

**Response to Comments on the Coast Guard DEEPWATER HORIZON (DWH)
Report of Investigation**

The JIT investigation between the Coast Guard and the Bureau of Ocean Energy Management, Regulation and Enforcement utilized procedures from both agencies to conduct the investigation and complete the Report. The Coast Guard has followed the procedures of a Marine Board of Investigation as closely as possible throughout the investigation. Because of the unique challenges in blending equities in a joint interagency investigation, the Coast Guard, in an effort to maintain transparency as well as ensure the Parties in Interests (PIIs) rights were balanced by the agencies, implemented measures unique to this investigation that allowed PIIs to provide greater input than required in a Marine Board of Investigation. The Coast Guard members of the JIT published Volume I, including findings, analysis, conclusions, and safety recommendations, prior to completion of the Commandant's Final Agency Action. The Coast Guard also invited PIIs to submit briefs on Volume I of the JIT Report for consideration by the Commandant. The Coast Guard received 282 comments from 5 entities. The Coast Guard reviewed and considered comments on the findings of fact, causal analysis and conclusions. Although the JIT members make recommendations, the disposition of the recommendation remains the purview of the Commandant. The Coast Guard also received comments from 1 entity on how best to implement some of the recommendations contained in the Report; these comments will be considered during the implementation phase of the process.

Prologue / Executive Summary

The Coast Guard received 4 comments citing BP well design issues as contributing to the explosion and fire. Well design issues are beyond the scope of Volume I of this Report. Therefore these comments were not adjudicated further in the Commandant's Final Action.

The Coast Guard received 1 comment that took issue with the characterization of Transocean's activities as having an adverse impact on the ability to prevent or limit the magnitude of the disaster. The Coast Guard disagrees with the comment and believes that the JIT's characterization here is supported by the evidence of the investigation. The comment was considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 4 comments concerning the maintenance of electrical equipment aboard the DWH as well as the potential that such equipment could have been a potential source of ignition. The Coast Guard believes that there is sufficient evidence in the Report to suggest that electrical equipment installed in hazardous areas may not have been properly maintained and could have been an ignition source. Further, the Report states that the exact location of the ignition sources cannot be conclusively identified. The comments were considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 7 comments that took issue with the statement that Transocean employees bypassed gas alarms and automatic shutdown systems aboard the DWH and failed to properly train its personnel in the use of these systems. The comments also suggest that it is contrary to proper procedures on a Dynamically Positioned Vessel (DPV) to initiate the Emergency Shut Down (ESD) sequence or to have it automatically engage whenever the presence of gas is detected in the main engine area, since that would lead to a loss of propulsion. The Coast Guard agrees that in some circumstances that may be the case, but given the influx of hydrocarbons onto the DWH, initiating the ESD sequence in an effort to prevent an explosion should have been attempted, even though that would have meant the loss of propulsion. Companies should consider the various scenarios and ensure the DPOs are aware that a manual shutdown may be necessary in certain instances. The Coast Guard believes that the JIT's characterization here is supported by the evidence of the investigation. The comments were considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 5 comments that took issue with the statements that Transocean failed to have an effective Safety Management System (SMS) in place, failed to comply fully with the International Safety Management (ISM) Code, and failed to have a robust safety culture, and that these failures contributed to the disaster. The Coast Guard disagrees with the comments and believes that the JIT's characterization here is supported by the evidence of the investigation. The comments were considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 1 comment that took issue with the JIT finding that the DWH did not have barriers sufficient to provide effective blast protection for the crew. The Report acknowledged that the DWH met the IMO standards; but the Coast Guard will evaluate the need for fire and explosion risk analyses to ensure an adequate level of protection is provided for accommodation spaces, escape paths, embarkation stations, and structures housing vital safety equipment on MODUs operating on the U.S. OCS. The comment was considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 1 comment criticizing the Report's determination that command confusion between the Offshore Installation Manager (OIM) and the Master, may have impacted the timeliness of the decision to activate the Emergency Disconnect System (EDS). The Coast Guard disagrees with the comment and believes that the JIT's characterization here is supported by the evidence of the investigation. The comment was considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 2 comments that took issue with the characterization that Transocean personnel's approach to drills, scheduling them the same time and day each week and excusing some personnel, influenced the crew's ability to fight the fire, to abandon ship, and to generally respond to the emergency. The Coast Guard disagrees with the comment and believes that the JIT's characterization here as to drills in general is supported by the evidence of the investigation. However, the Coast Guard believes this

