

**American Bar Association
Section Of Environment, Energy, And Resources**

**General Session: Environmental Enforcement:
If Counting “Beans” Warps Government Decision Making, What Will Work Better?**

**A Case Study In Compliance Assurance:
The BP Amoco Environmental Management System**

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**33rd Conference on Environmental Law
Keystone, Colorado
March 11-14, 2004**

Introduction

During the past few years, the U.S. Environmental Protection Agency (“EPA”) and the Justice Department have been placing increased emphasis on the use of environmental management systems (“EMSes”) as a mechanism to ensure compliance with applicable environmental laws and regulatory requirements and to achieve other important environmental goals, such as spill reduction.¹ This policy received fresh reemphasis from a memorandum issued by John Peter Suarez, EPA’s then Assistant Administrator, Office of Enforcement and Compliance Assurance (“OECA”) on June 12, 2003, entitled *Guidance on the Use of Environmental Management Systems in Enforcement Settlements as Injunctive Relief and Supplemental Environmental Projects*. In addition, EPA has developed written guidelines setting forth the necessary elements

¹ See, e.g., EPA, *EMS Position Statement* (May 15, 2002), on EPA website at www.EPA.gov/ems; EPA, *Action Plan for Promoting the Use of Environmental Management Systems* (August 2, 2001) (EPA website, *supra*); EPA, *Code of Environmental Management Principles*, 61 Fed. Reg. 54062 (October 16, 1996). An effective EMS, including a compliance auditing function, has long been treated as a mitigating factor by the EPA and the Justice Department in the context of enforcement actions, e.g., U.S. Department of Justice, *Factors in Decisions on Criminal Prosecution for Environmental Violations in the Context of Significant Voluntary Compliance or Disclosure Efforts by the Violator* (July 1, 1991); EPA, *Incentives for Self-Policing: Discovery, Disclosure, Correction and Prevention of Violations*, 65 Fed. Reg. 19618 (April 11, 2000); see, also, William L. Thomas, *et al.*, *Crafting Superior Environmental Enforcement Solutions* (Environmental Law Institute 2000), discussing the use of EMSes and similar mechanisms in the enforcement context.

of a “Compliance-Focused Environmental Management System” for use in consent decrees and plea agreements.²

Private sector interest in the use of EMSes has grown steadily in the United States, and at a more rapid pace in Europe, Japan and elsewhere, because of the benefits perceived in the use of such systems to achieve compliance and environmental excellence. This led to the development by the International Organization for Standardization (“ISO”) of its *ISO 14001: Environmental Management Systems – Specification With Guidance For Use* (1996) (hereinafter the “ISO 14001 Standards”).³ The ISO 14001 guidelines define an EMS as:

[T]he part of the overall management system that includes organization structure, planning activities, responsibilities, practices, procedures, processes and resources for developing, implementing, achieving, reviewing and maintaining the environmental policy.⁴

The use of such management systems has also received recent shots of adrenalin from two additional sources. The first was the decision by the Delaware Chancery Court in *Caremark* in 1996, requiring that a company have in place an internal information reporting system which provides timely and accurate information to top management and the Board of Directors to allow those bodies each “to reach informed judgments concerning both the corporation’s compliance with the law and its business performance.”⁵ The court specifically noted the duty to “assure corporate compliance with external legal requirements, including environmental . . . product safety . . . [and] other health and safety regulations.”⁶ The second boost was the Sarbanes-Oxley Act with its enhanced requirements that the principal executive and financial officers certify the accuracy of filings with the Securities and Exchange Commission (“SEC”) and that appropriate internal controls and information processing systems be developed to ensure the reliability of these certifications.⁷ This has produced a renewed focus on compliance with the SEC regulations

² EPA, *Compliance-Focused Environmental Management System – Enforcement Agreement Guidance*, Doc. No. EPA-330/9-97-002R (Rev. Aug. 2002). This document was developed by EPA’s National Enforcement Investigations Center in Denver, first issued in August, 1997, and revised three times since then under the lead authorship of Steven W. Sisk.

