qualified  
25 MODU inspector for the Coast Guard. Could you



1 give us an estimate what's a typical time  
2 frame it would take in order for individuals  
3 to become qualified inspectors?

4 A. Usually about -- it depends on their  
5 background and it depends -- you know, a lot  
6 of times they're not just doing MODU  
7 inspections. They may be doing other  
8 inspections in addition to MODU inspections,  
9 but usually anywhere between a year to maybe  
10 over a year. A year and a half to two years,  
11 depending on their background and how often  
12 they're doing it. And in some cases, if  
13 they're not doing it that often, maybe  
14 slightly longer.

15 Q. You mentioned that the Coast Guard  
16 utilizes a PQS type system for ensuring the  
17 qualifications of the MODU inspector. Are you  
18 familiar with when the last time the PQS for  
19 the MODU inspectors were updated?

20 A. Updated in 2007, late 2007.

21 Q. Are you aware of any specific items  
22 that were particularly focused upon at that  
23 time?

24 A. I'm not. I don't know the specifics.  
25 I know the date that the PQS states.



1           Q. Thank you. Could you tell us about  
2 how does the Coast Guard qualification program  
3 try to keep up with technology in this rapidly  
4 changing industry?

5           A. It's a challenge and especially a  
6 challenge when it comes to offshore. There's  
7 probably no aspect of vessel inspections that  
8 is as advanced or moves as quickly as offshore  
9 inspections. So, I think some of the measures  
10 -- I think the enhancement plan deals with a  
11 lot of the things that probably were a  
12 necessary step in keeping pace. I know that  
13 we're looking a regulatory change with  
14 Subchapter-N 33, the code of Federal  
15 Regulation Chapter-33 parts 140 through 147  
16 basically spells out what units, either  
17 floating facilities or vessels, on the outer  
18 continental shelf engaged in expiration have  
19 to do to -- and that usually involves a Coast  
20 Guard inspection. So, that is in the process  
21 of being updated and along with that I think  
22 now that we've got the NCOE and training  
23 officers I think that we're in a much better  
24 position to try to keep current with the  
25 inspections that are going on. Although I



1 think the inspection -- the examination that  
2 was done in this case you're going to find out  
3 because Commander Mike Odom's going to testify  
4 after me and I think you're going to find out  
5 that he was very well trained and the PQS that  
6 he was trained to, you know, allowed him to do  
7 the job well.

8 Q. Thank you. We previously heard the  
9 term MODU-U discussed, are you familiar with  
10 what that is and could you provide us with a  
11 little bit of a history on that?

12 A. It's a two week program. When you --  
13 in order to become a qualified MODU inspector  
14 you first go through five weeks of just a more  
15 generic marine inspector course that's held up  
16 in Yorktown, Virginia. And then after that  
17 you go through -- on your path to getting MODU  
18 qualified we have what is called MODU-U. It's  
19 been somewhat problematic in the past, you  
20 know, making sure -- we've tried to hold it  
21 annually. It's been difficult in some cases  
22 to hold it annually. But it's a two week  
23 course. It goes -- it addresses some of the  
24 complexities with offshore facilities. It  
25 goes through drilling. They actually deal



1 with a mock up and go out and watch qualified  
2 people run through inspections. And the good  
3 thing now with the establishment of the NCOE  
4 is and some staffing up at headquarters  
5 they're looking at doing what they call a  
6 front end analysis basically looking at what  
7 does the course need to teach and making it a  
8 more permanent course that our -- that our  
9 folks go through. And they -- that was in the  
10 works as of last year when they were -- they  
11 started a front end analysis for MODU-U.

12 Q. Okay. Are you generally familiar with  
13 the National Offshore Safety Advisory  
14 Committee commonly referred to as NOSAC?

15 A. It's an advisory committee that's  
16 established with over a dozen members, I think  
17 fifteen, and it includes membership from  
18 obviously the Coast Guard, but also from the  
19 industry, the offshore industry, from mariners  
20 and they even have a member of the public.  
21 The purpose of the -- of NOSAC is to serve as  
22 an advisor to the secretary of DHS via the  
23 Commandant and they're allowed to weigh in and  
24 they establish subcommittees to generate  
25 policy, needed policy.



1 Q. Are you familiar with some of the  
2 issues those subcommittees might be working  
3 on?

4 A. Yeah, the -- probably the biggest one  
5 for us is dynamic positioning. They've got  
6 deliverable in the next month or two where  
7 they're going to generate policy on how Coast  
8 Guard inspectors, when they go out to these  
9 facilities, will handle inspecting dynamic  
10 positioning systems. They're coming up with  
11 guidelines that deal with, you know, the  
12 design of the -- of the DP or dynamic  
13 positioning system, the training and  
14 certification of the operators of that system  
15 and just the complexities of the operational  
16 system.

17 Q. Do you know if they're working on any  
18 issues related to modular housing or units on  
19 MODUs?

20 A. Yeah, they are. An example that we  
21 talked about with MODUs, there's modular  
22 housing that can in some cases they put it --  
23 it almost gets in the way of crane operations,  
24 so we were talking about it with the NCOE  
25 folks. It can -- it can impede like if crane



1 operators have to try to lower life rafts,  
2 life boats. It can almost impede that. So,  
3 they're trying to make sure that -- where they  
4 put these -- the policy for these modular  
5 housing is both safe and it doesn't impede  
6 other operations of the MODU.

7 Q. Now, are these proposed changes that  
8 are coming about would these all apply to  
9 Subchapter-N?

10 A. DP would and the modular housing would  
11 likely, too.

12 Q. Are you aware of whether or not the  
13 Coast Guard's planning an update of  
14 Subchapter-N?

15 A. They are. The date is not necessarily  
16 set in stone. They tried to establish it --  
17 that we published an NPRM almost a decade ago  
18 and talking to the folks who deal with NOSAC  
19 it's looking like hopefully soon and they're  
20 going to come out with a supplemental notice  
21 of proposed rule making, but they're going to  
22 incorporate some of the lessons learned I'm  
23 told from here into -- into Subchapter-N.

24 Q. Thank you. I'd like to kind of move  
25 along here a little bit to casualties. Are



1 you generally familiar with marine casualties  
2 that have taken place on MODUs here in the  
3 Gulf in the last few years?

4 A. The Coast Guard program that's  
5 responsible for that course in response to  
6 some of the inquiries that were happening  
7 after this casualty had produced some very  
8 good products about just how often MODUs are  
9 lost. There's been five formal marine boards  
10 of investigation that looked into the loss of  
11 MODUs. And, of those five, the last one was  
12 held in 1988. It went from a period from '68  
13 to '88 where we had those five losses. Almost  
14 all of those five losses I think were from  
15 storm damage. There wasn't one for a blowout  
16 like this. This is the first one since that  
17 1968 that's been from a blowout. They also  
18 gave me some information more generically on  
19 just -- a reportable marine casualty obviously  
20 has a much lower event than the formal events  
21 that I just spoke about. And for those  
22 reportable marine casualties, which include  
23 reportable amounts of oil spill, I think they  
24 had 179 incidents and those 179 incidents came  
25 to like 3500 gallons of oil discharged, the



1 majority of which are relatively minor in  
2 terms of amount. Less than a gallon for the  
3 majority of those.

4 Q. A little more specific here: Are you  
5 familiar with the marine casualty history  
6 and/or discharges from the DEEPWATER HORIZON?

7 A. There was a casualty back May 25th,  
8 2008 where she has a -- had a two inch sea  
9 water line that went into the propulsion  
10 system that ruptured and flooded that space  
11 and, because of that, they evacuated. I think  
12 they evacuated half of the crew onboard. They  
13 were able to obviously rectify the problem and  
14 go back onboard. And she had some spills. I  
15 think it was almost eight. The first two  
16 involved drilling mud and then she had six  
17 other discharges. The majority of those  
18 discharges were -- I think they totaled all  
19 six totaled about five gallons. So, again,  
20 there's a sensitivity to reporting any oil  
21 spill on the OCS and the companies that are  
22 involved will report amounts like .1 gallons  
23 when it happens.

24 Q. Just if we could back up for one  
25 second before I -- you know, the thought



1 escapes me, are you aware during the time in  
2 which the MODU-U was being created and carried  
3 out, was industry an active participant in  
4 that?

5 A. I wasn't here when MODU-U was  
6 established. I do know, based on hearing from  
7 Mike Odom, that they actually had it  
8 pipelined. And, in fact, you know what? I  
9 take that back because even the one that was  
10 held in May 2009 it was held at the Shell  
11 Facility in Robert, Louisiana, the training  
12 facility. So, they -- they have been very  
13 involved in making sure that they're teaching  
14 us about drilling operations and deep water  
15 stuff, so yes.

16 Q. Now, we talked a lot about regulation  
17 MODUs here in the 8th Coast Guard District and I  
18 believe that you touched upon the issue that  
19 there's some information and/or expectation  
20 that this drilling activity might expand to  
21 the 17th District. Do you have any insight on  
22 the possible application of Coast Guard  
23 regulations in the 17th District and what role  
24 maybe the existing regulations and policies  
25 here in the 8th District might play?



1           A. Presumably, you know, again since that  
2 policy represents a lot of lessons learned  
3 over time I think the NCA's in a good position  
4 to probably evaluate which of those policies  
5 apply out in the 17th District and obviously to  
6 make nationalize that policy that they view as  
7 applying to both. So -- but, in particular  
8 like -- I can't speak to a specific policy and  
9 whether they decided to do that.

10          Q. Generally speaking in the Coast Guard  
11 which office is responsible for the overall  
12 oversight of offshore activities?

13          A. The four digit number 5432 and they're  
14 in domestic vessel inspections. They deal  
15 with inspections and then there's a standards  
16 group that's got another four digit number 522  
17 -- something. So --

18          Q. Are you generally familiar with how  
19 Coast Guard regulations get updated?

20          A. Yes. They -- they can get updated  
21 through the rule making process, which is the  
22 Coast Guard typically through these advisory  
23 committees gets input, publishes through a  
24 notice of proposed rule making and then  
25 receives input from -- from different -- from



1 anyone who wants to comment on it. And then,  
2 if everyone -- if they feel it's -- that  
3 they've satisfactorily addressed the comments,  
4 they'll go forward with a final rule. And it  
5 can come about because of Congressional  
6 statute, too. In certain cases where Congress  
7 just dictates that we establish regulation.

8 Q. Do you know when the last time the  
9 Coast Guard regulations pertaining to MODUs  
10 was updated?

11 A. Over 30 years ago, 1978.

12 Q. Are you aware of some of the  
13 challenges that the Coast Guard's encountered  
14 in trying to update those and, if you could,  
15 elaborate?

16 A. It's Subchapter-1A -- or IA excuse me.  
17 From 107 to 109 that is -- is -- is a  
18 Subchapter that's from 1978. It's Subchapter-  
19 N, which deals with all entities on the outer  
20 continental shelf. That was -- that was last  
21 updated sometime this decade, but in general  
22 the bulk of it predates 1996 and part of the  
23 problem is, you know, just the vast quantities  
24 of comments that we get. It's a hot topic any  
25 time we try to propose or change the



1 regulations. There's a lot of input that we  
2 get and sometimes operational demands may  
3 shift focus. Part of that marine safety  
4 enhancement plan was a staffing up of the  
5 regulatory staff. There's over 42 billets  
6 that have been added to try to ensure that,  
7 you know, we don't lose that focus. That when  
8 we -- when we go forward with regulation that  
9 we can see it through to the end.

10 Q. Are you aware of any of the types of  
11 vessels such as say floating offshore  
12 installations where additional Coast Guard  
13 oversight and/or regulatory effort, you know,  
14 should be expended and, if so, in what  
15 respect?

16 A. Right now, for instance, some of these  
17 structures that are offshore are much more  
18 sophisticated than MODUs. The FOIs, for  
19 instance, they can have quite a few risers  
20 that link into them. And they comply with the  
21 same regulations and standards right now that  
22 they're all U.S. flagged and they're operating  
23 out there on the outer continental shelf. So,  
24 I think hopefully with an update of N we'll  
25 get some refinement in terms of the issues



1 that may apply. I know that one of the things  
2 that the subject matter expert on staff at the  
3 8 has mentioned there's just stability in  
4 making sure that there's sometimes a pressure  
5 to increase the things that are onboard those  
6 platforms that were maintaining stability and  
7 ensuring that that's correct. But it's -- I  
8 mean they're very advanced systems.

9 Q. Captain, just one last final question:  
10 Do you believe the Coast Guard Marine Safety  
11 Enhancement Plan is providing sufficient  
12 effort and direction and guidance for  
13 advancement of the Coast Guard's  
14 responsibility to respect OCS activities?

15 A. It's a -- yes. The short of it is I  
16 think that the -- you know, some of the  
17 problems that we've had in the past, you know,  
18 the Commandant's direction in that plan and it  
19 was established late in 2007 and we've hit a  
20 lot of those milestones. It had like three --  
21 to give the language they wanted to enhance  
22 the performance, enhance service quality and  
23 also extend outreach. And I think in general  
24 when you -- they've got the plan details it  
25 gets somewhat complex in the sense it goes



1 through seventeen subparts, but we're tracking  
2 well on a lot of those subparts. So, I think  
3 we've gotten a lot of support from  
4 administration from Congress and I think the  
5 program is better positioned.

6 Q. Thank you, sir. I have no more  
7 questions, but the board members I'm sure  
8 will.

9 E X A M I N A T I O N

10 BY CAPT NGUYEN:

11 Q. Good morning, Captain Gifford. I've  
12 got a few questions for you. You indicated  
13 that there are a number of district policies  
14 on offshore activities; is that correct?

15 A. Yes.

16 Q. Okay. And you also indicated there  
17 are guidance in form of navigation vessel  
18 inspection circulars relating to subsets-388--

19 A. Yes.

20 Q. -- relating to offshore activities,  
21 correct?

22 A. Uh-huh (affirmative reply).

23 Q. And you also indicated -- and are  
24 these policies and NVICs get incorporated into  
25 regulations eventually?



1           A. Ideally yes, but in the past there are  
2 times that the NVIC has to, you know, is in  
3 effect for quite a long period of time.

4           Q. Alright. So, these policies and NVICs  
5 they don't have any enforcement authority to  
6 go with them or are they just recommendation  
7 guidance?

8           A. They're guidance, policy guidance.

9           Q. Okay. And you said regulation for  
10 Subchapter-N haven't been updated since 1978?

11          A. No, that was a -- the MODU 46 CFR  
12 part-107 through 109, which deals with U.S.  
13 domestic MODUs, but that hasn't been updated  
14 since 1978. The Subchapter-N has been updated  
15 more recently, but is in the process -- I  
16 think there's a recognition that it needs to  
17 be updated again and they're moving forward to  
18 try to do that.

19          Q. Okay. So, Subchapter-IA has not been  
20 updated, what, more than thirty years?

21          A. Yes.

22          Q. And we're dealing with the face pace  
23 of technology out there. And we are also  
24 expanding activities offshore potentially. In  
25 addition to, you know -- so for over thirty



1 years in terms of the last time the  
2 Subchapter-IA was updated. Subchapter-N outer  
3 continental shelf activity regulation when's  
4 the last time that was updated?

5 A. That was -- there were minor updates  
6 I'm told in this decade, but the bulk of it  
7 hasn't been updated for over ten years.

8 Q. Okay. Was there a notice of making  
9 rules announced for Subchapter-N?

10 A. There was. I believe it was in 2000,  
11 the year 2000, where they published and they  
12 haven't -- we haven't gone forward since.

13 Q. Okay. In that rule making  
14 announcement, what items are you aware of --

15 A. I'm not familiar with exactly what the  
16 hanging point was.

17 Q. Okay. Now, in terms of updating our  
18 Coast Guard regulations whether Subchapter-N  
19 or IA, you say that we relied on input from  
20 NOSAC, the National Offshore Safety Advisory  
21 Committee?

22 A. With certain -- like the elements of  
23 dynamic positioning modular housing that is --  
24 those are things that would be incorporated  
25 based on input from NOSAC and ideally when you



1 involve industry, the public, the mariners and  
2 get consensus beforehand you encounter much  
3 less friction as you go forward with the rule  
4 making and hopefully address concerns prior to  
5 the publishment of the rule.

6 Q. I understand. And NOSAC also issued  
7 advisories?

8 A. NOSAC, I'm not familiar if they issued  
9 advisories.

10 Q. So, NOSAC just provides input directly  
11 to the Coast Guard?

12 A. NOSAC will provide input through the  
13 board process to the Coast Guard and the NOSAC  
14 Committee they publish where they are in terms  
15 of making progress with the different --  
16 usually with reports on these different  
17 issues.

18 Q. Okay. So, industry's not looking to  
19 NOSAC for standards or --

20 A. No. In terms of like dynamic  
21 positioning, for instance, they are looking to  
22 NOSAC to develop a standard that spells out  
23 exactly how the Coast Guard's going to inspect  
24 and what expectations are of industry for the  
25 dynamic positioning systems to ensure that



1 they properly function and that the operators  
2 of those systems are properly trained in using  
3 those systems.

4 Q. So, that's just guidance? That's not  
5 enforceable?

6 A. Yes, it would -- at this stage it  
7 would be guidance. If it's incorporated into  
8 Subchapter-N it would be enforceable.

9 Q. In terms of, you know, how long it  
10 takes to update regulations, Subchapter-N and  
11 IA, are we waiting for -- still waiting for  
12 input from NOSAC or -- to you knowledge or is  
13 it at headquarters or is it at DHS or Office  
14 of Management and Budget? Where is the  
15 regulations right now?

16 A. In terms of Subchapter-N they're  
17 waiting -- one of the things they're waiting  
18 on is just the lessons learned from this board  
19 so that we can incorporate those into  
20 Subchapter-N and, you know, that's probably  
21 one of the chief things that they're going to  
22 wait on.

23 Q. Does that mean that Subchapter-N was  
24 ready to go and then this thing happens and  
25 now they wait for the lesson to update it



1 to --

2 A. I think it was in a state where they  
3 had planned to go forward with it and now that  
4 this board is taking place they're not going  
5 to go forward with it until they get the  
6 lessons learned.

7 Q. Can you describe to me the safety net  
8 for a U.S. MODU?

9 A. In terms of -- you know, I think we  
10 touched on quite a few of them. First we have  
11 the regulations. We make sure that the vessel  
12 meets regulation. That starts with -- as the  
13 vessel -- before they build the vessel we get  
14 plans. Those plans are reviewed at a level at  
15 the Marine Safety Center where they insure  
16 that, okay, is the vessel being built  
17 according to regulatory standards. They  
18 insure then that after the plan is approved  
19 during the building of the vessel we have  
20 Coast Guard inspectors who are there on scene  
21 to make sure that it is built in accordance  
22 with the plan. And then, of course, once it's  
23 in service we have a regulation that says  
24 'Here's the standards that a MODU has to meet  
25 to continue to make sure that it's safe.'



1 Q. Okay. Now, explain to me the safety  
2 net for a foreign flagged MODU.

3 A. Those -- a lot of those functions,  
4 such as plan review, would be carried out by  
5 foreign entities. And what you have is you  
6 have Classification Societies. Classification  
7 Societies are non-government entities that go  
8 out and they basically ensure compliance with  
9 these different standards. The standards are  
10 spelled out in an international convention and  
11 a MODU code in this case. They go out and  
12 they verify, yes, the vessel meets these  
13 international standards. And then the Coast  
14 Guard goes onboard to verify, yes, the system  
15 is in place and the Classification Society has  
16 done it's job.

17 Q. Okay. So, if a marine inspector has  
18 come onboard a foreign flagged MODU and  
19 discover a discrepancy, how does that get  
20 resolved?

21 A. It's -- there's a -- the Coast Guard  
22 has what's called a port stay control program.  
23 That port stay control program, when you've  
24 got a vessel that's visiting the United  
25 States, allows us to report discrepancies.



1 There's forms that we use to report those  
2 discrepancies and send it up. However it's  
3 slightly different with a MODU. A MODU's  
4 working on our outer continental shelf and  
5 they need a Certificate of Compliance to work  
6 on that outer continental shelf. If the  
7 discrepancy's minor we can complete, you know,  
8 a piece of paperwork form-B that allows us to  
9 tell the MODU exactly, you know, 'Here's the  
10 minor deficiency.' If they -- if the  
11 discrepancy's major, we can pull the COC, the  
12 Certificate of Compliance, which would mean  
13 that the vessel would have to stop operating  
14 out on the continental shelf.

15 Q. For a major discrepancy the Coast  
16 Guard would draw a Certificate of Compliance,  
17 how does that get worked out? Do you work  
18 directly with the flag state or do you work  
19 directly with the operator? How's that work  
20 out?

21 A. That office at headquarters, 5432,  
22 they -- the discrepancies get reported, they  
23 get reported to the flag state. But, again,  
24 there's engagement at the inspector MODU  
25 level. You know, they're making sure that the



1 MODU knows of the major discrepancy. In the  
2 case of the DEEPWATER HORIZON, they went  
3 onboard nine times. They never identified any  
4 major discrepancy. You know, it was all just  
5 minor deficiencies, but it would be reported  
6 back if there ever was one through the flag  
7 state. And it's a very significant issue  
8 especially when you're talking about pulling a  
9 Certificate of Compliance.

10 Q. In terms of -- right now we're looking  
11 at, my understanding, three categories of  
12 vessels. Well, two types of vessels and one  
13 fixed installation out there. You have the --  
14 you have the mobile type that are doing  
15 drilling, you have the mobile type that do  
16 both drilling and production and you have the  
17 fixed platform that engage in production.  
18 That's what I understand. Now, for the vessel  
19 that conducts both drilling and production, we  
20 term those -- we classify those as floating  
21 offshore installations. Now, how different,  
22 in terms of Coast Guard engagement with regard  
23 to MODU and FOI, do we look at the production  
24 side of it too or that's MMS's jurisdiction?

25 A. Again, when you look at the MOA, the



1 MOA spells out that for the production side  
2 it's MMS. However there are -- we walk  
3 through to make sure that safety systems are  
4 in place. Safety systems that are, you know,  
5 general to all vessels, emergency lighting,  
6 gas alarms. Just that those things are in  
7 place even in those areas where there's  
8 drilling systems. Did I answer that question?

9 A. Yes, sir.

10 Q. So, part of the testimony this morning  
11 was that MMS did not have any interaction with  
12 a foreign flag from what I understand from the  
13 previous testimony. Now, if you discover  
14 something that -- a safety hazard with a  
15 drilling and production operation, does the  
16 Coast Guard inspector communicate that  
17 directly to MMS and MMS discuss that with the  
18 operator or how do we get back to the flag  
19 state? Because part of what I see that the  
20 system is on the vessel, so it's a foreign  
21 flag vessel. So, how do you get back to the  
22 flag state to communicate the hazard that you  
23 discover?

24 A. The witness after me, Commander Mike  
25 Odom, is a qualified MODU inspector. And I



1 think he can answer it hopefully to your  
2 satisfaction exactly what would happen if he  
3 found an issue that he could identify with the  
4 production system.

5 Q. Thank you, sir.

6 CAPT NGUYEN:

7 Question for MMS?

8 E X A M I N A T I O N

9 BY MR. MATHEWS:

10 Q. Mr. Gifford, for the record could you  
11 please tell me specifically what a MODU is?

12 A. A mobile offshore drilling unit is a  
13 unit that is semi-submersible that can -- in  
14 this case, too, it was self propelled. So, it  
15 can move on station and then begin drilling  
16 operations to obtain resources from a seabed.

17 Q. So, is a jack up a MODU?

18 A. Yes.

19 Q. Is a semi-submersible drilling rig a  
20 MODU?

21 A. Yes.

22 Q. Is a submersible drilling rig a MODU?

23 A. Yes, I believe so.

24 Q. Okay. Earlier in your testimony you  
25 said that you had roughly twelve inspectors.



1           A. Twelve qualified inspectors that are  
2 presently doing MODU inspections.

3           Q. And you said you performed roughly 60  
4 inspections per year?

5           A. On MODUs.

6           Q. On MODUs, correct. The ones that I  
7 just defined. Also you said that you had some  
8 agreement with Congress to ensure that you  
9 provide an adequate service to the community  
10 to ensure safe operations. Do you think five  
11 inspections each, per inspector per year is an  
12 adequate service?

13          A. Well, the currency requirements are a  
14 single inspection per year. Clearly as you're  
15 getting out and you're trying to do more and I  
16 just listed the MODUs. The floating offshore  
17 infrastructure we've got, again, we counted  
18 that. There were almost three dozen of those.  
19 So, they do go out onboard those two, but  
20 you're right. I mean the more experience the  
21 better when you're talking about getting out  
22 there.

23          Q. Do you know how many MODUs are  
24 operating in the Gulf right now?

25          A. About 100 and I believe it -- again,



1 there's a total of 130 plus MODUs that are in  
2 the Gulf, some of which aren't in service.

3 Q. Just from my recollection, I think  
4 there's about -- I'm not trying to contradict  
5 you, but there's about --

6 A. Sure.

7 Q. -- 50 to 60 operating in the Gulf that  
8 we have federal regulatory jurisdiction over.  
9 How often do you go out to those drilling  
10 rigs? Is it on an annual basis?

11 A. Annual.

12 Q. Earlier in your testimony there was  
13 kind of a confusion through the MOA and I just  
14 wanted to clarify something. You said that  
15 the MMS had jurisdictions from the sea floor  
16 up to the rig. And then you had  
17 responsibility from I guess the water line up.  
18 Do you have any jurisdiction within the  
19 derrick or any type of drilling operations?

20 A. Not that I'm aware of.

21 Q. Are you aware of any agreement that  
22 you have with the United States Coast Guard on  
23 performing United States Coast Guard  
24 inspections?

25 A. Yes, in the sense that -- for if it's



1 a fixed -- are you talking about if it's a  
2 fixed platform that -- we do that first  
3 inspection and then MMS can do it's later  
4 inspections for us, the annual inspections, on  
5 the fixed platforms.

6 Q. Do you know roughly about how many  
7 inspections MMS performs for the Coast Guard  
8 per year?

9 A. I do not.

10 Q. And why is there a need for an  
11 agreement for the MMS to perform United States  
12 Coast Guard inspections?

13 A. Because the way the authority reads  
14 it's initially given to the Coast Guard to  
15 conduct it. So, I think, again just as a  
16 point of clarity, we're then delegating it and  
17 it's in regulation in Subchapter-N that that  
18 delegation is made.

19 Q. So, do you think you have enough  
20 assets which are inspection forced in the 8th  
21 District to sufficiently inspect to the  
22 regulations of Subchapter-N for the MODUs and  
23 fixed platforms?

24 A. Oh, no. To the fixed platforms, no.  
25 That's why with, again, a dozen just as the



1 count you did the number of fixed facilities  
2 is much greater.

3 Q. Earlier in your testimony you had  
4 mentioned some incidents that the DEEPWATER  
5 HORIZON had reported to the United States  
6 Coast Guard. Was there any recommendations or  
7 penalties weighed upon the operator of that  
8 vessel or the contractor? I don't know how  
9 your jurisdiction is set up. Do you penalize  
10 the operator or penalize the drilling  
11 contractor?

12 A. No, not to my knowledge. I don't  
13 believe so.

14 Q. Obviously the Coast Guard's life  
15 safety over the MMS on a floating drilling  
16 rig. Is there any requirements that the Coast  
17 Guard has on emergency disconnect systems?

18 A. Better ask to the next gentleman who's  
19 going to witness. He'll walk through exactly  
20 what the Coast Guard does in terms of an  
21 inspection onboard a MODU and he can answer  
22 the specifics in terms of regulatory  
23 authority.

24 Q. Thank you.

25 A. Sure.



1 EXAMINATION

2 BY MR. McCARROLL:

3 Q. How many different flag states do  
4 y'all deal with?

5 A. Marshall Islands, Panama, but beyond  
6 that I don't know of a count.

7 Q. Is it in the tens or is it in the  
8 hundreds?

9 A. I'd be speculating.

10 Q. Okay. Who follows up on the  
11 equivalency of the design of the flag states?

12 A. That is done at the headquarters level  
13 in terms of -- like for instance with the  
14 Marshall Islands, they spelled out exactly  
15 'Here's how we're going to ensure that our  
16 MODU standards are equivalent to U.S.  
17 standards.' So, they spell it out in a  
18 document not just to the most recent version  
19 of the IMO code, the '89 version, but also to  
20 the '79 if the MODU's built before then.

21 Q. I guess I'm a little bit confused on  
22 how the flag states work. How many wells do  
23 they drill in the Marshall Islands?

24 A. Not -- I don't know of -- the  
25 DEEPWATER HORIZON obviously never drilled --



1 it's what's called a flag of convenience.

2 Q. Oh, okay.

3 A. In the sense that the Marshall Islands  
4 -- they're flagged under the Marshall Islands.  
5 They meet the standards that the Marshall  
6 Islands' registry proposes. A Classification  
7 Society goes onboard on behalf of the Marshall  
8 Islands registry and make sure that they in  
9 fact comply with all the standards.

10 Q. If your MODU regulations were last  
11 revised in 1988, was that it?

12 A. '78 for --

13 Q. '78.

14 A. -- U.S. flagged.

15 Q. How many deep water drilling rigs were  
16 in operation at that time?

17 A. I don't know.

18 Q. Okay. Thank you.

19 E X A M I N A T I O N

20 BY CAPT NGUYEN:

21 Q. Captain, a couple of follow up  
22 questions here. With regard to the flag state  
23 responsibility, what activities are they  
24 engaged in to your knowledge?

