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Transcript of Adm. Thad Allen's press briefing Thursday on the BP Gulf oil leak

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This is the transcript of the daily press briefing with Coast Guard Adm. Thad Allen from Thursday, June 10, 2010. The transcript was distributed by the White House.

Moderator: Tony Russell June 10, 2010 10:30 a.m. CT

LIEUTENANT COMMANDER TONY RUSSELL: Good morning, everyone. Thanks for joining us again. Good morning, everybody on the phone conference line. Again, thank you for joining us.

This'll be today's operational update. It'll be given today by Admiral Thad Allen, National Incident Commander. He's also joined by Tracy Wareing who's the lead Integrated Services Team for the National Incident Command.

Just to remind you of the ground rules, we'll do the overview, five or ten minutes, Q&A, ten minutes from in the room, ten minutes from on the phone. Please state your name and affiliation when you start. And with that, I turn it over to Admiral Allen.

ADMIRAL ALLEN: Thanks, Tony.

Good morning. My update will be brief this morning, because we really only want to talk about two things, two letters that we sent to British Petroleum in the last 72 hours.

The first letter, regarding claims and data information. And I have Tracy Wareing with me, who leads our Integrated Services Team, who will be speaking to that. And the second letter was requesting that BP provide us a plan on spill containment, spill control, well containment and well control. It would allow us to increase production but also have redundancy in systems, so if we lost one of the systems, we could continue to operate.

For the 24-hour period that ended at midnight last night, we were able to produce 15,800 barrels of oil. This is in keeping with a trend that's trending up. We're also trying to bring in redundant capacity for the Discover Enterprise that's out there right now and will be joined by the Q4000, a mobile drilling unit, in the next week or so.

We've directed, or will be directing, BP to bring another production capability inside, so we'll have redundancy. And that gets back to the letter that we sent.

But the most important thing we'd like to cover this morning is—a meeting was held yesterday at my request, sending a letter to Tony Hayward, to talk about claims processing. And I kicked off the meeting. We had senior BP representatives there. We also had representatives of the White House and my staff

to talk specifically about claims, issues with claims, data transparency and a way forward. I'd like Tracy Wareing to give you an update on that right now.

Tracy?

MS. WAREING: Morning, thank you, Admiral.

As Admiral Allen indicated, yesterday we convened a meeting with top BP claims officials to ensure that BP's claims process is more transparent, prompt and responsive to the unique needs of the communities and citizens that have been impacted by the oil spill.

During the meeting, we directed BP to provide clear public information on the entire life cycle of the claims process that they have produced, and ensure that we have greater accountability for the American people.

We discussed a number of crucial issues during the meeting. I'm just going to highlight a couple that I think are very important and crucial to the impacted individuals and businesses along the Gulf.

One is a pressing concern about the length of time it is taking to pay businesses that have been impacted by the oil spill. We indicated that—and they recognize—the BP recognize that their previous approach of waiting until basically after the books have closed for each month to calculate losses will not work. It won't get dollars out quickly enough for the businesses that are struggling on the ground.

And they have indicated that they will implement, and are implementing, a more expedited claims process for these larger-loss business claims that will basically take into account the ability to allow for those businesses to pay their expenses for the upcoming month as opposed to reflective to the last month. That's an important update that we received from BP yesterday.

We also discussed seasonal earnings. The fact that many of the impacted industries in the Gulf, for example with the shrimping season, which would have be gone officially—or, which began officially last week, workers make the majority of their money in a particular season in a short span of time.

And we indicated to BP that we wanted them to make sure that they are not simply providing a month's wages calculated by dividing the annual salary from last year by 12, but rather verifying, and we've asked them to verify this—that they can calculate the damages to those individuals based on the earnings that they get in that short period of time. And they've assured us that they will do that.

Probably most importantly, at yesterday's meeting, we agreed to move forward with a meeting today with folks who work through their contractor and who maintain their data that they—that they keep on claims that come into their system. With our team to ensure that we can make some changes to better explain to the American public what claims are being paid, what the status is of pending claims, and ensuring that they're being paid timely and fairly.