³ These were accompanied by ISO 14004: *Environmental Management Systems – General Guidelines on Principles, Systems and Supporting Techniques* (1996). Numerous other organizations in the private and public sector have issued guidelines and principles regarding EMSes and compliance auditing programs. See, discussion in Frank B. Friedman, *Environmental Management Systems – Managing Cost-Effectively While Assuring Compliance*, 32nd Annual Conference on Environmental Law, Keystone, Colorado (March 13-16, 2003), Conference Manual at pp. 45, *et seq.*

⁴ ISO 14001 Standard, Sec. 3.5.

⁵ *In Re Caremark International, Inc. Derivative Litigation*, 698 A.2d 959, 970 (Del. Ch. 1996).

⁶ *Id.* at 969.

⁷ Pub. L. No. 107-204, 116 Stat. 745, 15 U.S.C. §§ 7201, *et seq.* (July 30, 2002). See, in particular, Title III (Corporate Responsibility) and Title IX (White-Collar Crime Penalty Enhancements) as well as Title II (Auditor Independence).

regarding disclosures of environmental expenditures, potential liabilities, and other matters deemed “material” to an investor.⁸

This paper discusses the design and implementation of an enhanced EMS which is based on EPA’s compliance-focused EMS guidelines. It is nationwide in scope and is being watched by EPA and the Justice Department as a model for use in future consent decrees, plea agreements and enforcement cases generally. I will review the principal elements of the EMS, discuss how BP addressed the most significant challenges in implementing it, particularly with respect to compliance assurance, and then offer some concluding thoughts.

I. The BP Amoco “Endicott” Plea Agreement

The Plea Agreement under which the BP Amoco EMS was required arose as a result of illegal waste disposal practices by a BP contractor, which BP failed to detect and report in a timely fashion, at BP’s Endicott facilities on the North Slope in Alaska. Specifically, during the mid-1990s for some two years a BP drilling contractor injected a variety of wastes, including paint thinner, contaminated oil and spent solvents, many of which were hazardous waste under the Resource Conservation and Recovery Act,⁹ down the outer annulus of oil-producing wells to depths below the permafrost (between 2,700ft. and 4,500ft.); from there the wastes flowed out into the underground environment. The practice was concealed as “freeze protection” of the wells. The Government concluded that not only had the contractor acted illegally, but BP had failed to provide proper oversight, and then failed to timely report the environmental release of hazardous substances to the National Response Center once it was discovered. BP thus faced the possibility of substantial fines and penalties under RCRA and Superfund, and possibly other laws as well.

Instead of large fines, the parties negotiated an alternative: BP agreed to design and implement an EMS not just at Endicott where the violations had occurred, but at all of its oil exploration, drilling and production facilities nationwide. The EMS was to be based on EPA’s compliance-focused EMS guidelines. The parties entered a Plea Agreement on September 23, 1999, which was approved by the United States District Court in Alaska and incorporated into a judgment and five-year probation order on February 1, 2000.¹⁰ The Plea Agreement required that during probation BP was to design and implement the EMS as required in the Plea Agreement, promptly report any violation of environmental laws arising during the term of probation to the U.S. Government (EPA Region 10), and make sure that any incentive bonus and shared savings programs offered to employees or contractors not “encourage behavior which could result in operational risks or environmental harm.”¹¹ The Plea Agreement also required a court-appointed monitor during the probationary period to monitor the development, implementation and maintenance of the EMS and the design and supervision of the incentive bonus and shared

⁸ See, 17 C.F.R. §§ 229.101, 229.103 and 229.303 and 17 C.F.R. Part 230.

⁹ 42 U.S.C. §§ 6901 *et seq.*

¹⁰ *United States v. BP Exploration (Alaska), Inc.*, Case No. A99-141CR (JKS).

