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DEMOCRATIC STAFF DIRECTOR

December 5, 2012

The Hon. Ken Salazar
Secretary
Department of the Interior
1849 C Street, N.W.
Washington DC 20240

Dear Secretary Salazar:

I write to request information regarding severe damage that occurred this past September to a containment dome that Shell planned to use for offshore drilling in the Arctic. According to initial conversations between the Natural Resources Democratic staff and the Interior Department, during a testing accident the containment dome experienced an uncontrolled surfacing and descent. In addition, recently released internal DOI e-mails[1] demonstrate that the extent of the damage to the containment dome was significant. Shell's unsuccessful test in Puget Sound raises new questions about the company's ability to successfully drill offshore in the Arctic and, more generally, about the ability of containment devices to function properly in the harsh Arctic environment.

Shell's website states "In Alaska we have invested hundreds of millions of dollars in spill response vessels, equipment, staff and training. Our staff carry out regular drills. We are ready to respond to a spill within 60 minutes, 24 hours a day."[2] Yet, rather than demonstrating that Shell is ready to effectively respond to an oil spill in Arctic waters, recently released Interior Department e-mails report that the Shell containment dome "breached like a whale" during testing and the top half of the containment dome was "crushed like a beer can" during this exercise.

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[1] Available at: http://www.documentcloud.org/documents/526393-bsee-foia-kuow-initial-response.html#document/p1

[2] http://www.shell.com/home/content/future_energy/meeting_demand/arctic/oil_spill_prevention_reponse/

The e-mails also show that Shell experienced "two warning indicators that were determined to be bad sensors, one in a venting valve, and the other with the Hydraulic Power Unit that provided power to the winches." In addition, prior to the containment dome event, Shell apparently experienced problems with its Remote Operated Vehicles (ROVs). One e-mail describes that a ROV had become "tangled in rigging" and that Shell subsequently asked to "continue tests using divers" even though in a real situation "safety would not allow them to use divers." The outcome of the containment dome test, the fact that Shell may have missed warning signals that something was wrong and Shell's problems using ROVs, which could be required in an Arctic environment, raise troubling questions about whether Shell can drill safely in this harsh and sensitive area.

I therefore request that you respond in writing to the following questions by close of business on Friday, December 14, 2012:

1. What has the Interior Department concluded caused the failure of Shell's Arctic containment dome during testing on September 17, 2012? Does the Department believe that the failure of Shell's system was due to mechanical or operational failures?

2. A February 2012, GAO report that I requested following the Deepwater Horizon oil spill concluded that containment response in Alaskan waters poses unique risks and logistical limitations that could delay or impede response to a blowout. Some of the environmental challenges highlighted included the presence of surface and seafloor ice that could damage equipment and make it more difficult to access the source of a leak. Furthermore, limited infrastructure to move and support response personnel and the lack of redundant vessels and equipment pose logistical hurdles during a response. Does the Department believe that the failure of Shell's containment device is specific to Shell's technology or could other containment devices be at similar risk of failure due to these environmental challenges and limited response infrastructure present in Alaska waters? If not, why not? Please fully explain your response.

3. According to Interior Department e-mails, Shell experienced "two warning indicators that were determined to be bad sensors." Does the Department believe that these warning indicators were related to the ultimate failure of the containment dome test and what, if anything, did Shell do in response to these indicators? What steps does the Department believe should have been taken in response to these warning indicators?

4. What steps, if any, does the Department believe Shell could have taken to prevent the failure of its containment device?

5. In August, the Director of the Bureau of Safety and Environmental Enforcement, James Watson, was quoted in press reports as saying "Shell will not be authorized to drill into areas that may contain oil unless the spill containment system is fully certified, inspected

and located in the Arctic."[3] Given the failure of this test of Shell's containment dome, what additional measures will Shell be required to undertake prior to drilling into hydrocarbon bearing zones offshore in the Arctic? Will Shell be required to successfully demonstrate that its containment device can operate as intended in actual Arctic conditions, given its failure in relatively calm water and a predictable environment, before it is allowed to drill into hydrocarbon bearing zones offshore in the Arctic? If not, why not?

6. The e-mails that have been released show that Shell had problems properly operating its ROVs. What does the Department believe caused the improper operation of Shell's ROVs? How would Shell's problems using ROVs have impacted operations had this been a real oil spill emergency offshore in the Arctic?

Thank you for your attention to this matter. Please contact Morgan Gray on the Democratic staff of the Natural Resources Committee at (202) 225-6065 for further information or if you have questions regarding this request.

Sincerely,

Edward J. Markey

Edward J. Markey
Ranking Democratic Member

[3] Available at: http://blog.seattlepi.com/seattlepolitics/2012/08/30/shell-gets-green-light-to-begin-arctic-drilling/