Finally, BP's senior person for claims operations, Darryl Willis, who joined us yesterday, is going to participate in a series of meetings with me across the Gulf over the next several days to discuss individual and small business claims process with each of the states and allow the states to bring their concerns forward, and again try to get greater clarity and understanding and ensure that individuals,

families and small businesses in the communities are getting what they are due by the responsible party and that we can help fulfill our oversight responsibilities in ensuring that they do that.

Admiral?

ADMIRAL ALLEN: Be glad to take any questions you have for us. Yes.

Q: (inaudible) high-definition video ...

ADMIRAL ALLEN: Right.

Q: When did you ask for that? Do you have a working list of what you asked for? Like, was it before the cut and then after the cap was in place, and how much of it do you now have?

ADMIRAL ALLEN: We've made several requests for that, and if you'd like a log, we can actually get that—when we requested it and when we got it. Regarding the high-resolution video, one of the challenges we had—and this has to do with the Flow Rate Technical Group needing that to do volumetric estimates between frames. They were streaming that video ashore, but with the way—the limitations on the—on the—on the satellite feed, it was low quality.

And they keep that on a disk on the vessels that are actually operating ROVs [Remotely Operated Vehicles] out there. In some cases, we had to physically have that shipped in. So to the cases where there were delays, sometimes the delay was because of the shipping. But we're certainly glad to give you the day of the request and when we got it.

Q: So how about the flow rate? When is that coming out?

ADMIRAL ALLEN: It's coming together. It's—as you might imagine, it's really complicated. We've divided several teams up to take a look at this from different angles, literally different angles.

The two basic things we're trying to do are reconcile two views of how the—how the oil might be determined. One of them is overhead using satellite imagery and sensors from NASA aircraft. And what they do is, they actually look at the reflectivity of the oil on the water. It's different than the water itself. And because of that, they can actually take a measurement and see how—the extent of the thickness of the oil, and then get a model for assessing what's—the total that's out there.

The other team is actually looking at the—at the oil coming out from the riser pipe and leaks before themselves. And two different ways to look at that—one of them is actually to analyze the video itself and make some assumptions about what's in that stream. And there's oil, natural gas, water and sediment.

A fourth effort was done by the Woods Hole Oceanographic Institute that submitted a report (that) we're looking at right now. They actually took very sensitive acoustic devices down there and actually tried to get a cross-section of the volume by using a sonar-like apparatus. That's all there – it's all being reviewed. As you can imagine, it's a massive amount of data, and we're crunching it right now. And as soon as we have something, we'll be making it available.

Q: Is there a timeframe? Are we talking weeks? Are we talking days?

ADMIRAL ALLEN: Well, we were hoping to be able to make it available today, but they're—it's kind of the proverbial, they're in the room, we're shoving pizzas under the door and saying, "Don't come out until you get it done." No, we want this to—because it relates to ultimately what kind of production capacity we need.

And this gets back to the letter we sent to BP regarding redundant systems and having the capacity to keep production going if one system shuts down, which is what we asked them to provide us.

Q: I don't want to monopolize, but the EverGreen burner, is that a back plan in case you don't have enough production capacity?

ADMIRAL ALLEN: No, it was always part of the plan to actually burn off some of the oil. It's part of the way to deal with the flow.

Yes.

Q: There are many people who say that the best dredgers and skimmers in the world come from countries like the Netherlands and France and that they can't—they're not being asked to come in because of the Jones Act. Is that the case? And why not get around that, suspend that, so you can bring that other you know technology in?

ADMIRAL ALLEN: Well, first of all, those are source countries. That's correct, they're available. But we are using them. We are dealing with folks like Norway, the Netherlands, Canada and other places. Anyplace that's got skimming capability that's available, we're willing to talk to them, and we actually have, in some cases, actually transferred the equipment down and will continue to do that.