¹¹ Plea Agreement Secs. II.A.11 and 12 and IV.D.3.c.

savings programs. The costs of this were to be paid by BP. I was appointed as the monitor on the joint motion of the parties, and by order of the court on November 10, 2000.¹²

II. The Design and Organization of the EMS

The required elements of the EMS are set forth in detail in Attachment 1 to the Plea Agreement. Like the EPA guidance document on which it was based, Attachment 1 sets forth twelve key elements which were required to be embodied in the EMS, along with certain requirements regarding EPA's organization, staffing and reporting. Attachment 1 is a sixteen page single-spaced document including detailed requirements for each of the "key elements." Without attempting to set forth the details, the topics addressed by each of the twelve key elements are as follows:

1. Management policies and procedures, including a commitment to compliance with all applicable laws, pollution prevention and continual improvement. These policies and procedures must be communicated from the top management to all levels of personnel.
2. Organization, personnel and oversight with respect to the EMS. This included the establishment of a Corporate Compliance Committee for each of BP's three major regions covered by the Plea Agreement: Alaska, the "Lower 48" onshore facilities and the "Lower 48" offshore facilities.
3. Assignment of responsibility and clear lines of accountability, with sanctions for noncompliance, including effective contractor oversight.
4. Identification of all applicable environmental requirements and a program to ensure compliance.
5. Assessment of risks and prevention of releases. This expands on the compliance assurance program to include internal and external auditing and root cause analysis.
6. Environmental incident and noncompliance investigations, and tracking of corrective and preventive measures.
7. Environmental training, awareness and competence for all persons with environmental compliance responsibilities – effectively all BP employees and many contractor personnel.
8. Planning for environmental matters – including the setting of goals, objectives and action plans. Integration of environmental planning with other business activities.
9. Maintenance of records and documentation.

¹² This order was modified slightly in a Superceding Order entered February 16 and filed February 23, 2001.

10. A comprehensive pollution prevention program, including waste minimization.
11. Continuing program evaluation and improvement.
12. Public involvement and community outreach.

Prior to entering into the Plea Agreement, BP had already made a decision to develop and implement ISO 14001 EMSes at all of its facilities, globally. By the time the Plea Agreement was entered, the facilities which were subject to its provisions were in various stages of ISO 14001 EMS implementation, and most of them had structured their EMSes around the seventeen ISO 14001 elements. Therefore, one of the first things BP did was to reorganize the twelve elements in the Plea Agreement to conform to the seventeen-element ISO 14001 structure.

BP's facilities are organized, within each of the three regions, into Business Units ("BUs") and, within some of them, separate Performance Units ("PUs"). EMS Coordinators were assigned within each BU or PU to work closely with existing health, safety and environment ("HSE") managers and field environmental coordinators. Corporate Compliance Committees were appointed for each of the three regions to oversee the design and implementation of the EMS at all of the covered facilities. The makeup of these committees was required by the Plea Agreement to include operations personnel, corporate legal and environmental staff, and an independent third party consultant with expertise in designing EMSes.

The Plea Agreement also required standardization across regions of policies, programs, procedures and terminology to the maximum feasible extent so that when employees are transferred from one part of the company to another there will be minimal learning curve time. These requirements had to be balanced against the fact that the types of facilities, and conditions to which they are subject, vary widely from one region to another. For example, the Greater Prudhoe Bay facilities on the North Slope include over 1,000 miles of piping and many thousands of valves, all of which are exposed to severe Arctic weather conditions, which in turn requires a rigorous corrosion inspection and preventive maintenance program to minimize leaks and spills. By contrast, the oil fields in Texas, Oklahoma and New Mexico are characterized by beam pumps and different piping layouts, and entirely different weather conditions and stresses. The offshore drilling rigs and production platforms, in turn, must be equipped and operated so as to minimize spills to the Gulf of Mexico, even in hurricanes. Some representative photographs of these facilities are provided at the end of this paper in Attachment D.

BP conducted a gap analysis within each of its business units to identify the changes needed to its existing environmental protection and compliance programs to achieve compliance with all elements required by the Plea Agreement. The Plea Agreement further required that an EMS manual be developed for each of the business units which embodies all of the Plea Agreement requirements. Because the problems which gave rise to the Plea Agreement occurred at Endicott, the first "prototype" EMS manual was developed for that facility. This was initially submitted in draft to EPA on September 30, 2000. Following a series of comments on the draft by EPA and the court-appointed monitor the revised manual was submitted in February, 2001, and subsequently approved by EPA. EMS manuals were then developed for the rest of the BUs based on the Endicott model, but taking into account differences in facilities between regions. These were submitted to EPA in September, 2001. Following those submissions, BP moved into the implementation phase.

