

**From:** Smith, Pharr (Houston)  
**Sent:** Saturday, October 10, 2009 6:23 AM  
**To:** Long, Bob (Geneva)  
**Cc:** Bobillier, Arnaud (Geneva)  
**Subject:** Rebuilding a Safety Culture at Transocean

Bob

I believe that the first step is to admit that we have lost our safety culture. There is no quick fix; we have to rebuild it.

I think the next step is to recognize that we have to define the problem before we can solve it. Our senior management is fully committed; if we knew what the problem was, we would have fixed it already. We need an independent expert to help us figure out exactly what is broken. Hopefully, one of the first things that expert will do is talk to our people. We still have a great many safety champions throughout the organization, and they probably know where the process is breaking down.

Once we know what to fix, we will need excellent leadership to get it done, and I'm afraid we have lots of room for improvement. Our managers are pretty good at management (planning, budgeting, organizing), but we are not as strong at leading (developing a sense of urgency, communicating the vision, motivating our people). We need to foster a leadership mentality throughout the ranks, creating a vacuum rather than imposing a solution and encouraging people to discuss values rather than value. There are a few natural leaders, but most of our managers and supervisors need to be trained in people skills (knowing your people and letting them know you care about them; MBWA; showing enthusiasm, optimism, and passion). Not everyone can do this, and we need to be ruthless about "getting the right people on the bus". Obviously, the downturn is serendipitously providing us an opportunity to "high grade". We just need to be sure that we are retaining the safety champions with the most leadership potential.

We have a few organizational weaknesses, but the biggest one in my opinion is the complexity that we have allowed to creep into every facet of Transocean. We need to simplify, standardize, and stabilize our systems. We need to sharpen our objectives and clarify our communications. We must focus the workforce on a few wildly important goals. Nobody can concentrate on more than about three things at a time, yet we have multiple lists of imperatives, expectations, and objectives that we expect our folks to fulfill. Everyone is suffering from information overload.

To effect this change, we will have to insist on complete compliance and implement a strong accountability culture. We cannot tolerate risk-taking or short-cuts; there can be only one version of the truth. Accountability (both positive and negative) must be swift, sure, and substantial. I still believe that the most powerful tool we have for driving this change through the organization is the boss-employee relationship. If our supervisors are good coaches, mentors, and visibly passionate safety leaders, their employees will follow.

We must not be afraid to expect great things from our employees. Everyone has to take personal responsibility for his own safety, and that includes having a "healthy" fear of the hazards around him. It has to be personal. START conversations can't be token; they must go deep enough to discover the at-risk behaviors, the flaws in the plan, and the unidentified hazards that are almost always there. Positive START observations should be strongly discouraged if not completely banned. THINK planning must be a sincere process in which everyone is deeply involved and everyone's input is truly valued. I agree with the proposal to send teams of START / THINK experts to each rig for several days to observe, coach, and test the crews because I am convinced that many people still don't know what "good" looks like and have never been asked to demonstrate proficiency with our basic tools.

I have several other ideas for improvement, but this is already too long; so I will leave you with one final thought. I have said that our senior management is fully committed, and I believe that, but I worry sometimes that we may send (subliminal) messages that may confuse the audience. We should take this opportunity to look inward and be absolutely sure that we are not sending mixed signals. For example, it might be a good idea, in the spirit of focusing on two or three wildly important goals, to scrape something less important (paperwork, budget exercise, email response expectations, etc.) off the plate. A "public hanging" of a superfluous bureaucratic process might send a strong message that we are willing to walk the talk, giving greater priority to and more time for our managers to work more closely with their people.

Hope this is helpful.

Pharr

---

**From:** Long, Bob (Geneva)  
**Sent:** Monday, October 05, 2009 3:32 PM

**To:** Bobillier, Arnaud (Geneva); Bonno, Terry (Geneva); Briscoe, John (Houston); Brown, Eric (Geneva); Clark, Ian (Geneva); Eshenroder, Gary (Houston); Guichenev, Patrick (Geneva); Hayes, Steve (Geneva); Herrin, Bob (Houston); McMahan, Larry (Houston); Morrison, Steve; Newman, Steven (Geneva); Panagos, Gregory (Houston); Richard, Sherry (Houston); Rosa, Ricardo (Geneva); Rose, Adrian (Houston); Saltiel, Rob (Houston); Smith, Pharr (Houston); Toma, Ihab (Geneva); Tonnel, David (Paris); Tranter, Paul (Geneva); Truschinger, John (Houston); Yi, Ray (Houston); Adamson, Keelan (Houston); Bessell, Mark (Cairo); Coelho, Guilherme; Dighe, Kaustubh (Kuala Lumpur); Erlandsen, Aasmund (Stavanger); King, Paul (Aberdeen); Munganahalli, Deepak (Singapore); Oramasionwu, Gabriel (Lagos); Polhamus, Mac (Luanda)

**Subject:** Safety

We have discussed our concerns about safety in a number of different meetings and forums over the last three weeks or so. Discussions have occurred in a meeting with Kevin Lacy of BP, in some of our budget meetings in Houston, in meetings with rig managers and ops managers in Brazil and in the budget meetings with Division Managing Directors in Geneva and I'm sure in other forums where I was not present.

I remain very concerned that we haven't figured out how to attack the problems we have which are resulting in fatalities and near fatalities on our rigs on a frequent basis. Despite all the discussion I have yet to hear a new idea or approach and I don't think more of the same is going to give us the results we need.

I would like to get a short note from each of you with your thoughts on the subject. If you don't have a good idea of what we could do differently then just say so. I admit that I don't. Don't limit yourself to conventional thinking. If something occurs to you, share it.

Some possible considerations:

1. Add a new position on the rig that would be senior to the OIM. He/She would have no administrative responsibility. He/She would be responsible for providing leadership on the rig day-to-day, making sure our supervisors were supervising, our management system tools are being used, people were not impaired, risk identification was being carried out, etc.
2. Increase the OIM bonus substantially; to 100% of salary? Metrics would all be safety related.
3. Put a small taskforce together now that has no other responsibility than to determine what it is we are going to do different. Those individuals, probably including several officers, would be relieved of all other responsibilities until we determine a course of action.

Please email your response to me by Monday, October 12.