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Written Testimony

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Good morning, Mr. Chairman and Committee members. My name is Paul Schuler and I am President and CEO of Clean Caribbean & Americas (CCA). CCA is an international oil spill response cooperative with a geographic responsibility for the Caribbean basin and the Americas. I have been President of CCA for 20 years, following a 14 year career in the US Navy. I am here today to discuss how we are planning for oil spill response for drilling in Cuba.

CCA covers 37 countries and territories in this hemisphere. We are a non-profit organization that is funded by our 40 oil company members. Our mission is Oil Spill Preparedness and Response, and over the years, membership dues have capitalized a multi-million dollar stockpile of air mobile response equipment. Repsol has been a member of CCA for many years, and Petronas, who will be the next company to drill in Cuba, is in the process of completing its membership in CCA.

CCA operates under an internationally accepted system of response developed decades ago by the UN Environment Program and the International Maritime Organization. The system, called “Tiered Response” is recognized in the US and is the foundation of preparedness and response around the world. Accordingly, companies involved in the petroleum industry are required to have the capability to respond to oil spills that might occur from the entire range of their operations, with escalating capability and resources depending on severity of the incident. A Tier 1 capability with immediately available response resources for small, operational spills should be available on site. Tier 2 capability escalates with additional equipment nearby or in cooperation with other companies or government resources. CCA is a Tier 3 response organization, and we have air mobile equipment that can be rapidly mobilized to provide assistance in incidents that exceed local or national capability. We work very closely with other Tier 3 response organizations, including Oil Spill Response Ltd (OSRL), in the UK, and with the Marine Spill Response Corporation (MSRC) in the US. MSRC is the world’s largest and most capable response cooperative and lead the response in the Gulf of Mexico last year for BP.

In the past 20 years CCA has responded to a number of spills in the Caribbean, Latin America and North America. We have been involved with Cuba since 2001, when we first applied for and received licenses from the Department of Treasury and Department of Commerce to travel to and export our equipment to Cuba. This was in response to drilling that took place by Repsol and Petrobras. CCA staff, including myself, have

traveled to Cuba for Contingency Planning, training, and drills and exercises with these companies. With the new round of drilling coming up, we have recently been back to Cuba to work with Repsol and Petronas. CCA is jointly developing Repsol's Oil Spill Contingency Plan with our sister cooperative, Oil Spill Response Ltd, in the UK. OSRL also has a large stockpile of air mobile equipment, and they have no limitations on sending equipment and personnel to Cuba.

Repsol's contingency plan is being developed and resources are being committed consistent with the international model of Tiered Response. The drilling rig has Tier 1 equipment on board to provide initial rapid response on site. Seven containers of equipment are en route to Cuba from OSRL to be placed in the shore base at the Port of Mariel for Tier 2 reinforcement. The Contingency Response Plan calls for rapid mobilization of both CCA and OSRL for Tier 3 support if needed.

I do not believe the concern about Cuba is really about small Tier 1 or Tier 2 incidents. It is about the blowout scenario that we experienced last year in the Gulf of Mexico. CCA was intensely involved in that response. Although we provided conventional equipment, such as skimmers and containment boom, our primary focus was on aerial application of dispersants flying our spray system in a chartered C-130 Hercules aircraft. Under the authority of the US Coast Guard as Federal On-Scene Commander, CCA equipment and contractors sprayed almost 400,000 gallons, or more than one third of the dispersant applied by aircraft. We are intensely proud of the role we played and believe that science supports the judicious use of dispersants to minimize the impact of oil spills. I have personally been involved in research and published papers on the topic of the Net

Environmental Benefit Analysis of Dispersed versus Non-dispersed oil in Tropical Ecosystems. I bring this up because one of many advantages of the dispersant option is the speed of mobilization and quantity of spilled oil that can be treated. Due to the currents in the Florida Straits and difficulty of conventional recovery operations, dispersants will likely play a major role, at least in the initial phases of a spill response until other resources can be mobilized to the Straits.

Spilled oil knows no political boundary, so what we do in Cuba can very well determine the impact of spilled oil in Florida and the Bahamas.

In a deep water blowout scenario in Cuba, CCA will provide the initial Tier 3 response resources from our organic assets. We can very rapidly mobilize our equipment to integrate into the ongoing Tier 1 and Tier 2 response effort in Cuba. OSRL will simultaneously activate bringing in additional resources. We will provide and sustain this initial response and take measures to combat the spill near its source. However, for an incident on the scale of the Gulf of Mexico spill, we would expect the mobilization or “cascading” of significant other response resources as the response further escalates and transitions to the “project phase.”

I regularly meet with government officials in the Caribbean and Latin America to advise on National Contingency Planning and especially establishing mechanisms for the rapid and smooth movement of response resources through customs and immigration. Cuba presents a unique challenge. On Thursday, CCA will participate in a tabletop exercise of the US Coast Guard’s International Oil Drilling Response Plan. We will simulate our

initial response as I described. What remains to be seen is how the response escalates beyond our involvement. Nearby in the Gulf of Mexico is perhaps the largest concentration of oil spill response capability in the world. Hopefully we will never need to execute our plan, but if we do, that capability will be needed.

I therefore encourage some form of loosening up “the process” so more US companies and resources can be made available if needed.

Thank you for your attention and the honor and privilege of addressing you.