

# US Gulf maritime security increases operating costs

**CONCERNS OF INCREASING** costs of security have been raised by some oil and natural gas companies, drilling contractors and vessel operators working in the Gulf of Mexico as a result of the security regulations developed and implemented by the US Coast Guard as a result of the Marine Transportation Security Act following 9/11.

## COST OF SECURITY

"The cost of security has increased tremendously the past 3-4 years," said **Guy Tetreau**, Vice Chairman of the **Gulf of Mexico Area Maritime Security Committee**.

Mr Tetreau retired as a US Coast Guard Commander in 1999 and is presently employed as a civilian with the Coast Guard.

"I think people would agree that there probably was not enough attention paid to security before 9/11."

He said there have not been too many complaints from industry although he is beginning to hear some complaints regarding costs.

Mr Tetreau said one of the main complaints regards being able to remain competitive with another business.

"There have been some cases where perhaps one facility says they are being regulated but a nearby facility is not," Mr Tetreau explained, "and we are giving the other business a competitive advantage by not making it (take certain security measures)."

The Coast Guard opened a hotline for people and companies that have problems or need a determination of applicability.

The Coast Guard has received thousands of calls and has ruled on many requests for waivers, according to Mr Tetreau.

"We do grant waivers," he said. "Sometimes a facility that comes under the regulations is what we call a low risk facility."

Low risk facilities are those that would not impact other facilities or the nation

as a whole should they be disabled for some reason.

"Those facilities can request a waiver based upon low risk or the nature of the cargo they handle."

"A lot of people in the Coast Guard are,

have put into place for a yellow security risk, your day-to-day operations, are minimal.

"They are a lot better than they were before 9/11," he continued, "but I don't think they are too onerous.

"Of course, there are going to be some people that disagree, but as I said, we have issued a lot of waivers to the facilities where the regulations didn't make sense."

## SECURITY ACT

The Marine Transportation Security Act (MTSA) was implemented following September 11, 2001, under which the US Coast Guard developed and implemented security measures and regulations under Title 33 of the Code of Federal Regulations (CFR).

Oil and gas companies, mobile rig owners and workboat owners were required to submit security plans to the Coast Guard for review and approval.

The entire development process took about three years, including two years since the regulations became effective and affected facilities drafted and submitted their security plans for approval.

The security regulations are presented in Title 33 CFR Part 104 (service vessels, including MODUs), Part 105 (basically shore side facilities) and part 106 (outer continental shelf facilities, including fixed structures, spars and other floating production facilities).

## CRITERIA

There were several criteria to determine which facilities were included under the regulations, according to Mr Tetreau.

Outer continental shelf (OCS) facilities fell under the regulations if they housed 150 or more personnel for 12 hours or more during a 24 hour period for 30 days.

Other criteria involved hydrocarbon throughput of the facility. If throughput was 100,000 b/d of oil or 200 MMcf/d of natural gas, those facilities fell under the security regulations.



**GlobalSantaFe's semisubmersible GSF Arctic I was drilling in the US Gulf of Mexico before mobilizing to Venezuela last year. The contractor's fleet is covered under the maritime security regulations developed by the US Coast Guard as a result of 9/11.**

and I am in particular, very sensitive to the economic burden associated with the (security) regulations," Mr Tetreau said.

"We don't want to put our industry out of business."

Mr Tetreau also stated that the government has distributed grants to help defray some of the security-related costs.

"A lot of grant money has been distributed to these facilities to help them implement these procedures," he explained, "so I think overall it has been well accepted.

"I think we are getting to the phase now where people may be looking at future costs," he noted.

"I think we have been very reasonable and that the (security) requirements we

"There were no facilities that housed 150 people," Mr. Tetreau said, "so the throughput criteria were the only criteria that affected any of the facilities."

The total number of Gulf of Mexico OCS facilities affected by the security regulations is less than 100, according to Mr. Tetreau. It should be noted that the security regulations affect only facilities in Federal waters.

## QUICKLY WRITTEN

The security plans were developed and implemented very quickly. The Coast Guard typically works very closely with industry when writing regulations, and it would have been normal for the agency to take 3-4 years or more in the development phase, according to Mr. Tetreau.

"In this case, they couldn't do that because Congress demanded that regulations be written very quickly," he explained. "They waived laws that have to do with how we write regulations."

One of the laws that was waived, according to Mr. Tetreau, was the Administrative Procedures Act requiring that the Coast Guard work with industry in drafting of regulations.

However, the Coast Guard did have some input from industry from meetings in Washington, DC and other areas of the country, he said, "but we had a firm deadline that we could not miss."

