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ROWAN COMPANIES, INC.
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HOUSTON, TEXAS 77056-6196

July 15, 1999

U.S. EXPRESS MAIL

RETURN RECEIPT REQUESTED

Department of the Interior
Minerals Management Service
Mail Stop 4024
381 Elden Street
Herndon, VA 20170-4817

RE: 30 CFR Part 250 RIN 1010-AC41; MMS Proposed Rule,
Training of Lessee and Contractor Employees

Dear Sir or Madam:

Rowan Companies, Inc. (Rowan) is a major provider of domestic and international offshore and land contract drilling services. Additionally, Rowan is engaged in the aviation and manufacturing industries. On behalf of our drilling group, which has 16 Mobile Offshore Drilling Units (MODUs) on the Outer Continental Shelf (OCS) and employs approximately 1,500 field personnel domestically, we offer the following comments to the referenced Minerals Management Service's (MMS) Proposed Rule relative to Training of Personnel on the Outer Continental Shelf.

While Rowan applauds the MMS's efforts to make training less prescriptive, the proposed rule, as written, raises many more issues than it resolves. The system currently in place, has a regulatory history of moving towards performance based safety systems, and adequately manages the issues presented in this proposed rule. We are of the opinion that the current rules should only be updated by means of government and industry conferences to allow for new and emerging training technologies to be implemented not by additional regulatory rule writing.

The proposed rule, as written, will impose inconsistent regulatory oversight on both lessees and contractors, which would ultimately be detrimental to personnel and environmental safety on the OCS. Prescriptive and recurrent training certified by MMS must remain the foundation of a sound well control program for the protection of the environment and the safety of industry personnel.

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Prescriptive rulemaking, with appropriate latitude for new technological advances, is critical. This approach has allowed for the widespread development of Safety and Environmental Management Programs (SEMP). The foundation for a proper SEM is consistent and prudent work practices applied either companywide or on a regional basis which the SEM covers. The proposed rule by MMS may actually jeopardize the SEM programs industry has been so successful in developing and implementing.

If the OCS universe was made up solely of direct employees of the Lessee the potential to develop a successful performance based training system would have merit. This is not the universe, which will be affected by the proposed rule. Unfortunately, in the real universe very few service contractors work exclusively for one Lessee. As an example on the average Rowan's MODUs will drill six (6) wells for four (4) different Lessees in a twelve (12) month period. As envisioned by the MMS, it is expected that each Lessee will develop its own safety plan to replace the regime which would or could require that Rowan modify work and/or training procedures more than fifty (50) times a year in its SEM. Such modification will affect the consistent nature of any SEM and would make International Safety Management (ISM) certification impossible. Ultimately we believe this would have a negative not positive effect on environmental and personnel safety on the OCS.

Further, the proposed rule as written is vague regarding MMS's intentions concerning lease site specific plans. Currently, Lessees drill well over 1,000 wells per year on the Gulf of Mexico OCS. Many wells are drilled in less than 30 days. The implications are obvious. If in fact this is the intent of the proposed rule, to require site specific plans, the cost of this proposed rule will far exceed the estimate published in the Notice of Proposed Rulemaking. It will be unduly burdensome to require a site specific training plan for each location or lease. Additional evidence of vagueness is the current debate within the lessee community as to whether or not the proposed rule requires them to maintain training records as to contractor personnel. Other specific issues of vagueness are described in Rowan's comments.

Without prescriptive training requirements how will MMS handle regional office or even individual MMS inspectors' interpretation of the proposed rules? Again this proposed rule will create inconsistency of application not only by MMS, but also by the more than 100 Lessees attempting to interpret the proposed rule, which has the potential of creating a negative environment on the OCS.

We also opine that the proposed rule is premature in light of the pending rulemaking relative to revising Subpart A of Part 250. The Subpart A rulemaking may or will have an effect on the scope of this proposed rule.

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Accordingly, this rulemaking should be placed in suspense until the Subpart A, Part 250 rulemaking is completed.

In the event MMS continues forward with the proposed rule, as written, we offer the following comments:

We object to the proposed use of "authorized representatives" (250.1510), which apparently are non-MMS employees. Too much is at stake in the regulatory relationship to allow non-MMS employees to have any oversight involvement. Many of the so-called "consultants" on the market today, are individuals that were terminated by entities within this industry for a variety of reasons. Many no doubt harbor ill feelings towards one or more of the company's that are lessees and/or contractors working on the OCS. An immediate conflict of interest is apparent.