is not a problem with the standards identified in the MODU Code, but rather this represents a leadership problem where a climate of complacency was accepted. Section 14.11 of the 1989 MODU Code and section 14.12 in the 2009 MODU Code list the requirements for practice musters and drills. In addition, section 14.12.2 of the 2009 MODU Code references IMO Assembly Resolution A.891(21) that provides training and assessment criteria for emergency drills on board MODUs. The Coast Guard believes these requirements are adequate and do not need to be amended. The comments were considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 1 comment that took issue with the Report finding that the presence of the BP and Transocean executives onboard may have prevented key rig personnel from attending to the well control issues immediately prior to the blowout, and from following their emergency procedures immediately after the blowout. The Coast Guard disagrees with the comment and believes that the JIT's characterization here is supported by the evidence of the investigation. The comment was considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 1 comment that took issue with the Report finding that Transocean failed to properly investigate and address two previous significant incidents which could have seriously affected the safety of the vessel or the environment – a loss of power that jeopardized the MODU's ability to maintain its position above the well and the flooding of a compartment resulting from a failure to close valves. The Coast Guard disagrees with the comment and believes that the JIT's characterization here is supported by the evidence of the investigation. The comment was considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 1 comment that took issue with the Report finding that Transocean failed to ensure that its onboard management team and crew had sufficient training and knowledge to take full responsibility for the safety of the vessel. The Coast Guard disagrees with the comment and believes that the JIT's characterization here is supported by the evidence of the investigation. The comment was considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 5 comments that took issue with the findings that the water-side firefighting efforts after the DWH was abandoned were not well coordinated and may have contributed to the eventual sinking of the rig on April 22, 2010. The Coast Guard disagrees with the comments and believes that the JIT's characterization here is supported by the evidence of the investigation. The comments were considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 1 comment that took issue with the Report finding that Transocean failed to develop a salvage plan for the DWH in the immediate aftermath of the incident. The Coast Guard disagrees with the comment and believes that the JIT's characterization here is supported by the evidence of the investigation. The comment was considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 1 comment that took issue with the Report finding that Transocean failed to follow its Vessel Response Plan (VRP) for the DWH, and that key Transocean personnel were unfamiliar with the plan. The Coast Guard disagrees with the comment and believes that the JIT's characterization here is supported by the evidence of the investigation. The comment was considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 1 comment that took issue with the Report finding that Transocean did not have loading information for the DWH at the time of the incident, stating that the DWH was in compliance with applicable regulations. The Report did not state that Transocean was out of compliance with any regulations, only that loading information would have been helpful. The comment was considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 1 comment contradicting the Report statement that Transocean failed to conduct a deadweight survey within the past five years to determine the weight of DWH. The Coast Guard agrees with the comment, the survey was conducted in 2006. The comment was considered and is reflected in the Commandant's Final Action.

The Coast Guard received 1 comment that disputed the characterization that recent audits of the DWH found numerous maintenance deficiencies, including failure to re-certify the BOP. BOP issues are beyond the scope of Volume I of this Report and were not adjudicated further in the Commandant's Final Action. As to other maintenance issues, the Coast Guard disagrees with the comment and believes that the JIT's characterization here is supported by the evidence of the investigation. The comment was considered but did not impact the decisions reflected in the Commandant's Final Action.