25 A. What activities does the Marshall



1 Islands --

2 Q. With respect to this casualty, besides  
3 as a substantially interested state as far as  
4 investigations are concerned. Any activities  
5 that you're aware of?

6 A. I'm not -- I assume they're involved  
7 in the investigation.

8 CAPT NGUYEN:

9 Any question from the flag state,  
10 sir?

11 E X A M I N A T I O N

12 BY MR. LINSIN:

13 Q. Thank you, Captain. Gregory Linsin  
14 for the Marshall Islands. Good morning,  
15 Captain.

16 A. Good morning.

17 Q. Captain, just a few follow up  
18 questions on the Coast Guard's interaction  
19 with flag states and it's assessment of the  
20 adequacy of flag state oversight of vessels or  
21 MODUs operating in U.S. waters. Can you  
22 describe, Captain, what the Coast Guard's  
23 QUALSHIP 21 program is?

24 A. I cannot.

25 Q. Have you heard of that, sir?



1           A. I have and it's a Port State  
2           Controlled program basically where we track  
3           the performance of different flag states, but  
4           beyond that I don't know the details.

5           Q. Can I ask you this: Do you understand  
6           it to be a program implemented by the Coast  
7           Guard to differentiate between the quality of  
8           flag state performance in terms of it's  
9           oversight of vessels flagged with those  
10          administrations?

11          A. Yes.

12          Q. And that certain flag administrations  
13          are admitted to that program if they meet  
14          those standards and others have not yet met  
15          those standards --

16          A. Yes, sir.

17          Q. -- is that correct? Alright. Nothing  
18          further, Captain. Thank you.

19                CAPT NGUYEN:

20                Thank you, sir. At this time  
21                we'll open up to the Parties In  
22                Interest. Halliburton?

23                COUNSEL REPRESENTING HALLIBURTON:

24                No questions.

25                CAPT NGUYEN:



1 M-I SWACO?  
2 MR. EASON:  
3 No questions.  
4 CAPT NGUYEN:  
5 Anadarko?  
6 COUNSEL REPRESENTING ANADARKO  
7 PETROLEUM CORPORATION:  
8 No questions.  
9 CAPT NGUYEN:  
10 Weatherford?  
11 COUNSEL REPRESENTING WEATHERFORD,  
12 INC.:  
13 No questions.  
14 CAPT NGUYEN:  
15 BP?  
16 MR. GODFREY:  
17 Thank you, Captain. BP has no  
18 questions at this time.  
19 CAPT NGUYEN:  
20 Thank you, sir. Transocean?  
21 MR. KOHNKE:  
22 No questions.  
23 CAPT NGUYEN:  
24 Thank you, sir. Cameron?  
25 COUNSEL REPRESENTING CAMERON INC.:



1 No questions.

2 CAPT NGUYEN:

3 Dril-Quip?

4 COUNSEL FOR DRIL-QUIP, INC.

5 No questions.

6 CAPT NGUYEN:

7 MOEX?

8 COUNSEL REPRESENTING MOEX USA:

9 (No response.)

10 MR. DYKES:

11 I've got a couple of follow up

12 questions.

13 E X A M I N A T I O N

14 BY MR. DYKES:

15 Q. Captain, earlier we mentioned during  
16 the testimony with Mr. Saucier regarding the  
17 survival craft capabilities and the 165 pound  
18 standard. Where does that 165 pound standard  
19 come from?

20 A. I'm not familiar with it. I do know  
21 it's out there. I think at the time that it  
22 was implemented it was the average weight,  
23 presumed average weight, of somebody who would  
24 be getting in a lifeboat.

25 Q. Okay. Are you aware of that safety



1 alert that went out, that joint safety alert  
2 between MMS and Coast Guard?

3 A. I'm not aware of the particulars, no.

4 Q. Okay. So, you didn't incorporate the  
5 recommendations from that safety alert into  
6 your inspection program with your MODUs?

7 A. Commander Odom who follows me -- a lot  
8 of the different companies have -- I do know  
9 when they go onboard and they do these  
10 lifeboat inspections typically there's more  
11 lifeboats than are persons in the crew as in  
12 the case of the DEEPWATER HORIZON here.

13 Q. Okay. But if you stuck to the  
14 original standard of 165 pound person and that  
15 says you can get -- and let's say  
16 hypothetically 40 people into a capsule and  
17 you in fact put 40 people into a capsule that  
18 weight 215 pounds you can possibly overload  
19 the capsule?

20 A. Yes.

21 Q. Okay, alright. No further questions.

22 CAPT NGUYEN:

23 Captain Gifford, are there any  
24 questions that we have not asked you  
25 that we should or any information that



1 we should be aware of that you would  
2 like to tell us?

3 THE WITNESS:

4 No.

5 CAPT NGUYEN:

6 Thank you, sir, for your  
7 testimony.

8 THE WITNESS:

9 Thank you.

10 CAPT NGUYEN:

11 If we have further questions for  
12 you, would you make yourself available  
13 to the board? Thank you very much and  
14 you are dismissed. We'll call up the  
15 next witness.

16 The board will call up the next  
17 witness, LCDR Michael Odom.

18 \* \* \* \* \*

19 LCDR MICHAEL ODOM,  
20 after being first duly sworn in the cause,  
21 testified as follows:

22 E X A M I N A T I O N

23 BY MR. WHEATLEY:

24 Q. Good morning, Commander. Could you  
25 please state your complete name for the



1 record, excuse me, and spell your last name?

2 A. Michael Glenn Odom, O-D-O-M.

3 Q. Thank you. And where are you

4 currently assigned, Commander?

5 A. Liquefied Gas Carrier National Center

6 of Expertise.

7 Q. And what position do you hold there?

8 A. I am a national technical advisor.

9 Q. Could you briefly describe for us what

10 that means?

11 A. I advise Coast Guard marine inspectors

12 on issues concerning liquefied gas carriers

13 that conduct trade with the United States and

14 also act as a conduit for industry who have

15 regulatory issues with the Coast Guard to

16 direct them to the proper authorities.

17 Q. Okay. Now, in July of 2009, where

18 were you assigned?

19 A. I was the chief of prevention at MSU

20 Port Arthur.

21 Q. And could you briefly outline your

22 responsibilities at that point?

23 A. I conducted an oversight of all

24 inspections and marine casualties, marine

25 investigations within the area of



1 responsibility at MSU Port Arthur, captain of  
2 the port zone.

3 Q. Okay. Would you briefly outline for  
4 us your Coast Guard background?

5 A. I entered the Coast Guard -- I  
6 enlisted in the Coast Guard in 1983 where I  
7 served a couple of years at sea on the U.S.  
8 Coast Guard Cutter BOUTWELL. From there I  
9 went to Machinery Technician Aid School and  
10 spent about three years at our station in  
11 Sabine Pass, Texas as an engineer there. When  
12 they brought the swimmer program on line in  
13 1985 I cross rated over and became an aviation  
14 survival man and spent about ten years as a  
15 rescue swimmer. When I was in Air Station New  
16 Orleans I was picked up for warrant officer,  
17 where I was transferred to Marine Safety  
18 Office New Orleans and spent four years as a  
19 trainee marine inspector as part of the Coast  
20 Guard Merchant Marine Safety Program. From  
21 there I transferred to Marine Safety Unit Port  
22 Arthur where over the course of six years I  
23 was a branch chief training officer for the  
24 inspections department and eventually fledged  
25 up to the department head chief of prevention



1 position.

2 Q. Could you briefly describe for us your  
3 marine inspection background?

4 A. Uh --

5 Q. And the various qualifications you  
6 hold?

7 A. While I was stationed at MSO New  
8 Orleans I received a barge qual, small  
9 passenger vessel qualification, offshore  
10 supply vessel qualification and that was the  
11 main focus was offshore supply vessels. And I  
12 also, once I transitioned over to Marine  
13 Safety Unit Port Arthur, I received my port  
14 stay qualifications, my MODU qualifications  
15 and, when they brought the security  
16 regulations on line, I received those  
17 qualifications also.

18 Q. Okay. Now, you indicated that you  
19 actually hold a Coast Guard MODU  
20 qualification, do you recall when that was  
21 issued?

22 A. That was December of 2003.

23 Q. Could you briefly tell us what's  
24 required to get a Coast Guard MODU  
25 qualification?



1           A. To receive a MODU qualification  
2 generally you work under a qualified inspector  
3 to get what's called a performance  
4 qualification sign off done, which is about  
5 approximately 200 sign offs that cover various  
6 systems, engineering systems, hull systems,  
7 documentation. You go through it all and, as  
8 you become proficient in those tasks, the  
9 qualified inspector signs them off. After you  
10 complete your PQFs a qualified inspector will  
11 recommend you for a board -- a qualification  
12 board where you will sit before qualified  
13 inspectors. They'll ask you questions and  
14 then they'll recommend you to the captain of  
15 the port to hold a qualification or in some  
16 cases they might ask you to come back and do  
17 another board and spend some more time. Part  
18 of that board is you keep a log of all the  
19 inspections that you've attended and the board  
20 reviews that to make sure that you've had a  
21 variety of inspections and worked with a  
22 variety of different inspectors so you get  
23 different perspectives about how we do  
24 inspections. And, once all that process is  
25 complete, you receive your qualification. In



1 the 8th Coast Guard District there's generally  
2 about 14 qualified inspectors that are in this  
3 program. And you -- normally to receive a  
4 MODU qualification you've held other  
5 qualifications like a barge qual, an OSV qual  
6 and have been associated with the vessels that  
7 service the MODUs. So, it's kind of a program  
8 that you kind of rise up to. They don't just  
9 select you at random. You have to have kind  
10 of a competent background in marine  
11 inspections before you're pushed into the MODU  
12 qualifications.

13 Q. Okay, thank you. How long does it  
14 typically take to qualify a Coast Guard MODU  
15 inspector?

16 A. Depending on the individual's  
17 background, it can take anywhere from 12 to 18  
18 months.

19 Q. Now, you mentioned that during the  
20 training process that you participated in a  
21 number of inspections on MODUs. Do you have  
22 any idea or estimate on how many MODU  
23 inspections you performed while in the  
24 training program?

25 A. Because of the nature of the way I



1 received my qual I spent four years in New  
2 Orleans working with the MODU inspectors and I  
3 would go out with them any chance that I  
4 could. But I was not being streamlined at  
5 that time into a MODU qualification. I was  
6 doing OSVs as part of their overseas  
7 inspection program. So, I spent a lot of time  
8 overseas doing the U.S. flagged OSV fleets, so  
9 it wasn't my focus, but I was doing a lot of  
10 MODU inspections when I could. And I had over  
11 -- if I recall, I had over a hundred  
12 inspections logged before I went to get my  
13 MODU qual.

14 Q. Thank you. Now, previously through  
15 some of the other testimony it was talked  
16 about MODU-U. Are you familiar with what that  
17 is and it's history?

18 A. I'm familiar with -- what it was, when  
19 I went through, it was the Randy Smith School  
20 of Drilling. And it was a drilling overview  
21 that was specific for Coast Guard marine  
22 inspectors. It was contracted to the Randy  
23 Smith School of Drilling in Lafayette,  
24 Louisiana. And it was a ten day course. We  
25 spent five days with experienced guys from



1 industry that would give us an overview of  
2 drilling operations offshore and how they  
3 worked and different types of marine systems,  
4 different types of drilling and engineering  
5 systems that we would be faced with as Coast  
6 Guard inspectors. It was a -- a couple of  
7 days -- the last couple of days that we were  
8 there qualified senior marine inspectors with  
9 MODU quals would come in and give us the  
10 regulatory prospective of the MODUs and we  
11 would spend the weekend off and then that  
12 Monday we came back to the school and we went  
13 offshore and they would fly us around to all  
14 the different types of MODUs. And we would  
15 spend time with the OIMs and they would kind  
16 of give us a tour of the vessel and show us  
17 what we had learned in the classroom and how  
18 it was operating in the real life environment.

19 Q. Now, do you know -- did the Randy  
20 Smith School of Drilling, did it also train  
21 industry personnel?

22 A. It did. They had various courses that  
23 they put on, but this -- what we call MODU-U  
24 is specific to Coast Guard inspectors. There  
25 was no industry personnel in our class, it was



1 all Coast Guard inspectors.

2 Q. Okay. Are you generally familiar with  
3 the regulatory oversight of MODU drilling  
4 units?

5 A. Yes.

6 Q. Could you kind of outline for us what  
7 those regulations are and how they apply with  
8 respect to U.S. flagged vessels?

9 A. With respect to U.S. flagged vessels  
10 46 CFR is the primary means that we regulate  
11 U.S. flagged vessels. You also have 33 CFR  
12 Subchapter-N, marine safety manuals volume-2,  
13 which is inspections, volume-3, which is  
14 manning. We have various policy letters in  
15 the 8th that we use for guidance. And also  
16 NVICS that we use.

17 Q. Could you tell us: What is a bottom  
18 bearing unit?

19 A. Bottom bearing unit is what we  
20 typically call a jack up unit or a submersible  
21 unit. And it's -- the jack up units there's  
22 two different kinds that we refer to, an  
23 independent laid unit and a mat supported unit  
24 that jack up above the sea floor. The mat  
25 supported unit has spuds that are -- that are



1 connected to a mat that is jacked down to the  
2 ocean floor which allows the unit to elevate  
3 above the sea surface. And then an  
4 independent leg unit is just what that  
5 indicates. It's independent legs that spud  
6 into the sea floor and move the unit up above  
7 the sea floor. And then you have what's  
8 called a submersible unit, which, through  
9 ballasting operations, will take on water and  
10 settle onto the ocean floor and it has more of  
11 a traditional type hull system.

12 Q. Could you, if you could, compare and  
13 contrast the differences between a fixed OCS  
14 facility and a floating OCS facility?

15 A. A fixed OCS facility is a facility  
16 that is founded to the seabed and is more  
17 permanent in nature. A floating offshore  
18 installation or a floating unit is a unit  
19 that's floating above the floor and is moored  
20 to substantial systems that are -- like a  
21 tension laid platform or anchoring system that  
22 requires substantial effort for them to move  
23 the unit.

24 Q. Could you briefly describe for us the  
25 Coast Guard's regulations as they apply to



1 U.S. flagged MODUs?

2 A. Can you say that again?

3 Q. Could you briefly describe the Coast  
4 Guard's regulations as they apply to U.S.  
5 flagged MODUs?

6 A. To U.S. flagged MODUs?

7 Q. Yes, sir.

8 A. As we stated before, 46 CFR is the  
9 primary means that we regulate by and the  
10 Subchapter in that that we use is IA, which  
11 has three parts, 107, 108 and 109. 107 is the  
12 design inspection and certification of the  
13 units, 108 covers the life saving,  
14 firefighting and construction management of  
15 the units and then 109 covers the test,  
16 drills, reporting, notifications and  
17 operations of the units. And then we also use  
18 33 CFR pollution regulations, 33 CFR  
19 Subchapter-N and then the various NVICS and  
20 policy letters from  
21 headquarters D8. That's for U.S. flagged  
22 units.

23 Q. And that leads to my next question.  
24 Could you kind of outline for us what are the  
25 rules governing the inspection of foreign



1 flagged MODUs?

2 A. Foreign flagged MODUs we primarily  
3 regulate through Subchapter-N for units  
4 operating on OCS. And also we use NVIC 3-88  
5 CH1 is our primary means, which gives us three  
6 options to certificate the units. 3-88 Change  
7 CH-1, which has been incorporated into  
8 Subchapter-N, which is 33 CFR. The three  
9 options are options-A, B or C. Option-A gives  
10 a foreign flagged unit the option of fully  
11 complying with our regulations. Option-B  
12 gives the unit -- the nations the options to  
13 receive an equivalency to what our regs say.  
14 And at the current time I'm only aware of  
15 Marshall Islands and Panama that have that  
16 equivalency and then option-C is that they can  
17 use the MODU code to certificate the units.

18 Q. And could you briefly just outline for  
19 us the MODU code what that is and what it  
20 pertains to?

21 A. The MODU code is a guide that is  
22 developed by the International Maritime  
23 Organization that is a guidance for  
24 constructing and equipping MODUs in lieu of  
25 SOLAS, which SOLAS is for vessels that are



1 operating on international voyages of 500  
2 gross tons or more. And that convention gives  
3 MODUs the option of using the code in lieu of  
4 SOLAS and it kind of parallels it. Everybody  
5 that's signatory to SOLAS, as far as I know,  
6 uses the MODU code for construction of their  
7 units.

8 Q. Thank you. Do you know which of the  
9 three options the DEEPWATER HORIZON was in  
10 compliance with?

11 A. The DEEPWATER HORIZON was in  
12 compliance with option-C.

13 Q. To the MODU code?

14 A. Of the MODU code, yes.

15 Q. Thank you. Are you aware of any  
16 additional Coast Guard guidance pertaining to  
17 the inspection of MODUs, for example the  
18 marine safety manual?

19 A. Marine safety manual volume-2, which  
20 covers inspections, and marine safety manual  
21 volume-3, which is manning.

22 Q. Commander, I would like to kind of  
23 shift our focus here to -- let me ask this  
24 question: Did you have an occasion on or about  
25 July of 2009 in which you conducted an



1 inspection of the DEEPWATER HORIZON?

2 A. Yes.

3 Q. And could you kind of outline for us  
4 what was involved in that inspection?

5 A. There was three of us inspectors,  
6 which is pretty typical for us to go out with  
7 three inspectors. Generally when we land on  
8 the MODUs -- this one is particularly clear to  
9 me because it was the last MODU inspection  
10 that I performed offshore as the chief of  
11 prevention at Port Arthur. And I went out  
12 with two other inspectors. One other  
13 inspector was qualified at the time. And we  
14 usually meet with the crew. We'll go over  
15 some paperwork primarily focusing on the fire  
16 control plan, the hazardous area location  
17 plan, the operations manual so we can get a  
18 general layout of the vessel and have an idea  
19 of what we're going to inspect prior to  
20 actually going out and doing our walk arounds.  
21 After about an hour of meeting with the crew  
22 and discussing what we're going to do, we'll  
23 divide up into three teams. One person will  
24 go and do the hull inspection. One person  
25 will go and do the engineering and one person



1 stays behind and then goes through all of the  
2 different certificates, documentations,  
3 officer license and we'll all divide up and  
4 kind of do our own thing with the crew, the  
5 engineer, the OIM. And go through the  
6 accommodation spaces, go through the  
7 engineering spaces, do a deck walk, an  
8 engineering walk. And, as we do these walk  
9 arounds, we'll kind of randomly test or just  
10 kind of get an overview of the vessel, since  
11 it is an exam and it's a foreign flagged  
12 vessel, it's about a four to six hour  
13 inspection that we just kind of pick and  
14 choose what we want to look at when we're  
15 onboard. And we generally don't expand the  
16 exam unless we see something that kind of  
17 triggers us that there's a specific area that  
18 we need to expand our exam into. We'll look  
19 at the operations, the personnel, the  
20 pollution equipment, the accommodations,  
21 sanitary conditions of the galley and the  
22 lifesaving equipment. We generally look at  
23 the lifeboats, look at the life rafts. Down  
24 on the engineering side we'll look at  
25 ventilation. As we walk around after -- since



1 we reviewed the fire control plan we'll kind  
2 of just spot check to make sure things are  
3 where they're supposed to be, they're properly  
4 labeled, the fire extinguishers. We look at  
5 the firefighting hoses, firefighting apparatus  
6 to make sure it's in place and in good  
7 condition, looks like it's ready to deploy.  
8 And that's just kind of a general overview of  
9 what we do. And, after all three of us are  
10 complete, we usually meet back and, you know,  
11 whatever area that we're working from and  
12 we'll start discussing a drill which we do on  
13 all of our foreign exams, foreign flagged  
14 exams. And we'll discuss with the crew what  
15 we're going to do for a drill and what time  
16 best suits them to do the drill.

17 Q. Do you recall what, if any, drills you  
18 did on the DEEPWATER HORIZON during that  
19 examination?

20 A. I do recall. We did a firefighting  
21 drill. If my recollection serves me correct,  
22 we did it on the helicopter deck. We  
23 simulated a helicopter fire. They sounded --  
24 we did it I think right after lunch time. We  
25 sounded the alarm. They exempted certain



1 personnel because, at the time that we were  
2 there, they were involved in a critical  
3 drilling operation, which is pretty normal for  
4 us to do. So, they had I think approximately  
5 eight guys that were on the drill deck that  
6 were engaged in drilling that we didn't  
7 require to participate in the drill. And they  
8 sounded the alarm and we did a helicopter fire  
9 on the helicopter deck.

10 Q. Commander, during the course of the  
11 testimony that's gone on here for the last day  
12 or day and a half here, there's been a number  
13 of questions raised about the functionality of  
14 the electrical system and/or the emergency  
15 electrical system. Could you expand for us  
16 and tell us what do you look at, how do you  
17 inspect it, how do you verify or validate that  
18 in fact that it's operating or is -- you know,  
19 will operate appropriately as required?

20 A. As a foreign flagged vessel, we don't  
21 test the electrical system outside of the  
22 prime mover. They had a standby generator and  
23 we ran the prime mover for approximately  
24 fifteen to twenty minutes to make sure all the  
25 systems -- but we don't actually shut down the



1 power especially since they were actively  
2 drilling. It would have been a very dangerous  
3 thing to do. We kind of fall back on the  
4 class during their annual exam with class.  
5 They -- they're supposed to do that. We do  
6 review the documents of their last class  
7 surveyed to ensure that it was done. As the  
8 engineering and the deck walk are taking  
9 place, there's battery powered emergency  
10 lighting that we look at and usually push the  
11 button on that to make sure that it's properly  
12 functioning. And then the emergency lighting  
13 in the spaces as you walk through them are  
14 labeled with an "E" on them, so we're looking  
15 at that to make sure that there's a certain  
16 amount in each space also around the  
17 lifeboats. That's all tied into the emergency  
18 lighting system, but to actually test the  
19 function of it you have to shut down the main  
20 busses, shut down all the power to the unit.  
21 So, we do not do that.

22 Q. Thank you. Another aspect of this  
23 relates to lifesaving and the ability of the  
24 crew to safely and properly lower the  
25 lifeboats and the life rafts. Could you



1 explain to us what a Coast Guard inspection --  
2 examination, excuse me, concerning those  
3 aspects involve and what do you require the  
4 crew to do and demonstrate?

5 A. When we did our firefighting drill we  
6 -- we go -- we get to a certain point in the  
7 firefighting drill where we tell the crew "The  
8 fire's out of control and you need to abandon  
9 the unit." So, they go right into what we  
10 call an abandon ship drill where everybody  
11 shows up their predesignated muster areas,  
12 which is right outside the life -- the  
13 lifeboats. And we'll have the lifeboatmen and  
14 some of the crew members enter the lifeboat,  
15 run the engine, test the steering system, test  
16 forward, test reverse. But, depending on the  
17 weather conditions and what's going on,  
18 generally we don't actually have them launch  
19 the lifeboats. It depends on whether or not a  
20 standby vessel -- we have done it in the past.  
21 It's not a requirement for us to have them  
22 launch it, but when they're great distances  
23 offshore we kind of perceive it as a dangerous  
24 thing to do because they're jacked up or so  
25 high up off the surface to put people on the



1 lifeboat, lower them down and release them and  
2 run them around without a standby vessel there  
3 or without a means to retrieve them in case  
4 there's an engine failure or a maintenance  
5 failure or something like that or not knowing  
6 what the winds and the currents are doing. We  
7 generally don't launch them.

8 Q. Can you tell us what process you go  
9 through of the launching of the life rafts  
10 separate and distinct from the lifeboats?

11 A. Right. We do not do anything specific  
12 with the life rafts other than walk by them.  
13 We also look at their servicing certificates  
14 as part of the paperwork, part of the  
15 inspection, the required annual servicing.  
16 They're required to have instructions on the  
17 container on how to use it, how to launch it.  
18 We verify that those are there and they're  
19 legible and are easy to read and that  
20 generally anybody can read those and launch  
21 one of the life rafts over the side.

22 Q. Is it common practice not to require  
23 the actual launching of a life raft?

24 A. Yes, that is common practice because  
25 that would require them to inflate the life



1 raft and it wouldn't -- that would essentially  
2 take that piece of equipment out of service if  
3 we did that.

4 Q. Now, you mentioned that, because they  
5 had a critical drilling operation involved,  
6 that certain people were excused from the  
7 drill?

8 A. That is correct and that's pretty  
9 standard. So, when we do the abandon ship  
10 drill, one of the things that we're focused on  
11 is the accounting of personnel. So, that  
12 particular day we knew which people were  
13 excluded from the drill. In addition to that,  
14 whenever we would transition from the fire  
15 drill to the abandon ship drill, it's pretty  
16 routine for us to take a couple of guys off  
17 the fire team and tell them to go sit in their  
18 accommodation space to see if -- if the crew  
19 picks up on the fact that they're missing  
20 additional people other than those that have  
21 been routinely excused from the drill. I  
22 remember that they were very proficient at  
23 that and they did quickly account for the two  
24 missing personnel.

25 Q. Do you know is there a mechanism to



1 account for the fact that those persons are  
2 exempted at some subsequent point in time are  
3 also required to participate in those drills?

4 A. Well, the regulations require that  
5 everybody in the crew participate in the  
6 drills at least monthly. And, if at any given  
7 time through the month that percentage of  
8 people onboard exceeds 25 percent, then  
9 they're required to preform a full drill with  
10 those people present and accounted for within  
11 24 hours of them exceeding the 25 percent  
12 rule.

13 Q. Do you recall when you were onboard  
14 the DEEPWATER HORIZON what their practice was  
15 with respect to conducting these drills?

16 A. After reviewing the records, they were  
17 in compliance with the practices previously  
18 stated.

19 Q. Did they have a common time or place  
20 in which they did these or was it pretty much  
21 a variety of times and locations in which that  
22 happened?

23 A. I recall reviewing the logs before we  
24 did the drill and it was pretty common for  
25 them to conduct their drills on Sundays



1 between 10:00 and noon. Pretty routinely.

2 That was the weekly times that the did their  
3 drills.

4 Q. During the course of your choosing  
5 your examination onboard the DEEPWATER did you  
6 discover any discrepancies during your exam in  
7 2009?

8 A. No, we did not.

9 Q. Now, when the Coast Guard goes through  
10 and conducts an examination like that, do they  
11 document basically in any substantial detail  
12 the various things they looked at, the things  
13 they found and any recommendations that might  
14 -- they might have with regard to that vessel?

15 A. As far as discrepancies?

16 Q. Right.

17 A. Is that what -- if we do find a  
18 discrepancy on a foreign flagged unit, we work  
19 with the Classification Society and the  
20 company to resolve them. And we usually  
21 document it through a form-B.

22 Q. Okay.

23 A. If that's required.

24 Q. Are those results also summarized in  
25 the Coast Guard MISLE System for Activity



1 Summary Reports?

2 A. It is and we use that history usually  
3 prior to going out and doing the inspections.  
4 So, if we know that they've had a previous  
5 pattern established of deficiencies that will  
6 help us to focus our exam on those areas.

7 Q. Is it common practice, if you're going  
8 to go out and do a MODU inspection, to review  
9 their history before you go?

10 A. It is common practice.

11 Q. Do you recall with any certainty what  
12 the history was for the DEEPWATER prior to  
13 your exam?

14 A. I do not remember the specific  
15 history. I do remember they had some minor  
16 pollution events that were documented in  
17 MISLE, but I don't recall any specific patten  
18 or history of deficiencies.

19 Q. Okay. Commander, I'm going to have  
20 our recorder show you a document. I'd just  
21 ask you to take a look at it for a minute here  
22 and then I'll ask you a couple of questions  
23 about that.

24 A. Thank you. (Witness complies.)

25 Q. Could you tell us, you know, what is



1 that document, sir?

2 A. This is the activity summary report  
3 that we pull out of MISLE prior to doing an  
4 exam that reflects that history that we were  
5 talking about. It's also specifically -- it  
6 shows that everything was satisfactory and  
7 what the results of the exam was.

8 Q. And that was for the exam that you did  
9 on the DEEPWATER in July of 2009?

10 A. Yes, it is.

11 Q. Okay. I'm going to ask that the  
12 recorder show you two additional documents.  
13 They're Certificates of Compliance and, if you  
14 could take a look at those real quick for me?

15 A. Thank you. (Witness complies.)

16 Q. Would you briefly tell us what are  
17 those two Certificates of Compliance?

18 A. Both of these are the two previous  
19 Certificates of Compliance that were issued to  
20 the DEEPWATER HORIZON.

21 Q. Okay. And do note any discrepancies  
22 between the two and, if so, could you explain  
23 what they are?

24 A. The distinct difference is one  
25 requires four lifeboatmen and one requires



1 six. The most previous one requiring the six.

2 Q. And could you explain why that number  
3 changed from four to six?

4 A. I do recall discussing it. We decided  
5 because of the DAVIT launch life raft system  
6 that we would require six. They had a total  
7 of four lifeboats and we felt that it was  
8 necessary to require six with the DAVIT launch  
9 life rafts to kind of elevate the level of  
10 safety and, after discussing it with the crew  
11 and previously doing the inspection, they had  
12 the lifeboatmen onboard and they didn't feel  
13 like that was an issue to require the six.

14 Q. Okay. And, if you could just briefly,  
15 what's the role of a lifeboatman?

16 A. They're kind of the leader of whatever  
17 lifeboat that they're assigned, to make sure  
18 that everybody's onboard, make sure everybody  
19 is buckled in and that everything is operating  
20 properly and they kind of -- once they're in  
21 the water they go to whatever the corralling  
22 area is and help corral everybody.