A substantial portion of this proposed rule is devoted to testing of personnel. It is our position that the most reasonable and relevant test for drilling personnel is to simply mandate a pit, trip or other type of emergency drill. The MMS inspector would readily and easily be able to gauge the reaction time and competence of the involved crew, without the need for a verbal and written question database, simulators, or the use of third-party personnel, which are referred to in this proposal as "authorized representatives".

Written and/or oral examinations are not the answer. Formal educational variances make these sort of tests impractical and not a true gauge of competency. Moreover, many individuals with significant formal education possess the ability to test successfully in any subject, provided they have the opportunity to review the subject material. Successful completion of a test, regardless of the manner it is conducted, does not mean the individual is competent to respond to an emergency. History has taught us that hands-on experience and on-the-job training is the greatest predictor of success when well control emergency or other operational considerations arise.

Clarification is also necessary relative to whether or not each lessee/contractor is required to develop a training plan for training conducted by outside vendors (as an example, currently certified well control schools).

Consideration should be given to allowing currently certified well control programs to be "grandfathered" under this proposed rule. As new technology evolves or new methods of well control are proven, these entities would be required to update their program and submit their new program curriculum to the MMS as a Training Plan. We endorse the current training cycles for

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biannual formal well control courses for Drillers, Rig Superintendents and other Supervisory level employees.

It is imperative that the MMS recognize and endorse the International Association of Drilling Contractors' (IADC) Well CAP certification relative to well control. This is an industry standard and will continue to evolve, recognizing emergent technologies and practices.

Contractors rarely receive NTLs. These Notices are, by their very title, addressed to the Lessees. It would be onerous and burdensome to require personnel to be familiar with this information when in fact their employer does not receive same.

MMS must fully detail all personnel subject to this proposed rule. The scope of the proposed rule is ill-defined and we therefore assume that the general provisions of this proposed rule will apply to all personnel employed on a OCS facility. Alternatively, the MMS should be required to be prescriptive in this section to avoid interpretation disagreements. A literal reading of the proposal (250.1503) leaves us with the impression that all personnel would be subject to testing, since to some degree, they all have safety related responsibilities.

Under section 250.1503, page 19323, we are uncertain as to the intent of the MMS. Specifically, as to the Training Plan (b), we believe further definition is required as to each of the sub-parts under this section. The terms "emergency response", "job qualification", etc., are confusing and will lead to inconsistent application of the intent of this proposed rule. At a minimum, the intent of (b)(7) should be more specific to firmly establish that a third party audit is not required and that self-audits are encouraged.

Requiring written job qualifications for each affected position is onerous and unnecessary and creates regulatory overlap with U.S. Coast Guard requirements for licensed and documented personnel. MODUs required by the Coast Guard to comply with the ISM code will be required to develop and implement a comprehensive training program that is approved by and subject to audit by government-appointed auditors. Certain MODU owners not covered by the requirements of ISM, are considering voluntary compliance with the code. Currently, there is no standardization of job qualifications industry-wide. Without industry-wide standardization, this proposed rule could cause a myriad of SEMP changes as contractors move from one Lessee to another.

The record keeping requirements of this proposed rule are unreasonable. The requirement that we maintain records for five (5) years is not impractical for current employees. However, requiring us to maintain records for 5 years as to

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terminated employees is overly burdensome. We would propose that the record keeping requirements for terminated employees be reduced to a one (1) year period following termination. Further, these records are stored at our Houston Headquarters. We are concerned that this method of document storage may not be construed as being "conveniently available" to the MMS Regional Supervisor. We would have no objection to providing the Regional Supervisor with copies of relevant documentation by mail or other means.

The proposed rule's requirement that the employer pay for all costs associated with testing (250.1512(c)) is unjust and cost prohibitive. Given the potentially vague requirements for testing and re-testing, the calculation of the financial impact of this section is impossible to quantify. We seriously question the legality of requiring the lessee or contractor to pay for or reimburse the MMS for their costs associated with testing.