If it gets—if it gets to the point where there's a Jones Act required, we're willing to do that, too. Nobody's come to me with a request for a Jones Act waiver, but any skimming capability we can bring in, we're looking for.

Q: So are the actual boats being brought in or just the equipment?

ADMIRAL ALLEN: Well, in some cases it's the skimmer itself. In some cases, the skimming equipment is organic to the vessel itself. It depends on what you're talking about. To my knowledge, what we brought in is actually skimming equipment rather than the vessels themselves, but we can give you a detailed listing.

Q: (Inaudible) high-def video, Admiral, did you get any resistance from BP to turning over the disk? Did they want you to be happy with the satellite feed? Or was there any argument at all at getting access to that high-definition ...

ADMIRAL ALLEN: No, I think early on, at the start of the event, when they were streaming video, there was some issue about who owned the video and who had access to it. BP is not the firm that's actually operating the remotely operated vehicles. I think it's a firm called Oceaneering. So we have a sub-sub-

sub. It was more of an issue of getting the question to the right place and having them provide it back to us.

But I think you've seen for, you know the—well over a month now, the video feeds are coming in. And when we need the high-restriction stuff, that has to be on the disk and actually brought to shore.

Q: So they didn't stand in the way of your getting that disk, right?

ADMIRAL ALLEN: Not to my knowledge. Now, there was an issue early on about who owned the data and who could release it initially. But past that, they've been responsive to any requests we've made.

LIEUTENANT COMMANDER RUSSELL: Any more questions from the room?

Q: Are you still convinced that the supertanker oil recovery method used in Saudi Arabia and other places won't work here? And why is that (inaudible)?

ADMIRAL ALLEN: You know a couple differences. The spill they operated against was a very large and concentrated—what I would call a monolithic spill—where they could actually make changes to the tanker design that would allow the stuff to flow in through the hull.

The difference here is—number one—it's not a large monolithic spill, and the concentrations are separated dependent on where they came to the surface and what the wind and current had done to them. And the second issue is the pure density of vessels that are out there.

In and around the spill site, where the largest concentrations of oil would come up, where that might be something you could do—at any one particular time in those two or three square miles, there could be anywhere between 25 and 30 vessels doing the production off the wellhead, drilling the relief wells, offshore supply vessels. It's very, very packed there.

The final thing is, there is no tanker that's been outfitted to do that right now. The tankers would have to be modified, and we have some technical issues about what that would entail regarding the stability of the ships and the structural issues associated with that.

So just in general, not quite the same set of circumstances, not the same environment, not the same type of spill. And the density of vessels out there, I think, would make it very, very difficult.

LIEUTENANT COMMANDER RUSSELL: Operator, we'll start taking callers from the phone.

OPERATOR: Your first audio question comes from the line of Steven Portnoy with ABC News.

Q: Hi, Admiral, good morning.

ADMIRAL ALLEN: Good morning.

Q: Last night, in Escambia County, Florida, officials held a news conference in which they expressed concern over the fact that they were only informed that oil was reported inside Perdido Pass after the

fact, in a conference call with Unified Command, and they expressed particular concern about the Coast Guard.

Senator Nelson of Florida said in Washington today that the folks in Florida there are "as mad as wet hens" right now. He says, "We've got to get this command and control straightened out with communications going to everybody at the local level." This is the concern that the senator is expressing on day 52, sir. What's your response?

ADMIRAL ALLEN: Well, first of all, I've flown over Perdido Pass. I'm very familiar with the—both the booming strategy we have right now and our attempts to actually drive piles and make a more permanent booming strategy there.

Perdido Pass has strong currents at the ebb and the flow. Our plan right now is to allow vessels to leave on the ebb, when there's less chance of oil coming in, and then try to seal that off during the flood.

There's no 100 percent guarantee that oil won't get through. But one of the more robust booming strategies we have in and around that area is in Perdido Pass. I don't know of the exact details of the report you're talking about. I'll be—I'll—more than happy to release a statement later on when we look into the details.