23 Q. Okay. Now, as a result of your  
24 examination, did you actually issue a  
25 Certificate of Compliance to the DEEPWATER



1 HORIZON following your exam in July of 2009?

2 A. Yes, we did.

3 Q. And how long is the Certificate of  
4 Compliance valid for?

5 A. Two years.

6 Q. I'd like to shift gears just for a  
7 moment to manning of the MODU. Are you  
8 generally familiar with the regulatory  
9 requirements for manning of MODUs?

10 A. Generally, yes.

11 Q. Okay. Where would the manning  
12 requirements for a MODU, such as the DEEPWATER  
13 HORIZON, be contained?

14 A. That would be contained in their safe  
15 manning certificate, which is issued by the  
16 administration.

17 Q. And do you recall did you examine that  
18 during your -- review that when you conducted  
19 your exam in July of 2009?

20 A. Yes, we do. That's how we decide what  
21 we need to ask for in way of officer license  
22 to make sure they have valid and current  
23 licenses onboard.

24 Q. I'm going to ask the reporter one more  
25 time to show you a document and if you could



1 just basically review it for just a minute and  
2 then we'll talk about that.

3 A. Thank you. (Witness complies.)

4 Q. What is that document, Commander?

5 A. This is the safe manning certificate  
6 for the DEEPWATER HORIZON issued by Marshall  
7 Islands.

8 Q. Okay. And would that have been  
9 applicable back in July of 2009?

10 A. Yes, it would have.

11 Q. Okay. On there there's a number of  
12 different positions that are spelled out and  
13 I'm just going to ask you to, you know,  
14 describe for us what those are. Could you  
15 tell us what is an offshore installation  
16 manager or commonly referred to as an OIM?

17 A. OIM, offshore installation manager, is  
18 the person that's ultimately in charge of  
19 everything that's going on onboard the vessel.  
20 It's a MODU specific license that kind of  
21 parallels that of a traditional master on a  
22 conventional vessel. That's pretty much what  
23 they do. They're in charge of everything and  
24 responsible for everything that's going on  
25 onboard the barge.



1 Q. Okay. Also listed on there is a barge  
2 supervisor, could you tell us what that  
3 position entails and what their duties and  
4 responsibilities would be typically?

5 A. Once again, that kind of parallels the  
6 role of a chief mate on a traditional vessel.  
7 They assist the OIM and are usually  
8 responsible for the life saving systems and  
9 firefighting and the maintenance of that  
10 equipment and keeping up the drills and the  
11 logs and all that stuff. And the OIM  
12 delegates a lot of his duties to the barge  
13 supervisor.

14 Q. Okay. And then finally there's a  
15 position identified as a ballast control  
16 officer, could you basically again outline for  
17 us what the scope of their duties would be?

18 A. They're assigned to surface units that  
19 are floating. They keep the vessel trimmed  
20 and ballasted in accordance with its load  
21 line. For a number of different reasons, if  
22 they're taking on cargo or taking on pipe or,  
23 you know, the weight of the unit is constantly  
24 changing. So, they are constantly regulating  
25 the trim of the vessel. Also for weather



1 conditions for heavy weather and stuff like  
2 that they can trim the vessel down to make it  
3 ride better. They're just responsible for  
4 moving ballast around inside the vessel,  
5 taking it on and discharging it.

6 Q. Now, based upon this -- this  
7 documentation and your review or examination  
8 of the DEEPWATER HORIZON in 2009, did you make  
9 a determination as to whether or not they were  
10 in compliance with their manning certificates?

11 A. We did make a determination and they  
12 were in compliance with their safe manning  
13 certificate.

14 Q. Thank you. Briefly I would just like  
15 to talk -- touch upon life saving arrangements  
16 required on MODUs such as the DEEPWATER  
17 HORIZON. Could you kind of outline what the  
18 requirements are for us with respect to  
19 capacity and manning?

20 A. There's a 200 percent capacity  
21 requirement. You have to have 100 percent  
22 life saving appliances widely separated so, in  
23 the event of a failure or something that would  
24 isolate the crew from getting to one side or  
25 the other of the vessel, there's basically two



1 means of escape for them to go to. So -- and  
2 they were in compliance with that rule.

3 Q. Okay. We've had some discussions here  
4 dealing with the adequacy of lifeboat  
5 standards -- excuse me, specifically with  
6 respect to the weights of individuals. Are  
7 you familiar with that particular issue?

8 A. Yes. The rule is that we use 165  
9 pounds as the weight for each individual in a  
10 lifeboat for testing the lifeboats.

11 Q. Are you familiar with where that  
12 number came from?

13 A. It comes from the passenger vessel  
14 standards. That also includes children, a  
15 certain amount of children being onboard.  
16 It's kind of an average weight of what they  
17 feel like a passenger weight would be on a  
18 tradition like a T-boat or a K-boat or an H-  
19 boat passenger vessels is where the standard  
20 comes from.

21 Q. And would you have an opinion as to  
22 their adequacy as it would pertain to an  
23 operation such as a MODU?

24 A. My personal opinion is it's completely  
25 inadequate for MODU operations because



1 obviously they don't have children onboard  
2 MODUs, so the standard needs to be higher. I  
3 know voluntarily a lot of the offshore units  
4 use 185 pounds as their standard.

5 Q. Do you know what the policy of the  
6 DEEPWATER HORIZON was, at the time of their  
7 examination?

8 A. As far as what weights they were  
9 using, I do not know what weight they used for  
10 their appliances.

11 E X A M I N A T I O N

12 BY CAPT NGUYEN:

13 Q. Good morning, Commander Odom. I have  
14 a few questions for you.

15 A. Good morning.

16 Q. I think one of the comments you made  
17 was -- have to deal with the abandon ship  
18 drill.

19 A. Yes, sir.

20 Q. You said that it's not safe when a  
21 MODU operating far away offshore and without a  
22 standby vessel; is that correct?

23 A. That is correct. It's one of the  
24 criteria that we use in the decision making  
25 process for kind of a risk based analysis of



1 whether or not we're going to allow them to  
2 lower that into the water.

3 Q. With this casualty involving the  
4 DEEPWATER HORIZON the DAMON BANKSTON was  
5 pretty much responsible for the recovering of  
6 115 people.

7 A. Uh-huh (affirmative reply).

8 Q. And it was a standby -- it was a  
9 vessel that -- not really a standby vessel.

10 A. Right.

11 Q. So, if the regulation doesn't require  
12 one, if the DAMON BANKSTON was not there we  
13 would have greater -- more adverse results  
14 than it is, right?

15 A. Yes, sir.

16 Q. So, do you believe that, you know,  
17 based on your opinion should a standby vessel  
18 be required in the regulation?

19 A. I think it's definitely something that  
20 needs to be looked at very closely, depending  
21 on where the unit is drilling and, as we move  
22 further and further offshore and it becomes  
23 more and more -- units become more and more  
24 isolated and where they're operating, I think  
25 it would definitely be a standard that -- that



1 we would need to take a hard look at. And I  
2 personally think it should be required.

3 Q. Based on your experience, the  
4 operating MODUs out there, do they generally  
5 have a standby vessel?

6 A. When I've been on scene doing  
7 inspections there's usually a vessel standing  
8 by with the units, as far as it being required  
9 by the contract or the company, I'm not aware  
10 of how those requirements work. There are  
11 certainly times that I've been out there also  
12 when there has not been standby vessels, but  
13 mostly there is.

14 E X A M I N A T I O N

15 BY MR. DYKES:

16 Q. Are you calling it a standby vessel as  
17 defined in 33 CFR sub-N or are you just  
18 talking about that there happened to be a  
19 vessel on location?

20 A. There just happened to be a vessel  
21 on location. Usually they're engaged in  
22 operations of some type of loading or fueling  
23 or something like that. It's not typically a  
24 vessel that's there for the purposes of just  
25 standing by.



1 EXAMINATION

2 BY CAPT NGUYEN:

3 Q. With regard to the life saving  
4 equipment, now the life raft is not launched  
5 during these drills; is that correct?

6 A. That is correct.

7 Q. Alright.

8 A. It's packed up in a container, the  
9 DAVIT launch life raft, and we don't do  
10 anything to expose that container, open it or  
11 anything.

12 Q. Could you explain how the Coast Guard  
13 ensures the proper -- the readiness of the --  
14 the proper condition of the life raft in terms  
15 of who's servicing the life raft --

16 A. Uh-huh (affirmative reply).

17 Q. -- who -- you know, in terms of  
18 oversight with the Coast Guard of those  
19 activities? Can you explain that?

20 A. We do not actually watch the servicing  
21 of life rafts. The only thing that we as  
22 inspectors have to go to by when we're  
23 onboard the MODUs is that servicing  
24 certificate that comes from the manufacturer  
25 or the servicing facility that is servicing



1 those rafts. We do have a oversight program  
2 of the facilities that are certificated to --  
3 to service those appliances. And we do  
4 routinely visit those facilities whenever  
5 they're doing the servicing so we get an idea  
6 and get to see -- we always have the option  
7 for U.S. flagged MODUs of being there whenever  
8 they conduct the servicing inside these  
9 controlled facilities. And for foreign  
10 flagged MODUs we don't have that option. They  
11 don't have to notify us whenever they're  
12 servicing their equipment. We just verify  
13 that it has been serviced by a facility that's  
14 certificated to do that servicing.

15 Q. How about the lifeboat? What is  
16 involved in the lifeboat certification?

17 A. Same -- same holds true for U.S.  
18 flagged MODUs it has to have a Commandant  
19 approval as an approved lifeboat and those  
20 manufacturers and facilities that service them  
21 are required to be approved. For foreign  
22 flagged units they have to have a SOLAS  
23 approval and we check that to make sure that  
24 all the appliances have that SOLAS approval  
25 number on them. And they're serviced in



1 accordance with the code.

2 Q. How about the lifeboat launching  
3 DAVIT?

4 A. Same thing.

5 Q. Is there anybody -- is there  
6 inspection tests --

7 A. There's weight tests, the falls, which  
8 is the wire rope that is used that we refer to  
9 as "The falls" are required to be weight  
10 tested and changed out at certain intervals.

11 They can do what's called an end for end of  
12 them where they reverse the direction of the  
13 falls which extends the life of the fall by a  
14 year or they can just change the fall.

15 Whenever they do a change of the falls they're  
16 required using that 165 pound standard and the  
17 number -- the weight of the boat and the  
18 number of the people that are -- the boat is  
19 certificated for, which 54 or whatever it's  
20 certificated for, they'll put that amount of  
21 weight in the boat and then they do what's  
22 called a dynamic and a static load test of the  
23 boat where they'll lower it down and stop it,  
24 lower it down and stop it to make sure that  
25 the brakes are holding, the falls are holding



1 and the releasing mechanism is holding. And  
2 they'll leave that hanging for a certain  
3 period of time.

4 Q. My understanding from your testimony,  
5 your answer to the previous question, that on  
6 the DEEPWATER HORIZON, the scheduling of the  
7 emergency drill is announced to the crew  
8 beforehand; is that correct?

9 A. I don't know if they actually announce  
10 it before they do it, but generally they were  
11 doing it between 10:00 and noon on Sunday.  
12 So, it becomes very routine for their crew to  
13 understand that there's going to be a drill at  
14 that time.

15 Q. Right. When I visited the DEEPWATER  
16 NAUTILUS that was posted on one of the TV  
17 screen also, the time of the next drill going  
18 to be. So, I just wanted to see whether it's  
19 consistent or not between one vessel to the  
20 next. Now, is that the same practice on non-  
21 Transocean MODUs that you -- that you have  
22 visited?

23 A. In my experience yes. They generally  
24 have a specific time that they do the drills,  
25 whether it be Monday, Tuesday, Wednesday or



1 Sunday, but they all kind of fall into that  
2 routine of 'This is the day that we do it and  
3 this is the time frame that we do it in.'

4 Q. Well, what's your opinion of that  
5 practice?

6 A. My opinion is that it's a bad  
7 practice. That they should be a little --  
8 they shouldn't preannounce it, they should be  
9 more realistic if they kind of did things to  
10 catch the crew a little bit off guard and were  
11 not so routine. It's -- I think also that  
12 there needs to be a mechanism to take the  
13 drill a little bit further and actually load  
14 the lifeboats. It's kind of a double edged  
15 sword that we're on because there has been a  
16 number of lifeboat accidents where lifeboat  
17 falls have inadvertently released that has  
18 killed people, but I don't believe that there  
19 -- that we can't come up with or engineer a  
20 system that -- that this won't happen to where  
21 we can allow for our mariners to actually get  
22 into the lifeboats, load them, strap in and  
23 experience that. I think it would go a long  
24 ways to better prepare the crew in the event  
25 of an actual casualty.



1 Q. How about lifeboat training? What --  
2 what training does the operator have for  
3 launching lifeboats and life rafts?

4 A. Every -- I think from an operator's  
5 prospective they all have different levels of  
6 training that they do. From a licensing  
7 prospective all of the licensed officers are  
8 required to go through lifeboat training when  
9 they receive their license. And that's why  
10 whenever we increased it from four to six, as  
11 far as the lifeboatmen goes, all of the  
12 officers already hold that endorsement on  
13 their license that they're lifeboatmen. So,  
14 it's not a major deal to change that number  
15 around further to air on safety. During their  
16 weekly drills they go over the launching, how  
17 they launch them, how to start the motor and  
18 how to operate the lifeboat with everybody  
19 onboard. So, there's a certain level of  
20 training that everybody, even the non-  
21 mariners, receive on those appliances.

22 Q. Do you remember what was the fixed  
23 firefighting system onboard the DEEPWATER  
24 HORIZON?

25 A. They're all required to have a fixed



1 firefighting system. What we do is test that  
2 as part of our exam. We generally have them  
3 pressure of the fire main and the fire main on  
4 almost every MODU I've ever been on stays  
5 pressurized all the time. They use it for  
6 drill water and they use it for other systems.  
7 So, we'll have them open up two hoses widely  
8 separated, one at the highest elevation and  
9 one at a lower elevation to make sure that  
10 they're getting a decent amount of pressure  
11 out of it. And we'll use the weight to --  
12 we'll have them opening up under the standard  
13 pressure that the system's under and then  
14 we'll watch the pressure come up as they turn  
15 on the main -- the main fire pump and then  
16 we'll usually have them shut that one off and  
17 bring up the standby fire pump to make sure  
18 that they're both operating. And we'll put an  
19 officer down there on scene with the guy  
20 that's operating the fire pump and we'll have  
21 one out on deck and they'll communicate with  
22 each other that they're getting an adequate  
23 pressure.

24 Q. On the HORIZON was there a fixed  
25 firefighting system inside the engine room?



1 A. Yes.

2 Q. What kind was it, do you remember?

3 A. CO2 system.

4 Q. CO2 system.

5 A. Uh-huh (affirmative reply). And they

6 also have the fixed firefighting system, the

7 water system, the fire main.

8 Q. Okay. Now, with the fixed CO2 system

9 in the engine room, if you have loss of power

10 what would activate a system?

11 A. A loss of power -- it could be

12 manually activated and it could also be heat

13 activated.

14 Q. So, heat, manually and --

15 A. That's -- to my knowledge, that's the

16 only way. It can be remotely, manually.

17 Q. Okay. So, heat would be inside of the

18 engine room when you're --

19 A. Uh-huh (affirmative reply). There's

20 sensors in there that would trigger an alarm

21 to go off. A CO2 alarm goes off for

22 approximately one minute, which gives the crew

23 plenty of time to evacuate 'cause it will

24 asphyxiate the crew if they're in the space.

25 So, they hear the alarm going off, the



1 evacuate the space and after that alarm, that  
2 time delay goes off for approximately 40  
3 seconds depending on the system, the CO2 will  
4 dump into the engine room and, at that time,  
5 it will automatically shut down all of the  
6 machinery and all of the ventilation in  
7 conjunction with shutting the pressure when  
8 the pilot bottles activate, which activate all  
9 of the other bottles, it automatically shuts  
10 down the ventilation and the machinery in that  
11 space.

12 Q. So, the ventilation is shut down --  
13 the ventilation to the engine room is shut  
14 down by the pressure from the CO2 system?

15 A. That is correct.

16 Q. It's not electrically? If you lost  
17 man powers or emergency power? You don't need  
18 those to shut down ventilation?

19 A. The ventilation would shut down if  
20 somebody manually shut down the power. If  
21 there was a loss of power, the ventilation  
22 would go with that, yes. So, if there was a  
23 loss of power and there was a manual  
24 activation of the CO2 system then the  
25 ventilation would remain running until the



1 pilot bottles trip off at which time they  
2 would trigger a shut down of the ventilation.

3 Q. I was just looking at if there was a  
4 fire in the engine room that the heat would  
5 activate the CO2 fixed firefighting system, if  
6 we in turn shut down the ventilation and would  
7 kill the fire?

8 A. Right. And, as part of that, it would  
9 also -- it's designed not to -- the CO2 is a  
10 gas. So, you obviously want to keep that gas  
11 in that space to snuff out the fire as long as  
12 you can so that you don't want it to -- and  
13 then you also shut down the machinery in that  
14 space for the same reason.

15 Q. Was the engine room the only place  
16 with a fixed firefighting system, a CO2  
17 firefighting system?

18 A. No, they have paint lockers that have  
19 fixed firefighting systems on them where they  
20 store large volumes of paint and chemicals.  
21 They also have a standby generator onboard  
22 that -- any machinery space that exceeds a  
23 certain KW rating will have a fixed  
24 firefighting system.

25 Q. Was there a sprinkler system onboard



1 the DEEPWATER HORIZON?

2 A. To my recollection there was.

3 Q. There was?

4 A. I can't recall that specifically, but

5 I think there was.

6 Q. Usually they have a fixed sprinkler

7 system around the drilling floor?

8 A. Yes.

9 Q. They do. How about a water fireman

10 connection, they do have that, too?

11 A. Uh-huh (affirmative reply).

12 Q. And crew members who work on the drill

13 rigs should know how to activate whether the

14 sprinkler system or man the fireman?

15 A. Uh-huh (affirmative reply). Most of

16 them are trained in part of the fire teams for

17 a response to a fire.

18 Q. Do you remember when you -- did you

19 walk around the air intake for the engine

20 room? How close was it to a hazardous

21 location, i.e. the drill floor?

22 A. I don't specifically recall the

23 location on the DEEPWATER HORIZON. I know as

24 we walk around and look at the ventilation

25 especially on foreign units, we will just look



1 to make sure they've got to have an emergency  
2 shut down out on the deck to where somebody  
3 can just push a button and shut down all the  
4 ventilation. And they also have to have  
5 covers to cover the intake. So, you know,  
6 part of firefighting is being able to isolate  
7 the area that the fire is in so that they have  
8 hard covers that they put over the ventilation  
9 and can dog down, but, as far as the location  
10 in relationship to hazardous location areas, I  
11 don't specifically remember where the intakes  
12 were on the DEEPWATER HORIZON.

13 Q. When you did your walk around in your  
14 inspection with the DEEPWATER HORIZON, do you  
15 go -- did you go -- for the HORIZON did you go  
16 down to the subsea engineering room as part of  
17 your inspection?

18 A. We -- yes, we do.

19 Q. Okay. Do you remember if there was a  
20 computer down there that monitored the  
21 blowout preventer events?

22 A. I do not recall. Really when we walk  
23 through rooms like that all we're really  
24 looking at is to make sure that the fire  
25 extinguishers are there and everything is in



1 general in good order and good condition and  
2 any safety systems or emergency lighting or  
3 anything like that is properly labeled. We  
4 don't get involved in the industrial aspect  
5 from a regulatory standpoint of what's going  
6 on with the BOPs and stuff like that.

7 Q. When you conduct -- when you're  
8 planning to conduct an inspection on a MODU  
9 what is your interaction with MMS inspector?

10 A. We generally don't interact with them.  
11 They do their inspections at different times.  
12 In all the years that I've been offshore I  
13 think I might have come across MMS inspectors  
14 being onboard at the same time that we were  
15 onboard maybe twice. We do interact with them  
16 outside of doing inspections. You know, if we  
17 find a discrepancy or see something of concern  
18 that we know is covered under their  
19 regulations, we might give them a call and  
20 tell them, you know, we were onboard of the  
21 MAGNOLIA or whatever and we noticed a fault on  
22 their gas detection panel or something like  
23 that and have them address it through MMS,  
24 since it's their area of oversight.

25 Q. How about your interaction with the



1 flag state inspectors?

2 A. The flag state inspectors, we actually  
3 interact with them quite a bit because it's  
4 usually ABS, so that acts on behalf of the  
5 flag state. And we know those guys very well.  
6 We interact with them a lot on the U.S.  
7 flagged vessels. So, whenever we're reviewing  
8 the paperwork, we generally know who issued  
9 it, we know that guy and, if there's a  
10 discrepancy or something like that, we'll work  
11 directly with them to correct it.

12 Q. Any difficulty dealing with a foreign  
13 flag or, in this particular case, ABS is  
14 delegated -- have been delegated by the flag  
15 state to conduct some activities?

16 A. That is true. It's not always ABS.

17 Q. Right.

18 A. But generally it is.

19 Q. So, if a third party -- but in this  
20 particular case ABS --

21 A. Uh-huh (affirmative reply).

22 Q. -- now, if you discover a discrepancy,  
23 any problem because you're not dealing  
24 directly with the flag state, you're dealing  
25 through a third party here, any issue there?



1 Any problem with getting a discrepancy  
2 resolved in a timely manner, from your  
3 experience?

4 A. We have had issues sometimes with the  
5 older units, with fire boundaries and coming  
6 up to current regulations and stuff like that,  
7 but we have a very good working relationship  
8 with ABS and we usually document that through  
9 the issuance of an 835 or a form-B in the case  
10 of a foreign flagged vessel. And we track  
11 that closely. We give them a specific time  
12 frame to correct the discrepancy and they can  
13 ask for extensions on that time frame because  
14 of the nature of their business being  
15 offshore. It might be parts that are on hold  
16 or whatever, but we'll go through a  
17 verification process to ensure that what  
18 they're telling us is true and it's typically  
19 not a problem, no.

20 Q. Okay. With the face pace of  
21 technology out there and also increasing  
22 activities, from your point of view as an  
23 inspector do you believe that Coast Guard  
24 regulation Subchapter-N IA are adequate to  
25 support your activity as an inspector?



1           A. To -- to -- no, I don't believe  
2 they're adequate because of the nature of what  
3 we do. I mean the pace of the technology is  
4 definitely outrun the current regulations and  
5 the variety of systems that we're seeing a lot  
6 of them are not even addressed in the regs and  
7 that's where a lot of times policy letters  
8 come into play or maybe classification  
9 standards might come into play or something  
10 like that. But you have kind of a one shoe  
11 fits all type approach with the regulations  
12 that we're using to regulate and in some cases  
13 it does not work well and specifically in the  
14 case of floating offshore installations and  
15 the distances that they're moving offshore.  
16 Whenever the regs were written it was kind of  
17 focused on near shore operations and, as we  
18 move further and further offshore and get into  
19 the deep water and the ultradeep water  
20 drilling, I think that the regs need to kind  
21 of isolate those areas and be more specific  
22 and give us better guidance on what to do with  
23 those situations.

24           Q. Can you hang your hat on vessel -- on  
25 navigation vessel inspection circular policy



1 or do you really hang your hat on, in terms of  
2 enforcement, on the regulation?

3 A. No, we always start with the  
4 regulation. That's always the preferred way  
5 to do that. And then we can use the  
6 navigation of the vessel circulars, especially  
7 if they've been incorporated by reference,  
8 which is the case for NVIC 3-88. It's been  
9 incorporated into Subchapter-N. So, we can  
10 use that to hang our hat on for enforcement.  
11 And then the policy letters we don't regulate  
12 through policy, but, as a general accepted  
13 practice, the policy letters are guidance that  
14 we use and we will use those to work with the  
15 units to resolve issues and generally the  
16 industry is very cooperative in the use of  
17 those policy letters.

18 Q. My understanding is that floating  
19 offshore installations are much more complex  
20 than MODUs, in your opinion, you know, do we  
21 need a separate Subchapter for FOI?

22 A. It would definitely be nice from an  
23 inspector's point of view to have regulations  
24 that specifically address all the different  
25 types of operations, including floating



1 offshore installations.

2 Q. Alright. Thank you.

3 E X A M I N A T I O N

4 BY MR. DYKES:

5 Q. I've got a few. Commander, I want to  
6 back up a little bit to -- and we'll start  
7 with this activity summary report. And, if  
8 you would, sir, please flip to the second page  
9 under "Narrative summary".

10 A. (Witness complies.)

11 Q. And I want to read this sentence here  
12 and it says "Observe service generators and  
13 operation reviewed records related to PMS and  
14 testing of shut downs and RP relays." What  
15 exactly is PMS and what is RP relays?

16 A. PMS is preventative maintenance  
17 systems where we review the engineer's records  
18 to make sure that they've been doing some type  
19 of monthly testing on the generator sets or  
20 the prime movers, specifically looking at low  
21 lube oil shut downs, over speed trips, high  
22 water temperature alarms. And the RP stands  
23 for reverse power relays. That's a system  
24 that allows the two generators that are  
25 running in parallel if one -- if the load



1 starts to separate it will automatically shift  
2 the load over to one generator and stabilize  
3 it if you get a certain percentage of split  
4 between the loads. So, we will manually tweak  
5 two generators running in parallel to ensure  
6 that that system is properly operating and  
7 functioning.

8 Q. Okay. And, further down in this  
9 narrative summary, it's written "Remote  
10 ventilation shut downs were tested without  
11 incident" what exactly does that mean "Without  
12 incident"?

13 A. That means that at some point one of  
14 our inspectors had them press one of the  
15 manual buttons to shut down a ventilation  
16 system. We can do it in the galley, we can do  
17 it in engineering spaces, we can do it in the  
18 standby generator room. Wherever there's a  
19 manual shut down for ventilation system they  
20 might have pushed the button and just listen  
21 to it shut down and then reset it and brought  
22 it back on line.

23 Q. Okay. And then, moving on down close  
24 to the end, it said "Inspected hazardous  
25 locations for ventilation and electrical



1 installations."

2 A. Uh-huh (affirmative reply).

3 Q. And what basically does that mean?

4 A. Like I said before, when we go back  
5 into the beginning of the inspection, one of  
6 the plans that is required and that we review  
7 is the hazardous area location plan. And we  
8 do that along with the fire control plan and  
9 the emergency evacuation plan and we'll take  
10 note of what areas are considered to be a  
11 hazardous area. And in those areas there's a  
12 required intrinsically safe electrical  
13 devices. Specifically the lighting and any  
14 other electrical runs that might be in that  
15 area. So, as we walk through those areas,  
16 we'll look and make sure that none of that has  
17 been compromised, you know, to the best of our  
18 abilities. So, that's pretty much it.

19 Q. Okay. With respect to the ventilation  
20 system --

21 A. Uh-huh (affirmative reply).

22 Q. -- do you know first hand if the  
23 HORIZON was equipped with force draft  
24 ventilation in the engine rooms?

25 A. I do not. They're all required to



1 have force draft ventilation. So, yes, it  
2 would have had it, but I don't recall what the  
3 specific arrangement was on the HORIZON.

4 Q. Okay. Do you all -- if it did and  
5 let's assume it did.

6 A. Uh-huh (affirmative reply).

7 Q. Do you all inspect where it's drawing  
8 that fresh air from and where it's exhausting  
9 it or do you just check that it's got a fan?

10 A. We check that the intakes are clear  
11 and clean and that the air's flowing like it's  
12 supposed to be flowing as we walk by it. As  
13 to the specific location and where it's  
14 drawing that air from, we do not pay attention  
15 to that. It's my understanding from what I've  
16 read about the DEEPWATER HORIZON that the  
17 intake air for the engines was coming in from  
18 one of the hazardous areas that was on the  
19 hazardous area location plan. And I don't  
20 believe that would be a good practice.

21 Q. Okay. And you mentioned earlier, when  
22 we were discussing the generators, are those  
23 diesel engines required to be equipped with an  
24 engine and over speed shut down?

25 A. Depending on the size of the engine



1 and, in this particular case, yes, it would be  
2 required.

3 Q. Okay.

4 A. If they reach a certain KW rating  
5 that's where that kicks in in the requirement.

6 Q. Okay. Following on that, with the  
7 reverse power relay if I had an engine over  
8 speed shut down on one engine then the second  
9 engine would have to pick up that load,  
10 correct?

11 A. That is correct.

12 Q. Okay. Let me get my thoughts here  
13 together for a brief second. If that reverse  
14 power relay was not able to pick up that load,  
15 what would you expect to happen?

16 A. Well, if it wasn't -- if it didn't  
17 pick up the load it would isolate certain non-  
18 vital systems to where it could accommodate  
19 that load. If it was such an enormous load  
20 that it would also trip that generator off  
21 line, then the crew would have to manually  
22 bring on the standby generator to power up the  
23 vital systems of the MODU.

24 Q. Okay. Well --

25 A. But by design it would -- it would



1 pick up that load.

2 Q. With the way the system is designed on  
3 the HORIZON, what if your second on line  
4 generator also went down on the engine over  
5 speed?

6 A. If they both went down they would go  
7 into the dark and then you have battery back  
8 up systems that would -- would provide  
9 lighting and navigation and communication  
10 services for a set amount of time. That's  
11 completely independent of all the generators  
12 onboard the vessel.

13 Q. Okay. Where is that battery back up  
14 area located?

15 A. Generally up on deck somewhere around  
16 the standby. I don't specifically recall  
17 where it was located. I didn't look at it  
18 myself on the DEEPWATER HORIZON.