Chapter 1 Explosion

The Coast Guard received 1 comment that took issue with the statement that Transocean personnel concluded the second negative pressure test was successful, which would indicate that the final cement job was satisfactory. The comment stated that BP was responsible for the reading of the negative pressure test. The Coast Guard agrees that BP made the final decision on the negative pressure test, but experienced Transocean personnel were present and aware of the tests. The comment was considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 1 comment disputing the timing of events concerning the alarms on the bridge control panel immediately after the incident which were contained in a statement by Mr. [REDACTED]. The Coast Guard disagrees with the comment and believes that the JIT's characterization here is supported by the evidence of the investigation. The comment was considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 6 comments disputing the testimony that indicated the Captain asked the OIM for permission to activate the EDS and that the dual command structure led to confusion as to who was in charge of the DWH in the period immediately after the explosion. The Coast Guard disagrees with the comments and believes that the JIT's characterization here is supported by the evidence of the investigation. The comments were considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 1 comment disputing the testimony that the first explosion was on the Main Deck area aft of the derrick, on or near the Drill Floor. The Coast Guard disagrees with the comment and believes that the JIT's characterization here is supported by the evidence of the investigation. The comment was considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 1 comment that took issue with the Report statement that 16 persons Reported sustaining injuries either during the initial explosions or during the evacuation process. The comment stated that 1 person was injured during the evacuation. The Coast Guard agrees with the comment but the JIT's characterization here is not in conflict with the comment. The comment was considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 15 comments concerning the maintenance of electrical equipment aboard the DWH as well as the potential that such equipment could have been a potential source of ignition. The Coast Guard believes that there is sufficient evidence in the Report to suggest that electrical equipment installed in hazardous areas may not have been properly maintained and could have been an ignition source. Further, the Report states that the exact location of the ignition sources cannot be conclusively identified. The comments were considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 1 comment disputing the testimony of Mr. [REDACTED] as it related to the placement of the engine room ventilation intakes. The Coast Guard disagrees with the comment and believes that the JIT's characterization here is supported by the evidence of the investigation, including rig drawings. The comment was considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 9 comments that suggested it is contrary to proper procedures on a DPV to initiate the ESD sequence or to have it automatically engage whenever the presence of gas is detected in the main engine area, since that would lead to a loss of propulsion. The Coast Guard agrees that in some circumstances that may be the case, but given the influx of hydrocarbons onto the DWH, initiating the ESD sequence in an effort to prevent an explosion should have been attempted, even though that would have meant the loss of propulsion. The Coast Guard believes that the JIT's characterization here is supported by the evidence of the investigation. The comments were considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 4 comments that took issue with the Report's description of the standards used to construct the DWH, even though the Report stated that the vessel was constructed in compliance with all applicable standards. The Coast Guard disagrees with the comments and believes that the JIT's characterization here is supported by the evidence of the investigation. The comments were considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 1 comment disputing the list of flammable gas detectors used in the Report. The Coast Guard agrees with the comment, the list used in the Report was not exhaustive. The comment was considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 5 comments that took issue with the Report's reference to equipment maintenance problems from the September 2009 BP audit. The Coast Guard disagrees with the comments and believes that the JIT's characterization here is supported by the evidence of the investigation, and that the audits speak for themselves. The comments were considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 1 comment that took issue with the JIT finding that the DWH did not have barriers sufficient to provide effective blast protection for the crew. The Report acknowledged that the DWH met the IMO standards; but the Coast Guard will evaluate the need for fire and explosion risk analyses to ensure an adequate level of protection is provided for accommodation spaces, escape paths, embarkation stations, and structures housing vital safety equipment on MODUs operating on the U.S. OCS. The comment was considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 1 comment that disputed the time used in the Report when the drilling crew observed abnormal pressures on the drill string and was initiating steps to shut in the well. The Coast Guard disagrees with the comments and believes that the JIT's characterization here is supported by the evidence of the investigation, including witness testimony. The comment was considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 4 comments that took issue with the characterization of the Recognized Organization audit process. The Coast Guard disagrees with the comments and believes that the JIT's characterization here is supported by the evidence of the investigation. Further, the Coast Guard is working with the IMO through its Flag State Implementation Sub-Committee on a Code for Recognized Organizations. It is anticipated that the new Code will be ready for adoption in 2012, will be mandatory, and will include requirements and guidelines for Recognized Organizations covering their management and organization, resources, certification processes, performance measurement, analysis and improvement, and quality management system certification. The Code will also include a section for flag State monitoring of Recognized

Organizations. The comments were considered but did not impact the decisions reflected in the Commandant's Final Action.

Chapter 2 Fire

The Coast Guard received 2 comments that took issue with the JIT finding that there is no evidence that prior to the abandonment of the MODU there was any organized effort to determine the condition or location of crew members who may have been injured or trapped. The Coast Guard disagrees with the comments and believes that the JIT's characterization here is supported by the evidence of the investigation, including witness testimony. The comments were considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 1 comment that took issue with the Report statement that the fire-fighting and fire safety systems had limitations and deficiencies that were made apparent by the fire on the DEEPWATER HORIZON. The Report did not state that Transocean was out of compliance with any regulations with respect to these systems. The Coast Guard disagrees with the comment and believes that the JIT's characterization here is supported by the evidence of the investigation. The comment was considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 2 comments that took issue with the JIT finding that weekly fire drill records found some evidence that drills may have become routine and that the crew was not fully engaged in them. The Coast Guard disagrees with the comments and believes that the JIT's characterization here is supported by the evidence of the investigation. However, the Coast Guard believes this is not a problem with the standards identified in the MODU Code, but rather this represents a leadership problem where a climate of complacency was accepted. Section 14.11 of the 1989 MODU Code and section 14.12 in the 2009 MODU Code list the requirements for practice musters and drills. In addition, section 14.12.2 of the 2009 MODU Code references IMO Assembly Resolution A.891(21) that provides training and assessment criteria for emergency drills on board MODUs. The Coast Guard believe these requirements are adequate and do not need to be amended. The comments were considered but did not impact the decisions reflected in the Commandant's Final Action.