But that has been a focus area of [Alabama] Governor [Bob] Riley. I know that. That's a focus area of Captain Steve Poulin, who runs our Incident Command in Mobile. As I said, I've over-flown it myself. There's a fairly robust booming system in effect there, and we're going to put another one that will actually add a higher degree of protection by—able to actually close the cut and—during the flood tide, which is the maximum threat of oil at that time.

But we will look into it and release a statement. But again, we have a robust booming strategy there.

OPERATOR: Your next question comes from the line of Jim Polson, Bloomberg News.

Q: Yes, Admiral, I'm sorry, you may have answered this from the room, but BP said this morning that they plan to flare all the oil from the Q4000. You had said yesterday, I think, that you expected them to take half of it. Is that a significant change, and did you approve that change?

ADMIRAL ALLEN: No, I don't think it was a change. What I—I think I might have been talking about the capacity. We originally listed it at 5,000. We think it could go to 10,000. But I think the intent always was to flare the gas and flare the oil. If I described it where it was confusing, that would be my mistake.

OPERATOR: Your next question comes from the line of Susan Daker with "Dow Jones News Wire."

Q: Hi, good morning—this is Susan with Dow Jones. Going back to the flaring of the oil, that sort of sounds like another environmental and financial disaster. Oil is an expensive commodity. Why would you approve that?

ADMIRAL ALLEN: Well, flaring the oil on a—on a mobile drilling unit is really no different than flaring the oil in an (inaudible) you burn after it's been corralled by boom. In either case, the thing you want is not to have it on the surface of the water and not to come ashore. So we're trying to handle the outflow of

the well so we don't put any pressure back on it, produce as much as we can, any way we can. And we say "produce," that means remove the hydrocarbon so they're not a threat to the surface or the shore.

OPERATOR: Your next question comes from the line of Osha Davidson, the Phoenix Sun.

Q: Yes, hi, this is Osha Davidson with the Phoenix Sun, and, Admiral, I had a question about the flow rate calculation. On May 26, the plume calculation team reported that the flow rate—their estimate was at least 12,000 to 25,000 barrels per day and that they would continue to work on an upper—upwards bound model.

And yesterday you had said that, if we can get this thing up to 28,000 barrels per day, that's the capture of it, that's where we want it to be. Since they said that 25,000 was the upper end of their lower end boundary, isn't the government not—isn't it unprepared for a much higher rate? And why is that?

ADMIRAL ALLEN: Well, we put the production capability we had in place right away to be able to handle the flow in the letter we sent to BP. And we'll make this public once we reviewed their plan. We've also had them come in and tell us how they were going to increase capacity, and that is—that's covered in the request we made to them, and we're reviewing their plans right now, not only to increase the capacity, but also to create redundancy. And we'll be able to speak to that probably in the next 24 hours.

Q: Can I follow up on that ...

ADMIRAL ALLEN: Yes.

Q: ...please, from in the room here? What's your (inaudible) impression of the plan? Is it adequate? Does it deal with a hurricane, for example? Are you pleased with it?

ADMIRAL ALLEN: It meets the redundancy and the capacity requirements that we need. We want to make sure we understand exactly how it's going to be executed. And as far as dealing with the hurricane—there's not going to be an easy way to deal with a hurricane.

What this will do is allow us to create a riser pipe that is basically suspended below the water—held up by a buoy on one end and anchored at the other, with flexibility hoses to the well and a flexible hose up to the production platform. So if a hurricane comes, it can be disconnected quickly.

The Discover Enterprise, right now, is connected to the wellhead by a fixed riser pipe. That is not the way you want to ride out a hurricane.

Q: What happens when you disconnect it?

ADMIRAL ALLEN: There is probably going to be a release. And we're just going to have to understand that, for that time period, that's the only way we're going to have to deal with it. It's a—it's the nature of the response and the limitations on the production platform down there.

