

Overview



“Create an autonomous, industry managed “Safety Institute”.” “Institute must function, and be perceived, as only one mission. . drive industry safety and risk management behavior ever higher. It can’t have competing agendas.”

Chairman Reilly – Presidential Commission

- **COS fully aligned with Presidential Commission**
- **API Executive Committee & Board Approved**
- **COS Governing Board in place**
- **COS offices located in Houston, Texas**
- **Full Start-up 3rd quarter 2011**



Benchmarking



- **Step Change in Safety** - UK-based partnership
- **Responsible Care®** - chemical industry's global initiative
- **INPO (Institute of Nuclear Power Operations)** mission to promote highest levels of safety & reliability & excellence – in operation of nuclear power plants
- **OSHA Voluntary Protection Program (VPP)**, Government sponsored partnership with businesses - promotes excellence in occupational safety & health
- **Safety Case Regime** - regulatory based safety initiative in a number of countries.

Center for Offshore Safety



Our Mission...

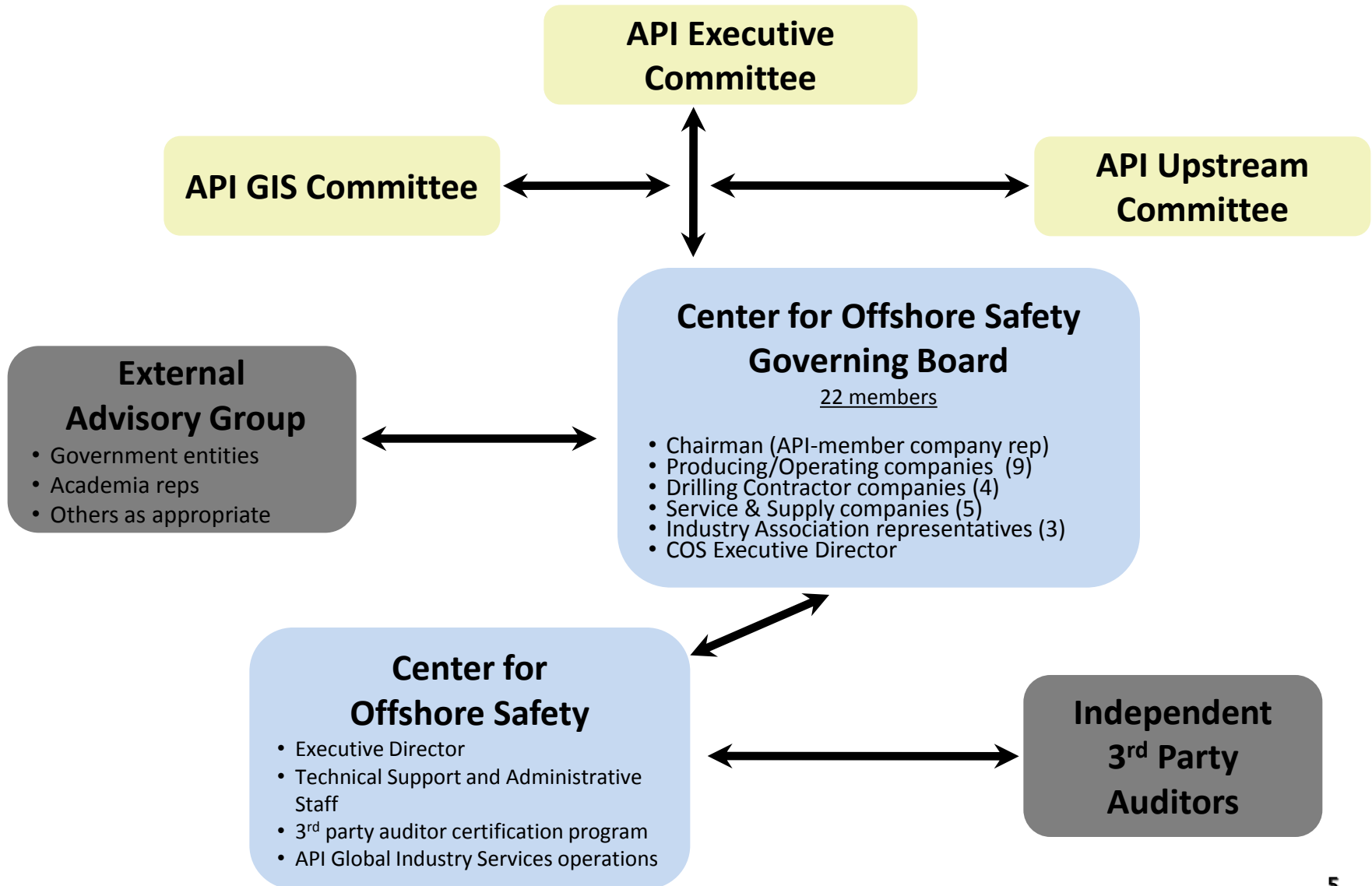
Promote the highest level of safety for offshore drilling, completions, & operations by effective leadership, communication, teamwork, utilization of disciplined safety management systems & independent third-party auditing & certification.