On page 19320 of the FR, the MMS requested input as to six issues. Our responses to these questions are as follows:

1. *Is there specific written test score (re: threshold level) we should use to signify the competency of an individual?* **Response:** Rowan is of the opinion, as previously stated, that written and/or oral tests are not a true gauge of competency. Rather, drills and the requisite responses, are the best method of assessing crew and individual competency. However, if the MMS goes forward with written testing, prior to determining a pass/fail score, the test questions, both oral and written, must first be validated by submission to a cross section of the OCS employee population. The questions should further be grouped by job position requirements. Once the results of the validation are completed, a determination may then be made as to the use of the mean score as a cut-off for pass/fail. Industry dialogue is critical. Both the IADC and the Offshore Operators Committee (OOC) should be involved in the validation process and the formulation of pass/fail criteria.
2. *If an individual or group of individuals receives a written test score below a level determined to signify competency, should we issue an INC, conduct a retest, or initiate some other type of enforcement action?* **Response:** Rather than repeating our position on written and/or oral testing, please refer to our response to question number one above. Additionally, specifically responding to the issue presented, it is our position that an INC should not, except under the most extreme of circumstances, be issued. The use of a Drill to assess competency is the most logical alternative. Progressive regulatory penalties should be considered, all dependent upon the level of training given, the training program's content and the drill competency, or lack thereof, shown. If the individual or

group of individuals do not exhibit the required skills, mandatory training should be the first remedial action required. Alternative penalties could include the use of a Notice of Violation.

3. *What issues should we focus on when conducting employee interviews? How often should these interviews be conducted? What situation(s) should trigger MMS to conduct an interview?* **Response:** Existing practices already allow for the MMS inspector to interview employees. Many factors must be considered, such as the fact that the employee is involved in a work assignment, assuming the interview is conducted on-tour, and his/her mind is therefore focusing on that task. Interference with a work assignment should be avoided if at all possible. Fatigue is another factor that must be considered. Supervisory personnel should also be involved in the interview process so that individuals will not be as intimidated by an MMS inspector questioning their competency. Generic questions relative to the individual's job position requirements would be permissible. Again, drills are the best evidence of competency.
4. *What type of enforcement action should we initiate if during an employee interview an employee exhibits only a minimal understanding of the employer's training program?* **Response:** Again, many employees are intimidated by those in authority; this is a natural reaction. Accordingly, enforcement action based solely on any written test, or oral interview, is unfair and unwarranted. Interviewing the entire involved crew is less intimidating and a more valid method, but should be done off duty. Drill participation is the most logical method of assessing an employee's understanding of his safety and emergency responsibilities. Another alternative is to formally audit the involved company's training programs. Any deficiency noted, unless it is egregious, should be abated by negotiation and remedial action.
5. *Are there any situations where we should not allow an employee to continue working on the OCS?* **Response:** No. If there is clear and convincing evidence of the employee's incompetence, then the employee should be removed from a position of responsibility and required to undergo remedial training. If after conducting an emergency drill, it is clear that an individual is incompetent, the MMS inspector and the individual's senior supervisor should review the individual's training records, the training course curriculum and then interview the involved employee.
6. *Under what circumstances should we initiate hands-on testing of employees?* **Response:** As the proposed rule is written, there are no circumstances where

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the MMS should initiate or require hands-on testing, other than through the use of drills while aboard the facility. The use of simulators is a relevant training tool, but each brand of simulator varies as to the controls involved and the sophistication of the hardware and software. An individual may be familiar with one brand of simulator and yet may not be able to "prove" competency on another model. We are uncertain as to the meaning of the term "live well testing". Does the MMS mean the well the Lessee/Contractor is currently drilling, or do they mean a live well located elsewhere that will be used for hands-on testing? It is patently unfair to require, as an example, a Driller to perform a test on a live well without being totally familiar with the BOP and manifold configuration, mud pumps, etc. It is not only unfair, it could evolve into a dangerous situation. We do not object to the MMS auditing an employee's progress at a well control school, provided the employee is not required to attend same out of cycle.

Lastly, in the event the MMS promulgates a rule based on the substance of the Notice of Proposed Rulemaking, the industry will require more time to implement these rule changes. We respectfully request that the industry be given a minimum of 180 days to be in compliance.

We appreciate the opportunity to address our concerns as to this proposed rulemaking.

Sincerely,

ROWAN COMPANIES, INC.



Bill S. Person, Vice President
Industrial Relations Department