The EMS manual is the basic document which defines the programs, practices and procedures which constitute the EMS. There are between 34 and 38 key documents in each of the EMS manuals. The table of contents for the EMS manual which was in effect for the North Slope facilities as of March, 2003, accompanies this paper as Attachment A. It shows all 38 of the key documents, organized around the seventeen ISO 14001 elements which are the key components of the BP EMS.

III. Monitoring the Design and Implementation of the EMS

As court-appointed monitor I have filed quarterly progress reports with the court. In order to effectively monitor BP's progress, I have since my appointment conducted numerous facilities visits, meetings and interviews, reviewed thousands of documents, and have provided comments on these to BP. The order appointing me authorized access to whatever facilities, documents and personnel I need to carry out my responsibilities, as well as the hiring of engineering and other outside experts if necessary (this has not yet proven to be necessary).

Early in the process I developed a "Milestones" document in which I listed each of the activities required under the Plea Agreement, the due date, and the status. As design and implementation progressed, I attached a currently updated version of that "Milestones" document to each quarterly report. A copy of a recent edition accompanies this paper as Attachment B. Those reports also addressed, with respect to each of the seventeen components of the EMS, BP's progress in implementation.

Early in the process it appeared that it would be desirable to provide a clear definition of when the EMS could fairly be said to be effectively implemented at various facilities, as well as the procedures which I would use in conducting a "final" evaluation to determine when the EMS was fully and effectively implemented. After discussing this subject with the Government, the Probation Officer and BP, I drafted a three-page document and provided it to the parties for comment. I then finalized it and attached it to one of the quarterly reports, so that everyone concerned would know exactly how I planned to proceed. A copy accompanies this paper as Attachment C.

Thereafter, I conducted four comprehensive evaluations of EMS implementation during 2003 at the business units and performance units governed by the Plea Agreement. These EMS implementation evaluation reports were filed with the court and the Probation Officer and provided to BP and the Government.¹³

IV. Significant Challenges and BP's Response

The most significant challenges in the design and implementation of this EMS, in terms of creative thinking and sheer time and effort, included compliance assurance, training programs, contractor oversight, tracking and responding to noncompliance and "near misses" (including spill prevention programs), and maximizing standardization across regional lines despite significant differences in facilities and environmental risks. The following discussion describes how BP's EMS has addressed each of these.

¹³ These reports covered each of the two Alaska performance units, the Lower-48 onshore business unit, and the Lower-48 offshore business units, respectively.

A. *Compliance Assurance*

The compliance assurance process began with the identification of all activities which impact environment or are subject to environmental regulation. This calculation was generally done on a performance unit or business unit wide basis, but can also be done at the facility level. The next step was to identify all applicable legal requirements. This information was placed on a “compliance matrix,” which is at the heart of BP’s compliance assurance program. Compliance tasks and requirements are listed along one axis, and the job positions responsible for compliance assurance are listed along the other. For each of the two Alaska performance units, the initial document covered over 100 pages. Even when computerized, managing a compliance matrix of this magnitude struck many as overwhelming and unworkable.

BP proceeded to refine the compliance matrix and make it “user friendly,” so that it became easy for a trained user to identify, by facility and job position, the universe of compliance requirements with respect to any particular topic (such as hazardous waste management, air emissions monitoring, NPDES reporting, etc.). With training on how to use the computerized compliance matrix, what initially seemed like an enormous mass of material became manageable at the facility, performance unit and business unit levels respectively. The compliance matrix is an “organic” document, which is updated by the EMS coordinators as regulations change or facilities and procedures change. Because the compliance matrix shows, by job description, who is responsible for performing which tasks, this provides the basis for identifying the training requirements and programs, discussed below.