19 Q. Does that have a separate distribution  
20 bus?

21 A. It does.

22 Q. It does.

23 A. It's completely independent of the  
24 other distribution systems.

25 Q. For the normal electrical power?



1 A. Yes.

2 Q. The fire pumps on the HORIZON were  
3 also electrically driven?

4 A. Yes.

5 Q. Okay. Following on that, the standby  
6 generators they're capable of running the fire  
7 pumps?

8 A. Yes.

9 Q. Is that -- is that a code requirement  
10 or customer preference?

11 A. It's a requirement for them to have a  
12 back up system to power the fire pumps. In  
13 this particular case on the DEEPWATER HORIZON  
14 they did not have an emergency generator.  
15 There's a difference between emergency  
16 generator and a standby generator. They had  
17 separate SCR rooms, service control rooms,  
18 that were independent of each other which  
19 allowed for them to not have an emergency  
20 generator system. They had a standby  
21 generator system that does provide power to  
22 hotel services, lighting, communications,  
23 navigation, the fire pumps and other vital  
24 systems.

25 Q. Certainly.



1           A. But it's designed a little bit  
2 different. It's not necessarily automated to  
3 where in the event that you have a total loss  
4 of power like you were referring to before, it  
5 doesn't necessarily come up --

6           Q. -- come up --

7           A. -- automatically and power all those  
8 systems. It requires it manually to be  
9 started and the breakers to be shifted over.

10          Q. The standby generator though it has a  
11 separate distribution bus, as well?

12          A. It does, uh-huh (affirmative reply).

13          Q. Do you recall specifically where it is  
14 located in relationship to the engine control  
15 rooms and the engine rooms?

16          A. I don't recall specifically where it  
17 was on the DEEPWATER HORIZON, but it's usually  
18 out on the main deck or above the main deck or  
19 somewhere in that area traditionally when I've  
20 seen them. That's the way they're designed.

21          Q. Okay.

22          A. They're completely far separated from  
23 the SCR rooms.

24          Q. Okay. I've got one more question  
25 here, I'm going through my notes: We're



1 talking about -- and I'm going to back up a  
2 little bit further to the design standards and  
3 you mentioned the DEEPWATER HORIZON meets  
4 option-C, it meets the MODU code, correct?

5 A. Uh-huh (affirmative reply).

6 Q. Is the MODU code equivalent to what  
7 the flag state equivalent would be or to the  
8 U.S. requirements? Would you say that they're  
9 equivalent or would you say that one is  
10 slightly more stringent than the other?

11 A. In different areas one might be  
12 slightly more stringent than the other. For  
13 example our regulations specifically address  
14 accommodation spaces and square footage per  
15 person and how many people you can have in an  
16 accommodation space where the code does not  
17 address that. So, there are differences, but  
18 for the most part they somewhat parallel each  
19 other also on the requirements. The MODU code  
20 is more developed to provide an equivalent  
21 level of standard to SOLAS than it is our  
22 regulations.

23 Q. Okay.

24 A. And the Marshall Islands is signatory  
25 and under their MI293 letter that allows them



1 to -- it's what means they use to use the MODU  
2 code to certificate vessels with the Marshall  
3 Islands flag.

4 Q. Okay.

5 A. Even though they're approved under  
6 option-B, they use C because their maritime  
7 authority directs them to do that.

8 Q. Okay. Thank you, Commander.

9 A. Your welcome.

10 E X A M I N A T I O N

11 BY MR. MATHEWS:

12 Q. Commander Odom --

13 A. Yeah.

14 Q. -- is your main objective to be an  
15 inspector for the United States Coast Guard?

16 A. Yes, it is.

17 Q. And how many inspections do you  
18 perform a year?

19 A. On average it varies depending on what  
20 job I'm in. Whenever I first came into the  
21 Merchant Marine Safety Program as a warrant  
22 officer, I was doing sometimes two or three a  
23 day, but pretty much on a daily basis I was  
24 conducting inspections. As I transitioned up  
25 the chain of command that becomes less and



1 less frequent, though we do have a frequency  
2 that we have to conduct exams to stay current  
3 in that specific proficiency. For MODU I  
4 would have to conduct at least one exam  
5 annually to remain proficient. So, if I -- if  
6 I went more than a year without doing an exam,  
7 I would have to go back to going out and doing  
8 one under a qualified inspector to renew my  
9 proficiency. But currently in my current job  
10 I'm focused on gas carriers, vessels that  
11 carry liquified gasses in and out of the  
12 United States. I conduct exams -- I try to  
13 conduct exams on a weekly basis.

14 Q. When you preform an inspection on a  
15 MODU is it an announced or unannounced drill  
16 -- inspection, excuse me?

17 A. It's -- it's prescheduled.

18 Q. And how far in advance does the  
19 operator or drilling contractor made aware of  
20 the upcoming inspection?

21 A. Well, it's not up to us to make them  
22 aware of the upcoming inspection. The  
23 inspection is scheduled by them. It's an  
24 annual requirement -- if they're coming on the  
25 shelf and they don't have a COC prior to



1 engaging in drilling operations they have to  
2 obtain a COC. And that's a two year issued  
3 document that requires an annual exam ninety  
4 days on either side of the issue date. So,  
5 whenever they're in that window, that -- that  
6 six month window they have to contact us and  
7 say 'We need our inspection to remain  
8 current.' And that in my experiences has come  
9 as much as three months before that annual  
10 date where they've called and said 'This is  
11 what day we would like for you to come out and  
12 do the inspection' and, you know, we'll look  
13 at our schedule and in the case of Port Arthur  
14 we have a guy Byron Inagaki that specifically  
15 works with the companies that -- to schedule  
16 the inspection. So, they're responsible for  
17 having us out there to do the inspection.

18 Q. So, the operator or the drilling  
19 contractor has more than enough adequate time  
20 to address any potential issues they may have  
21 on their rig to be awarded a Certificate of  
22 Compliance?

23 A. Absolutely. They have plenty of time  
24 to prepare for it.

25 Q. And you said that normally during your



1 MODU inspections it takes anywhere from four  
2 to six hours I think I wrote down earlier from  
3 your testimony?

4 A. Uh-huh (affirmative reply).

5 Q. You note that you reviewed all  
6 applicable licenses, citizenship waivers,  
7 documents, manuals, instructions and annual  
8 service reports.

9 A. Uh-huh (affirmative reply).

10 Q. About how long does that take out of  
11 your four to six hours?

12 A. Well, we'll have -- of the three  
13 inspectors that we took onboard the DEEPWATER  
14 HORIZON we divided up into three different  
15 teams.

16 Q. Okay.

17 A. So, the one inspector that would stay  
18 behind and review all that stuff with members  
19 of the crew, normally when we get there on an  
20 organized inspection, which the DEEPWATER  
21 HORIZON was, they know what documents,  
22 licenses, manuals, logs that we're going to be  
23 reviewing and usually in the conference room  
24 they'll have all that laid out for us. So,  
25 the one inspector stayed behind with some of



1 the crew members and they go through that.

2 And typically it's two to three hours to go  
3 through all of that paperwork and make sure  
4 that it's all properly endorsed and current.

5 Q. Those people that are reviewing the  
6 documents, are all of them qualified or I  
7 think you say only one of them was qualified.

8 A. Onboard -- whenever we went onboard  
9 that day it was myself who was qualified, Cal  
10 Brown was qualified and we had another  
11 inspector with us, which was Jay Willowman and  
12 he was not qualified at the time.

13 Q. In your opinion and in your opinion  
14 only, maybe not the Coast Guard's --

15 A. Right.

16 Q. -- do you think four to six hours a  
17 year or two years is adequate enough time to  
18 guarantee your Certificate of Compliance and  
19 that they're safe and workman life operator or  
20 drilling contractor?

21 A. For the nature of a coastal state  
22 exam, which is what we're doing, provided that  
23 all of the surveys that are taking place --  
24 because it's not just us that's going out  
25 there for four to six hours a year on a



1 foreign vessel it's ABS, who does all their  
2 annual certificates and the flag state ensures  
3 that all that is getting done and that can  
4 take place over a period of weeks. And we are  
5 there just to verify that everything's in good  
6 working order and that they're in compliance  
7 with their flag state rules, our rules and --

8 Q. Earlier --

9 A. -- in my opinion I do believe that  
10 it's adequate for what we're doing.

11 Q. Earlier you had also mentioned that  
12 with the regulations not being as up to speed  
13 as what we're seeing in deep water technology,  
14 do you still think that the four to six hours,  
15 if you're not familiar or don't have the codes  
16 to allow for a proper investigation, do you  
17 still think that four to six hours is an  
18 adequate enough time?

19 A. For an exam on a foreign vessel for  
20 what we do and how we review the documentation  
21 and the way they're certificated, I do believe  
22 that it's adequate.

23 Q. Back to the qualification standpoint,  
24 I've heard MODU-U probably about two or three  
25 times today.



1 A. Uh-huh (affirmative reply).

2 Q. Is this something that people are  
3 invited to within the Coast Guard or is it  
4 based upon qualifications that you may have?

5 A. It's based upon the unit and who they  
6 want to send to it, all the Gulf Coast units  
7 that are involved in MODU inspections are  
8 given the opportunity, a certain amount of  
9 seats in the class. They try to keep it to a  
10 certain size so the training can stay focused,  
11 but every zone is offered a certain amount of  
12 seats at MODU-U and who they decide goes to  
13 that is up to the individual unit.

14 Q. Is MODU-U a pass/fail course or does  
15 everybody that goes through MODU-U pass?

16 A. It's not a pass/fail course. It's  
17 more of just --

18 Q. Certification?

19 A. -- certification of completion  
20 whenever you complete it. There's -- I'm not  
21 aware of any specific testing that you have to  
22 take to say that you completed that.

23 E X A M I N A T I O N

24 BY MR. DYKES:

25 Q. Just for clarification for my



1 purposes: During this inspection where you say  
2 it took you four to six hours, you actually  
3 had two inspectors onboard and I'm assuming  
4 the third one was in training?

5 A. Yes.

6 Q. Okay. So, for a typical inspection  
7 you would say it takes anywhere from eight to  
8 twelve man hours to do a typical MODU  
9 inspection, okay. I just wanted to kind of  
10 get it back to a one on one purposes for the  
11 record.

12 A. Right.

13 MR. MATHEWS:

14 Thank you, David.

15 E X A M I N A T I O N

16 BY MR. McCARROLL:

17 Q. Commander, on NAV 3-88 Change CH-1,  
18 which is incorporated in subpart-N comments  
19 earlier that subpart-N was outdated, so is NAV  
20 3-88 Change CH-1 outdated also?

21 A. Based on that, yes. I would say it  
22 is. Subpart-N has been in the rewrite phases,  
23 as my understanding, for a quite a long time.  
24 So, it's in the process of being rewritten and  
25 that's forthcoming. But it's --



1 Q. So, when was NAV 3-88 Change CH-1  
2 written?

3 A. 3-88 indicates the month and the year  
4 that it was written.

5 Q. Thank you.

6 A. 1988. When change-1 took place I'm  
7 not a hundred percent certain on when change-1  
8 was incorporated.

9 Q. Thank you.

10 A. Your welcome.

11 EXAMINATION

12 BY MR. MATHEWS:

13 Q. Has the Coast Guard ever shut in a  
14 MODU when they've been on location due to any  
15 type of safe operations in deep water Gulf of  
16 Mexico or in shallow water either?

17 A. I am aware of times that we have shut  
18 down operations for safety violations.  
19 Specifically I can't recall which ones, but we  
20 have been involved in operations where their  
21 certificate was expiring or did expire or they  
22 were in beyond their dry dock limits or we  
23 find structurally unsound members inside where  
24 we've shut down the operations, yes. That's  
25 not a common occurrence though.



1 Q. Now on to life safety, earlier in your  
2 testimony you mentioned that you weren't  
3 satisfied with the type of drills that were  
4 being performed on the drilling rigs in the  
5 Gulf of Mexico and I guess the term that I  
6 recall you saying was a real life incident or  
7 something on that nature?

8 A. Realistic.

9 Q. Realistic. Has the United States  
10 Coast Guard ever performed any type of mass  
11 casualty drill where something like this would  
12 happen where they would be in response,  
13 outside of a table top drill?

14 A. I have personally been involved in  
15 mass casualty and triage type drills with the  
16 Coast Guard on the operational side of things  
17 back whenever I was a rescue swimmer and  
18 machinery technician. With the small boat  
19 units we would on occasion come together with  
20 city and local authorities and stuff like that  
21 and actually stage a mass casualty drill. So,  
22 we have done it, yes. But, as far as  
23 associated with the OCS, I'm not aware of any  
24 mass casualty type drill that we've done  
25 outside of table top drills.



1 Q. Is the Coast Guard involved in any  
2 type of industry, API, IADC initiatives on  
3 medi-vac issues --

4 A. Uh-huh (affirmative reply).

5 Q. -- specifically mass casualty  
6 incidents to your knowledge?

7 A. As far as mass casualty incidents I'm  
8 not aware of that. In my current job I  
9 wouldn't be in the loop on those types of  
10 things. I know that we do have committees  
11 that we're working with to address the issues  
12 of offshore medical evacuation of personnel of  
13 whether or not it's individually based  
14 evacuation of personnel or mass casualty type  
15 situations I'm not aware of.

16 Q. Last question: Are you familiar with  
17 the emergency disconnect system of an offshore  
18 MODU?

19 A. I'm vaguely familiar with it.

20 Q. Does the Coast Guard inspect that when  
21 they visit a facility?

22 A. No, we do not. That's part of the  
23 industrial systems. That would be inspected  
24 by the MMS inspector whenever they're there.

25 Q. Thank you.



1 EXAMINATION

2 BY CAPT NGUYEN:

3 Q. Commander Odom, just a couple of  
4 follow up questions here. Can you clarify the  
5 function of reverse power relay again please?  
6 I was confused a little bit that it may give  
7 an impression that it picks up the load of a  
8 generator or something. Can you describe the  
9 function of the reverse power relay again  
10 please?

11 A. The function of the reverse power  
12 relay is designed that if you have two  
13 generator units that are running in what we  
14 call parallel operations where both generators  
15 are providing a load to the unit and if for  
16 whatever reason that load starts to split --  
17 what we call split. There's a certain degree  
18 of variance between the two loads, if that  
19 reaches a certain variance one unit -- the  
20 switchboard will sense that something's going  
21 on with one of the prime movers or the load  
22 that's causing them to split and it can  
23 actually cause a condition where it can cause  
24 the unit to loose power or reverse the prime  
25 mover. So, once you get to a certain



1 percentage where the load is split and this is  
2 sensed, it will automatically drop the unit  
3 that is -- that is kind of winding down so to  
4 speak out of the loop and shift the entire  
5 balance of the load over to the one generator  
6 set so that whatever's causing this split will  
7 hopefully be isolated through the one that's  
8 losing the load. And that's -- like I said,  
9 it's done manually. They split the load, a  
10 bus pops, you'll hear the engine take over the  
11 load and level out and which ever one is over  
12 speeding -- if the prime mover is over  
13 speeding or if there's a fuel filter clogged  
14 or something like that that's causing the  
15 prime mover on the one generator set to go  
16 down, it will keep the unit from completely  
17 losing power and it will shift that load  
18 safely over to the properly functioning  
19 generator set.

20 Q. And what component of the properly  
21 functioning generator would preform the  
22 function of picking up the load?

23 A. That would be based in the service  
24 control room by the switchboard --

25 Q. Would it be something like the



1 governor of an engine that starts picking up  
2 the load?

3 A. The reverse power relay itself is just  
4 like a big bus switch that just shifts that  
5 load over and isolates the bad unit. It's not  
6 tied into the prime mover. I mean it senses  
7 strictly the load of the two generators in the  
8 switchboard and whenever the -- the load  
9 starts to split it senses that and just drop  
10 it off. The one that's dropping off, it drops  
11 it out of the equation.

12 Q. I understand. The engine room is  
13 forced air ventilation, right?

14 A. Correct.

15 Q. Alright.

16 A. Uh-huh (affirmative reply).

17 Q. Now, if the -- if flammable gas enters  
18 through that mechanism and gets drawn into the  
19 engine room and you have running engines in  
20 there, what could happen?

21 A. I mean obviously you're putting gases  
22 in an area with ignition sources, so it could  
23 essentially cause an explosion or cause a fire  
24 aboard the unit.

25 Q. Now, in terms of OSHA, Occupational



1 Safety Health Administration --

2 A. Uh-huh (affirmative reply).

3 Q. -- any activities going on on foreign  
4 MODU?

5 A. I'm not aware of any OSHA activities  
6 that go on in the OCS. I am aware that our  
7 regulations in Subpart-N parallel. I think  
8 specifically 142 parallel the old OSHA  
9 regulations and they were derived from those  
10 regulations. So, it gives us the authority,  
11 as far a personal protective equipment and  
12 safety and occupational health systems and  
13 stuff like that onboard the units. It gives  
14 us the ability to kind of parallel the OSHA  
15 requirements and make sure that all those  
16 systems and everybody is safe onboard.

17 Q. So, does Subchapter-N reference OSHA  
18 requirements or --

19 A. It's not incorporating the OSHA  
20 requirements. It's just written kind of on a  
21 parallel basis of what the OSHA requirements  
22 would be for those systems.

23 Q. So, if OSHA requirements standard  
24 raised our regulation not being updated, that  
25 means we're not matching up with what OSHA



1 standards are for these operations?

2 A. From my prospective I don't know if  
3 that's updated regularly or not.

4 Q. Alright, I understand.

5 E X A M I N A T I O N

6 BY MR. WHEATLEY:

7 Q. Real quick here, Commander. You've  
8 detailed in exhaustive fashion the various  
9 aspects that the Coast Guard inspectors look  
10 at when they go on and do an examination. Do  
11 you guys utilize any form of a job aide as you  
12 go through and conduct your examinations?

13 A. We use quite a few aides, but  
14 specifically we use what's called an 840 book.  
15 It's what almost all inspectors carry around  
16 in their back pocket or in their inspector  
17 bag. And it's -- it's kind of a step by step  
18 guide that just -- you can go through and look  
19 and make sure you're covering everything that  
20 you're supposed to cover. As the years go on  
21 you become more and more familiar with, so you  
22 use it less and less. But all inspectors -- I  
23 mean I always carried one in my back pocket,  
24 so whenever I would get into an area or see a  
25 problem or something I can make a quick



1 reference to the regulation that regulates  
2 that specific item or that specific area if we  
3 needed to write a discrepancy or a form-B or  
4 something like that. We're always required to  
5 make a specific reference, as the Captain was  
6 talking about something for us to hang our hat  
7 on on why we were writing a deficiency and we  
8 generally would refer to the 840 book for  
9 that.

10 Q. Could you make a copy of that book  
11 available to the board?

12 A. I could. We don't actually fill it  
13 out on the inspection. Like on the DEEPWATER  
14 HORIZON we didn't fill in all of the -- check  
15 the boxes or do anything like that and usually  
16 we don't. We just carry it around and use it  
17 as a guided reference to conduct the -- I mean  
18 I have mine in my inspector bag back at the  
19 office. I can certainly pull it out and -- I  
20 use the same one on every inspection.

21 Q. Okay. Thank you.

22 A. Your welcome.

23 E X A M I N A T I O N

24 BY MR. DYKES:

25 Q. Commander, just a couple more



1 questions. Two items: Engine over speed again  
2 and ventilation. On the engine over speed,  
3 when you all do your inspections, do you test  
4 that function on the engine or do you just  
5 look for the inspection records to see that it  
6 has been tested?

7 A. On a foreign flagged unit we will look  
8 at the records, the preventative maintenance  
9 records, to make sure that they're routinely  
10 being tested. Also class would test those  
11 during their annual exams. They would test  
12 all of them. Usually what we would do is on a  
13 normal exam is pick the prime movers that are  
14 not being used and have the engineers -- we'll  
15 kind of do a spot check of them and make sure  
16 that they're functioning properly. I have had  
17 them shift a load around to the different  
18 units to test something on each prime mover.  
19 But, yeah, it's something that we pretty  
20 normally test, but not necessarily every prime  
21 mover. We test one or two of them.

22 Q. Okay. With respect to the ventilation  
23 and the CO2 system, you mentioned earlier that  
24 the CO2 system will dump and the ventilation  
25 system will shut so that you keep the CO2 in



1 that engine compartment. And typically the  
2 engine will shut down, as well. Is there a --  
3 a simultaneous engine shut down or does the  
4 engine shut down because you've snuffed the  
5 engine out with CO2?

6 A. In the design of MODUs there is a  
7 specific pressure switch that shuts down the  
8 engines prior to the dump of the CO2 and the  
9 ventilation. There are vessels out there that  
10 the CO2 is that mechanism that takes --

11 Q. Okay.

12 A. -- but that's small passenger vessels  
13 and a very small compartment.

14 Q. Okay.

15 A. But I've never seen that in a MODU  
16 application.

17 Q. Okay. Thank you.

18 E X A M I N A T I O N

19 BY MR. McCARROLL:

20 Q. Commander, one last question: Of NAV  
21 3-88 Change CH-1, which is the most difficult  
22 to qualify design standards: A, B or C? And  
23 can you please explain?

24 A. I think from a foreign prospective  
25 option-A would be the most difficult because



1 they would have to be in full compliance with  
2 all of our regulations for the design,  
3 construction and operation of the mobile  
4 offshore drilling units. I personally cannot  
5 recall ever coming across an option-A MODU.  
6 And option-B only the Marshall Islands and  
7 Panama are accepted as equivalent standards of  
8 regulations.

9 Q. Thank you.

10 A. Your welcome.

11 EXAMINATION

12 BY MR. WHEATLEY:

13 Q. Commander, at this point I would like  
14 to show you what's been -- will be marked as  
15 the next exhibit. It's an example of a Coast  
16 Guard 840. Could you just look at it and then  
17 tell us whether or not that's the guide that  
18 you're referring to please?

19 A. Uh-huh (affirmative reply). (Witness  
20 complies.) This is the machinery guide that  
21 we would have used on the DEEPWATER HORIZON.  
22 There's a second one that's also a hull  
23 inspection. This one here is specific to  
24 machinery. There's two of them. There's one  
25 hull and one machinery. But this is an



1 example of the guide that we would have used.

2 And we would have also used the hull for the

3 deck side of things.

4 Q. Thank you.

5 A. Your welcome.

6 CAPT NGUYEN:

7 Any questions from the flagged

8 state?

9 MR. LINSIN:

10 No questions, Captain. Thank you.

11 CAPT NGUYEN:

12 Thank you, sir. I'll go through

13 the list. M-I SWACO?

14 COUNSEL REPRESENTING M-I SWACO:

15 No questions.

16 CAPT NGUYEN:

17 Anadarko?

18 COUNSEL REPRESENTING ANADARKO

19 PETROLEUM CORPORATION:

20 No questions.

21 CAPT NGUYEN:

22 Weatherford?

23 COUNSEL REPRESENTING WEATHERFORD,

24 INC.:

25 No questions.



1           CAPT NGUYEN:  
2           BP?  
3           MR. GODFREY:  
4           Thank you, Captain. No questions  
5           at this time.  
6           CAPT NGUYEN:  
7           Yes, sir. Transocean?  
8           MR. KOHNKE:  
9           No questions.  
10          CAPT NGUYEN:  
11          Cameron?  
12          COUNSEL REPRESENTING CAMERON, INC.:  
13          No questions.  
14          CAPT NGUYEN:  
15          No questions, yes, sir. Dril-  
16          Quip?  
17          COUNSEL REPRESENTING DRIL-QUIP, INC.:  
18          No questions.  
19          CAPT NGUYEN:  
20          MOEX?  
21          COUNSEL REPRESENTING MOEX USA:  
22          (No response.)  
23          CAPT NGUYEN:  
24          Halliburton?  
25          COUNSEL REPRESENTING HALLIBURTON:







1 of MSU Morgan City who responded to  
2 the casualty.

3 LT Wilk, thank you for being here.

4 Please raise your right hand.

5 \* \* \* \* \*

6 LT BARBARA WILK,

7 after being first duly sworn in the cause,

8 testified as follows:

9 E X A M I N A T I O N

10 BY MR. WHEATLEY:

11 Q. Good afternoon, Lieutenant. Could you  
12 please state your complete name for the record  
13 and spell your last name?

14 A. My name is Barbara Wilk, last name  
15 spelled W-I-L-K.

16 Q. Thank you. And, Lieutenant, can you  
17 tell us where you are currently assigned?

18 A. I am at Marine Safety Unit Morgan  
19 City, Louisiana.

20 Q. And what generally is the scope of  
21 your duties please?

22 A. I'm assigned as a Coast Guard Marine  
23 Investigator.

24 Q. And what's involved in that?

25 A. I conduct investigations for marine



1 casualties involving collisions and allisions.

2 I also conduct hearings for mariners under  
3 alleged misconduct in negligence cases.

4 Q. Could you briefly outline your Coast  
5 Guard background for us?

6 A. Yes. I have been in since May of 2001  
7 on active duty and I have been at Marine  
8 Safety Unit Morgan City since August of 2008  
9 as a marine investigator.

10 Q. Okay. In your earlier career in what  
11 positions or capacities did you serve?

12 A. I had conducted Port State Control  
13 examinations for 18 months and I had also been  
14 in the waterways division in New Orleans for  
15 nine months prior to that.

16 Q. Do you hold any Coast Guard  
17 qualifications or licenses?

18 A. I currently hold a Coast Guard Marine  
19 Investigator qualification, Coast Guard  
20 suspension revocation qualification.

21 Q. And are these qualifications that are  
22 generally required for the performance of your  
23 duties in your current assignment?

24 A. Yes, they are.

25 Q. I'm going to move to the evening of



1 the April 20th, 2010 of this year. Where were  
2 you stationed on that evening, ma'am?

3 A. At Marine Safety Unit Morgan City.

4 Q. Okay. And were your duties as you  
5 previously outlined?

6 A. Yes, as an investigating officer.

7 Q. Okay. Were you on duty on that  
8 particular evening?

9 A. Not that evening, no.

10 Q. At what point during or following the  
11 incident did you become engaged in the  
12 investigation?

13 A. The morning of April 21st.

14 Q. Okay. And how did you become engaged  
15 in the investigation?

16 A. I reported to work that morning and I  
17 was told that I would be flying offshore to be  
18 in the initial marine casualty investigation.

19 Q. And who provided you with that  
20 direction or orientation?

21 A. I could not say specifically who it  
22 was. It was a command decision to send  
23 investigating officers offshore and I was one  
24 of those investigating officers.

25 Q. Now, is it a frequent occurrence in



1 which investigating officers will be sent  
2 offshore?

3 A. Yes.

4 Q. Okay. And, in this particular case,  
5 was any information communicated to you as to  
6 the reason to do that?

7 A. We wanted to meet the vessel --  
8 there's more of a sense of urgency so that way  
9 we could go offshore, meet the vessel and  
10 obtain statements and potentially conduct  
11 interviews so that way the mariners, once they  
12 did reach port, there was minimal delay so  
13 that they could go home and get on with their  
14 life, meet their loved ones and such.

15 Q. Okay. Do you recall was part of the  
16 plan to also conduct required chemical  
17 testing?

18 A. Yes, it was. However chemical testing  
19 it was trying to be arranged so that way, as  
20 the IOs were being flown offshore, then  
21 perhaps the chemical testers could also be  
22 some of the individuals that were going to  
23 meet the vessel offshore again to avoid delay  
24 for these mariners when they did reach port.  
25 However, due to some issue beyond my



1 knowledge, they did not meet us out there and  
2 the chemical testing was conducted upon  
3 arrival in Port Fourchon.

4 Q. Okay, thank you. To the best of your  
5 recollection, about what time did you arrive  
6 at the platform MATTERHORN?

7 A. I would like to say approximately 0100  
8 in the morning of April 22nd.

9 Q. Okay. And were you alone or did you  
10 have other investigators with you?

11 A. It was myself and one other  
12 investigator from Marine Safety Unit Morgan  
13 City and two MMS investigators.

14 Q. And did you all arrive approximately  
15 the same time?

16 A. Yes, we were all on the same vessel  
17 together.

18 Q. Okay. And, at the time that you  
19 arrived on the MATTERHORN, was the BANKSTON  
20 there?

21 A. No, the BANKSTON was not there at the  
22 time of our arrival.

23 Q. Okay. And how long after you arrived  
24 did the BANKSTON finally arrive?

25 A. I would say anywhere from 90 minutes



1 to two hours after the Coast Guard initially  
2 had arrived onboard the MATTERHORN.

3 Q. Are you aware of what the delay was or  
4 was it just that they were that far away?

5 A. Upon my arrival to MATTERHORN I  
6 observed the BANKSTON was somewhere on the  
7 horizon looking off the vessel. I couldn't  
8 give you the direction, I wasn't familiar with  
9 it. But I do remember seeing she was a good  
10 distance off and then we were just waiting for  
11 her to arrive at the MATTERHORN for us to  
12 embark her.

13 Q. Okay. And, when she arrived at the  
14 MATTERHORN, were you able to immediately  
15 embark?

16 A. No, we were not.

17 Q. And why not?

18 A. We were told that the -- well, first  
19 the -- there was some final individuals coming  
20 onboard the MATTERHORN, so helio-ops were  
21 conducted. And immediately after helio-ops  
22 the BANKSTON was conducting dynamic  
23 positioning checks, which is required prior to  
24 any operation with a rig or platform.

25 Q. You mentioned the dynamic positioning



1 operations, do you know how long that takes or  
2 how long did you observe it take on that  
3 evening?