Chapter 3 Evacuation / Search and Rescue

The Coast Guard received 1 comment that disputed the time the Global Maritime Distress Safety System was activated. The Coast Guard disagrees with the comment and believes that the JIT's characterization here is supported by the evidence of the investigation, including electronic logs. The comment was considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 1 comment that disputed the times that various Coast Guard assets arrived on scene and assumed the role of On-Scene Coordinator. The Coast Guard disagrees with the comment and believes that the JIT's characterization here is supported

by the evidence of the investigation, including electronic and radio logs. The comment was considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 2 comments that disputed the testimony of Mr. [REDACTED] regarding the problems encountered during muster and eventual evacuation from the DWH after the incident. The Coast Guard disagrees with the comment and believes that the JIT's characterization here is supported by the evidence of the investigation, including witness testimony. The comments were considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 1 comment that claimed there was no Figure 11, as referenced in the Report. The Coast Guard disagrees with the comment; Figure 11 appears on Page 59 of the Report. The comment was not adjudicated further in the Commandant's Final Action.

The Coast Guard received 4 comments that took issue with the Report finding that the presence of the BP and Transocean executives onboard may have prevented key rig personnel from attending to the well control issues immediately prior to the blowout, and from following its own emergency procedures immediately after the blowout. The Coast Guard disagrees with the comments and believes that the JIT's characterization here is supported by the evidence of the investigation, including witness testimony. The comments were considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 3 comments that took issue with the Report's reference to the IMO MODU Code requirements for fixed ladders and davit-launched life rafts. The comments do not address the finding that the last 15 to 20 feet of the ladders were severely damaged, which is the key fact in the Report. The Coast Guard disagrees with the comments and believes that the JIT's characterization here is supported by the evidence of the investigation, and that the JIT's characterization here is not in conflict with the comment. The comments were considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 2 comments that disputed the statement that the backup generator should have started once all normal power was lost. The statement was taken from the DWH Operations Manual; the Coast Guard therefore disagrees with the comments and believes that the JIT's characterization here is supported by the evidence of the investigation. The comments were considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 1 comment that took issue with the Report's list of possible reasons for inadequate emergency lighting after the explosions. The Coast Guard disagrees with the comment and believes that the JIT's characterization and possible reasons are supported by the evidence of the investigation. The comment was considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 1 comment that stated the Report contradicted itself when discussing sections 10.3.7-10.3.8 and 10.2.4 of the 1989 IMO MODU Code. One section governs fixed ladders, the other governs lifeboat arrangements, and the Report accurately describes the condition of the equipment on the DWH in relation to the IMO MODU Code. The Coast Guard disagrees with the comment and believes that the JIT's characterization here is supported by the evidence of the investigation, and there is no contradiction. The comment was considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 1 comment that stated no commercially available life rafts include all the safety features listed in the Report as being possibly beneficial in an emergency. The Coast Guard agrees with the comment, currently available life rafts do not offer the features listed in the Report. The Coast Guard will evaluate the need to develop requirements for fire and explosion risk analyses to ensure an adequate level of protection is provided for embarkation stations on all MODUs operating on the U.S. OCS. The comment was considered and is reflected in the Commandant's Final Action.