COS Key Operating Features

- **Industry Participation by Operators, Contractors, Service Providers, & Manufacturers**
- **Stakeholder Engagement**
- **Independent Auditing & Certification**
- **Information & Best Practice Sharing**
- **Continuous Improvement in Safety Mgt**
- **Operational Excellence in Safety Mgt**
- **Demonstrating that SEMS in the Industry should earn confidence & trust**



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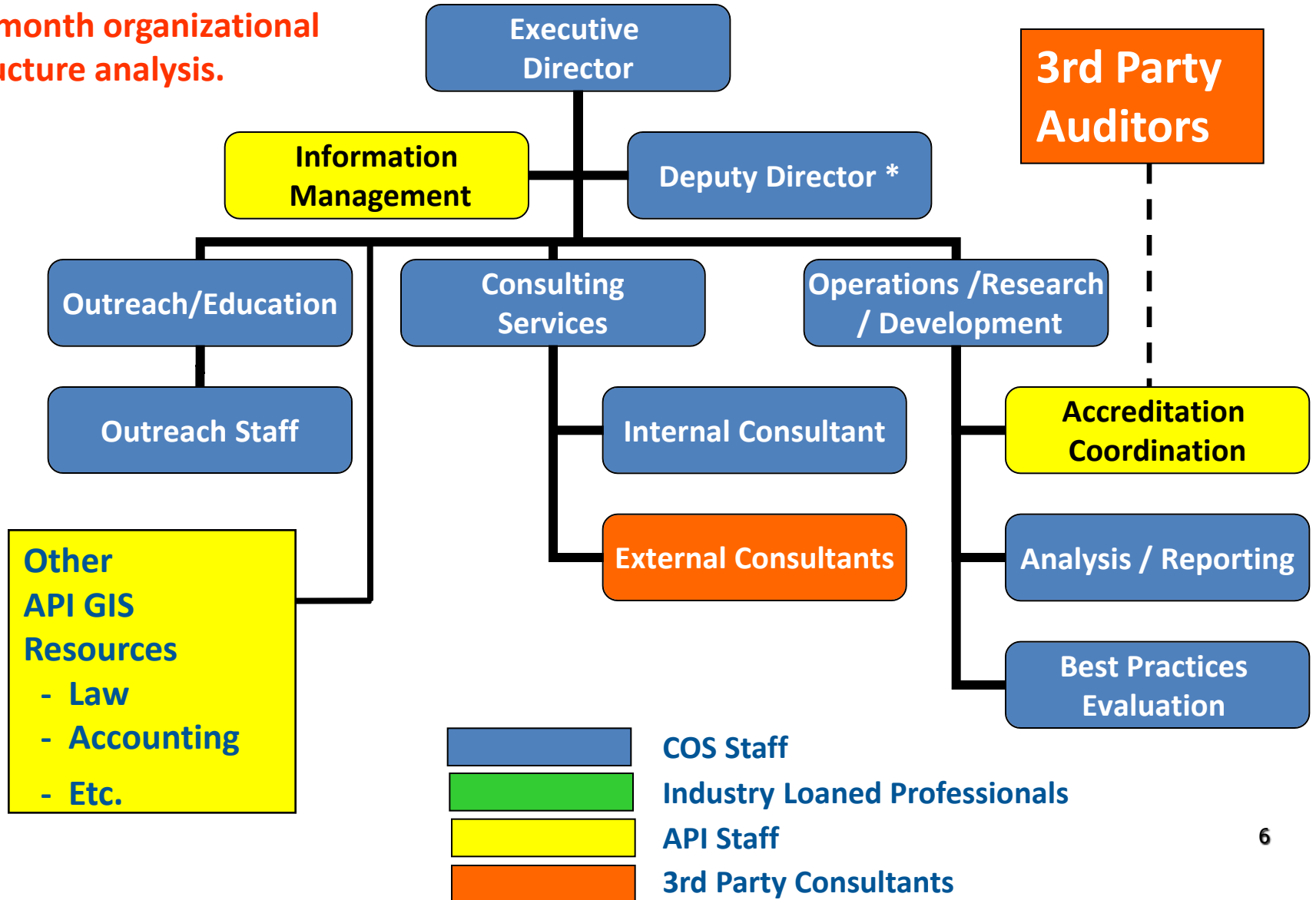


COS ORGANIZATION CHART



*Deputy Director position dependent on outcome of 18 month organizational structure analysis.