4 A. Roughly 30 minutes.

5 Q. Okay. And so approximately how long  
6 after you arrived on the platform did the  
7 BANKSTON actually move into position to where  
8 you could board the vessel?

9 A. Pretty much as soon as helio-ops were  
10 done the BANKSTON got right where she was  
11 going to conduct the loading. So, it was  
12 pretty much instantaneous. There was no delay.  
13 It wasn't as though she had to circle around  
14 or anything. It was just -- it was pretty  
15 instantaneous.

16 Q. Now, at that point in time, did  
17 yourself and the MMS investigators board or  
18 did they load other cargo?

19 A. Other cargo was loaded prior to  
20 loading the MMS or Coast Guard investigators.  
21 Food and a collection of clothing that crew  
22 members from MATTERHORN had taken up was  
23 loaded up prior to investigators embarking the  
24 BANKSTON.

25 Q. Okay. And then were the



1 investigators loaded after that point in time?

2 A. Yes, they were.

3 Q. Okay. Were there additional  
4 passengers also loaded at that point in time?

5 A. There were some representatives. I  
6 believe they were Tidewater lawyers and some  
7 other lawyers, but there were other  
8 individuals besides MMS and Coast Guard  
9 investigators.

10 Q. To the best of your recollection how  
11 many people actually boarded off of  
12 MATTERHORN?

13 A. I would like to say probably no more  
14 than 15 investigators and other company  
15 representatives.

16 Q. Okay. Approximately, to the best of  
17 your estimation, how long after the BANKSTON  
18 finally was in position to where she could be  
19 loaded did you actually depart?

20 A. I would say as soon as she was loaded  
21 we left because I had already embarked the  
22 vessel, went inside and I started preparing to  
23 conduct the preliminary investigation for  
24 statements and interviews and by the time I  
25 had exited the superstructure we had already



1 departed with MATTERHORN.

2 Q. Could you basically outline for us the  
3 way that you planned to carry out the  
4 investigation with the MMS investigators?

5 A. The MMS investigators and Coast Guard  
6 investigator including myself, while on  
7 MATTERHORN, we pretty much discussed a game  
8 plan of how we wanted to conduct the statement  
9 collection and interview process. And we had  
10 decided that the -- not to overwhelm these  
11 mariners. We would have one MMS investigator  
12 and one Coast Guard investigator sitting in  
13 during the actual interviews. And then  
14 statements were collected -- actually they  
15 were collected prior to all that and then we  
16 decided who to actually conduct interviews  
17 with.

18 Q. And how many of the people you  
19 actually got statements from did you actually  
20 interview?

21 A. There were nine individuals we were  
22 able to interview prior to arrival in port.

23 Q. Okay. And, when you boarded the  
24 BANKSTON, were you told how many persons from  
25 the rig were onboard?



1           A. I was told there was -- I would say in  
2 the high 90s there was an amount.

3           Q. Now, at some point once the vessel's  
4 underway from MATTERHORN back to Fourchon did  
5 you have an occasion to address the crew and  
6 basically explain to them what was going to  
7 happen?

8           A. Yes. We passed out statement forms  
9 and then the crew we asked for them to gather  
10 in the galley in the mess deck so that way we  
11 could tell them who we were and what we were  
12 asking for.

13          Q. Okay. To the best of your  
14 recollection, do you recall what you said?

15          A. We explained to them that we were  
16 Coast Guard and MMS investigators onboard,  
17 that we were conducting a marine casualty  
18 investigation at least in the preliminary  
19 stages and we were asking for statements from  
20 individuals just for information so that way  
21 we could piece together what had happened to  
22 avoid anything in the future like this again.

23          Q. Okay. And, following your  
24 presentation, how was that message received?

25          A. Following that presentation the crew



1 was cooperative. Some individuals were  
2 definitely emotionally overwhelmed. We tried  
3 -- we explained to them -- and for those that  
4 chose not to write a statement we simply asked  
5 for the name and phone number and wrote on  
6 their statement form that they declined to  
7 write a statement.

8 Q. So, they weren't forced to write a  
9 statement if they didn't want to?

10 A. No, they were not.

11 Q. Okay. But you did collect information  
12 so that you could pursue those individuals in  
13 case you required additional information from  
14 them later on?

15 A. Yes. And we did ask if we were --  
16 once we collected their name and phone number  
17 we did say, you know, if we could contact them  
18 in the future for purpose of finding  
19 information.

20 Q. And I think you already touched upon  
21 this: Could you briefly explain what was the  
22 purpose of the Coast Guard marine casualty  
23 investigation?

24 A. Marine casualty investigation is to  
25 determine what had happened so that way it



1 would -- one, we would know why. And so that  
2 way this -- this type of instance could be  
3 avoided in the future.

4 Q. Now, during the course of the time in  
5 which you're collecting these statements, at  
6 any point in time did any of the members ask  
7 for an attorney or representation before  
8 making a decision to make a statement?

9 A. To my knowledge no one -- no one asked  
10 me to be represented by a lawyer.

11 Q. Or an opportunity to speak with one?

12 A. No.

13 Q. Now, you indicated that the Coast  
14 Guard and the MMS investigators basically  
15 paired up. Who was working with you?

16 A. We didn't have assigned investigator.  
17 It is not as though we split during the  
18 investigation. It may have been Mr. Josey or  
19 Mr. Breaux. But at some point it was some  
20 combination of a Coast Guard and MMS  
21 investigator.

22 Q. Okay. And the rationale for that was  
23 what?

24 A. So then that way questions from both  
25 sides were answered, it wouldn't delay the



1 interview process any further and then just --  
2 clearly just a cooperative relationship in  
3 conducting the investigation from both  
4 parties.

5 Q. And at the end of that process were  
6 you able to basically collect statements from  
7 every individual or at least get some form of  
8 expression that they declined to make a  
9 statement, but had provided contact  
10 information?

11 A. Yes.

12 Q. Now, prior to arriving in Port  
13 Fourchon, are you aware of what information  
14 was provided by the respective companies to  
15 the crew as to what to expect?

16 A. I did not -- I did not hear anything  
17 specifically, however just from when  
18 collecting statements there was some comments  
19 made by the crew that this was the first time  
20 that there was anything expressed to crew  
21 members regarding where the vessel was going,  
22 what crew members should expect for anything  
23 regarding port of arrival, drug tests or  
24 anything like that.

25 Q. So, there had been a lack of



1 information sharing from anybody other than  
2 yourselves?

3 A. Yes.

4 Q. Now, when the BANKSTON -- you had  
5 earlier indicated that the Coast Guard made  
6 the attempt to get the chemical test  
7 collectors onboard before the vessel left to  
8 try to complete that evolution before they  
9 reached Port Fourchon and that was  
10 unsuccessful; is that correct?

11 A. Yes. We tried to do it so that way  
12 just, as the Coast Guard IOs and MMS  
13 investigators and other company  
14 representatives met the vessel en route Port  
15 Fourchon. We were trying to get the drug  
16 testers out there also to delay -- that once  
17 individuals reached port that they wouldn't be  
18 delayed any further.

19 Q. And could you outline for us which  
20 individuals were going to be chemically  
21 tested?

22 A. They were going to be -- all the  
23 mariners from the DEEPWATER HORIZON.

24 Q. And what was the rationale or thought  
25 process behind that?



1           A. Regulation requires Coast Guard drug  
2 testing to be conducted on serious marine  
3 incidents. A serious marine incidents are  
4 those incidents when one or more deaths or  
5 damage of greater than \$100,000 total loss of  
6 a vessel. In this instance it would have been  
7 easier and it was easier to have everyone  
8 tested rather than trying to sit there to  
9 determine who may have been involved, who may  
10 not have been involved. So, we just requested  
11 that all individuals onboard the DEEPWATER to  
12 have been chemically tested upon reaching  
13 port.

14           Q. Now, do the Coast Guard regulations  
15 contain time parameters with respect for  
16 collecting samples?

17           A. Yes.

18           Q. Was that a factor in the decision that  
19 you made?

20           A. Yes, it was. For drug testing it  
21 needs to be conducted within 32 hours of an  
22 incident. So, again, it was easier to decide  
23 that everyone be tested rather than go beyond  
24 the 32 hours and then decide that someone  
25 needed to be tested and then work backwards.



1 Q. Now, to the best of your knowledge,  
2 were any of the crew members alcohol tested or  
3 tested for alcohol?

4 A. No.

5 Q. And the rationale for that was?

6 A. For alcohol there is a requirement  
7 that alcohol testing be conducted within two  
8 hours of an incident and from the time of the  
9 incident on the evening of April 20th to our  
10 arrival on Port Fourchon was greater than two  
11 hours. So, alcohol testing was not pursued.

12 Q. Thank you. Now, when the BANKSTON  
13 finally arrived at the dock, could you  
14 describe for us what happened?

15 A. Crew members are required to put on a  
16 life jacket prior to going over the gangway.  
17 Once over the gangway drug testers were  
18 organized to begin the chemical testing and  
19 crew members just waiting in line in order to  
20 provide a sample.

21 Q. Based on your observations, could you  
22 tell how many collectors were there or waiting  
23 for the crew when they arrived?

24 A. I could not speak specifically to the  
25 exact number, but I do remember seeing that



1       there was at least -- I mean definitely more  
2       than one.

3           Q. Do you have any specific knowledge as  
4       to how the arrangements for the drug testing  
5       were coordinated or set up?

6           A. That -- I do not know that. I was not  
7       involved in that process. I just know that it  
8       was -- they were trying to coordinate it so  
9       that the vessel -- perhaps the drug testers  
10       could meet the vessel en route to Port  
11       Fourchon.

12          Q. And then finally: The information that  
13       you're able to collect and the statements and  
14       interviews from the time that you were onboard  
15       the BANKSTON, has that been provided to the  
16       board previously?

17          A. Yes.

18                   E X A M I N A T I O N

19       BY CAPT NGUYEN:

20          Q. Lt. Wilk, just a couple of questions  
21       for you. Did you interview the crew of the  
22       BANKSTON?

23          A. We did not conduct any interviews with  
24       the BANKSTON.

25          Q. Did they provide a statement?



1 A. Yes, they did.

2 Q. All of them?

3 A. For the individuals that were on watch  
4 at the time of the incident, yes.

5 Q. Was the statement provided while you  
6 were onboard the vessel or afterward?

7 A. It was at a later time.

8 Q. Okay. Did you conduct -- did you  
9 require drug testing of the crew members of  
10 the BANKSTON?

11 A. I remember discussing with the Captain  
12 that it would be in the best interest for the  
13 crew to be tested, again, unknown as to what  
14 the cause of this incident. We could not rule  
15 it out, so it was mentioned that it would be  
16 in their benefit to conduct drug testing for  
17 crew members on the BANKSTON.

18 Q. Do you know if the crew followed  
19 through?

20 A. I do not know, Captian.

21 Q. Okay. Thank you.

22 CAPT NGUYEN:

23 MMS?

24 EXAMINATION

25 BY MR. MATHEWS:



1           Q. I just have one question: I see that  
2 you're qualified to be a marine investigator.  
3 How many interviews have you performed prior  
4 to arriving on site to experience something of  
5 this magnitude?

6           A. I would say just in the -- for  
7 something in the course of my normal duties  
8 probably with each investigation interviews  
9 need to be conducted. Maybe actually  
10 embarking the vessel and talking to the  
11 Captain or whoever may have been involved.  
12 So, I could not give an exact number, but it  
13 definitely is significant.

14          Q. The reason I ask and it's just that  
15 I'm trying to understand. I know you said  
16 around 90 people onboard the vessel that you  
17 were aware of, upper 90s. Why did we only  
18 perform nine verbal interviews and why were  
19 those people chosen?

20          A. Between the MMS investigators and the  
21 Coast Guard investigators, after we had  
22 collected the statements, we sat down and just  
23 pretty much decided who would be able to  
24 provide amplifying information based on those  
25 written statements. And then that's how we



1 conducted the interviews based on statements  
2 already given. It definitely was between the  
3 investigators, all four of us, to bring in  
4 whoever it was over those nine folks.

5 CAPT NGUYEN:

6 Thank you. Any questions from the  
7 flag state?

8 MR. LINSIN:

9 No questions. Thank you, Captain.

10 CAPT NGUYEN:

11 Thank you. I'll go through the  
12 Parties In Interest at this time.  
13 Anadarko?

14 COUNSEL REPRESENTING ANADARKA

15 PETROLEUM CORPORATION:

16 No questions.

17 CAPT NGUYEN:

18 Weatherford?

19 COUNSEL REPRESENTING WEATHERFORD,

20 INC.:

21 No questions.

22 CAPT NGUYEN:

23 BP?

24 MR. GODFREY:

25 Captain, BP has no questions at



1                   this time. Thank you.

2           CAPT NGUYEN:

3                   Yes, sir. Transocean?

4           MR. KOHNKE:

5                   Yes, I do. Can I ask: Does the  
6                   board have a copy of the log from the  
7           BANKSTON that you can provide to the  
8           witness now?

9                   E X A M I N A T I O N

10          BY MR. KOHNKE:

11                Q. The board provided a copy of the  
12          BANKSTON's logs to counsel yesterday and it's  
13          -- I think it's the same log that Captain  
14          Landry testified from. I might have a copy  
15          right here.

16                A. I have a copy right here, sir.

17                CAPT NGUYEN:

18                   Let me identify -- my  
19                   understanding is that there was some  
20                   part of the log that was --

21                MR. KOHNKE:

22                   Redacted?

23                CAPT NGUYEN:

24                   No, no. Was provided by the board  
25                   attorney to the Parties In Interest.



1                   Some of the pages that Captain Landry  
2                   was referring to was not obtained by  
3                   the Coast Guard prior to his  
4                   testimony. Is that right?

5                   LCDR BRAY:

6                   He referred to some pages that  
7                   were not provided, but then some of  
8                   them were.

9                   CAPT NGUYEN:

10                  Okay. So, I want to make sure  
11                  that the questioning is referring to  
12                  the documents that the Coast Guard has  
13                  received prior to Capt. Landry's  
14                  testimony because Lt. Wilk may not  
15                  have access -- may not have seen  
16                  those pages that Capt. Landry referred  
17                  to that was not part of the record.  
18                  That's what I'm saying.

19                  MR. KOHNKE:

20                  Okay. Captain, I don't know what  
21                  Lt. Wilks has seen. I'm just going to  
22                  show her the logs and ask her some  
23                  questions and the logs are the logs.  
24                  If she hasn't seen them before, she  
25                  sees them now.



1 CAPT NGUYEN:

2 I understand, but if you don't  
3 feel comfortable to comment on the log  
4 because you haven't seen it or have  
5 adequate time to review them before  
6 please state so.

7 THE WITNESS:

8 I would like to review the logs  
9 for a few moments if possible.

10 CAPT NGUYEN:

11 Please do.

12 MR. KOHNKE:

13 Well, let me ask a few preliminary  
14 questions before we get to the logs  
15 and then we'll take all the time you  
16 need.

17 CAPT NGUYEN:

18 I think we should take a few  
19 minutes and let her look through them.

20 MR. KOHNKE:

21 Can I at least ask a couple of  
22 preliminary questions before we get to  
23 the logs?

24 CAPT NGUYEN:

25 Yes.



1 MR. KOHNKE:

2 Okay.

3 BY MR. KOHNKE:

4 Q. Lt. Wilks -- is it "Wilk"?

5 A. Wilk. Yes, please.

6 Q. Wilk. Did you say that you arrived at  
7 the MATTERHORN at 1:00?

8 A. No, I did not state a time.

9 Q. I'm sorry. I thought you did. What  
10 time did you arrive at the MATTERHORN?

11 A. I can not recall, sir. I just know it  
12 was definitely in the early afternoon for  
13 sure.

14 Q. Okay, okay. And did you say -- you  
15 referred to chemical testing, that's drug  
16 testing? Drug screening?

17 A. Yes.

18 Q. Okay. And it was your intention to  
19 test the entire crew of the HORIZON; is that  
20 correct?

21 A. Yes.

22 Q. Would that include only Transocean  
23 employees or would that include all personnel  
24 onboard the HORIZON?

25 A. All personnel onboard the HORIZON.



1 Q. Do you have any background in  
2 petroleum engineering?

3 A. No, I do not.

4 Q. Okay. And the other Coast Guard  
5 members who are out there that day do they  
6 have any background in petroleum engineering?

7 A. No, they do not.

8 Q. Have you been to well control school?

9 A. No.

10 Q. Did you understand that this was a  
11 well blowout?

12 CAPT NGUYEN:

13 Let me interfere real quick here,  
14 interject real quick here. If it has  
15 to do with petroleum engineering,  
16 there was an MMS inspector onboard a  
17 vessel. So, those types of questions,  
18 related questions, should be -- in  
19 terms of determining whether Lt. Wilk  
20 is qualified to answer questions or  
21 not, I think we should refer those to  
22 the MMS inspector -- investigator who  
23 were out there.

24 MR. KOHNKE:

25 You can. I would like to ask the



1 Lieutenant if anybody with the Coast  
2 Guard, who apparently was in charge of  
3 this, had any well control experience.  
4 And I understand there were also MMS  
5 people out there and you're welcome to  
6 ask her that. But I would like to ask  
7 my question.

8 CAPT NGUYEN:

9 If it's not related to what's her  
10 duties and responsibilities are I  
11 think it's not relevant at this point.

12 MR. KOHNKE:

13 Can I ask -- Lieutenant was called  
14 up to discuss the findings and the  
15 protocol that she followed in her  
16 investigation. I think the background  
17 she brings to that investigation ought  
18 to be relevant. And all I'm trying to  
19 find out is what their background was.  
20 We can ask any similar MMS person who  
21 went out there these same questions.  
22 I would like for this witness,  
23 since she's here now, to ask her those  
24 questions. I think it's relevant.

25 CAPT NGUYEN:



1           She was part of -- My understand,  
2           correct me if I'm wrong, so that we  
3           have a scope of your involvement in  
4           this investigation, you participated  
5           in the preliminary investigation. You  
6           were collecting data; is that correct?

7           THE WITNESS:

8           Yes, Captain.

9           CAPT NGUYEN:

10          Have you done the casualty  
11          analysis or make any conclusion or any  
12          recommendation with regard to the  
13          finding that you found?

14          THE WITNESS:

15          No, Captain.

16          BY MR. KOHNKE:

17          Q. Okay. So, whoever may have done  
18          whatever analysis they did, as of the point in  
19          time when you collected the statements that  
20          you collected would it be correct to conclude  
21          that neither you nor any other Coast Guard  
22          personnel had any experience in well control  
23          petroleum engineering or well blowouts; is  
24          that correct?

25          A. We do not have experience in that, no.



1 Q. Okay. Now, if you will, take some  
2 time to look at the logs because I would like  
3 to ask you some questions.

4 A. (Witness complies.)

5 UNIDENTIFIED SPEAKER:

6 Can we find out what actual log  
7 she's looking at? The date, the time  
8 frame, the period?

9 CAPT NGUYEN:

10 Lt. Wilk, have you ever seen those  
11 logs before?

12 THE WITNESS:

13 I haven't. As part of the  
14 preliminary investigation my  
15 responsibility was to enter  
16 this into our data base, but I have  
17 not read through them or reflected  
18 upon them.

19 CAPT NGUYEN:

20 Right. So, you have no knowledge  
21 of what's in those pages?

22 THE WITNESS:

23 Correct, Captain.

24 CAPT NGUYEN:

25 Are you in any position to comment



1 on what's in the log?

2 THE WITNESS:

3 Not at this time, no. I would not  
4 feel comfortable answering any  
5 questions having not read through  
6 them.

7 CAPT NGUYEN:

8 And, since you have Marine Safety  
9 Unit Morgan City has transferred the  
10 evidence that was collected by the  
11 initial team to the board therefore  
12 your engagement with regard to those  
13 logs is no longer required of you; is  
14 that correct?

15 THE WITNESS:

16 Yes, Captain.

17 CAPT NGUYEN:

18 Thanks.

19 BY MR. KOHNKE:

20 Q. Does your copy say "Certified to be  
21 true copy" at the bottom and on each page  
22 thereafter? Is there a stamp that indicates  
23 it's been certified to be true?

24 A. Each page that I have looked at does  
25 have that stamp.



1 MR. KOHNKE:

2 And I believe, if I'm correct,  
3 Capt. Nguyen, these are the same logs  
4 that were admitted during the  
5 testimony of Capt. Landry and that's  
6 the certification stamp that has been  
7 put on by the board; is that  
8 correct?

9 CAPT NGUYEN:

10 I do not know, sir.

11 MR. KOHNKE:

12 Alright.

13 BY MR. KOHNKE:

14 Q. If you will, I just want to get the  
15 time line straight if I can. If you will turn  
16 to the entry which would be the morning after  
17 this incident, which would be 4/21/10. The  
18 entry of 4/21 actually takes up three pages.  
19 And if you'll go to the last page, which  
20 starts with a time entry of 9:49 through 10:28  
21 up at the top left.

22 A. (Witness complies.) Yes, I'm there.

23 Q. Okay. You will see from 9:49  
24 obviously in the morning until 10:28 hundred  
25 hours there's a transfer of six persons and



1 two packages on and off. The two persons were  
2 medics and then four persons were off to the  
3 MAX CHOUEST, do you see that?

4 A. Yes.

5 Q. And then the next entry you see is  
6 from 1028 hours to 1409 hours "Underway to the  
7 MATTERHORN", do you see that?

8 A. Yes.

9 Q. Okay. And then there's that  
10 "Autopilot engaged", do you see from 10:32 to  
11 14:02?

12 A. Yes.

13 Q. And it shows "Arrives at the platform,  
14 at the MATTERHORN platform, at 1409"; is that  
15 correct?

16 A. That's what it states in the log, yes.

17 Q. Okay. And then from 1409 to 1439 it  
18 says "Set up the DP", that's the dynamic  
19 positioning, "And checks"; is that correct?

20 A. That's what it states in the log, yes.

21 Q. Okay. And then from 1439 to 1522,  
22 that would be from 2:39 in the afternoon until  
23 3:22 in the afternoon, "Standby for helo  
24 landing"; is that what it says?

25 A. Yes, that's what it states.



1 Q. And then at 1522 or at 3:22 in the  
2 afternoon until 3:49 it loads nine persons  
3 onboard and among those nine they show three  
4 Coast Guard personnel, their names have been  
5 redacted, two MMS personnel, names redacted,  
6 and four Tidewater personnel, names redacted;  
7 is that correct?

8 A. That's what it states, yes.

9 Q. And it shows that they were orientated  
10 each one to the right?

11 A. Yes.

12 Q. That means that you were orientated as  
13 to the safety procedures onboard the BANKSTON?

14 A. Correct.

15 Q. Okay. So, if this is correct -- and I  
16 want to ask you if you have any contrary  
17 information, it shows that the helo landed at  
18 5:22 and you would have loaded some time over  
19 the next --

20 CAPT NGUYEN:

21 Let me get one real quick  
22 clarification here. When you say  
23 "Correct" that's what's on that piece  
24 of paper?

25 THE WITNESS:



1           As it states in the log what he is  
2           stating what is in the log.

3           CAPT NGUYEN:

4           It's correct in the sense that  
5           you agree with the log; is that  
6           correct?

7           THE WITNESS:

8           I am agreeing that what he is  
9           asking me is what it states in the  
10          log.

11          CAPT NGUYEN:

12          Right. It's not your --

13          MR. KOHNKE:

14          That's why I proceeded my question  
15          -- unless you have any contrary  
16          information "Is this correct?"

17          BY MR. KOHNKE:

18          Q. So, if you have any contrary  
19          information, tell us. Can you tell us from  
20          any contrary information in your control  
21          whether this is incorrect?

22          A. Not at all.

23          Q. Okay.

24          A. All of the information that I've given  
25          today is clearly, you know, to the best of my



1 recollection. So, if my times are off, I  
2 apologize. However the information I have  
3 passed is what I know.

4 Q. And, although you have never -- maybe  
5 you have personally met Capt. Landry, do you  
6 agree that whether Capt. Landry follows the  
7 typical practice, logs are maintained somewhat  
8 contemporaneous with the event; isn't that  
9 correct?

10 A. Yes, that's what's required.

11 Q. And this was described by Capt. Landry  
12 as a rough log and a rough log is in fact a  
13 contemporaneous log; is it not?

14 A. Correct.

15 CAPT NGUYEN:

16 Let me add another point of  
17 clarification here. Now, there's a  
18 statement on those sheets of paper  
19 that says "Certified true copy", it  
20 doesn't mean that the content is true.  
21 It's just a true copy of whatever was  
22 made. It's not that the content is  
23 true.

24 MR. KOHNKE:

25 That's not the question.



1 CAPT NGUYEN:

2 I'm just trying to point out that  
3 clarification.

4 MR. KOHNKE:

5 I don't call that a clarification,  
6 with all due respect. I don't think  
7 that clarifies the witness' answer or  
8 my question. That is your comment and  
9 that's fine. But if I'm going to  
10 cross examine this witness I would ask  
11 that I be allowed to cross examine  
12 this witness.

13 CAPT NGUYEN:

14 I understand, but there's some  
15 language used -- words you have used  
16 as "Correct" or "True copy" and I want  
17 to make sure that we clarify what it  
18 means from Coast Guard procedures  
19 here. That's all I'm trying to do to  
20 make sure that everybody's on the same  
21 wavelength.

22 MR. DYKES:

23 Let me make sure that I  
24 understand. According to Lt. Wilk --  
25 I'm going back through my notes here.



1           They landed early in the afternoon,  
2           they were onboard. She saw the  
3           BANKSTON on the horizon coming in.  
4           There were additional helicopter  
5           operations being conducted. The  
6           BANKSTON moved into position, correct?

7           THE WITNESS:

8           Yes.

9           MR. DYKES:

10           And then they proceeded with the  
11           load out?

12           THE WITNESS:

13           Yes. Without an official log,  
14           yes. That's how it happened.

15           MR. DYKES:

16           Okay. So, there were additional  
17           helicopter flights after the MMS  
18           personnel and the Coast Guard  
19           personnel were on location?

20           THE WITNESS:

21           Yes.

22           MR. DYKES:

23           That's what I captured in my notes  
24           from her statement.

25           BY MR. KOHNKE:



1 Q. Now, according to this log, the  
2 BANKSTON was standing by prior to the load out  
3 of these nine people, you being one of the  
4 nine; isn't that correct?

5 A. Yes.

6 Q. Okay. And you said you saw the  
7 BANKSTON on the horizon?

8 A. When I first embarked on the  
9 MATTERHORN, yes.

10 Q. Okay. Was it standing by on the  
11 horizon?

12 A. I could not give definitive answer of  
13 whether or not it was underway or not. It was  
14 too far off.

15 Q. Okay. But, again, according to the  
16 logs it had been standing by since 2:39 until  
17 the helicopter arrives and unloads nine people  
18 at 5:22 -- 1522, correct?

19 A. The only information that I'm giving  
20 today is from the moment that I arrived  
21 onboard the vessel, which I have stated  
22 without a definitive time is early in the  
23 afternoon. I cannot comment for any events  
24 prior to my getting onboard the MATTERHORN.

25 Q. And, to Mr. Dykes' point, the logs say



1 -- it has an entry -- a single entry for  
2 "Stand by for helo landing", correct? No  
3 matter how many helicopters were flying in the  
4 sky there's one single entry there on this  
5 morning or this afternoon for a single helo  
6 landing; isn't that correct?

7 A. There is one entry for a helo landing.

8 Q. And the actual time of the landing is  
9 1522, correct?

10 A. There is a time frame from 1439 to  
11 1522.

12 Q. Okay. Standby is till 1522 and at  
13 1522 they have "Standby for helo landing"  
14 between those two times, correct?

15 A. Yes, between 1439 and 1522 they are  
16 standing by for helo landing.

17 Q. And the starting of loading personnel  
18 is also at 1522, correct?

19 A. It states in here "Loading begins at  
20 1522 through 1549".

21 Q. Alright. Is it reasonable for us to  
22 assume that the standby for helo landing and  
23 the loading of the nine people were connected  
24 since they're connected by the number 1522?

25 CAPT NGUYEN:



1           Let me interject again at this  
2           point. I know you're trying to do  
3           your -- I would like to have a quick  
4           explanation right here as far as the  
5           relevance of this cross examining. I  
6           mean the purpose of this casualty  
7           investigation is the cause of the  
8           casualty. How is this relevant to the  
9           purpose of this investigation?

10          MR. KOHNKE:

11           Well, the relevance is that this  
12           witness has been called to explain --  
13           apparent to me at least to explain  
14           why it was necessary for the Coast  
15           Guard to fly out, have the vessel  
16           directed to the MATTERHORN so they  
17           could board it, take statements and do  
18           drug testing. I think you know,  
19           Captain, that there's been a lot in  
20           the press -- in fact there's been  
21           several lawsuits filed against  
22           Transocean because it callously kept  
23           these people in the field for  
24           Transocean's purposes. Now, I didn't  
25           open this door. Whoever called Capt.



1 (SIC) Wilk opened the door. They have  
2 decided it is important to put into  
3 this record, whoever made that  
4 decision, the reasons why Capt. (SIC)  
5 Wilk and the others went out there and  
6 what they did and why they did it and,  
7 as I recall, Capt. (SIC) Wilk even  
8 indicated that it was to minimally  
9 delay these mariners so they could get  
10 on with their lives. Now, I don't  
11 know why you thought that was  
12 important, but I would like to follow  
13 up on it. I think its relevance has  
14 been established in this hearing and I  
15 would like to follow up on it.