"We received as much input as we could," he continued, "but we weren't going to miss the deadline to have these regulations."

"These regulations are not as well written as some where we took years to develop them," he said.

"We are working on revisions to the regulations, but now the Administrative Procedure Act applies so we are going to have to go through a lengthy process to modify the regulations."

## SECURITY PLANNING

A key component of the security plans was the movement of cargo and personnel to OCS facilities and procedures for access control of the facilities. In most cases, according to Mr. Tetreau, the facilities pushed the access control inspections off the facilities and onto the shore bases.

In other words, whenever a helicopter leaves a base, for example, security pro-

cedures implemented at the base are to ensure that no one or no cargo is on the helicopter that is not authorized to be on the aircraft.

However, some OCS facilities still implement such security procedures onboard the facility. Additionally, all of the OCS facilities have emergency procedures should a helicopter need to make an emergency landing.

Pushing the implementation of security procedures to a helicopter or workboat company doesn't necessarily mean it is the responsibility of the helicopter company or service boat operator.

In many cases, security measures are transferred to the heliport, dock or port facility that could be contracted by the oil or gas company operating offshore.

In this case, the facility will be responsible for the security measures. Also, the oil company could lease a facility such as a dock and staff that with its own personnel who would be responsible for implementing the security procedures.

Ultimately, it is the oil and gas company's responsibility to ensure that the correct personnel and cargo are delivered to its OCS facility.

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The Coast Guard also makes random inspections to assure that access control is implemented.

A second component is the development of an area maritime security committee. Typically, every captain of the port has an area maritime security committee for his area of responsibility (AOR).

However, during development of the present security regulations, according to Mr Tetreau, the industry indicated to the Coast Guard that it wanted one area for the Gulf of Mexico.

There are five different captains of port, each with its own responsibility for a portion of the Gulf of Mexico within the Eighth Coast Guard District in New Orleans, which covers most of the Gulf.

As a result, Mr Tetreau said, the Coast Guard is treating the Gulf as a single port handled through the Eighth District. Security planning is performed at the District through the Gulf of Mexico Area Maritime Security Committee.

The Committee has developed a security plan for the Gulf that has been written, submitted and approved by the Atlantic Area Coast Guard in Norfolk, Virginia. It has already undergone one round of revi-

sion, Mr Tetreau noted, and has been re-submitted for final approval.

## SECURITY PLANNING

Oil and gas companies were required to develop and submit a security plan for each of the regulated facilities. For owners and operators of MODUs and workboats, however, they were required to develop and submit a security plan for each class of vessel.

For example, if the operating conditions of vessels or MODUs are similar and they are operating in the same environment, Mr Tetreau explained, the owner can write one plan and list all of the vessels or MODUs to which the plan applies. Many of the drilling contractors and vessel operators submitted security plans in that manner.

## SECURITY EXERCISES

The regulations require that every facility have a plan and conduct annual exercises. Every Area Maritime Security Committee is required to have an exercise plan annually as well. The exercise is required every calendar year with no more than 18 months between exercises. The US Gulf exercise is scheduled to occur before September, according to Mr Tetreau.

"We are in the process of wrapping up the procedures and policies for annual exercises," he said. "We are at the point now that we need to begin running real life exercises in order to hone the plan."

"We are beginning the early phases of our first exercise for our Gulf of Mexico plan," Mr Tetreau said.

"We have already had some exercises such as terrorist exercises," he continued, "but we have not had a plan exercise per se."

One of the key components of the annual exercise will be to check communications. The Coast Guard has developed a fax, email and telephone system that can be used for two-way communication to contact all of the regulated facilities in the US Gulf as well as all of the security personnel and members of the Area Maritime Security Committee.



**GlobalSantaFe's jackup High Island VIII works in the US Gulf for Unocal. Both MODUs and supply vessels fall under the US Coast Guard's maritime security regulations that includes access control.**

The two-way communication capability has already been utilized to send actual bulletins to the regulated facilities, according to Mr Tetreau.

All of the regulated facilities will have an opportunity to participate in the US Gulf exercises, which will be credited as their annual exercise requirement. Alternatively, regulated facilities could exercise their own plan and components on their own.

Exercises that pertain to MODUs or workboats, according to Mr Tetreau, can be internal to their vessel rather than having to work externally with the Coast Guard.

"A lot of their exercises will be limited to the confines of the vessel," Mr Tetreau explained.

"They may simulate an event, make a call to the Coast Guard and notify us that it is only a drill.

"A lot of them will be what we call tabletop exercises where they are done within the confines of their facility." ■