The Coast Guard received 5 comments that took issue with the characterization that Transocean personnel's approach to drills, scheduling them the same time and day each week and excusing some personnel, influenced the crew's ability to react in an emergency. The Coast Guard disagrees with the comments and believes that the JIT's characterization here as to drills in general is supported by the evidence of the investigation. However, the Coast Guard believes this is not a problem with the standards identified in the MODU Code, but rather this represents a leadership problem where a climate of complacency was accepted. Section 14.11 of the 1989 MODU Code and section 14.12 in the 2009 MODU Code list the requirements for practice musters and drills. In addition, section 14.12.2 of the 2009 MODU Code references IMO Assembly Resolution A.891(21) that provides training and assessment criteria for emergency drills on board MODUs. The Coast Guard believe these requirements are adequate and do not need to be amended. The comments were considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 2 comments that stated that STCW does not mandate emergency positions, including fire team leaders, person in charge of muster, and personnel to clear accommodations, be filled by crew members subject to the STCW. The Coast Guard agrees with the comments and will evaluate the need to amend the requirements to ensure that appropriate MODU personnel, including those not subject to STCW, are required to receive proper training. The comments were considered and are reflected in the Commandant's Final Action.

The Coast Guard received 1 comment that took issue with the characterization that the DWH crew did not follow their established procedures for a man overboard situation. The Coast Guard agrees with the comment. Given the circumstances it would have been impracticable to follow the procedures for a man overboard situation. The Coast Guard will, however, evaluate the need for quarterly man overboard drills in future rulemaking

efforts. The comment was considered and is reflected in the Commandant's Final Action.

Chapter 4 Flooding and Sinking

The Coast Guard received 1 comment that took issue with the statement that Transocean's salvage company was responsible for saving the MODU. The Coast Guard disagrees with the comment and believes that the JIT's characterization here is supported by the evidence of the investigation, including witness testimony. The comments were considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 6 comments that took issue with the findings that internal damage to watertight subdivisions, poor maintenance of watertight closures, or simply having left watertight closures open prior to the evacuation may have allowed the migration of liquid loads and flooding throughout the DWH. The Coast Guard disagrees with the comments and believes that the JIT's characterization here is supported by the evidence of the investigation. The comments were considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 2 comments that took issue with the findings that the water-side firefighting efforts conducted after the DWH was abandoned were not well coordinated and may have contributed to the eventual sinking of the rig on April 22, 2010. The Coast Guard disagrees with the comments and believes that the JIT's characterization here is supported by the evidence of the investigation. The comments were considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 2 comments that took issue with the Report finding that Transocean failed to develop a salvage plan for the DWH in the immediate aftermath of the incident. The Coast Guard disagrees with the comments and believes that the JIT's characterization here is supported by the evidence of the investigation, including witness testimony. The comments were considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 2 comments that took issue with the Report finding that Transocean failed to follow its Vessel Response Plan (VRP) for the DWH, and that key Transocean personnel were unfamiliar with the plan. The Coast Guard disagrees with the comments and believes that the JIT's characterization here is supported by the evidence of the investigation, including witness testimony. The comments were considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 1 comment that took issue with the characterization that Transocean may never have conducted a HECSALV model (HECSALV is software designed for Ship design and salvage engineering response.). The Coast Guard agrees with the comment that there was nothing that could be done with the information from

the HECSALV model. The comments were considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 3 comments that took issue with the Report discussion of the unavailability of loading information during the response. The Report did not state that Transocean was out of compliance with any regulations, only that loading information would have been helpful. The comments were considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 5 comments contradicting the Report statement that Transocean failed to conduct a deadweight survey within the past five years to determine the weight of DWH. The Coast Guard agrees with the comments, the survey was conducted in 2006. The comment was considered and is reflected in the Commandant's Final Action.

Chapter 5 Safety Systems (Personnel and Process)

The Coast Guard received 10 comments that took issue with the statements that Transocean failed to have an effective Safety Management System (SMS) in place, failed to comply fully with the International Safety Management (ISM) Code, and failed to have a robust safety culture, and that these failures contributed to the disaster. The Coast Guard disagrees with the comments and believes that the JIT's characterization here is supported by the evidence of the investigation. The comments were considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 3 comments that took issue with the characterization of the Flag State oversight of the DWH and the Recognized Organization audit process. The Coast Guard disagrees with the comments and believes that the JIT's characterization here is supported by the evidence of the investigation. The Coast Guard will, however, review the relevant regulations and policies and make modifications, as necessary, to ensure they are sufficient, and that an adequate and consistent level of safety is provided for all U.S. and foreign flag MODUs working on the U.S. OCS. In addition, where appropriate, changes to the IMO MODU Code may be pursued. The comments were considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 4 comments that disputed the characterization that recent audits of the DWH found numerous maintenance deficiencies, including failure to re-certify the BOP. BOP issues are beyond the scope of Volume I of this Report and were not adjudicated further in the Commandant's Final Action.