Having a large hurricane come in and having to abandon that station is not going to be good for anybody. The vessels they are bringing in, a 1000-foot shuttle tanker, are going to be much more

seaworthy and will be able to accommodate a much heavier sea state. So it'll be a—it'll be an issue of how heavy the weather gets, and the sea state, before they might have to abandon.

Q: Do you (inaudible)

LIEUTENANT COMMANDER RUSSELL: Operator, next question from the phone please.

OPERATOR: Your next question comes from the line of Dennis Byrne, Chicago Tribune.

Q: Hi, Thad, how are you doing? Can you hear me?

ADMIRAL ALLEN: Yes.

Q: On behalf of the American people—by the way I'm (inaudible) —we're very disappointed in the way this is being handled. We're disgusted. Is there any way you could really relate to the American people and tell us what's going on? Because we think it's a big bust, and you're having a lot of problems here.

And can you talk about the (inaudible) out of Portland, Oregon? And just get it together. Do your act together, all of you. Thank you.

ADMIRAL ALLEN: I'm not sure I understood the question, but I'll make a comment. Regarding the overall response, I don't think it's necessarily well known—a lot of folks in the United States—and it's really complicated, I'll be the first to admit it.

Our spill response is conducted under the National Contingency Plan, which was mandated by the Oil Pollution Act of 1990. And it's actually codified in federal regulations, issued by EPA, that establishes that either EPA will be the federal on-scene coordinator for inland spills—the Coast Guard will be the federal on-scene coordinator for maritime spills.

It also places a premium on the responsible party, or the operators of facilities or vessels, who identify resources for spills. That, in turn, generated an entire industry in this country, called oil spill response organizations, that were created after the Oil Pollution Act of 1990.

And what people have to identify in their plans are enough capacity out there in the oil spill response organizations to have them under contract to be able to respond to a worst-case spill scenario. Now, you can like that, or you may not like it, but that is what was mandated in law after the Exxon Valdez. And that was what was put in place in the response for the Deepwater Horizon spill.

We have since gone way over the top on that in terms of resources, command and control and the amount of personnel that we're bringing to this fight, because the spill has grown in magnitude far beyond, geographically, from what was anticipated in any planning scenario from Louisiana clear over to the panhandle of Florida.

LIEUTENANT COMMANDER RUSSELL: Operator, last question from the phone.

OPERATOR: Your final question comes from the line of (inaudible) of The Washington Post.

Q: Thank you. Just a general question. Is—are other American or other oil companies—oil drilling companies involved in any way in the cleanup and in trying to figure out how to cap the well? And if not, why not?

ADMIRAL ALLEN: First of all, regarding capping the well, British Petroleum, plus the engineers and technical experts that we have on scene in Houston, consulted widely with other industry partners. In fact, the recommendation to try and use—disperse an application at 5,000 feet down in the subsea environment, which had never been done before, was actually recommended by another industry partner to BP.

So I think there's a significant collaboration going on out there. It's in everybody's best interest to get this thing capped, and I think industry is throwing everything they've got at it, and I don't think they're making a discrimination, as far as intellectual capital, between British Petroleum or any other—any other oil company.

And there was a second part of that question, could you ask it again?

LIEUTENANT COMMANDER RUSSELL: Thank you very much.

Q: You said that you're willing to entertain Jones waivers requests.

ADMIRAL ALLEN: Yes.

Q: But none have come—none have come to you. Who would they come from?

ADMIRAL ALLEN: They would be sent up—come from a variety of ways. For—I'll give you a good one right now we're working on. The State of Louisiana is looking for as many dredges as they can bring in to do the barrier island berm project that's been approved, now funded.

We worked with the Army Corps of Engineers to release any dredges that aren't needed from projects. They are putting out a solicitation around the country for additional dredges. If there is a shortfall, they can bring foreign dredges in, but that would require a Jones Act waiver. And I've told the State of Louisiana, if you get to that point, submit a waiver, and we'll consider it. That would be a typical scenario.

LIEUTENANT COMMANDER RUSSELL: Thank you all very much.

OPERATOR: Thank you for participating in today's teleconference. You may now all disconnect.

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