16 CAPT NGUYEN:

17 No, the relevance here has to do  
18 with finding information related to  
19 the cause of the casualty and any  
20 information that could prevent  
21 recurrence. And in determining -- in  
22 exploring what Coast Guard protocol is  
23 or procedures is irrelevant to the  
24 purpose of this investigation. What  
25 we're doing here is, you know,



1           discovery and for your purpose of  
2           litigation. And it's not relevant to  
3           this cause.

4           MR. KOHNKE:

5           I understand.

6           CAPT NGUYEN:

7           So, I would like for you to please  
8           move on from that point.

9           MR. KOHNKE:

10          Okay.

11         BY MR. KOHNKE:

12          Q. Well, let me move on then. You said  
13          that there was a sense of urgency which is why  
14          you flew out to the MATTERHORN and the vessel  
15          the BANKSTON was directed to the MATTERHORN;  
16          is that correct?

17          A. Yes.

18          Q. Now, the sense of urgency was whose  
19          urgency?

20          A. One, to ensure these individuals were  
21          not delayed any further due to the traumatic  
22          incident they had just overcome. And, two, as  
23          with any investigation, information obtained  
24          sooner details that may be forgotten, if  
25          delayed to get that information, can be



1 forgotten. Now, understood that these  
2 statements were also taken and it was, again,  
3 an overwhelmingly emotional incident. So, we  
4 understand that not all details are going to  
5 be written down or remembered, however we just  
6 wanted to ensure that we could go out there,  
7 obtain statements and talk to these  
8 individuals so that way, when they did reach  
9 shore, that they were able to go home.

10 Q. So, the urgency was the Coast Guard's  
11 or the mariners?

12 A. It was both.

13 Q. Okay. And some of the mariners were  
14 so uncomfortable they refused to give a  
15 statement because I think you said they were  
16 emotionally distraught.

17 A. Emotionally overwhelmed, yes.

18 Q. Okay.

19 CAPT NGUYEN:

20 Again, sir, this line of  
21 questioning have nothing to do with  
22 the cause of the casualty. The line  
23 of questioning that we're asking for  
24 is Coast Guard investigative protocol  
25 and policies. It has nothing to do



1 with the causes of the casualty as the  
2 purpose of this investigation. So, I  
3 would like to go off of this track  
4 that you're on right now, please.

5 MR. KOHNKE:

6 Well, I'm just going to cross  
7 examine the witness about what she  
8 answered in response to Mr. Wheatley's  
9 questions, if I can. Now, Mr.  
10 Wheatley is the one that asked her  
11 some of these questions. I would like  
12 to respond to those same topics. Any  
13 problem with that?

14 CAPT NGUYEN:

15 We'll see. Please proceed.

16 BY MR. KOHNKE:

17 Q. Now, what time did the vessel arrive  
18 in Fourchon?

19 A. I do not recall the exact time, but  
20 from -- I would say in the vicinity of 0100 in  
21 the morning of 22 April.

22 Q. Alright. Were you made aware of the  
23 fact that Transocean offered to make all of  
24 these people available the next day after they  
25 had had a hot shower, a night sleep and some



1 clothes? Because many of them didn't have any  
2 clothes.

3 A. That was not conveyed to me, not to my  
4 knowledge. No.

5 Q. Now, ultimately you did get statements  
6 from all of these individuals that were  
7 willing to give statements to you, correct?

8 A. Correct, yes.

9 Q. And then, of the nine or so that you  
10 later followed up with --

11 A. Uh-huh (affirmative reply).

12 Q. -- there was a question about how you  
13 selected those nine people. Can you again  
14 give me that explanation?

15 A. Coast Guard investigators and the two  
16 investigators from MMS went through statements  
17 that were provided to us that afternoon and,  
18 based on -- we relied on the MMS experience of  
19 drilling to kind of walk us through who would  
20 be best suited to talk to with the follow up  
21 interview.

22 Q. Okay. And when did that follow up  
23 interview take place, on the trip in?

24 A. Yes, it did.

25 Q. Okay. The drug testing, I know that



1 looking at the logs there was some people  
2 waiting on the dock to do the drug testing.  
3 Did I understand that the drug testing did not  
4 go forward?

5 A. Drug testing was conducted upon  
6 arrival in Port Fourchon.

7 Q. It did, okay. Now, you mentioned the  
8 alcohol delay is, what, two hours? After two  
9 hours cannot --

10 A. Within two hours of the incident  
11 alcohol testing is required to be conducted.

12 Q. And what you referred to is chemical  
13 testing. How long can one wait before they  
14 get an invalid chemical test?

15 A. I do not know that.

16 Q. Okay. So, that could have waited  
17 until the next day as far as you know?

18 A. Coast Guard regulations require within  
19 32 hours of the incident.

20 Q. 32 is more than 24, isn't it?

21 A. Correct.

22 Q. Okay. Now, one of the reasons for  
23 stopping at the MATTERHORN was to get, I think  
24 you said, food, clothes and other items like  
25 that; is that correct?



1           A. MATTERHORN took up a collection of  
2 clothing from the mariners onboard the  
3 MATTERHORN, also tobacco products were given  
4 and whatever other food or water supplies that  
5 they had on hand were given to individuals  
6 onboard the BANKSTON.

7           Q. Would it be a correct statement to say  
8 that from your own observations that a number  
9 of these individuals had no shoes, were  
10 missing shirts and were literally without  
11 clothes?

12          A. By the time I embarked onboard the  
13 BANKSTON all individuals had some type of  
14 clothing on themselves. I did notice that  
15 some individuals did not have shoes, however  
16 they definitely had either a jumpsuit on or a  
17 t-shirt and a pair of jeans or something along  
18 those lines.

19          Q. Finally, Lieutenant -- you are a  
20 Lieutenant I think, yes. Finally, you said  
21 that -- I believe you said you were thanked by  
22 some of the men for finally finding out what  
23 the BANKSTON was doing, where they were going  
24 and where they would end up 'cause they were  
25 in the dark about all of this, correct?



1           A. I myself I did not receive the thanks.  
2           However the other investigators there was some  
3           talk of them having been expressed that they  
4           appreciated at least telling them what we were  
5           doing.

6           Q. Right. Because they had been out  
7           there since 10:00 the night before going from  
8           platform to platform and not home and they  
9           appreciated finally finding out when they were  
10          going to get home?

11          A. That is what was expressed to me, yes.

12          Q. Thank you.

13          CAPT NGUYEN:

14                 Thank you, sir. Cameron?

15          COUNSEL REPRESENTING CAMERON INC.:

16                 No questions.

17          CAPT NGUYEN:

18                 Dril-Quip?

19          COUNSEL REPRESENTING DRIL-QUIP, INC.:

20                 No questions.

21          CAPT NGUYEN:

22                 MOEX?

23          COUNSEL REPRESENTING MOEX USA?

24                 (No response)

25          CAPT NGUYEN:



1 Halliburton?

2 COUNSEL REPRESENTING HALLIBURTON:

3 No questions.

4 CAPT NGUYEN:

5 And M-I SWACO?

6 MR. EASON:

7 No questions.

8 CAPT NGUYEN:

9 I think I asked everybody. Okay.

10 Any additional questions from the  
11 board?

12 MR. MATHEWS:

13 Yes, sir. I have one more  
14 question.

15 E X A M I N A T I O N

16 BY MR. MATHEWS:

17 Q. When you arrived in Port Fourchon,  
18 when you got off the vessel did you recognize  
19 or talk to any Transocean personnel?

20 A. No. I disembarked from the BANKSTON,  
21 walked passed the mariners waiting in line to  
22 conduct drug testing and I proceeded to get on  
23 my ride, to get my ride home.

24 Q. While you were having your interviews  
25 with Transocean personnel, was there any



1 discussion when they would be interviewed or  
2 talked to by their personal staff?

3 A. I was not aware of any of that.

4 Q. So, to your knowledge, you were not  
5 aware of communication made to you that  
6 Transocean would be performing interviews at  
7 Port Fourchon or maybe the following day or  
8 the day after that?

9 A. Information that was discussed between  
10 the IOs was pure speculation. We just had  
11 talked about when they were going to be  
12 conducted. Nothing was conveyed to us for  
13 definitive time and place for follow up or  
14 other representatives to talk to them.

15 Q. Thank you.

16 CAPT NGUYEN:

17 Lt. Wilk, thank you very much for  
18 your testimony. Are there any  
19 questions that we didn't ask or any  
20 information that you think we should  
21 be aware of that you would like to  
22 communicate to the board?

23 THE WITNESS:

24 I have nothing further, Captain.

25 CAPT NGUYEN:



1           Okay. If we have further  
2           questions for you will you make  
3           yourself available to the board?

4           THE WITNESS:

5           Yes, Captain.

6           CAPT NGUYEN:

7           Thank you very much and you are  
8           dismissed.

9           THE WITNESS:

10          Thank you.

11          CAPT NGUYEN:

12          We'll take a ten minute break and  
13          regroup at 2:10, thank you.

14          (Whereupon, a ten minute break was taken off  
15          the record.)

16          CAPT NGUYEN:

17          The board will now call the next  
18          witness, Capt. Heinan with the  
19          Marshall Islands.

20          \* \* \* \* \*

21                               CAPTAIN THOMAS HEINAN,

22          after being first duly sworn in the cause,

23          testified as follows:

24                               E X A M I N A T I O N

25          BY MR. LINSIN:



1 Q. Captain, will you please state your  
2 full name and spell your last name for the  
3 record?

4 A. It's Thomas F. Heinan, H-E-I-N-A-N.

5 Q. Captain, what is your current position  
6 with the Office of Maritime Administrator for  
7 the Republic of the Marshall Islands?

8 A. I am a designated Deputy Commissioner  
9 of Maritime Affairs.

10 Q. And how long have you been with the  
11 Office of Maritime Administrator?

12 A. Over 15 years.

13 Q. Would you briefly summarize your  
14 educational background, sir?

15 A. I'm a graduate of the United States  
16 Merchant Marine Academy with a bachelor of  
17 science degree in marine transportation. I  
18 don't know if you can still hear me.

19 Q. Yes, you're fine, Captain. Thank you.

20 A. And --

21 Q. Go ahead.

22 A. And subsequent to that a master's  
23 degree in finance and international business  
24 management from New York University.

25 Q. And did there come a time, sir, when



1 you received a master's license from the  
2 United States?

3 A. Yes, sir. After graduating from the  
4 academy, I came out with a 3rd mate's license  
5 unlimited and worked my way up the ranks to  
6 master unlimited.

7 Q. And when did you receive that master's  
8 license, sir?

9 A. 1971.

10 Q. And would you briefly summarize for  
11 the board, sir, your experience in the  
12 maritime industry following your receipt of  
13 the master's license?

14 A. Following receipt of the master's  
15 license for a short period I sailed on that  
16 license, but then came ashore into the Great  
17 Lakes area and was the port captain for a tug  
18 and tank barge operation in the Great Lakes  
19 for a couple of years. After which then I was  
20 moved to the east coast to work for an  
21 international parcel tanker operator as a ship  
22 manager. My initial assignment with that  
23 company was in Singapore for two years to  
24 manage a tug barge and offshore oil support  
25 operation for the oil patch in southeast Asia.



1 After that I came back to the United States,  
2 New York in particular, to manage the  
3 operations of tug and barge operations in the  
4 New York Harbor area. Eventually expanding my  
5 responsibilities to that of mergers and  
6 acquisitions, reconstruction projects and new  
7 building projects for the company. And  
8 subsequent to that -- I was there with that  
9 organization for about 17 years. Then from  
10 there I went to the state of Washington.  
11 There I served as the assistant secretary for  
12 marine transportation in charge of the  
13 Washington State Ferry System for 3 years.  
14 From there I then joined the registration --  
15 the administration.

16 Q. And what are your current duties,  
17 Captain, as the deputy commissioner of  
18 maritime affairs?

19 A. I'm currently and directly involved in  
20 regulatory affairs of the flag state  
21 administration and it's activities and  
22 participation in meetings and promulgations of  
23 regulations and what have you at the  
24 International Maritime Organization, the  
25 International Labor Organization, the



1 International Maritime Satellite Organization  
2 and other international organizations  
3 including the United Nations Contact Group for  
4 working groups that are studying the piracy  
5 issues in Somalia.

6 Q. Alright. Captain, would you generally  
7 describe what the duties of a flag state are?

8 A. I'm sorry, would you please repeat the  
9 question?

10 Q. Certainly. Would you generally  
11 describe the duties of a flag state?

12 A. The duties of a flag state are two  
13 fold. The flag administration provides  
14 registration services for third party entity  
15 corporate registrations. In addition to that  
16 it also provides a facility for the  
17 registration of ownership and operation of  
18 vessels under it's flag.

19 Q. And would you inform the board, sir,  
20 how many commercial vessels overall, including  
21 passenger vessels, etcetera and MODUs, are  
22 registered with the Marshall Islands?

23 A. At the current moment on average, if  
24 you will, 2200 vessels registered in the  
25 Marshall Islands flag.



1 Q. And how many gross tons would that  
2 translate to, sir?

3 A. 56 million tons.

4 Q. And would you briefly summarize for  
5 the board, Captain, the quality record of the  
6 Marshall Islands' administration?

7 A. Marshall Islands flag administration's  
8 quality record is measured by the performance  
9 of the vessels and operators within it's  
10 fleet. More specifically the Port State  
11 Control regimes that review and inspect ships  
12 operating throughout the world. With respect  
13 to the Tokyo and Paris MOUs, the entire fleet  
14 is rated in the white list. And, with respect  
15 to the United State Coast Guard, the fleet has  
16 consistently maintained it's participation in  
17 the QUALSHIP 21 initiative.

18 Q. And what is the QUALSHIP 21 initiative  
19 with the United States Coast Guard?

20 A. Without getting into too much detail,  
21 basically the initiative is one that was  
22 established to allow the U.S. Coast Guard to  
23 more appropriately utilize it's resources for  
24 the inspection of vessels coming into the  
25 United States. It felt the need to be



1 concentrating it's efforts on those vessels  
2 that definitely did need some attention. So,  
3 on the basis of specific ship arrivals on an  
4 annual basis, ships that were inspected and  
5 consistently passed their Port State Control  
6 inspections were then included on the QUALSHIP  
7 21 program and those vessels, as they  
8 continued to report in ports in the United  
9 States, would not be given the scrutiny that  
10 other vessels would have received. That  
11 allowed the U.S. Coast Guard to redistribute  
12 it's resources for Port State Control  
13 inspections.

14 Q. So, is it fair to summarize, Captain,  
15 that it is -- it is a program designed to  
16 differentiate the flag administrations based  
17 on the quality and integrity as demonstrated  
18 through Port State Control inspection records?

19 A. That is correct, sir.

20 Q. Would you describe please for the  
21 board what are recognized organizations?

22 A. Recognized organizations. Under the  
23 major IMO international conventions there are  
24 provisions which allow flag administrations,  
25 if they're not doing inspections and



1 certifications themselves, to recognize  
2 certain organizations to act in their behalf.  
3 Now, the IMO -- I should say -- acronyms, I  
4 shouldn't be using acronyms, but the  
5 International Maritime Organization provides  
6 guidelines by which flag administrations are  
7 guided in the selection of these recognized  
8 organizations. These organizations have the  
9 ability to review and calculate necessary  
10 provisions under the conventions, to review  
11 design drawings and to basically assure that  
12 the vessels are indeed in compliance with  
13 these international IMO conventions.

14 Q. And would you explain, sir, what some  
15 of the functions are that ROs or  
16 Classification Societies perform on behalf of  
17 flag states?

18 A. Well, the Classification Societies,  
19 again on the basis of another set of  
20 guidelines provided by the International  
21 Maritime Organization, follow specifics for  
22 the survey and certification of ships in  
23 accordance with the requirements of the  
24 international conventions. The international  
25 conventions that the Classification Societies



1 then specifically concentrate upon are the  
2 SOLAS convention and it's mandatory codes, the  
3 Load Line Convention, the Tonnage Convention.  
4 Let's see what else -- oh, it's the Load Line  
5 Convention and there are certain other  
6 mandatory codes under the various conventions  
7 that are also included in that inspection  
8 work.

9 Q. And would that include the ISM or the  
10 International Safety Management Code, sir?

11 A. Yes, sir. Those are two of -- well,  
12 the ISM, International Safety Management Code,  
13 and the ISPS code are two of the major  
14 mandatory codes under SOLAS.

15 Q. Which ROs does the Republic of  
16 Marshall Islands utilize?

17 A. The Marshall Islands' Maritime Act,  
18 it's legislation requires that before a vessel  
19 can be registered it has to be seaworthy.  
20 Under the maritime regulations the  
21 organizations that are recognized for survey  
22 and certification work, the Classification  
23 Societies, are specifically identified. Those  
24 organizations are only members of the  
25 International Association of Classification



1 Societies. There are ten of them.

2 Q. And what differentiates the membership  
3 in that organization?

4 A. From what standpoint in  
5 differentiation? They're all on the same  
6 basic footing.

7 Q. Alright. But are there other  
8 Classification Societies that are not members  
9 of that organization?

10 A. Yes, sir. There are.

11 Q. And why does the Marshall Islands --  
12 why has the Marshall Islands made a decision  
13 to select its ROs only from that  
14 organization?

15 A. Those organizations are a part of IX  
16 have been put through a rigorous set of  
17 standards by which they must operate and can  
18 meet. There have been on several occasions  
19 attempts by other Classification Societies to  
20 become members of IX, but they have not been  
21 able to meet the membership requirements for  
22 that organization.

23 Q. Now, in addition, Captain, does the  
24 Marshall Islands utilize any specific  
25 procedures for establishing its own



1 individual relationship with the responsible  
2 organizations that it utilizes or -- I'm  
3 sorry, the recognized organizations that it  
4 utilizes?

5 A. Yes. As it is provided again  
6 referring back to the IMO guidelines. There  
7 is a requirement that there be an agreement  
8 between the flag administration and those  
9 organizations that it has recognized to act on  
10 its behalf. There is in place an agreement  
11 between the flag administration and each of  
12 the ten members of IX that we have recognized  
13 and those agreements are identical.

14 Q. What is the IMO -- let me stop here,  
15 sir. With regard to all of the functions that  
16 you've identified today, would those apply  
17 equally to commercial vessels -- ocean going  
18 vessels as well as MODUs?

19 A. The IX standards?

20 Q. Well, your utilization of ROs --

21 A. Yes.

22 Q. -- the determination of acceptability  
23 into the registry?

24 A. The -- the acceptability of vessels  
25 coming to the register is a little bit more



1 comprehensive than just concerning whether the  
2 -- the particular vessel seeking entry into  
3 the flag is classified as one of the class  
4 society members.

5 Q. Okay.

6 A. It's much more involved.

7 Q. Alright. But the standards that we've  
8 been discussing so far do apply to both ocean  
9 going vessels and to mobile offshore drilling  
10 units, as well; is that right?

11 A. Yes.

12 Q. Alright. Let me ask you specifically  
13 to address the IMO MODU code and explain what  
14 that code regulates.

15 A. The IMO code is one that was developed  
16 to provide an industrial standard, an industry  
17 standard, for MODUs to facilitate their  
18 movement, international movement, and  
19 operation. And also to ensure that the  
20 necessary safety provisions are being provided  
21 not only for the units themselves, but for the  
22 personnel onboard these units in accordance  
23 more specifically with the SOLAS Convention  
24 and the Load Line Convention.

25 Q. Alright. And it incorporates



1 standards for construction and maintenance as  
2 well as operation; is that correct?

3 A. That is what falls under the SOLAS  
4 convention.

5 Q. Now, are there other aspects of MODU  
6 operations that are not covered by the IMO  
7 MODU code?

8 A. Yes, the IMO MODU code specifically  
9 identifies that it does not address the -- any  
10 requirements with respect to the drilling of  
11 subsea wells or the operation or requirements  
12 that control them. Those operational  
13 requirements are subject to control by the  
14 coastal state where the rig may be located. I  
15 might also add that the code also recognizes  
16 the sovereign right of the coastal states to  
17 establish their own regulatory requirements  
18 for the units operating in their territorial  
19 waters.

20 Q. Alright. Now, does the Marshall  
21 Islands Maritime Act specifically incorporate  
22 the MODU code?

23 A. It does from the standpoint that the  
24 Maritime Act stipulates that any international  
25 convention protocol or code that the



1 government is signatory to automatically  
2 becomes statute under the Maritime Act. In  
3 addition to that, the Maritime Act also  
4 establishes the authority of the maritime  
5 administrator to promulgate regulations to  
6 control maritime activities of the flag and  
7 that would include MODUs.

8 Q. Alright. And are marine notices one  
9 of the methods whereby the maritime  
10 administrator promulgates those regulations on  
11 behalf of the Marshall Islands government?

12 A. Yes, that is specifically stated in  
13 the regulations that marine notices that are  
14 appropriately promulgated are considered  
15 regulation.

16 Q. Now, Captain, would you -- you  
17 referenced this a moment ago, but would you  
18 please describe for the board how a vessel or  
19 a MODU becomes registered through the Marshall  
20 Islands Maritime Administration?

21 A. Thank you. I hope we have time for  
22 this. A registrant would approach the  
23 administration with the desire to bring a unit  
24 into the flag. The first thing that the  
25 administration does is goes through a vetting



1 process to determine whether or not the vessel  
2 itself and/or the ship owner or operator  
3 responsible for it would be acceptable for  
4 registration. The first thing that we look to  
5 is what flag the unit may have been coming  
6 from. There are a number of flags from which  
7 we will not accept vessels.

8 Q. Why is that, sir?

9 A. They do not have the necessary  
10 controls and standards in place to assure that  
11 those vessels are completely in compliance of  
12 the international conventions.

13 Q. Alright. Thank you, please proceed.

14 A. The second thing we look at is the  
15 OFAC SDNs to make sure that the Office of  
16 Foreign Assets Control does not have the  
17 vessel listed as being a questionable unit  
18 being used for nefarious purposes. Then we  
19 take a look at the ship manager. We look at  
20 the performance of the ship manager and it's  
21 fleet within which this vessel's located.  
22 After having taken a look at what the fleet  
23 performance has been, whether or not any of  
24 it's vessels have been under detention, under  
25 port state's control over the past two years.



1 Then we record this and we score the ship  
2 owner/operator. The next thing we do then is  
3 to take a look at the vessel itself that is to  
4 be brought into the registry. We check it's  
5 Port State Control record to see whether or  
6 not it has been under Port State Control  
7 action over the past 24 months or two years.  
8 We also take a look at the age of the vessel.  
9 The Maritime Act does not allow us to register  
10 vessels over 20 years of age unless it can  
11 qualify with all of the other regulatory  
12 requirements for becoming a registered vessel  
13 in the Marshall Islands and there's a  
14 legitimate need for it to be brought into the  
15 registry. We also take a look at the  
16 Classification Society records. We take a  
17 look at the statutory survey and certification  
18 status, whether or not there's any statutory  
19 deficiencies, whether there's any outstanding  
20 class items, recommendations or memorandums.  
21 We check to see if the vessel -- what type of  
22 vessel it is, if it's a vessel of 15 years of  
23 age or over. We determine whether or not it  
24 would need to be treated specially with  
25 respect to it's Classification Society



1 documentation. We would necessarily require  
2 that it's latest special survey or  
3 intermediate survey is made available to us to  
4 review. If it is a tank vessel the first  
5 thing we look for is to see whether or not  
6 it's single hull or double hull. If it's  
7 double hull okay. If it's single hull that's  
8 not okay. We will not register a single hull  
9 tank vessel. We also take a look at the  
10 certification that the vessel would be  
11 required to maintain. For example:  
12 Certificates of Liability for oil pollution,  
13 that requires a vessel to carry 2,000 dead  
14 weight tons of heavy oil or more as cargo. We  
15 also check to make sure that it does indeed  
16 have a certificate of liability for bunker  
17 pollution. All ships have to have that,  
18 including MODUs. There are a number of issues  
19 that we cover in determining whether or not a  
20 vessel would be acceptable for registration.  
21 All of these items and details of which I have  
22 been rather brief on, there are others, are  
23 then scored. That scoring then determines  
24 whether or not we will continue with the  
25 registration process.



1 Q. Are certain vessels or MODUs rejected  
2 from membership in your registry?

3 A. We have not been faced with a  
4 situation wherein any of the MODUs that have  
5 been presented to us for registration have had  
6 to be turned down.

7 Q. Because they have met -- the MODUs  
8 you're talking about?

9 A. They have met -- they have met the  
10 criteria that we require for registration.

11 Q. Alright. Now, after a decision is  
12 made to register a vessel in the Marshall  
13 Islands, how does the Maritime Administration  
14 assure itself of ongoing compliance with these  
15 international codes and conventions?

16 A. The international codes and  
17 conventions are overseen by the Classification  
18 Society surveys that are conducted. And we  
19 monitor those. The administration itself  
20 though has put into place it's own national  
21 safety inspection program. The National  
22 Safety Inspection Program requires that every  
23 vessel in the registry be inspected by our  
24 organization once a year.

25 Q. And was the MODU the DEEPWATER HORIZON



1 registered with the Marshall Islands?

2 A. Yes, it was.

3 Q. Do you recall what year it entered the  
4 registry, sir?

5 A. It was December of 2004.

6 Q. And, at that time, did that MODU go  
7 through the same inspection and certification  
8 procedures that you just described generally?

9 A. Yes, it did.

10 Q. Alright.

11 MR. LINSIN:

12 I don't have any further questions  
13 of this witness, Captain.

14 CAPT NGUYEN:

15 Thank you, sir. Go ahead and pass  
16 it on to Captain Wheatley at this  
17 time.

18 MR. WHEATLEY:

19 Thank you, Captain.

20 E X A M I N A T I O N

21 BY MR. WHEATLEY:

22 Q. I have a couple of questions and  
23 excuse my naivete here. I am by no means an  
24 expert on vessel registry. You mentioned a  
25 couple different things here how on behalf of



1 the Marshall Islands the various class  
2 societies, such as ABS, carry out and execute  
3 responsibilities with respect to the codes.

4 Could you basically, you know, better define  
5 that or expand upon that? What is the  
6 responsibilities that have been delegated to  
7 ABS from the Marshall Islands concerning the  
8 performance of those duties?

9 A. The responsibilities that have been  
10 delegated to that organization are  
11 specifically delineated within an RO agreement  
12 between the flag administration and ABS. It's  
13 an extensive document.

14 Q. Well, can you just give us a little  
15 flavor?

16 A. Yes. The -- interestingly enough, if  
17 you were to review the guideline documents  
18 from the International Maritime Organization  
19 that provides guidelines for the selection for  
20 recognized organizations, you would find  
21 within it a complete outline of all those  
22 requirements that a flag administration should  
23 look for before fully recognizing the  
24 organization. Our agreements are based on  
25 that outline basically because we were part of



1 the developers of that guideline. The -- the  
2 specifics are extensive, but it covers a  
3 number of areas with respect to what the  
4 Classification Society is required to comply  
5 with. The -- the -- the qualifications of  
6 it's staff that it's going to be using for  
7 surveys, the training that is required to put  
8 these people through, the availability of  
9 survey information that is made available to  
10 the administration, the access that the  
11 administration has to data with respect to the  
12 survey and certification of the vessels  
13 through their electronic data bases. It  
14 covers issues of standard -- you know,  
15 contract elements. For example: Liability,  
16 indemnification, arbitration, jurisdictional  
17 law that would be applied, etcetera. In  
18 addition there are sections that are annexed  
19 to the agreement that specifically outlines  
20 the -- the authorizations that the  
21 organization has been granted, not only in  
22 textual form, but in tabular form. So, it's  
23 very easy to read and understand. There are  
24 also covered within that agreement the  
25 reporting requirements for the Classification



1 Society to the administration on all of it's  
2 activities, the actions that we expect the  
3 Classification Society to take and a number of  
4 different circumstances wherein they may be  
5 having difficulties with a particular ship in  
6 it's classification, whether a ship has been  
7 detained by a Port State Control authority and  
8 it's need to participate in rectifying  
9 whatever the deficiencies were that caused the  
10 vessel to be detained. Let's see how many  
11 more things can I bring to the floor here?

12 Q. Well, let me help you here. Perhaps  
13 this will help: Can you tell us is there any  
14 specific item or responsibility that Marshall  
15 Islands has elected not to delegate to one of  
16 their class societies to perform on their  
17 behalf and, if so, what is it?

18 A. The only issues that we pay particular  
19 attention to is if a vessel owner is  
20 approaching the Classification Society seeking  
21 to be relieved from the requirements of any  
22 particular element of one of the international  
23 conventions. Those conventions do allow for  
24 exemptions to be issued under specific  
25 circumstances and procedures that the



1 International Maritime Organization looks for  
2 the flag administration to maintain. We will  
3 not allow a Classification Society to issue  
4 any exemptions without first bringing those  
5 issues to us first so that we can assess them  
6 and make sure that, if the exemption is going  
7 to be granted, that it's appropriate and  
8 acceptable.

9 Q. Could you give us an example? What  
10 would be a typical exemption that might come  
11 to your level and could you explain to us how  
12 you dealt with that?

13 A. Well, there are a number of units  
14 that, for example, tend to operate in low  
15 latitudes. In those low latitudes between 32  
16 north and 32 south the need for maintaining an  
17 onboard sets of immersion suits for example  
18 are not required under the SOLAS Convention,  
19 but if that vessel is not going to be carrying  
20 those immersion suits it needs to have posted  
21 onboard and attached to it's safety equipment  
22 certificate an exemption from the  
23 administration and that exemption is approved  
24 to be issued by the Classification Society.  
25 That's one example.