(24 Months)



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The Value of COS:

- Providing expert assistance to member companies,
- Accreditation/Certification of third party auditors & member audits to RP75 (audits can be submitted to BOEMRE)
- Compiling & analyzing key industry safety metrics
- COS sponsored functions to facilitate sharing & learning
- Identifying & promoting opportunities for industry to continuously improve
- Communicating & working with government & other stakeholders



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Membership in the Center for Offshore Safety...

The initial program of COS is focused on deepwater (>1000 ft) with exception of SEMS/RP75 which addresses all of the OCS

Membership is open & encouraged for all DW Operators, Contractors, Service Companies, & Manufacturers

Membership is mandatory for API members

Membership being actively pursued for all offshore operators & companies with info available shortly

COS work on RP 75/SEMS audit tools will benefit all offshore operators & contractors

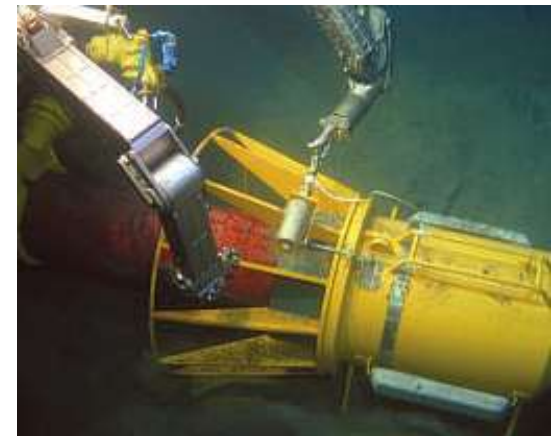
The COS's objective is to be supportive & help all industry achieve high levels of safety



COS – Auditing



- Accreditation program for third party auditors & accredited auditor list
- Third-party auditing & certification
- Audits will meet requirements for BOEMRE submittal
- Audits reviewed & fully aligned with BOEMRE
- Audit checklists & other SEMS tools developed
- Pilot tests underway
- “Audit Guidance Document” being prepared



SEMS Audit Checklist

- *Developed by a Joint Industry Team*
- *Combined SEMS Rule & API RP 75*
- *Question format – over 200 questions*
- *Includes feedback from BOEMRE*
- *Updated to version 5 after Pilot Test*



OOC / COS SEMS Toolkit

- Audit Checklist
- Matrices of Regulatory Mandated Training for Drilling/Marine/Production
- Knowledge and Skills Documentation Worksheet
- Operator-Contractor Agreement Letter Templates
- Terms/Definitions – Clarification Document
- Compliance Readiness Worksheet

Compliance Readiness Worksheet



Citation Ref #	SEMS and API RP 75 Audit Checklist	Owner	Document Type	Where Retained	Retention Period
Audit Question	Does the SEMS program safety and environmental information include all program RP 75 elements?	O	SEMS Plan	Field & Office	Min 6 years per Final Rule
§250.1910(b)(1)	<p><i>(b) SEMS program safety and environmental information must include:</i></p> <p><i>(1) Information that provides the basis for implementing all SEMS program elements, including the requirements of hazard analysis (§ 250.1911)</i></p>				
RP 75 2-2.1	<p><i>This information will provide the basis for implementing succeeding program elements. Management should consider the requirements of Section 3, "Hazard Analysis," if applicable, in determining the extent and detail of required information.</i></p>				