The Coast Guard received 6 comments disputing the maintenance deficiencies listed in the Report, including the maintenance deficiencies with the electrical equipment aboard the DWH. The Coast Guard believes that there is sufficient evidence in the Report to suggest that maintenance deficiencies did exist and that electrical equipment installed in hazardous areas may not have been properly maintained and could have been an ignition

source. The comments were considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 3 comments that took issue with the Report finding that Transocean failed to properly investigate and address two previous significant incidents which could have seriously affected the safety of the vessel or the environment – a loss of power that jeopardized the MODU's ability to maintain its position above the well and the flooding of a compartment resulting from a failure to close valves. The Report expressly stated that a third-party investigation was not required by law or regulation. The Coast Guard disagrees with the comments and believes that the JIT's characterization here is supported by the evidence of the investigation. The comments were considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 2 comments that took issue with the characterization that if the bridge crew managed the vessel's "permit to work" program, they would have known about the workers in the mud pump room, who in turn may have been notified of the emergency earlier. The Coast Guard agrees with the comments that the general alarm was the fastest way to alert everyone on the DWH of the emergency, not notifications to individual spaces. The comments were considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 1 comment that took issue with the characterization that Transocean witnesses and corporate executives consistently maintained that it was BP's drilling plan and procedures that caused the casualty and that Transocean did not have any input regarding the safety of DWH. The Coast Guard disagrees with the comment and believes that the JIT's characterization here is supported by the evidence of the investigation, including witness testimony. The comment was considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 1 comment that took issue with the characterization that the Transocean ISM Designated Person for the Gulf of Mexico demonstrated very little knowledge of the ISM Code and could not explain the company's program for compliance. The Coast Guard disagrees with the comment and believes that the JIT's characterization here is supported by the evidence of the investigation, including witness testimony. The comment was considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 3 comments that suggest it is contrary to proper procedures on a DPV to initiate the ESD sequence or to have it automatically engage whenever the presence of gas is detected in the main engine area, since that would lead to a loss of propulsion. The Coast Guard agrees that in some circumstances that may be the case, but given the influx of hydrocarbons onto the DWH, initiating the ESD sequence in an effort to prevent an explosion should have been attempted, even though that would have meant the loss of propulsion. The Coast Guard believes that the JIT's characterization here is

supported by the evidence of the investigation. The comments were considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 1 comment that took issue with the characterization that Transocean personnel's approach to drills, scheduling them the same time and day each week and excusing some personnel, influenced the crew's ability to react in an emergency. The Coast Guard disagrees with the comment and believes that the JIT's characterization here as to drills in general is supported by the evidence of the investigation. However, the Coast Guard believes this is not a problem with the standards identified in the MODU Code, but rather this represents a leadership problem where a climate of complacency was accepted. Section 14.11 of the 1989 MODU Code and section 14.12 in the 2009 MODU Code list the requirements for practice musters and drills. In addition, section 14.12.2 of the 2009 MODU Code references IMO Assembly Resolution A.891(21) that provides training and assessment criteria for emergency drills on board MODUs. The Coast Guard believe these requirements are adequate and do not need to be amended. The comment was considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 1 comment that took issue with the Report finding that Transocean failed to ensure that its onboard personnel had sufficient training and knowledge to respond to a well control event leading to a fire. The Coast Guard disagrees with the comment and believes that the JIT's characterization here is supported by the evidence of the investigation, including witness testimony. The comment was considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 1 comment that took issue with the Report finding that Transocean lacks a risk assessment tool, such as the one created during the course of this investigation (Appendix M, Operational Risk Assessment). The Coast Guard agrees with the comment, while the use of an operational risk assessment model may provide some benefit, we believe the proper implementation of all existing international and U.S. safety requirements, including the implementation and exercise of a safety management system in conjunction with adequate oversight by the flag Administration, Recognized Organizations where applicable, and coastal/port State authorities is sufficient to ensure safety. The comment was considered and is reflected in the Commandant's Final Action.

