

**United States Senate Committee on Homeland Security and
Governmental Affairs
Subcommittee on State, Local, and Private Sector Preparedness and
Integration
Ray Dempsey
Vice President, BP America
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Chairman Pryor, Ranking Member Ensign, members of the subcommittee, I am Ray Dempsey, Vice President for Strategy & Portfolio.

On May 6, 2010, I became a senior official in the St. Petersburg Unified Command, which has been directing spill response efforts for the west coast of Florida, and is working together with incident command centers throughout the Gulf region. As part of my responsibilities, I also oversee the St. Petersburg Joint Information Center, where BP works with the Coast Guard and along side other federal and state government representatives to share information on spill-related efforts. While I am directly responsible for supporting BP's response efforts in Florida, I also work closely with my colleagues across the Gulf region and have spent time along the Gulf Coast as we stand united in this unprecedented response.

There is an enormous team working on the response efforts, with over 24,000 personnel deployed throughout the Gulf region. In my role, I focus on addressing shoreline and economic consequences of this incident. I am here to share information with you about these activities.

I have worked for this company for twenty years. We are devastated by this horrendous accident. This incident has profoundly touched all of us, and we all want to do, and will do, the right thing for the people affected by this spill. Even as we absorb the human dimensions of this tragedy, we are committed to doing everything possible to minimize the environmental and economic impacts of the resulting oil spill on the Gulf Coast. I volunteered for my current assignment because I want to help the company respond to this spill and to address the needs of the people in the Gulf Coast region.

I would like to make one thing very clear, BP will not rest until the well is under control and we understand what happened and why, in order to ensure it never happens again. As a responsible party under the Oil Pollution Act, we will carry out our responsibilities to mitigate the environmental and economic impacts of this incident.

I would also like to underscore that the causes of the accident remain under investigation, both by the federal government and by BP. I am not involved in the

¹ The data described throughout this testimony is accurate to the best of my knowledge as of Tuesday, June 08, 2010, when this testimony was prepared. The information that we have continues to develop as our response to the incident continues.

investigation process and have no independent knowledge of it. I thus am not in a position to answer questions about the incident itself or the investigation.

I. Cooperation with Federal, State and Local Governments

I would like to reinforce what many of BP's senior leadership have already expressed. All of the resources of BP are behind this response effort. Nothing is being spared. Since the incident first occurred, we have been working collaboratively with, and often under the supervision of government entities – federal, state and local.

Overall region-wide spill response efforts are led by the Area Unified Command, which was in place even before the Transocean Deepwater Horizon sank on the morning of April 22, 2010. Admiral Thad Allen, the National Incident Commander, currently leads the Area Unified Command, which is comprised of personnel from BP and Transocean, the Coast Guard, and the Minerals Management Service. We also continue to work closely with the Departments of Interior, Homeland Security, Energy, and Defense, the National Oceanic and Atmospheric Administration (NOAA), US Fish & Wildlife Service (USFW), National Marine Fisheries Service (NMFS), EPA, OSHA, Gulf Coast state environmental and wildlife agencies, the Marine Spill Response Corporation (an oil spill response consortium), as well as numerous state, city, parish and county agencies. All subsea, surface, and onshore response efforts are coordinated through and must ultimately be approved by the Area Unified Command.

In addition to our collaboration with federal, state and local governments, we are also working alongside our industry colleagues, who have responded in full support. Among the resources that have been made available:

- Drilling and technical experts who are helping determine solutions to stopping the spill and mitigating its impact, including specialists in the areas of subsea wells, environmental science and emergency response;
- Technical advice on blowout preventers, dispersant application, well construction and containment options;
- Additional facilities to serve as staging areas for equipment and responders, more remotely operated vehicles (ROVs) for deep underwater work, barges, support vessels and additional aircraft, as well as training and working space for the Unified Command.

We are making every effort to keep the public and government officials informed of what is happening and are regularly briefing federal, state, and local officials. As the head of a Joint Information Center, a substantial part of my day is spent working with government officials at all levels to address concerns, discuss requests and recommendations, and to ultimately take the appropriate actions to meet our responsibilities in the Gulf region.