Compliance Readiness Worksheet

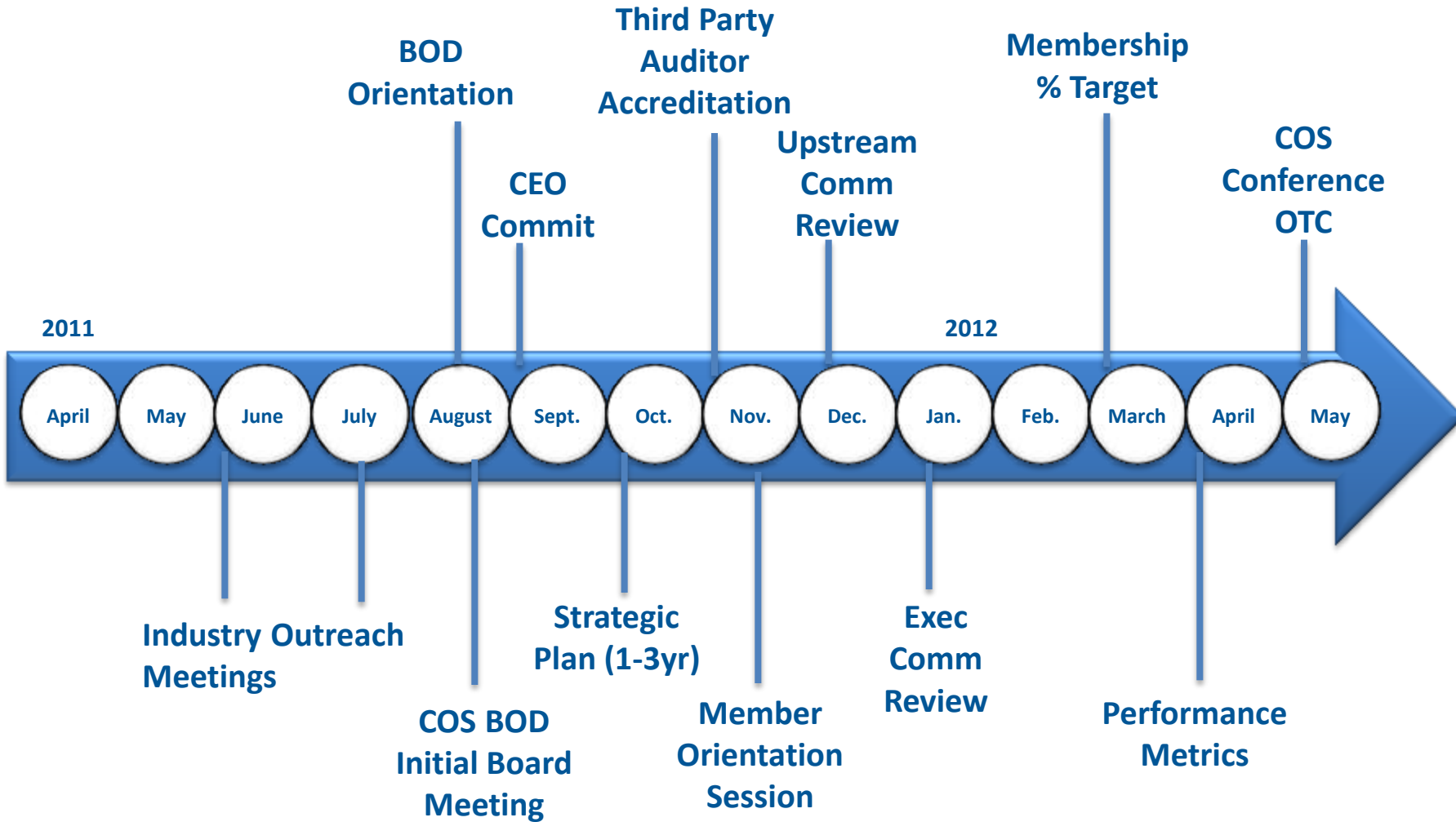


Citation Ref #	SEMS and API RP 75 Audit Checklist	Owner	Document Type	Where Retained	Retention Period
<p>Audit Question</p>	<p>Does the design and installation of new facilities and major modifications include consideration of human factors?</p>	<p>FO</p>	<p>Design Specs</p>	<p>Field & Office</p>	<p>Life of Facility</p>
<p><i>RP 75 2-2.3.5</i></p>	<p><i>Design and installation of new facilities and major modifications should include consideration of human factors. ASTM F1166-95, Standard Practice for Human Engineering Design for Marine Systems, Equipment, and Facilities, is a related resource.</i></p>				

Recommendation: Path Forward

- Management Systems should be assessed on design and effectiveness of the processes
- **COS should develop additional tools to further assess and drive effectiveness of the operator's SEMS**
 - Move discussion beyond Compliance Audits
 - Drive continuous improvements relative to Industry safety and environmental performance
 - Engage BOEMRE on this matter

Center for Offshore Safety Transition Milestones



Questions