The Coast Guard received 1 comment disputing the testimony that the dual command structure led to confusion as to who was in charge of the DWH in the period immediately after the explosion. The Coast Guard disagrees with the comment and believes that the JIT's characterization here is supported by the evidence of the investigation, including witness testimony. The comment was considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 1 comment that disputed the characterization that recent audits of the DWH found numerous maintenance deficiencies, including failures of the essential bilge system. The Coast Guard disagrees with the comment and believes that the JIT's characterization here is supported by the evidence of the investigation, and that the audits

speak for themselves. The comment was considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 3 comments that took issue with the characterization of the Recognized Organization audit process and that the arrangement between class and owners introduces into the system an inherent conflict of interest. The Coast Guard disagrees with the comments and believes that the JIT's characterization here is supported by the evidence of the investigation. However, the Coast Guard is currently working with the IMO through its Flag State Implementation Sub-Committee on a Code for Recognized Organizations. The comments were considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 1 comment that took issue with the characterization that Transocean personnel failed to identify the potential consequences of their decisions regarding deferred maintenance and the loss of situational awareness regarding the overall safety of the MODU. The Coast Guard disagrees with the comment and believes that the JIT's characterization here is supported by the evidence of the investigation. The comment was considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 1 comment that took issue with the statement that although alcohol use is not thought to be a contributing cause in the incident it cannot be proved. The Report does not indirectly suggest that alcohol was involved, only that no testing was conducted. The Coast Guard disagrees with the comment and believes that the JIT's characterization here is supported by the evidence of the investigation. The comment was considered but did not impact the decisions reflected in the Commandant's Final Action.

Chapter 6 Summary of Conclusions

The Coast Guard received 27 comments on the summary of conclusions, all of which mirrored comments submitted on those conclusions found at the end of each previous chapter. The Coast Guard response to these comments is the same as above.

Chapter 7 Safety Recommendations

The Coast Guard received 1 comment that took issue with the recommendation that the Commandant work with Recognized Organizations to evaluate the need to create a complete stand-alone regulatory check list that does not rely on the result of other surveys to ensure a 100% regulatory check of the MODU. The Coast Guard agrees with the comment. Some Recognized Organizations do use stand-alone survey forms for certain statutory surveys; they are in compliance so long as they can demonstrate that their statutory surveys are complete and in accordance with the appropriate international conventions and laws/regulations of the Administrations they act on behalf of. The comment was considered and is reflected in the Commandant's Final Action.

Chapter 8 Administrative Recommendations

The Coast Guard received no comments on Chapter 8, Administrative Recommendations.

Appendices

The Coast Guard received 1 comment that stated Appendix H, Critical Events Timeline, omitted critical events such as the internal decisions being made at BP of which Transocean had no knowledge, the failed cement testing in the lab at Halliburton, and the dramatic changes to the temporary abandonment procedure that unnecessarily significantly increased the possibility for a blowout to occur. These issues are beyond the scope of Volume I of this Report, therefore these comments were not adjudicated further in the Commandant's Final Action.

The Coast Guard received 1 comment that attempted to contradict the Appendix H statement that Mr. ██████ had no prior experience as Well Site Leader onboard the DWH. The comment cited Multi-District Litigation (MDL) deposition testimony that indicated Mr. ██████ was on the DWH in 2001. The fact that Mr. ██████ had been on the DWH in 2001 does not contradict the statement that Mr. ██████ never served as a Well Site Leader on the DWH. The comment was considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 1 comment that stated the events in Appendix H at 1700 occurred closer to 1730. The Coast Guard disagrees with the comment and believes that the JIT's characterization, based on witness testimony, is supported by the evidence of the investigation. The comment was considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 1 comment that stated the events in Appendix H at 2150 occurred a few minutes earlier. The Coast Guard disagrees with the comment and believes that the JIT's characterization, based on witness testimony, is supported by the evidence of the investigation. The comment was considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 1 comment stating that Appendix J, Synopsis of Audits and Surveys, should be removed from the Report entirely. The Coast Guard disagrees and considered the Report in its entirety.

The Coast Guard received 2 comments on Appendix K, Examples of Transocean's Non-Compliance with the International Safety Management Code, that disputed the characterization that Transocean intentionally used its "condition-based" maintenance program instead of complying with 30 CFR § 250.446 for maintenance and inspection of Deepwater Horizon's blowout preventer. BOP issues are beyond the scope of Volume I of this Report and were not adjudicated further in the Commandant's Final Action.