Soon after the incident, we began working with state and local governments to address their needs. For example, on May 5th we announced block grants of \$25 million each to the Gulf states of Louisiana, Mississippi, Alabama, and Florida to help address costs associated with this response. Following initial block grants of \$100m to Mississippi, Alabama, Louisiana and Florida, we have just announced a second round of \$25 million payments to Mississippi, Alabama and Florida, for a total of \$175 million in advance payments.

Additionally, after discussing concerns about tourism with state and local officials, BP made payments totaling \$70 million to Alabama, Florida, Louisiana and Mississippi to assist those states in promoting tourism.

On May 24, 2010, BP announced it would make available up to \$500 million to fund an open research program to study the impact of the Deepwater Horizon incident, and its associated response, on the marine and shoreline environment of the Gulf of Mexico.

II. Actions to Minimize the Environmental and Economic Impacts

At the direction of the Area Unified Command, we are taking actions across the Gulf Region to minimize and mitigate the environmental and economic impacts related to this spill.

In accordance with our pre-approved spill response plan, we are responding to the spill both on the open water and on the shoreline.

Actions on the open water:

On the open water, more than 3,500 response vessels are responding on site, including more than 125 skimmers, as well as storage barges, tugs, and other recovery vessels to assist in containment and cleanup efforts. In addition, dozens of aircraft, remotely operated vehicles and multiple offshore drilling units are engaged. The Hoss barge, the world's largest skimming vessel, has been onsite since April 25, 2010. In addition, there are multiple 210-foot Marine Spill Response Corporation Oil Spill Response Vessels, which each have the capacity to collect, separate, and store 4000 barrels of oil. To date, approximately 15,860,000 gallons of oil and water mix have been recovered and treated.

Actions to protect the shoreline:

Near the shoreline, we are implementing with great urgency oil spill response contingency plans to protect sensitive areas. According to the Coast Guard, the result is the most massive shoreline protection effort ever mounted.

To date, over 2.0 million feet of containment boom and 2.5 million feet of sorbent boom have been deployed in an effort to contain the spill and protect the coastal shoreline.

The Department of Defense is helping to airlift boom to wherever it is needed across the Gulf coast.

Highly mobile, shallow draft skimmers are also staged along the coast ready to attack the oil where it approaches the shoreline.

The Area Unified Command Center has been established in Robert, LA. Incident Command Posts have been established at Mobile, AL; Houma, LA, St. Petersburg, Florida, and a soon to be established Florida Peninsula Command Post in Miami.

Pre-impact baseline assessment and beach clean-up will be carried out where possible. Rapid response teams are ready to deploy to any affected areas to assess the type and quantity of oiling, so the most effective cleaning strategies can be applied. Contingency plans for waste management to prevent secondary contamination are also being implemented.

Wildlife clean-up stations are being mobilized working with Tri-State, a leader in wildlife rescue and rehabilitation. A toll-free number has been established to report oiled or injured wildlife, and the public is being urged not to attempt to help injured or oiled animals, but to report any sightings via the toll-free number.

Seventeen staging areas are also in place to help protect the shoreline. These staging areas provide a location for efficient storage and deployment of the equipment, materials, and personnel needed for this response:

- **Alabama:** Dauphin Island; Orange Beach; and Theodore;
- **Florida:** Panama City, Pensacola, Port St. Joe and St. Marks.
- **Louisiana:** Amelia; Cocodrie; Grand Isle/Port Fourchon; Shell Beach; Slidell; St. Mary; and Venice.
- **Mississippi:** Biloxi/Gulfport; Pascagoula; and Pass Christian.

Additional resources, both people and equipment, continue to arrive for staging throughout the Gulf states in preparation for deployment should they be needed.

Addressing the economic impacts of the spill:

We recognize that beyond the environmental impacts there are also economic impacts on many of the people who rely on the Gulf for their livelihood. As a responsible party under the Oil Pollution Act, BP will pay all necessary clean up costs and is committed to paying all legitimate claims for other loss and damages caused by the spill. We know that we will spend more than the \$75 million liability cap established by the Oil Pollution Act of 1990.