In addition, the computerized EMS manual provides a valuable tool in the compliance assurance process. When it is accessed online, the user can easily go to any one of the seventeen major components of the EMS and find the text of the key documents which describes specific programs and procedures, responsibilities, definitions and other important information. In addition, for each of the components there are links to BP guidance documents, training aids, and forms and guidance issued by EPA and state agencies, and other tools to help maximize compliance.

Meanwhile, the BP organization is designed to ensure a high level of compliance. Every business unit and performance unit has an EMS Coordinator assigned to it. Every business unit also has an HSE Manager and an Environmental Manager, both of whom work closely with operations managers to ensure that environmental compliance programs are fully integrated with the business operations.

In the field there are Environmental Team Leaders who oversee the compliance process and make sure that appropriate resources are provided. Working with them are “Technical Assistants” and the legal department, most of whom are located at central facilities. These people provide practical compliance assistance and legal advice, respectively. Importantly, there are regular multi-disciplinary HSE team meetings to make sure that problems are identified and the programs and processes operate smoothly. At worksites there are “toolbox meetings” or comparable environmental and safety meetings held daily or at other reasonable intervals to ensure that both BP and contractor employees review issues which may have arisen the day before and discuss the work of the day ahead, including any environmental, health or safety issues that might arise, and how to handle them. At all facilities there are large multi-color posters reminding personnel of BP’s environmental policies, restating the environmental goals and targets of the facility or business unit for that year, and providing tips on environmental protection, waste minimization and other HSE matters.

The internal and external communications, including such items as the posters described above, reflect a clearly articulated policy of environmental protection and compliance, which fits easily on a single page. This policy is articulated starting with CEO Sir John Browne and Ross Pillari, President of BP America, through regional presidents and vice presidents, business unit leaders and others. The message is that excellence with respect to health, safety and environmental matters is part of the culture of the company. HSE successes are celebrated at both the team and individual level. This in turn has enabled BP to attract capable and highly motivated personnel at all levels who take pride in making the HSE programs work effectively.

The compliance assurance program also includes internal and external compliance audits and “management system” audits, plus frequent self-assessments at the facilities level. The findings resulting from these audits and self-assessments are entered into a computerized “Tr@ction” program which tracks the implementation of corrective and preventive action.

Finally, BP has a rigorous “Management of Change” process. This requires that whenever there is a change in facilities or procedures, new facilities are required, new regulations are issued, or some other change occurs, there is a process to identify and evaluate all new or altered environmental impacts and requirements. The results of this “mini-environmental impact analysis” are reviewed by HSE and business managers to make sure that risks, potential liabilities and new obligations are identified and provided for before the change is implemented.

Largely as a result of this compliance assurance process, audit findings between 2002 and 2003 at most facilities dropped both in number and severity. Similarly, the number and size of spills at nearly all facilities covered by the EMS declined during the same period. It should be pointed out that spill reporting procedures internally and externally are clearly set forth, and there are severe sanctions, including termination, for any employee or contractor who fails to promptly report a spill.

B. Training

Making sure that all employees are competent to perform their jobs and aware of all applicable environmental and EMS requirements is critical to the success of the EMS. Therefore training programs have been established to ensure that all employees have the necessary knowledge, information and tools to fulfill their environmental compliance responsibilities. This begins with the creation of a “training matrix” which is derived in large measure from the compliance matrix, discussed above. The training matrix shows, by job description, what training is needed. Usually on a facility or regional basis, a training plan is developed each year based on the training needs of all personnel. Training programs are evaluated and updated as needed to make sure they are relevant and user-friendly. Computerized training is available for many programs, so that employees can receive training at their convenience. Testing is done for most training, and additional training and retesting is required if the tests are not passed.

It is the responsibility of each employee and his or her supervisor to schedule appropriate training during the year. BP has developed a computerized “Virtual Training Assistant” which enables any employee to call up his or her training records and schedule, and determine what training is needed. Similarly, supervisors can access this information for all employees for whom they are responsible so that they can ensure that all employees get the necessary training at the appropriate time. Training programs are developed in-house by experts located in each of the regions. Depending on the nature of the training it can be given either by training program personnel or by EMS coordinators and other field-based personnel.