1 Q. Okay. Are you aware of any exemptions  
2 that you issued to the DEEPWATER HORIZON?

3 A. Yes, this very same exemption.

4 Q. Are you aware of any others?

5 A. No.

6 Q. Now, you indicated that Class Society  
7 performs a whole host of functions on behalf  
8 of the flag state, Marshall Islands.  
9 Obviously you need to have some form of  
10 accountability to ensure that those  
11 requirements are being performed and performed  
12 to the satisfaction of the flag state. Could  
13 you briefly describe for us what type of  
14 processes or audit programs that you have in  
15 place to ensure that those requirements are  
16 being fulfilled and how do you verify those  
17 and who in particular in your company performs  
18 that function?

19 A. Yes. Through our agreement with the  
20 recognized organization we have made perfectly  
21 clear that we retain the right to come into  
22 any Classification Society and perform and  
23 audit, a vertical audit. And we do indeed  
24 conduct those vertical audits with our own  
25 personnel, qualified personnel, within the



1 Classification Society. In addition, when we  
2 do our annual safety inspections, we also use  
3 those opportunities, those inspection  
4 opportunities, to basically oversight how  
5 things appear to be going onboard the vessel  
6 with respect to the Classification Society  
7 duties.

8 Q. Now, you indicated that if -- if I  
9 recall correctly and I may have missed this,  
10 that currently there's 22 vessels under  
11 registry of the Marshall Islands.

12 A. 2200.

13 Q. Oh, I'm sorry. 2200, my mistake. I'm  
14 sorry. How many of those -- in any given year  
15 how many audits would you perform to verify  
16 these type of functions?

17 A. Audits?

18 Q. Uh-huh (affirmative reply).

19 A. Well, they're only to Class Societies.  
20 We wouldn't conduct audits on 2200 vessels.  
21 If we're referring to auditing the functions  
22 of the Classification Societies, we would on a  
23 rotational basis maybe do one or two  
24 Classification Societies a year.

25 Q. Do you perform any type of review of



1 the documentations provided on any one  
2 specific vessel within the Marshall Islands'  
3 registry and, if you do, how often do you do  
4 that?

5 A. Yes. Those documents are reviewed  
6 during our annual safety inspections.

7 Q. And how many of those are reviewed?

8 A. How many of those are reviewed? We  
9 have under our quality management system a  
10 requirement to make sure that there at any one  
11 time no more than 5 percent of the fleet over  
12 doing their inspections.

13 Q. And how large is your quality control  
14 staff?

15 A. Quality control staff right now  
16 involves everyone in the organization under  
17 our certified quality management system. We  
18 have over 120 personnel based ashore and we  
19 have approximately 250 nautical inspectors  
20 stationed in major ports around the world to  
21 cover the nautical inspections.

22 Q. Could you outline basically for us  
23 what those -- you indicated that you have to  
24 have certain qualifications, what those  
25 qualifications of those inspectors would be?



1           A. The qualifications are outlined in the  
2   IMO standards that have been provided in 73918  
3   and 78919. They all have to be put through  
4   training programs by the Classification  
5   Society for the various functions that the  
6   class assigns them to do. But, in addition to  
7   that, there are professional qualifications  
8   that are also taken into consideration. These  
9   individuals are either masters or chief  
10   engineers or marine architects or persons,  
11   engineers, that have been trained in  
12   engineering institutions and then, in addition  
13   to that, have certain amount of sea duty.  
14   There's at least about three -- three years of  
15   sea duty required to go along with these  
16   people that are involved in the survey work.  
17   There are certain individuals that have  
18   probably been in the industry for a very long  
19   standing time and have a lot of experience and  
20   they are capable of demonstrating their  
21   abilities to the Classification Societies.  
22   Those individuals are the ones that the flag  
23   administration expects the Classification  
24   Society to qualify for the functions that they  
25   -- the survey functions that they perform.



1 CAPT. NGUYEN:

2 MMS please?

3 E X A M I N A T I O N

4 BY MR. MATHEWS:

5 Q. In the beginning of your testimony you  
6 went through an extensive list of past jobs  
7 you've had in the mariner industry. Have you  
8 ever had any experience within the drilling  
9 industry?

10 A. No. I've never been onboard a  
11 drilling unit.

12 Q. Can you specifically tell me how a  
13 flag state qualifies a vessel to have the  
14 ability to drill a well?

15 A. It utilizes the services of the  
16 Classification Society who does indeed have  
17 those individuals who have the qualities to  
18 certify whether the drilling unit is  
19 acceptable for this function under the MODU  
20 code.

21 Q. So, specifically the flag state plays  
22 no role in reviewing the drilling operation?

23 A. No, it does not. We have nothing to  
24 do with the drilling operation.

25 Q. I think I heard you say 2200 vessels



1 are flagged by the Marshall Islands?

2 A. Yes, sir.

3 Q. How many of those are MODUs?

4 A. There are approximately 117.

5 Q. And how many of those are flagged by  
6 Transocean?

7 A. All total throughout our fleet located  
8 in a number of different areas in the world, I  
9 think there are about 35.

10 Q. What other drilling contractors that  
11 you flag?

12 A. We flag Diamond Offshore, of course,  
13 Transocean, Rowan, Petronas, let's see who  
14 else? My memory's not serving me very  
15 correctly, but there's maybe one or two more.

16 Q. Is there an advantage for the drilling  
17 contractor to have a flag from you or is it  
18 much difficulty to get a flag from another  
19 nation or somewhere, say the U.S. or --

20 A. The advantage of having their rigs  
21 classed -- I mean registered in the Marshall  
22 Islands is the quality standard that it has,  
23 the quality standard that's recognized in the  
24 industry and the -- the approach that  
25 authorities have towards that equipment that's



1 registered in the Marshall Islands.

2 Q. And, during your testimony to keep on  
3 the quality standard, you referenced about ten  
4 things that you review to determine this  
5 quality standard to award them a flag from the  
6 Marshall Islands. At any point do you review  
7 anything to deal with drilling operations?

8 A. No.

9 Q. You had mentioned in December of 2004  
10 that you had awarded the flag to the DEEPWATER  
11 HORIZON, correct?

12 A. That's correct.

13 Q. Do you know when the DEEPWATER HORIZON  
14 entered the Gulf of Mexico?

15 A. No, I do not. I haven't any idea.  
16 Quite honestly most of the vessels that are  
17 entered in the registry are quite mobile.  
18 Those units could be just about anywhere when  
19 they are registered.

20 Q. Well, in your review did you do any  
21 type of assessment on who they were flagged by  
22 before?

23 A. Yes.

24 Q. And do you know who that was?

25 A. Yes.



1 Q. Can you please tell me who that was?

2 A. Panama.

3 Q. Since the date of the incident, have  
4 you had any communication and, by  
5 communication I mean e-mail, phone calls,  
6 verbal conversation in the hallway, with  
7 anybody from Transocean?

8 A. We have routine communication wit  
9 Transocean because of the number of rigs that  
10 they have under the flag. We make sure that  
11 the annual safety inspections are being  
12 performed, we address any technical issues  
13 that they may raise to our technical group on  
14 certain issues that they might be having with  
15 a particular rig. It's routine client and  
16 administration communication.

17 Q. Was there any communication  
18 specifically about the DEEPWATER HORIZON and  
19 the incident that occurred on April 20th?

20 A. Absolutely. We were immediately  
21 notified that the incident had occurred.

22 Q. What did that communication entail?  
23 Was there any description of what occurred on  
24 the vessel?

25 A. Basic catastrophic event was



1 described, but, with respect to going any  
2 further than that, that was not possible  
3 without continuing with an investigation to  
4 determine what indeed was the result of the  
5 incident.

6 Q. Have you been contacted by Transocean  
7 for any type of investigation that they're  
8 doing internally?

9 A. They do their own internal  
10 investigation. We would expect them to under  
11 our regulatory requirements so far as safety  
12 investigations are concerned. Our regulations  
13 require that they do their own investigations.  
14 This is a part of the -- as you will, for  
15 example the ISM code and certain of the other  
16 international conventions. And it's also  
17 required in our regulations that they  
18 cooperate with any investigation that we would  
19 conduct.

20 Q. I'm sorry, but I missed the answer.  
21 Have you been contacted by Transocean since  
22 April 20th about an investigation that they're  
23 performing?

24 A. Me personally, no.

25 Q. If not you personally, how about



1 Marshall Islands?

2 A. Marshall Islands probably has been,  
3 yes.

4 Q. And what specifically in this  
5 technical issue was discussed if there's any  
6 materials available? You told us that you  
7 have day to day communications with them about  
8 safety issues and technical issues. I'm sure  
9 somewhere along the line in this communication  
10 with you and Transocean there was some  
11 communication about technical issues on the  
12 rig that resulted in the catastrophic event?

13 A. Not necessarily, no.

14 Q. So, what --

15 A. If there had been, there may have been  
16 a way to prevent the situation from having  
17 occurred.

18 Q. If not you, who would they be in  
19 contact within the Marshall Islands concerning  
20 the investigation?

21 A. They would have been in contact with  
22 -- I believe they're required to report such  
23 incidents to the MMS and they would also  
24 report it to the Coast Guard.

25 Q. No, the question I'm asking is: Who in



1 Transocean -- from Transocean conducted an  
2 internal investigation, who would they contact  
3 in your outfit to assess information, discuss  
4 the incident and contact you about additional  
5 technical support they may need on that  
6 vessel?

7 A. I don't quite understand that  
8 question. The incident has occurred,  
9 Transocean has notified the administration  
10 that the incident has occurred and that an  
11 investigation is ensuing. So far as any  
12 technical issues are concerned, Transocean  
13 would not have approached the flag  
14 administration with that. The flag  
15 administration has no information as to what  
16 happened or what would have occurred until, as  
17 you would say, this investigation has been  
18 completed. Now, they can also refer to the  
19 Classification Society, who has emergency  
20 contingency services available to it's ship  
21 owner/operators depending upon what the  
22 incident is. They provide assistance on a  
23 technical basis with regards to calculating  
24 the status of damaged ability, etceteras or  
25 whatever else might be needed.



1 Q. The reason I'm asking is earlier you  
2 told me that somebody in Marshall Islands was  
3 contacted by Transocean about their internal  
4 investigation --

5 A. No.

6 Q. -- that's ongoing. You did not say  
7 that?

8 A. The administration was contacted and  
9 advised that the incident occurred. Not what  
10 Transocean was doing with respect to it's own  
11 internal investigation.

12 EXAMINATION

13 BY MR. DYKES:

14 Q. Do your flag state requirements  
15 require Transocean to make an investigation  
16 report to the flag state?

17 A. Yes.

18 Q. They do. Is there a time frame on  
19 that report?

20 A. The time frame is -- is relatively  
21 short. We need to have an initial incident  
22 report filed with us so that we at least know  
23 that the incident had occurred. That report  
24 then is what would basically start a more  
25 thorough investigation on the part of not only



1 the ship owner/operator, but also if necessary  
2 the administration depending upon the extent  
3 of the incident. This is all in accordance to  
4 the International Code For Investigations  
5 established by the International Maritime  
6 Organization.

7 Q. And I guess what are those  
8 requirements? Do you require Transocean to  
9 provide you an investigation report? Not an  
10 incident report, but an investigation report  
11 of findings to the flag state?

12 A. Eventually.

13 Q. Is there a time frame?

14 A. It depends on the incident. Some of  
15 these incidents, this one in particular, is  
16 going to take quite some time before a final  
17 report can be issued.

18 EXAMINATION

19 BY MR. McCARROLL:

20 Q. Sir, could you clarify for me the  
21 organizational structure of the Marshall  
22 Islands flag state? I mean the number of  
23 employees, the location and so on and so  
24 forth?

25 A. Yes. The maritime administrator --



1 the Office of the Maritime Administrator, the  
2 appointed maritime administrator, is located  
3 in the Marshall Islands in Majuro. The  
4 Maritime Act requires that the maritime  
5 administrator establish a central office for  
6 the administration in the United States. That  
7 central office is located in Reston, Virginia  
8 outside of Washington, D.C. Within that  
9 central office is conducted at the  
10 headquarters level a number of regional  
11 offices located in different parts of the  
12 world. Our principal regional offices are in  
13 New York City, London, Piraeus, Hong Kong with  
14 subsidiary offices in Singapore, Tokyo,  
15 Tangier. I had mentioned Singapore already,  
16 yeah. Mumbai, Dubai, Hamburg, Roosendaal in  
17 the Netherlands, Geneva. My goodness, I'm  
18 trying to remember them all. All of these  
19 offices are tied together through the  
20 headquarters located in Reston, Virginia. All  
21 total throughout that structure is, as I had  
22 mentioned earlier, more than 120 personnel.

23 Q. Thank you.

24 E X A M I N A T I O N

25 BY MR. DYKES:



1 Q. Backing up a little bit, you stated  
2 earlier that the flag state doesn't outline  
3 requirements for the drilling unit portion of  
4 the MODU; is that correct?

5 A. That is correct.

6 Q. Who sets that standard?

7 A. That standard is allowed to be set by  
8 the coastal state.

9 Q. Well, how do you know if it's fit for  
10 service if you're going to flag the vessel?  
11 How do you know it's fit for service?

12 A. The operator of the rig would not be  
13 given permission to continue any operations in  
14 the coastal state -- in the jurisdictional  
15 waters of a coastal state unless it had  
16 received authorization through the procedures  
17 that are set up by the coastal state authority  
18 for that operation.

19 Q. So, that would be MMS and the Coast  
20 Guard --

21 A. Yes.

22 Q. -- in your opinion? So, do you  
23 receive some type of certificate from MMS or  
24 the Coast Guard that says "This unit is  
25 allowed to work in the Gulf of Mexico"?



1           A. We receive nothing from MMS. The U.S.  
2 Coast Guard issues a letter of compliance to  
3 the operator and the rig, with regards to it's  
4 requirements for operating on the offshore  
5 continental shelf.

6           Q. But that's strictly from a vessel  
7 standpoint, correct?

8           A. That's correct.

9           Q. So, wouldn't it seem strange that if  
10 your flagging a vessel and you're going to  
11 rely on a coastal state standard to set that  
12 standard and to check it that you wouldn't  
13 want some verification similar to what you get  
14 from the Coast Guard on the vessel that you  
15 would want something similar to that on the  
16 drilling unit?

17          A. Our concerns are limited to the MODU  
18 code and that unit's compliance with the MODU  
19 code and MODU regulations that we've  
20 established.

21           MR. DYKES:

22           Okay. I have no other questions.

23           E X A M I N A T I O N

24           BY CAPT. NGUYEN:

25           Q. Captain, I have few questions for you.



1 Now, the QUALSHIP 21 that you brought up and  
2 also be on the white list for Tokyo and Paris  
3 MOUs, how does that relate to the DEEPWATER  
4 HORIZON?

5 A. The DEEPWATER HORIZON would be a part  
6 of that recognition under the Marshall Islands  
7 flag.

8 Q. But if this MODU is not a vessel  
9 that's coming in and out of port so it's  
10 record is pretty limited, isn't it, for  
11 enforcement and control?

12 A. Pretty much so except that it is  
13 subject to inspection at any time by the  
14 Coastal State Authority.

15 Q. Right.

16 A. And admittedly the calculation that is  
17 made for determining qualifications for this  
18 initiative is based on a number of specific  
19 ship arrivals. Now, on an annual basis the  
20 mere existence of the rig on the continental  
21 shelf is a specific arrival and it would be  
22 counted in the total population of Marshall  
23 Islands' flagged vessels that are in the  
24 United States. The intricacies of how the  
25 U.S. Coast Guard completes that calculation is



1 not completely understood by us, but what is  
2 important to us is that whatever calculation  
3 method that they're using is resulting in the  
4 flag administration being recognized for  
5 QUALSHIP 21 status.

6 Q. Right. But a linkage between a  
7 particular vessel to the designation of a flag  
8 state would be a lot less with a MODU on the  
9 OCS versus a freighter going in and out of the  
10 Port of New York on a more frequent basis; is  
11 that correct?

12 A. That -- that is correct. Now, it  
13 doesn't make any difference how many times  
14 that a vessel has called in U.S. ports during  
15 a calendar year. That vessel is only counted  
16 once. In other words: If it's coming to port  
17 ten times during the year it's only counted  
18 once. So, you're looking at on average at the  
19 current level of fleet operation about a 550  
20 or 560 specific ship calls that are occurring  
21 right now each calendar year. Now, there are  
22 requirements placed upon the flag  
23 administration in order to qualify under that  
24 system as well. A flag administration must  
25 submit to the International Maritime



1 Organization and the U.S. Coast Guard a flag  
2 state self-assessment, which has been  
3 established -- the procedures for which have  
4 been established by the International Maritime  
5 Organization. That must be submitted to the  
6 U.S. Coast Guard, as well.

7 Q. I understand. Now, in terms of a  
8 safety net, we're looking at the coastal  
9 state, the flag state, the operator and the  
10 owner; do you agree with that, sir, for a  
11 safety net?

12 A. Yes.

13 Q. Okay. Now, for a MODU -- for a MODU  
14 you indicated that the drilling operation and  
15 the associated equipment with that is the flag  
16 state rely on the coastal state; is that  
17 correct?

18 A. The coastal state has sovereign rights  
19 to control that element of the operation is  
20 recognized by the flag administration.

21 Q. They have sovereign rights, but in  
22 terms of the flag state engagement in  
23 overseeing the drilling operation, so there's  
24 a gap there in terms of whether it's going all  
25 the way across in terms of the flag state



1 responsibility?

2 A. We do not address the drilling  
3 operations.

4 Q. I understand. Now, we talked about  
5 ISM, which is the International Code for  
6 Safety Management; is that correct?

7 A. Right.

8 Q. Now, under the code there is the  
9 mechanism to make sure that the company meets  
10 the code. So, Transocean would have a  
11 certificate I believe under the Safety  
12 Management --

13 A. Transocean itself is the recognized  
14 company responsible for the maintenance and  
15 operation of that vessel and in compliance  
16 with all of the regulatory requirements would  
17 receive a Document of Compliance from one of  
18 our recognized organizations.

19 Q. Yes, sir. So, a vessel like the  
20 DEEPWATER HORIZON would have what on the  
21 vessel?

22 A. In addition to the company Document of  
23 Compliance, the individual unit itself would  
24 be audited and issued a Safety Management  
25 Certificate.



1 Q. Yes, sir. To your knowledge, did ABS  
2 issue both the DOC and the SMC to the  
3 Transocean and also to the DEEPWATER HORIZON?

4 A. No, sir.

5 Q. Who did and which one?

6 A. Det Norske Veritas.

7 Q. So, ABS issued a DOC to Transocean and  
8 DNV issued a SMC -- I'm sorry for the acronym  
9 here, but DNV issued a ship management -- a  
10 Safety Management Certificate to the DEEPWATER  
11 HORIZON; is that correct?

12 A. And a Document of Compliance to  
13 Transocean.

14 Q. Yes, sir. Now, did ABS perform the  
15 certification only or did they also perform  
16 consulting service to Transocean in terms of  
17 compliance to ISM code?

18 A. I can't answer that question. What I  
19 can respond to is that it is not necessarily  
20 authorized for a recognized organization to  
21 provide consulting services to an entity that  
22 it is in turn then subsequently certifying for  
23 the ISM or the ISPS code in particular.

24 Q. Is that an IMO policy?

25 A. Yes, it's definitely prohibited



1 specifically under the ISPS code. Any  
2 organization that's been involved in providing  
3 consultative services and/or the development  
4 of plans then in turn can not be the auditing  
5 and certifying body.

6 Q. Since the recognized organization  
7 performed the survey functions on the behalf  
8 of the flag state, can you explain how that  
9 transaction took place, that service conducted  
10 and how does the transaction take place? Does  
11 the flag state order the RO to perform the  
12 duty or is it the operator requesting the RO  
13 -- how's that work? I don't understand.

14 A. Once the certification relationship  
15 has been established with the ship  
16 owner/operator for a particular ship there's  
17 set schedules which must be met with respect  
18 to the performance of surveys and the issuance  
19 of certification against those surveys. The  
20 contention in the administration does not  
21 allow any certificate to be issued for more  
22 than five years duration. During that period  
23 of time there must be annual surveys  
24 conducted, intermediate surveys conducted and  
25 renewal surveys conducted. And that is on a



1        preset schedule. Within the conventions  
2        themselves there are windows that are  
3        established within which those surveys must be  
4        performed. For example: Annual surveys must  
5        be performed within a six month window, which  
6        consists of three months either before or  
7        three months after the anniversary date of the  
8        issue of the initial certification. The  
9        intermediate surveys must be conducted between  
10       the second and third years of the  
11       certification and your renewal certification  
12       must be conducted before the certificates  
13       expire.

14       Q. Yes, sir. So, for example -- with  
15       DEEPWATER HORIZON for example, is it classed?

16       A. Yes, it is.

17       Q. Okay. So, there are class surveys  
18       done to keep the vessel in class; is that  
19       correct?

20       A. That is correct.

21       Q. Alright.

22       A. The vessel -- the maritime statute --  
23       the Maritime Administration Statute  
24       specifically require that the vessel must be  
25       seaworthy and demonstration of that



1 seaworthiness is that the vessel is classed.

2 It must maintain class in order to stay in the  
3 registry.

4 Q. Are the activities performed by the  
5 recognized organization -- the survey for  
6 class and the activities conducting under the  
7 RO head are those the same for the DEEPWATER  
8 HORIZON and also for the Marshall Islands?

9 A. Yes.

10 Q. So --

11 A. I think I understood that question.

12 Q. Well, there -- the inspection activity  
13 for class and then the government would do  
14 separate inspections just like the Coast  
15 Guard?

16 A. Well, we do annual safety inspections,  
17 which are not to the same extent that  
18 classification surveys and certification are  
19 conducted.

20 Q. And those --

21 MR. LINSIN:

22 I'm sorry to interrupt, Captain.

23 With respect to the specific  
24 inspection and certification records  
25 for the DEEPWATER HORIZON, it was our



1 intention to have our next witness

2 discuss those expressly.

3 CAPT. NGUYEN:

4 I understand. This is just

5 procedural here.

6 MR. LINSIN:

7 Alright. Thank you, sir.

8 CAPT. NGUYEN:

9 I was just using that as an

10 example.

11 BY CAPT. NGUYEN:

12 Q. Now, are the class surveys at the

13 request of the operator?

14 A. Well, the class surveys are -- if you

15 would like to say that they are at the request

16 of the operator, yes, but quite honestly under

17 the conventions the requirements are specific

18 as to when those surveys have to be performed.

19 And what will take place between the operator

20 and the Classification Society is a

21 coordination of when, within those specified

22 periods, that the surveys can be conducted.

23 Q. Yes, Captain. I understand.

24 A. Both --

25 Q. When they come up the request is



1 initiated by the operator, right?

2 A. The operator can request, for example,  
3 the survey to be conducted three months before  
4 it's required survey date or three months --  
5 or as far forward as three months after. As  
6 long as it's conducted within that period --  
7 for annual surveys I'm referring to here and  
8 specifically. And when the ship  
9 owner/operator finds it most expedient to make  
10 the vessel available to the Classification  
11 Society then it would request the  
12 Classification Society to coordinate it's  
13 efforts with it's own to make the survey.

14 Q. Yes, sir. So, who paid for the RO  
15 service?

16 A. That is the shipowner here.

17 Q. And does that present a conflict of  
18 interest when they're performing duties as a  
19 RO?

20 A. In some person's minds it might, but  
21 it's been a long standing facility that's been  
22 in place for years. There are no financial  
23 transactions that take place between the flag  
24 administration and the Classification  
25 Societies.



1 Q. I understand.

2 CAPT. NGUYEN:

3 Any other questions for him?

4 MR. McCARROLL:

5 I have one follow up question.

6 E X A M I N A T I O N

7 BY MR. McCARROLL:

8 Q. Just for clarification: When you  
9 certify a vessel on your flag state it's the  
10 coastal state, the ABS and the DNV in this  
11 particular instance? Is that a good summary  
12 or am I missing something?

13 A. For this particular unit you're  
14 referring to?

15 Q. Yes.

16 A. In this particular case there would  
17 have been the flag administration, ABS and DNV  
18 with respect to the registration of the unit.  
19 We would be looking to ABS to provide us all  
20 of the statutory survey and certification work  
21 that it had done or had been doing onboard the  
22 vessel to vet the suitability for registration  
23 and we would also looked to DNV for the ISM  
24 code work that they had been doing.

25 Q. And they'd look to the coastal state,



1 also?

2 A. The coastal state, no. The coastal  
3 state, with respect to the United States Coast  
4 Guard, what the United States Coast Guard is  
5 principally interested in is it's own  
6 requirements to be satisfied. I think it's  
7 vis-a-vis NVIC 3-88, where it outlines it's  
8 requirements for units operating on the  
9 offshore continental shelf. The U.S. Coast  
10 Guard has identified the Marshall Islands'  
11 regulations for MODUs as providing the  
12 appropriate equivalent coverage as the MODU  
13 code in so far as the units that have been  
14 constructed after 1981 that have MODU code  
15 certificates. They are also considered  
16 acceptable.

17 Q. So, who signs the MODU code  
18 certificate?

19 A. The MODU code certificate is signed by  
20 the Classification Society on behalf of the  
21 flag administration.

22 Q. Thank you.

23 E X A M I N A T I O N

24 BY MR. DYKES:

25 Q. So, let me make sure I understand



1 this: You're required to be a classed vessel,  
2 correct?

3 A. That's correct.

4 Q. Okay. So, Transocean turns around and  
5 they hire ABS to come out and do the class  
6 inspection?

7 A. That's correct. They're authorized to  
8 do that because we recognize ABS as a  
9 Classification Society to act in it's behalf.

10 Q. Okay. But who does ABS answer to? Do  
11 they answer to you or do they answer to  
12 Transocean?

13 A. They answer to both of us.

14 Q. Who pays them?

15 A. Transocean.

16 Q. Okay.

17 E X A M I N A T I O N

18 BY MR. WHEATLEY:

19 Q. Captain, I just have a couple of  
20 questions. Could you outline for us the basic  
21 requirements for obtaining a Marshall Islands  
22 license?

23 A. What kind of license?

24 Q. A master's license.

25 A. A master's license, okay. The



1 Marshall Islands is signatory to the STW  
2 Convention and it strictly applies the and  
3 enforces the STCW code. Under the provisions  
4 of that convention, the requirements for  
5 obtaining a license can be obtained in two  
6 different ways. If an individual would prefer  
7 to receive an original Marshall Islands  
8 license, it must then go through a complete  
9 examination and certification process. The  
10 individual will be put through a written  
11 examination, physical examination, etcetera.  
12 In conformity with all of the STW requirements  
13 and standards that have been applied there.  
14 If the candidate successfully completes that  
15 examination process and has otherwise complied  
16 with the other requirements that are also  
17 needed then he or she would be issued a  
18 Marshall Islands original certificate. If  
19 that individual already possess an original  
20 certificate issued to that individual by a  
21 contracting government which is also signatory  
22 to the STCW Convention and is listed in the  
23 International Maritime Organization's  
24 "Official white list" as a flag administration  
25 that is fully enforcing that convention then



1 we would recognize that individual's  
2 certification along with other requirements  
3 that are needed to be met for the issuance of  
4 an endorsement certificate. None of these  
5 certificates run for more than five years.  
6 If, for example, an individual came to us with  
7 a certificate for a master's license and the  
8 original license has already been under issue  
9 for two years, the endorsement certificate  
10 would be issued with the same expiration date  
11 as the original. When the original expires so  
12 too does the endorsement certificate and the  
13 renewal process has to be performed.

14 Q. Thank you.

15 E X A M I N A T I O N

16 BY CAPT. NGUYEN:

17 Q. Captain, just a couple of questions on  
18 enforcement.

19 A. Yes, sir.

20 Q. Now, if you have -- if we have  
21 inspection discrepancies found on a vessel, on  
22 a MODU, how do those discrepancies get  
23 corrected and enforced?

24 A. The discrepancies, if and when noted,  
25 are set down as a requirement for the operator



1 to rectify and then a follow up survey or  
2 inspection is performed to make sure that the  
3 rectification has actually taken place.

4 Q. And if they don't?

5 A. Well, then they've got a problem. And  
6 we would then take the owner/operator to task  
7 to make sure that whatever the deficiency was  
8 that we originally sited has been corrected.

9 In certain instances -- I'm speaking generally  
10 now, if the situation is such that we feel  
11 that the vessel can no longer be allowed to  
12 trade, then we would pull it's registry  
13 certification and statutory certificates and  
14 detain the ship under a flag state detention.

15 Q. So, pulling the certificate is only  
16 enforcement action?

17 A. For that moment. The continued  
18 enforcement action would obviously require the  
19 ship owner or operator to rectify whatever the  
20 deficiencies were before we would reinstate  
21 any of it's certification and allowed it to  
22 continue to trade. That in itself is a  
23 considerable economic blow to any operator.

24 Q. Does Marshall Island have any civil or  
25 criminal penalty that it can enforce on it's



1 own flag vessel?

2 A. Yes, it does.

3 Q. Okay. Has there been a case where  
4 Marshall Island has taken criminal action  
5 against one of its flag vessels that you're  
6 aware of?

7 A. Criminal action, no. Criminal action  
8 -- when one addresses criminal actions you're  
9 really talking about something very serious  
10 and that is -- has never been a situation that  
11 has been reached to that level under the  
12 Marshall Islands' flag. With respect to  
13 compliance with Marshall Islands' rules and  
14 regulations and statutes, yes, there have been  
15 situations wherein the administration has  
16 imposed financial penalties and indeed  
17 actually have removed the vessel or vessels  
18 from the registry. There have been situations  
19 wherein the administration has had problems in  
20 getting a ship owner/operator to bring its  
21 ship or its fleet up to industry standards  
22 and we have removed the entire fleet of that  
23 operator from the registry.