The claims process:

BP initiated the claims process on April 24 and had a toll-free call center in place on April 25. That call center is operating 24 hours a day, seven days a week. Potential claimants can call 1-800-440-0858 for instructions on documentation needed to support a claim and to receive an in-person appointment time at one of our claims office. BP has enlisted a company called ESIS to help administer claims. The company is well known as a leader in its field and is trained to respond quickly and professionally to significant events. We now have over 700 people assigned to handle claims, with over 500 experienced claims adjusters on the ground working in the impacted communities.

Thirty two walk-in claims offices are operating in Louisiana, Mississippi, Alabama and Florida. Spanish and Vietnamese translators are available in several offices, where needed. The claims offices are located in:

- **Alabama:** Bayou La Batre; Dauphin Island; Foley; Mobile; and Orange Beach.
- **Florida:** Apalachicola; Crawfordville; Fort Walton Beach; Gulf Breeze; Panama City Beach; Pensacola; Port St. Joe; Santa Rosa Beach; Key West; and Marathon
- **Louisiana:** Belle Chasse; Chauvin; Cut Off; Grand Isle; Hammond; Houma; Lafitte New Orleans East; Morgan City; New Iberia; New Orleans; Pointe-a-La-Hache; St. Bernard; Slidell; Venice;
- **Mississippi:** Bay St. Louis; Biloxi, Pascagoula.

We have also established an on-line claims filing system to further expand and expedite our capacity to respond to potential claimants. It is available at www.bp.com/claims.

We will continue adding people, offices and resources as required and are committing the full resources of BP to making this process work for the people of the Gulf Coast states.

We are providing expedited interim payments to those individuals and small businesses whose income has been interrupted. The interim payment is intended to replace roughly one month's lost income, based on the documentation provided by the claimant. The check for the advance payment will be available at the nearest BP Claims Center, the location of which will be communicated to the claimant. Alternative arrangements can be made if this method of check delivery is not feasible.

We have recently begun sending out second advance payments to individuals and businesses to compensate the loss of income. Claimants will continue receiving income

replacement for as long as they are unable to earn a living as a result of injury, destruction, or loss of real property, personal property, or natural resources caused by the spill.

Over 39,000 claims have been filed and approximately 19,000 have been paid, totaling over \$53 million.

We are committed to ensuring that our claims process is efficient and fair, and we look for guidance to the established laws, regulations and other information provided by the US Coast Guard, which has over 20 years of experience in handling and resolving these types of claims. It is not a perfect process but we are always looking to improve it.

III. Community Outreach & Engaging Volunteers

As part of our collaboration with state and local entities and residents, BP is supporting volunteer efforts in preparation for shoreline clean-up and is working closely with state and local entities on these efforts. We have partnered with existing volunteer organizations in each of the states to ensure efficient registration and deployment of volunteers to the areas where they can help most. Volunteers receive basic safety training to ensure that they can work safely in such areas as beach clean-up, shoreline monitoring, and wildlife monitoring.

Volunteers are not being used for any work involving contact or handling of oil, tarballs, or other hydrocarbon materials. This work is being carried out by trained personnel. In some cases, volunteers can become contract employees (Qualified Community Responders) and they receive more intensive training on the safe handling of hazardous materials and vessel operation for laying boom.

BP is operating twenty-five community-outreach centers across the Gulf Coast counties and parishes of Louisiana, Mississippi, Alabama and Florida in order to be accessible to members of the community.

In each state, a phone line has been established for potential volunteers to register their interest in assisting the response effort. We welcome input and assistance from others, and are doing everything in our power to put the processes in place to maximize the outpouring of help from the local Gulf communities.

Conclusion

BP is under no illusions about the seriousness of the situation we face. The world is watching us. President Obama and members of his Cabinet have visited the Gulf region and made clear their expectations of BP and our industry. So have governors, members of Congress, and the American people.

We intend to do everything within our power to bring this well under control, to mitigate the environmental impact of the spill and to address economic claims in a responsible manner.

We know that we will be judged by our response to this crisis. No resource available to this company will be spared. I can assure you that my colleagues in BP and I are fully committed to ensuring that we do the right thing, and working closely with federal, state and local governments is key to this. We and the entire industry will learn from this terrible event, and emerge from it stronger, smarter and safer.