C. *Contractor Oversight*

Because of both the historic origins of the Plea Agreement and fact that at most of its facilities BP has numerous contractor personnel at work on matters which, if not properly done, can result in environmental violations, the EMS includes a rigorous program of contractor oversight. Contractor oversight procedures are part of the “Operational Control” component of the EMS. BP has hundreds of contractors operating at each of the three major regions covered by the EMS. In each of the three regions, BP identified a number of “high priority” contractors based on either the volume of work done or the critical nature of it in terms of environmental risk, and required that each of these contractors develop its own EMS. BP met frequently with each of these priority contractors, provided them with templates and guidelines for their EMSes, and then provided training to contractor personnel. BP also provided a number of online compliance guidance documents for contractors.¹⁴

All of BP’s contracts require that any contractor must comply with all applicable federal, state and local laws regarding protection of the environment in any work done for BP. In addition, for contractors who are not in the top priority group, environmental compliance procedures are being required on an “as needed” and specifically tailored basis.

A significant challenge confronting BP was how to ensure that the numerous contractors are actually complying with EMS and regulatory requirements. To address this, BP has identified among its own employees field liaisons whose job it is to oversee the day-to-day performance by contractor personnel. Appropriate training and guidance tools are provided for this. For larger contractors there is a “Contract Accountable Manager” (“CAM”) who both manages the relationship and makes sure that the contractor has the programs and tools needed to ensure compliance. Nearly all of these CAMs are persons with other business responsibilities, so specialized training has been provided to enable them to know the relevant requirements and apply successful oversight techniques.

Finally, BP has adopted threshold screening criteria for the selection of contractors. Contractors who have a poor environmental compliance record, or who are unwilling to adopt compliance procedures and ensure that their employees are properly trained, are not hired. BP has reported a very high degree of contractor cooperation and even enthusiasm for these programs. Many contractors see the BP procedures as enhancing their own business operations and improving their environmental compliance profiles.

D. *Tracking of Noncompliance, Spills and “Near Misses”*

The EMS includes a rigorous monitoring program for identifying noncompliance with applicable laws, spills and “near misses.” The internal reporting is designed to enable BP to (1) identify and comply with any external reporting requirements, notably to government agencies, and (2) determine what, if any, corrective measures need to be implemented as well as measures to prevent future recurrence of the problem. This includes root cause analyses in appropriate cases. Near misses are included because BP believes, as do a number of other companies, that much can be learned from a near miss.

¹⁴ For example, BP’s *Keys to a Successful Environmental Management System (“EMS”): A Step-By-Step Guide for BP Contractors* is available to all contractors on a BP website.

The “Tr@ction” program, mentioned above, is used to track the timely implementation of corrective and preventive measures which are identified as a result of audits, self assessments or investigations into spills or noncompliance. This includes a description of the action, a deadline, and the person responsible for getting it done.

The Corporate Compliance Committees, which met monthly throughout the entire design and implementation process of the EMS, review in detail at each meeting the number and nature of noncompliance instances, spills and near misses.¹⁵ This review includes root cause and “frequent cause” analyses and a discussion of programs which might be implemented to improve performance. This information is also discussed more frequently by midlevel managers. At the end of each year, and more frequently as necessary, comprehensive reviews are conducted so as to determine ways to reduce the number and volumes of spills and the number and severity of noncompliance incidents. This information is then used in the fashioning of specific objectives, goals and targets for the coming year, as well as improving procedures or equipment designed to address specific types of incidents. Business units often appoint task forces, teams, or “champions” to take on such projects, and celebrate the successes of these efforts.

