

EDITORIALS

From the Chairman

SMALL BATTLES WIN REAL SAVINGS

WITHIN IADC, THE WORK for the benefit of all drillers continues in good times and bad. As we prepare to convene our 2001 IADC Annual Meeting in New Orleans, it's appropriate to reflect on the added value IADC brings to its members every operating day.

IADC has earned its solid reputation as the principal authority on the drilling industry through the specialized knowledge and integrity of our members and staff. It is through the efforts and perseverance of dedicated volunteers and highly skilled staff that IADC's advocacy efforts and initiatives have won the small battles that create real savings for drilling contractors and pave the way for advances in our industry's efficiency.



Thomas P. Richards, Chairman

- IADC's tireless fight on off-road diesel fuel is an excellent example. The organization has worked continuously to ensure that off-road diesel

remains tax-free. As a result, we contractors are not required to pay tax on the fuel then file cumbersome paperwork with the IRS to obtain refunds. Keeping off-road diesel untaxed saves us \$250 per rig *every operating day*. That's a benefit you and your customers can count right on your bottom line!

- In one action alone, IADC saved offshore contractors \$10,000-\$20,000 *per rig* this year. That's the price tag for voyage data recorders, which a proposed amendment to the International Maritime Organization's Safety of Life at Sea (SOLAS) Convention would have required on *every* MODU. Most MODUs are not self-propelled, thus hardly have a use for voyage data recorders. We are a certified Observer at the IMO, where we successfully pointed out the folly of this proposal.

- We finally ended 5 years of anti-dumping duties levied against drill pipe from Argentina and Mexico. These countries are now able to add capacity and competition for the US drilling market.

- We're currently resisting US Department of Transportation rules that would as much as double the number of drivers needed to move and rig up drilling units. IADC is working to ensure that the oilfield remains exempt from any changes to current hours-of-service regulations.

- The IADC North Sea Chapter is developing a North European Safety Case, seeking to harmonize the requirements among North Sea nations. Once completed, IADC will seek

adoption of this unified safety case approach to satisfy requirements of each coastal state in the area. This will reduce duplication and redundant safety case submissions, with a direct savings in expense, time and paperwork.

These are but a few examples of IADC's work over the past year. This issue of *Drilling Contractor* details other successes, as will the 2001 IADC Annual Report. The Annual Report will be available at the IADC Annual Meeting and subsequently through IADC and its website (iadc.org). ■

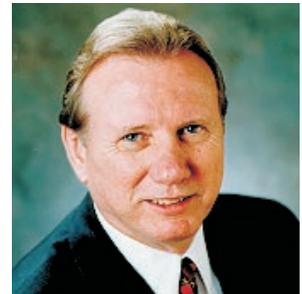
From the President

RIG SAFETY IS NO PLACE FOR YELLOW JOURNALISM

AS THE OFFSHORE Europe Conference opened last week in Aberdeen, attendees were subjected to headlines in a tabloid journal screaming that the UK's Health and Safety Executive (HSE) "is on a collision course with the drilling industry." This exaggerated premonition of a looming train wreck was prompted by a study being launched by HSE to examine the options for mechanization on production platforms and rigs in the UK sector.

The closest thing to a collision between industry and HSE occurred on the floor of the exhibition, when the IADC contingent and HSE delegates rounded a corner at the same time and came (gasp!) face-to-face, nearly crashing into one another! Were guns drawn? (The "oil cowboy" is an inaccurate stereotype propagated by the UK press.) No weapons appeared—not even the fisticuffs favored by burly brawling Scots (an inaccurate stereotype propagated by the US press).

The men of both the IADC and HSE groups shared their mutual disappointment with the flame-fanning tabloid rhetoric. What purpose is served by depicting the UK offshore regulatory authority and the drilling industry as trains hurtling headlong toward a cataclysmic collision?



Lee Hunt, President

IADC and HSE have long experienced a productive and cooperative relationship in seeking to reduce workplace risks as low as is reasonably practical. While industry and government may initially hold opposing views on regulatory proposals, two things are constant: Both parties maintain a firm commitment to improving workplace safety and reducing incidents and eliminating accidents and fatalities. Disagreements are aired in an atmosphere of open, intellectually honest debate, backed by science and information—not inflammatory rhetoric.

The Head of Offshore Division of HSE recently conducted visits with drilling contractors on both sides of the Atlantic to discuss safety issues that require the attention of government and industry. His conclusions and message appear in an article in the July/August 2001 issue of *Drilling Contractor* magazine.

Hardly the stuff of train wrecks! ■