The Coast Guard received 4 comments on Appendix K that took issue with the listing of examples of Transocean's non-compliance with the ISM Code because the examples occurred prior to April 20, 2010 and some were corrected prior to April 20, 2010. The Coast Guard disagrees with the comments and believes that the JIT's characterization here is supported by the evidence of the investigation, and that Transocean's prior history of non-compliance is an important data point. The comments were considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 24 comments on Appendix K that took issue with the use of many of the various audit findings on the DWH and other Transocean vessels. The Coast Guard disagrees with the comments and believes that the JIT's characterization here is supported by the evidence of the investigation, and that the audits speak for themselves. The comments were considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 4 comments on Appendix K that criticized the listing of Safety Management System (SMS) and ISM Code failures that allowed a dual command structure on the DWH, as this structure led to confusion over who was in charge of the DWH during the emergency on April 20, 2010. The Coast Guard disagrees with the comments and believes that the JIT's characterization here is supported by the evidence of the investigation, including witness testimony. The comments were considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 1 comment stating that Appendix L, Post Sinking Analysis for Deepwater Horizon, should be removed from the Report entirely because it was not provided to Parties-in-Interest prior to the release of Volume I. The Coast Guard disagrees, the information in the Appendix was covered in the public hearing process and PIIs had an opportunity to provide input on the entire Volume I, including Appendix L after it was published. The Report was considered in its entirety. The comment was considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 1 comment stating that Appendix M, Operational Risk Assessment, should be removed from the Report entirely because it was not provided to Parties-in-Interest prior to the release of Volume I. The Coast Guard disagrees, the information in the Appendix was covered in the public hearing process and PIIs had an opportunity to provide input on the entire Volume I, including Appendix M after it was published. The Report was considered in its entirety. The comment was considered but did not impact the decisions reflected in the Commandant's Final Action.

General Comments

The Coast Guard received 2 general comments emphasizing that drilling processes and related certification for the U.S. offshore oil exploration industry are not handled by classification societies; these processes are inspected by U.S. government representatives. The Coast Guard agrees with the commenter, the ISM Code does not apply to drilling and production activities, the Coast Guard has, however, made the determination that DPVs

are underway at all times, even when latched up to the bottom (See Appendix I of the ROI). The ISM Code, therefore, does apply at all times to the vessel side of a DPV, even when latched up to the bottom. The Coast Guard will pursue regulatory changes to implement the conclusions of Appendix I. The comments were considered and are reflected in the Commandant's Final Action.

The Coast Guard received 1 general comment stating that all vessels drilling in United States waters or on United States leases should be flagged by the United States. The Coast Guard disagrees with the comment and believes that foreign flagged vessels can operate safely in United States waters. The comment was considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 2 general comments stating that all vessels with thrusters engaged should be considered underway and under the command of the vessel's master. The Coast Guard agrees and has made the determination that DPVs are underway at all times, even when latched up to the bottom (See Appendix I of the ROI). The comments were considered and are reflected in the Commandant's Final Action.

The Coast Guard received 12 general comments that proposed manning, training and certification requirements for different MODU crew positions. The Coast Guard agrees with the comments and will evaluate the need to amend requirements to ensure that appropriate MODU positions and personnel, including those not subject to STCW, are adequately trained and certified. The comments were considered and are reflected in the Commandant's Final Action.

The Coast Guard received 2 general comments proposing that company manuals and changes affecting vessel safety must be approved and signed by the company's Marine Superintendent and Port Engineer. The Coast Guard disagrees with the comments and does not believe the evidence in the Report supports the need to implement these suggestions. The comments were considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 3 general comments stating that no vessels should be allowed to participate in Underwater Survey in Lieu of Dry-docking (UWILD) exceptions without the approval of USCG, the Bureau of Ocean Energy Management Regulation and Enforcement (BOEMRE), the vessel master, company port engineer and marine superintendent, and not if any safety critical maintenance is outstanding. The comments also stated annual inspections should be conducted jointly with BOEMRE and USCG present. The Coast Guard will evaluate these recommendations further. The comments were considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 6 general comments that proposed equipment changes onboard MODUs. The Coast Guard will evaluate these recommendations further. The comments were considered but did not impact the decisions reflected in the Commandant's Final Action.

The Coast Guard received 1 comment that stated the Report of Investigation's suggestion that consideration be given to determine whether and to what extent action should be taken against Captain Kuchta's license must be rejected. The Coast Guard disagrees with the comment, but since Captain Kuchta was acting under the authority of his RMI-issued credential and not his U.S. merchant mariner's license, the U.S. Coast Guard does not have jurisdiction to consider action against it. The Coast Guard will forward this recommendation to the Republic of the Marshall Islands for their consideration. The comment was considered but did not impact the decisions reflected in the Commandant's Final Action.