While the pollution prevention program is a distinct component of the EMS, like each of the other sixteen components, there are interrelationships with other components. In this case the interrelationships include compliance assurance, operational controls, training and tracking programs, among others. All BP facilities have emergency response plans, contingency plans and spill prevention programs which are required by various federal and state laws. In addition, all BUs and PUs must identify those operations and equipment which pose significant risks of environmental release. BP has extensive pipelines which include joints, valves and bends, as well as complex equipment relating to phase separation, waste management and other activities. Many of its operations are in sensitive environmental areas such as the North Slope tundra or the Gulf of Mexico. Therefore careful attention must be paid to leak detection and prevention programs. BP has devoted substantial resources to identify and implement advanced corrosion detection technologies (including radiographic and ultrasonic techniques and the use of “smart pigs” equipped to locate and measure internal corrosion). BP has also established preventive maintenance and corrective maintenance programs, including computerized scheduling and recordkeeping procedures. Such systems are not unique to BP – many companies employ these – and they are increasingly becoming standard procedures at facilities where there is risk of environmental releases resulting from corrosion or inadequate maintenance.

E. Standardization of Procedures

As pointed out above, the Plea Agreement called upon BP to standardize its programs, procedures and terminology to the maximum feasible extent across all of its facilities so as to minimize learning curve time when employees are transferred from one location to another. Even apart from this requirement, BP concluded that it would be efficient and cost-effective to use the same programs, procedures and terminology to the maximum feasible extent at all of its facilities. Among other things, this facilitates effective oversight by managers, and maximizes the benefits of the exchange of “best practices” information across the company.

¹⁵ Once the EMS was fully implemented, the committees reduced their meeting frequency to quarterly. However, they continue to review reports on spills, noncompliance and near misses monthly.

As a result, as the EMS matured, BP has been able to adopt a single EMS manual for all of its Alaska facilities, a second EMS manual for all of its “Lower 48” onshore facilities, and a third EMS manual applicable to all of its offshore business units and facilities governed by the Plea Agreement. There are relatively minor differences in the documents composing these manuals. There are somewhat greater differences among the facility-specific implementing documents, which are identified in the on-line version of the EMS manual as implementing or guidance documents or links. This reflects the differences in the nature of the various facilities located in each of the three major regions, as well as differing environmental compliance requirements and potential impacts.

The process of standardization has been overseen by the Corporate Compliance Committees. This has in turn been enhanced by the facts that (1) a single environmental consultant, common to all three regions, was used during the design of the EMS, and that person attended the monthly meetings of all three Corporate Compliance Committees, and (2) a representative from the Lower 48 attended the Alaska Corporate Compliance Committee meetings and provided briefings on program developments in the Lower 48, and similarly a representative from the Alaska Corporate Compliance Committee attended meetings in the Lower 48. Most importantly, between those meetings there was virtually ongoing communication among the HSE leaders and the personnel in Houston and Anchorage responsible for EMS implementation.

The challenges of standardization were increased to some extent by virtue of the fact that BP Amoco represents the combination of two companies with their own respective programs and cultures, plus the acquisition of facilities from other companies, including Arco and Vastar. Nevertheless, because of the activities described above, BP Amoco has been able to achieve a high degree of standardization with respect to programs, procedures and terminology, while preserving the necessary site-specific tailoring of those programs and procedures.

V. Concluding Thoughts

BP’s EMS is fully implemented and is currently in the maintenance and continual improvement mode. In my view it has demonstrated the effectiveness of the EPA compliance-focused EMS model, and can be viewed as a relevant model for other consent decrees and plea agreements. It also provides an excellent model for other business organizations who are considering the adoption of an EMS or would like to benchmark and possibly enhance their existing EMSes. In this connection, it is particularly helpful that BP has organized the EPA elements into the internationally recognized ISO 14001 seventeen component format.

If EPA and the Justice Department continue the trend which has persisted recently under both Democratic and Republican administrations towards reliance on private sector initiatives to ensure environmental compliance, this EMS model is likely to see substantially increased use in the future. Furthermore, the specific programs and techniques which BP has developed to successfully implement the EMS can also be of substantial assistance to companies who are dealing with such universal challenges as compliance assurance, contractor oversight, effective training programs, the integration of HSE programs and business operations, standardization and continuous improvement through the effective use of “lessons learned.” Finally, this EMS model can help companies seeking to improve the quality and efficiency in the gathering and evaluation of information needed to comply with the dictates of the *Caremark* case and SEC reporting requirements, the accuracy of which has been given special emphasis by the Sarbanes-Oxley Act.