24 Q. Removing from -- I understand, but  
25 what about civil penalties. You said



1 financial, does that include civil penalties?

2 A. Yes, we have imposed financial  
3 penalties, yes.

4 Q. Yes, sir.

5 EXAMINATION

6 BY MR. DYKES:

7 Q. We heard earlier today from -- I think  
8 it was Commander Odom regarding the  
9 equivalency of the Marshall Islands' flag  
10 state requirements Panama, the U.S. Coast  
11 Guard and I believe it was the MODU code.  
12 It's my understanding that the HORIZON was  
13 commissioned in 2000, 2001 as a Panamanian  
14 vessel and then in 2004 they chose to be  
15 flagged as a Marshall Island vessel. Do you  
16 know why they made that switch or what was the  
17 benefit of coming over from Panama to the  
18 Marshall Islands if the codes of the two flag  
19 states are very similar?

20 A. Whatever corporate decision they made  
21 we're not privy to it.

22 Q. Okay.

23 CAPT. NGUYEN:

24 At this time I open it up for the  
25 Parties In Interest. I believe



1 Anadarko is next.  
2 COUNSEL REPRESENTING ANADARKO  
3 PETROLEUM CORPORATION:  
4 No questions.  
5 CAPT. NGUYEN:  
6 Weatherford?  
7 COUNSEL REPRESENTING WEATHERFORD,  
8 INC.:  
9 No questions.  
10 CAPT. NGUYEN:  
11 BP?  
12 MR. GODFREY:  
13 Thank you, Captain. No questions.  
14 CAPT. NGUYEN:  
15 Thank you, sir. Transocean?  
16 MR. KOHNKE:  
17 No questions.  
18 CAPT. NGUYEN:  
19 Cameron?  
20 COUNSEL REPRESENTING CAMERON INC.  
21 No questions.  
22 CAPT. NGUYEN:  
23 Dril-Quip?  
24 COUNSEL REPRESENTING DRIL-QUIP, INC.:  
25 No questions.



1 CAPT. NGUYEN:

2 MOEX?

3 COUNSEL REPRESENTING MOEX USA:

4 (No response.)

5 CAPT. NGUYEN:

6 Halliburton?

7 COUNSEL REPRESENTING HALLIBURTON:

8 No questions.

9 CAPT. NGUYEN:

10 M-I SWACO?

11 MR. EASON:

12 No questions.

13 CAPT. NGUYEN:

14 Captain, thank you very much for

15 your --

16 MR. LINSIN:

17 Captain, may I ask just a couple

18 of follow up questions please?

19 CAPT. NGUYEN:

20 Yes, sir.

21 E X A M I N A T I O N

22 BY MR. LINSIN:

23 Q. Captain, just a couple of very quick

24 follow up questions please. You were asked

25 some questions regarding whether or not the



1 Marshall Islands' Maritime Administration  
2 reviews the drilling operations for MODUs, do  
3 you recall those, sir?

4 A. Yes.

5 Q. And I wanted to ask you whether or not  
6 that decision on the party administration is  
7 derived from an expressed component of the IMO  
8 MODU code, which reads that "The code does not  
9 include any requirements for drilling of sub-  
10 sea wells or the procedures for their  
11 controls. Such drilling operations are  
12 subject to control by the coastal state."

13 A. That is correct. In addition the code  
14 also recognizes, as I pointed out, the  
15 sovereign right to the coastal state to impose  
16 it's own rules and regulations in that regard.

17 Q. And so that is a standard not just  
18 that the Marshall Islands has decided upon,  
19 but that applies to MODUs worldwide; is that  
20 correct?

21 A. That is correct.

22 Q. You were also asked some questions  
23 about a casualty investigation and whether or  
24 not Transocean was conducting an internal  
25 investigation of it's own.



1           A. That's correct.

2           Q. Under the Marshall Islands Maritime  
3 Act, is the maritime administrator required to  
4 conduct it's own casualty investigation of  
5 this incident?

6           A. Yes, it is. Under the code of  
7 investigations established by the  
8 International Maritime Organization, which is,  
9 A, part of the SOLAS. We are required to do  
10 an investigation.

11          Q. And in fact, sir, is the Marshall  
12 Islands' participation as a substantially  
13 interested state in this -- the procedures of  
14 this Board of Investigation in furtherance of  
15 that obligation to conduct your own casualty  
16 investigation?

17          A. Yes, it is. We would find it  
18 extremely difficult to try to preempt the  
19 activities of the United States Coast Guard  
20 and MMS in conducting their investigation.  
21 Instead we would prefer to cooperate and join  
22 in with that investigation.

23          Q. Last question, sir: You were also  
24 asked some questions about whether or not the  
25 QUALSHIP 21 certification and the listing on



1 the white list for the Tokyo and Paris MOUs  
2 had any direct bearing on the registration of  
3 MODUs. And my question is this, sir: The  
4 certification for QUALSHIP 21 and the listing  
5 on those MOUs is a designation for the flag  
6 administration itself; is that correct?

7 A. That is correct.

8 Q. Alright. So, that recognition of  
9 quality applies generally to the flag  
10 administration of the Marshall Islands and  
11 reflects indirectly on it's administration of  
12 all of the vessels within it's registry; is  
13 that correct?

14 A. That is correct.

15 Q. Alright. Nothing further.

16 E X A M I N A T I O N

17 BY CAPT. NGUYEN:

18 Q. One follow up question from me: The  
19 point made is that the vessel was designed to  
20 the MODU code. Now, when -- so, the drilling  
21 system and the production system is not part  
22 of the MODU code; is that correct?

23 A. Correct.

24 Q. Does that mean that the flag  
25 administration has no responsibility for the



1 drilling system and the production system and  
2 the drilling operation of it's vessel?

3 A. That is correct.

4 Q. Yes, sir. Thank you.

5 A. Thank you.

6 CAPT NGUYEN:

7 Captain, thank you for your  
8 testimony. Are there any questions  
9 that we didn't ask or any information  
10 that you would like to share?

11 THE WITNESS:

12 Well, I thank you for allowing me  
13 to testify. I'm concerned to make  
14 sure that it is understood what the  
15 quality of the registry and it's  
16 performance is and it's functions.  
17 One item that has not been brought to  
18 the floor is that this entire  
19 organization, both management and  
20 operationally, is fully documented and  
21 certified under the ISO 90012008  
22 regime by both United States and the  
23 United Kingdom. Thank you, sir.

24 CAPT NGUYEN:

25 Captain, thank you for your



1 testimony. You are dismissed.

2 THE WITNESS:

3 Thank you.

4 CAPT. NGUYEN:

5 We'll take ten minutes.

6 (Whereupon, a ten minute break was taken off  
7 the record.)

8 CAPT. NGUYEN:

9 The board will call on Mr. Brian

10 Bubar with Marshall Islands.

11 \* \* \* \* \*

12 BRIAN BUBAR,

13 after being first duly sworn in the cause,

14 testified as follows:

15 E X A M I N A T I O N

16 BY MR. LINSIN:

17 Q. Mr. Bubar, would you please state your  
18 name and spell your last name for the record?

19 A. Brian Bubar, B-U-B-A-R.

20 Q. Mr. Bubar, what is your current  
21 position with the Office of Maritime  
22 Administrator for the Marshall Islands?

23 A. I'm the deputy commissioner for  
24 maritime affairs.

25 Q. And how long have you been with the



1 administration?

2 A. About five years.

3 Q. Would you summarize, sir, your  
4 educational background?

5 A. I graduated from Maine Maritime  
6 Academy in 1984 with a Bachelor of Science  
7 Degree in Marine Engineering. And then I  
8 graduated from Clarkson University in 1994  
9 with a master's degree in electrical  
10 engineering.

11 Q. After receiving your B.S. in Marine  
12 Engineering, did you enter the Coast Guard,  
13 sir?

14 A. A few months afterwards. Yes, sir.

15 Q. And would you summarize your career in  
16 the Coast Guard?

17 A. I spent 21 years in the Coast Guard  
18 all within the marine safety field.

19 Q. And would you identify some of the  
20 responsibilities you had while in the Coast  
21 Guard in that field?

22 A. I was a marine inspector, a marine  
23 investigator. I did a couple tours of  
24 pollution response and a few tours of  
25 technical plan review.



1 Q. Alright. And did you -- during your  
2 career with the Coast Guard did you have any  
3 responsibility for design or inspection of  
4 MODUs?

5 A. When stationed at the Marine Safety  
6 Center I reviewed plans and designs for  
7 offshore installations.

8 Q. And what are your current duties as a  
9 deputy commissioner with the Office of  
10 Maritime Administration?

11 A. I'm responsible for statutory  
12 certification and -- excuse me, statutory  
13 certification of offshore vessels,  
14 particularly with respect to mobile offshore  
15 drilling units.

16 Q. In preparation for your testimony here  
17 today, sir, have you had an opportunity to  
18 review the registration records maintained by  
19 the Marshall Islands for the DEEPWATER  
20 HORIZON?

21 A. I have.

22 Q. Alright. What year was that unit  
23 built, sir?

24 A. The unit was built -- the keel laying  
25 date was 2000, March of 2000.



1 Q. Alright. And when was it delivered?

2 A. I believe the spring of 2001.

3 Q. And when did the DEEPWATER HORIZON  
4 enter into the Marshall Islands' registry?

5 A. December of 2004.

6 Q. And has it been maintained within the  
7 Maritime Administration since that time?

8 A. Yes, it has.

9 Q. So, that's around five and a half  
10 years; is that accurate?

11 A. Yes, sir.

12 Q. And during each of those years has a  
13 safety inspection, an annual safety  
14 inspection, been conducted for that unit  
15 pursuant to the requirements of the  
16 administration?

17 A. Yes, it has. All vessels are subject  
18 to annual safety inspections.

19 Q. And have you reviewed each of those,  
20 the reports of those annual safety  
21 inspections, sir?

22 A. I have.

23 Q. And did any of those annual safety  
24 inspections identify at any point over those  
25 past five and a half years any deficiencies



1 aboard the DEEPWATER HORIZON?

2 A. The first safety inspection had a  
3 discrepancy noted for an outdated publication.

4 And the most recent inspection done in  
5 December of 2009 had a unacceptable  
6 accumulation of oil noted in the bilges of the  
7 -- below the crane engines and then the bilges  
8 of the number-3 and number-4 thrusters.

9 Q. And was that noted in the annual  
10 safety inspection report?

11 A. Yes, it was.

12 Q. Now, was that specific condition  
13 regarding the appearance of excess oil in  
14 those locations, was that specific condition  
15 addressed subsequently by an ABS survey  
16 onboard the DEEPWATER HORIZON?

17 A. In a follow up survey in February of  
18 2010 the surveyor noted that he surveyed those  
19 particular discrepancies noted during the  
20 annual inspection and considered them cleared  
21 or corrected.

22 Q. And was that correction of those  
23 deficiencies noted in the ABS survey report  
24 from February of 2010?

25 A. Yes, it was.



1           Q. Now, would you summarize at least in  
2 broad categories the areas that are covered  
3 during an annual flag state safety inspection  
4 for a MODU?

5           A. Generally the survey -- the  
6 inspection, the annual safety inspection, is  
7 an audit of the unit's publications and  
8 certificates, including the MODU safety  
9 certificate. Checking for -- to make sure  
10 that the certifications and the documentation  
11 is current. Also checking publications to  
12 make sure the required publications are  
13 onboard. The inspector would be looking for  
14 the marine crew certifications comparing it  
15 against the minimum safe manning certificate  
16 to make sure that each required billet has  
17 been filled by someone with the appropriate  
18 credentials. It would be a general safety  
19 survey walking around the unit looking for  
20 various safety type items, including a -- a  
21 witnessing a fire and boat drill. Also  
22 checking the medical facilities, the medical  
23 supplies, to make sure those are all up to the  
24 requirements.

25           Q. Now, Mr. Bubar, were the annual safety



1 inspections for this unit conducted by  
2 personnel employed directly by the maritime  
3 administrator?

4 A. The annual safety inspections were  
5 conducted by a surveyor of the American Bureau  
6 of Shipping.

7 Q. Alright. And was a report of the  
8 results of those inspections then relayed to  
9 the maritime administrator?

10 A. Each time an annual safety inspection  
11 is completed a copy of the inspection report's  
12 left with the master of the unit or the  
13 vessel, a copy forwarded to the administration  
14 and then a copy from the administration  
15 forwarded to the operator.

16 Q. And if there had been any condition  
17 identified in any of those annual safety  
18 inspections that warranted, at least in the  
19 judgement of the flag state, warranted follow  
20 up would the administration have then  
21 requested or even conducted itself further  
22 inquiry or a direct inspection?

23 A. Yes. It would be pointed out, first  
24 of all -- as I indicated to the master of the  
25 -- the person in charge of the unit and also



1 would be followed up in a letter to the  
2 operator.

3 Q. Now, in addition to a review of the  
4 annual safety inspection reports, have you  
5 also reviewed the statutory and class reports  
6 that were submitted for the DEEPWATER HORIZON?

7 A. Yes, I have.

8 Q. And who was it that completed those  
9 surveys and filed those reports?

10 A. I'm sorry, the --

11 Q. Which organization completed those  
12 surveys and filed those reports?

13 A. For the statutory surveys?

14 Q. Yes, sir.

15 A. It was the American Bureau of  
16 Shipping.

17 Q. And have all of -- based on your  
18 review of that documentation over the past  
19 five and a half years, have all the ABS  
20 statutory and class reports been maintained  
21 and were they in proper order?

22 A. They have been maintained -- the --  
23 the surveys were all up to date.

24 Q. In addition to that, have you also  
25 reviewed the ISM code documentation for the



1 DEEPWATER HORIZON?

2 A. I have.

3 Q. And what was the result of that  
4 review?

5 A. The unit had a current safety  
6 management certificate issued by Det Norske  
7 Veritas and the operator, Transocean, had a  
8 current document of compliance issued by Det  
9 Norske Veritas.

10 Q. Alright. That is a separate  
11 Classification Society; is that correct?

12 A. Yes.

13 Q. And all of those surveys and audits  
14 were up to date; is that correct?

15 A. They were. The renewal certificates  
16 were done in 2007.

17 Q. Alright. And for what period of time  
18 are those renewals valid, sir?

19 A. Five years.

20 Q. Mr. Bubar, based on your training and  
21 experience and your review of the  
22 documentation for this particular rig, can you  
23 characterize the overall safety record for the  
24 DEEPWATER HORIZON during the time this unit  
25 has been within the Marshall Islands' Maritime



1 Administration?

2 A. The unit has been in full compliance  
3 with the MODU -- the International Maritime  
4 Organization's MODU Code, as well as the  
5 national requirements.

6 MR. LINSIN:

7 Nothing further, Captain.

8 CAPT. NGUYEN:

9 Capt. Wheatley?

10 E X A M I N A T I O N

11 BY MR. MATHEWS:

12 Q. During your inspection are you -- is  
13 Marshall Islands solely operated by themself  
14 or are they along with the class certification  
15 as well?

16 A. You say --

17 Q. When you perform your safety annual  
18 inspections, do you perform solely by  
19 yourself?

20 A. Well, in this case the annual safety  
21 inspections were conducted by a class  
22 surveyor.

23 Q. So, you're relying on a class surveyor  
24 to inspect the facility for you?

25 A. In this case, yes.



1 Q. Thank you.

2 EXAMINATION

3 BY MR. McCARROLL:

4 Q. Could I just clarify: How many  
5 physical inspections actually take place on  
6 the rigs? I'm not talking about paperwork  
7 audits, but physically you go to the rig and  
8 you look at something? Does ABS and DNV both  
9 do physical inspections on the rig?

10 A. The ABS as the Class Society was  
11 carrying out all of the required  
12 classification surveys, as well as the  
13 statutory surveys required by the MODU code.

14 Q. But they would physically have to go  
15 through the rig and inspect the rig?

16 A. Well, the process starts with a review  
17 of the design.

18 Q. Right.

19 A. Initially. And then periodic or  
20 continuous surveys are conducted throughout  
21 the life of the vessel, as long as it's  
22 classed.

23 Q. They physically go to the rig to do  
24 the surveys?

25 A. Yes, they do.



1 Q. Okay. And DNV physically goes to the  
2 rig every five years to do their survey?

3 A. There's also periodic surveys involved  
4 with the ISM audits and it's a combination of  
5 an audit of the operating company, which parts  
6 of it would take place in the company offices,  
7 and also audits on the unit, as well.

8 Q. And who does that?

9 A. That would be a surveyor of Det Norske  
10 Veritas.

11 Q. DNV, okay.

12 A. Yes.

13 Q. Anybody else physically go to the rig  
14 to actually do a survey or a safety audit or  
15 certify a certificate?

16 A. The administration also conducts the  
17 annual safety inspection and, as I indicated  
18 earlier, in this case under our alternative  
19 inspection arrangement, the operator requested  
20 permission or authorization from the  
21 administration to have a qualified AVS  
22 surveyor conduct the annual safety  
23 inspections.

24 Q. So, so far I've got ABS and DNV,  
25 anybody else? Doing various surveys,



1 safeties, audits physically on the rig?

2 A. The U.S. Coast Guard.

3 Q. And what does the Coast Guard do?

4 A. They carry out their inspection

5 requirements as detailed and NVIC -- I'm

6 drawing a blank on the NVIC, 3-88 I believe.

7 Q. And what's --

8 A. Change-1.

9 Q. What's the purpose of that inspection?

10 A. The purpose of issuing an LOC.

11 Q. And what is that in plain language?

12 A. Letter of Compliance.

13 Q. Thank you.

14 A. Sorry.

15 E X A M I N A T I O N

16 BY MR. DYKES:

17 Q. Has anyone from the flag state

18 physically inspected the rig?

19 A. ABS and DNV have many times on behalf

20 of the administration.

21 Q. But nobody physically from the flag

22 state so that you don't have a third party

23 intervening in the inspection?

24 A. Nobody from the administration to my

25 knowledge has attended the vessel, the unit.



1 Q. Well, how did you -- following on that  
2 question how do you verify that you -- well, I  
3 guess you're not paying them, so you can't  
4 verify that you're getting your money's worth.  
5 How do you verify that ABS and DNV are doing  
6 what you want them to do?

7 A. Well, both of those organizations are  
8 recognized worldwide as experts in the field  
9 and they carry out these types of surveys and  
10 audits all over the world for various  
11 administrations.

12 Q. So, just based on their reputation  
13 alone is good enough for the Marshall Islands?

14 A. They have established themselves as  
15 experts in the field and we -- under their  
16 agreement with us they are authorized to carry  
17 out these activities.

18 Q. Okay. So, there's never a possibility  
19 they may screw up in there somewhere, go back  
20 to checks and balances?

21 A. I'm not going to offer conjecture I  
22 guess on a question like that.

23 Q. Okay.

24 A. We feel that they're an important part  
25 of our inspection regime and they're qualified



1 and duly authorized by the administration.

2 Q. Okay. I have no other questions.

3 E X A M I N A T I O N

4 BY MR. WHEATLEY:

5 Q. Mr. Bubar, I just have a couple of  
6 questions for clarification. You indicated  
7 during the annual safety inspection conducted  
8 by AVS that they conducted fire and boat  
9 drills; is that correct?

10 A. Yes, that's part of an annual safety  
11 inspection.

12 Q. Okay. Would that require actually  
13 launching a boat, running it in the water and  
14 bringing it back to the vessel?

15 A. It may depending on the circumstances,  
16 weather, time of day and a number of other --

17 Q. Based upon your review of the record,  
18 do you recall or do you have any knowledge of  
19 whether or not they actually did that in their  
20 most recent safety exam?

21 A. I don't believe they exercised the  
22 boat in the water, but I believe they started  
23 the engine.

24 Q. Do you know does any part of that  
25 include a man overboard drill or abandon ship



1 drill?

2 A. Well, a boat drill would be an abandon  
3 ship drill, but I don't believe a man  
4 overboard drill was conducted.

5 Q. Thank you.

6 E X A M I N A T I O N

7 BY CAPT NGUYEN:

8 Q. Mr. Bubar, just a couple of questions  
9 for you. Capt. Heinan testified that the flag  
10 state has no responsibility for the drilling  
11 and production system and operation of a MODU;  
12 is that correct?

13 A. Under the MODU code that -- the  
14 drilling operation and it's well control  
15 operations fall under the prevue of the  
16 Coastal Administration.

17 Q. I understand, I understand that. But  
18 I'm talking about responsibility here not --  
19 so, the flag states say that they have no  
20 responsibility for the drilling, production  
21 system and operation. Capt. Heinan testified  
22 to that, do you agree?

23 A. I can only answer as far as what I  
24 know is required in the codes. And the MODU  
25 code has been adopted by the administration as



1 a standard for units under it's flag. Now,  
2 does the MODU code include standards for  
3 structure and stability?

4 A. Yes.

5 Q. Now, if weight added to the drilling  
6 and production equipment, the flag state have  
7 no concern because they have no responsibility  
8 for the drilling and production equipment  
9 operation?

10 A. Weight would be covered under the  
11 information that's required to be provided to  
12 the operator of the unit so that they can  
13 fully evaluate the stability implications of  
14 adding weight or taking off weight.

15 Q. So, how does -- when weight is added  
16 to the drilling and production system, how  
17 does that get communicated to the flag state  
18 to ensure that the vessel is still in  
19 compliance with the MODU code?

20 A. Well, any changes to the structure of  
21 the unit would be -- fall under the purview of  
22 the classification and the MODU code is clear  
23 that any changes to the unit should be  
24 reviewed by the Classification Society or the  
25 authorized representative of the



1 administration.

2 Q. And it goes no further back to the  
3 flag state?

4 A. Well, the Class Society's been  
5 authorized by the administration to carry out  
6 these duties and to evaluate changes to the  
7 unit, the structure of the unit.

8 Q. Through the MODU code?

9 A. Through the MODU code.

10 Q. I understand.

11 MR. McCARROLL:

12 I have one follow up, Captain.

13 CAPT. NGUYEN:

14 Yes.

15 E X A M I N A T I O N

16 BY MR. McCARROLL:

17 Q. We keep saying the MODU code, just for  
18 clarification, who wrote the MODU code and  
19 where does it exist in legality?

20 A. It's a code produced by the  
21 International Maritime Organization and the  
22 code we're referring to in this case is the  
23 1989 MODU code 2001 edition.

24 Q. Thank you.

25 E X A M I N A T I O N



1 BY MR. DYKES:

2 Q. With respect back to the inspection  
3 records that you made reference to that DNV  
4 furnishes a copy to the Marshall Islands, as  
5 well as ABS furnishes a copy, how hard would  
6 it be for the board to get a copy of those?

7 A. A copy of?

8 Q. The inspection.

9 A. We provide them.

10 Q. Okay.

11 MR. LINSIN:

12 Mr. Dykes, I believe the Marshall  
13 Islands has already produced those in  
14 response to a request from the board.

15 MR. DYKES:

16 Okay. We haven't seen them yet.

17 But we'll look for them.

18 MR. McCARROLL:

19 Could I have one additional follow  
20 up?

21 E X A M I N A T I O N

22 BY MR. McCARROLL:

23 Q. I'm still trying to clarify the MODU  
24 code. So, does industry, the maritime  
25 industry, write the MODU code?



1           A. It's written by subcommittees and then  
2 passed by the IMO organization itself.

3           Q. Who is on these subcommittees? Is it  
4 the U.S. Coast Guard, is it an industry  
5 maritime person, is it the MMS?

6           A. The IMO is a U.N. organization and  
7 delegations from around the world who are  
8 members of the body, the IMO --

9           Q. But I'm looking for a simple answer.  
10 Who's on the committees, just as an example?

11          A. There are representatives from nations  
12 all over the world, including the U.S.

13          Q. Are there politicians that are on this  
14 code -- is that what you're saying?

15          A. Members of the U.S. Coast Guard.

16          Q. Okay.

17          A. Various industry representatives.

18          Q. Okay.

19          A. It depends upon the nation and the  
20 make up of their delegation.

21          Q. Could it be like some educational  
22 universities?

23          A. It's possible. It's up to the nation  
24 and how they make up their delegation.

25          Q. So, it's an international



1 organization?

2 A. Yes, sir.

3 Q. Okay. Thank you.

4 E X A M I N A T I O N

5 BY CAPT. NGUYEN:

6 Q. A couple of follow up questions on the  
7 weight get added to the vessel. Now, who  
8 tracks the weight addition and subtracts it  
9 from the MODU from the Marshall Island flag?

10 A. That would be -- that would be  
11 authorized -- the American Bureau of Shipping  
12 in this case for this unit would be authorized  
13 to conduct those activities.

14 Q. Okay. So, if ABS is tracking the  
15 weight addition and subtraction, are they also  
16 the one to require the vessel to undergo an  
17 incline experiment?

18 A. If the change was great enough, yes.

19 Q. Are they going to be the one who issue  
20 the letter to the vessel, a new one, or is it  
21 a flag state?

22 A. The Class Societies are authorized to  
23 issue stability information on -- approve  
24 stability information on behalf of the  
25 administration.



1 Q. Okay. Thank you.

2 CAPT. NGUYEN:

3 Any other questions from the

4 board? I'm going to open up for the

5 Parties In Interest. Weatherford?

6 COUNSEL REPRESENTING WEATHERFORD,

7 INC.:

8 No questions.

9 CAPT. NGUYEN:

10 BP?

11 MR. GODFREY:

12 Captain, thank you, but BP has no

13 questions at this time.

14 CAPT. NGUYEN:

15 Transocean?

16 MR. KOHNKE:

17 No questions.

18 CAPT. NGUYEN:

19 Cameron?

20 COUNSEL REPRESENTING CAMERON INC.:

21 No questions.

22 CAPT. NGUYEN:

23 Dril-Quip?

24 COUNSEL REPRESENTING DRIL-QUIP, INC.:

25 No questions.



1           CAPT. NGUYEN:  
2           MOEX?  
3           COUNSEL REPRESENTING MOES USA:  
4           (No response.)  
5           CAPT. NGUYEN:  
6           Halliburton?  
7           COUNSEL REPRESENTING HALLIBURTON:  
8           No questions.  
9           CAPT. NGUYEN:  
10          M-I SWACO?  
11          MR. EASON:  
12          No questions.  
13          CAPT. NGUYEN:  
14          And Anadarko?  
15          COUNSEL REPRESENTING ANADARKO  
16          PETROLEUM CORPORATION:  
17          No questions.  
18          CAPT. NGUYEN:  
19          Thank you very much. Mr. Bubar,  
20                 are there any questions that we didn't  
21          ask or any information that you would  
22          like to provide to the board?  
23          THE WITNESS:  
24          I don't have anything, no.  
25          CAPT. NGUYEN:



1           If we need -- if we have further  
2           questions for you, would you make  
3           yourself available?

4           THE WITNESS:

5           Certainly.

6           CAPT. NGUYEN:

7           Thank you very much. Thank you  
8           for your testimony this afternoon.

9           THE WITNESS:

10          Thank you for the opportunity.

11          CAPT. NGUYEN:

12          Thank you. As I indicated this  
13          morning, we are planning to have four  
14          public hearings and this is the first  
15          public hearing where we explore the  
16          responsibility and activities of the  
17          coastal state and the flag state and  
18          also looking to the adequacy of the  
19          search and rescue operation. The next  
20          hearing will be held at the same  
21          location on May 25th and we plan to  
22          have it go until May 29th. Please  
23          continue to monitor the joint team  
24          website at [DEEPWATERINVESTIGATION.com](http://DEEPWATERINVESTIGATION.com)  
25          and continue to remain in contact with



1           the points of contact listed on the  
2           card provided to you earlier  
3           yesterday. Thank you for your  
4           participation. Please have a safe  
5           Memorial Day Holiday. The hearing is  
6           adjourned.

7                   \* \* \* \* \*

8           (Whereupon, the hearing was adjourned at 4:10  
9           p.m.)

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1                   R E P O R T E R ' S   P A G E  
2                   I, DOROTHY N. GROS, Certified Court  
3 Reporter in and for the State of Louisiana,  
4 the officer, as defined in Rule 28 of the  
5 Federal Rules of Civil Procedure and/or  
6 Article 1434(B) of the Louisiana Code of Civil  
7 Procedure, before who this sworn testimony was  
8 taken, do hereby state on the Record:

9                   That due to the interaction in the  
10 spontaneous discourse of this proceeding,  
11 dashes (--) have been used to indicate pauses,  
12 changes in thought, and/or talk overs; that  
13 same is the proper method for a Court  
14 Reporter's transcription of proceeding, and  
15 that the dashes (--) do not indicate that  
16 words or phrases have been left out of this  
17 transcript;

18                   That any words and/or names which  
19 could not be verified through references  
20 material have been denoted with the phrase  
21 "(phonetic)".

22  
23  
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DOROTHY N. GROS, CCR



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CERTIFICATE

I, Dorothy N. Gros, Certified Court Reporter, in and for the State of Louisiana, authorized by the laws of said State to administer oaths and to take the depositions of witnesses, hereby certify that the foregoing matter was taken before me at the time and place herein above stated; the matter being reported by me and thereafter transcribed under my supervision; that the foregoing pages contain a true and correct transcription of the matter as thus given to the best of my ability and understanding.

I further certify that I am not of counsel nor related to any of the parties to this cause, and that I am in no wise interested in the result of said cause.

---

DOROTHY N. GROS, CCR

