

EDITORIALS

From the Chairman

PEOPLE: OUR GREATEST STRENGTH

OUR INDUSTRY'S MOST vital asset is its people. The most advanced drilling rig in the world doesn't count for much without qualified personnel to operate it. Therefore, people issues are a core concern of any forward-looking drilling or operating company. Attracting and retaining personnel in our cyclical industry has long been a challenge. In the world since September 11, we are constantly reminded that ensuring the security of our people and equipment is a special duty—and one that we cannot take lightly.

Speakers at our recent IADC Directors & General Membership Conference in Dallas addressed both topics, sharing thought-provoking insights.



C Stedman Garber Jr, Chairman

Dr Lloyd Heinze of Texas Tech University outlined the state of education in petroleum engineering. It is not encouraging. Among engineering programs, only mining and nuclear are attracting fewer students. At the same time, demographics confirm a decided graying of the industry. The

mean age range centers on 50. As retirements loom, who will remain to carry on the work and ensure our companies' survival?

There is an upside, one we should work to communicate broadly. The lack of young people entering the petroleum industry and the exodus of experienced people means that advancement for newcomers will be rapid in the years ahead to fill inevitable professional voids.

For recruiting to succeed, though, we must change our industry's image. Too many see the E&P business as environmentally unfriendly and one with a brutal hire-fire mentality. The truth of our environmental record speaks for itself, but we must do better at communicating the facts. As for hire-fire, we are indeed a cyclical industry. We are not the only one, however—witness the dot-com fiasco, ups and downs of aerospace and airlines, telecommunications, etc. Somehow, E&P is tarred with the broadest brush strokes. Again, communicating the facts is essential.

At the same time, it is incumbent on us to change those behaviors and habits that cause personnel shortages in up cycles and hard times for good people when the industry is down. Particularly for drilling crews, we can start by weeding out new hires unsuited for rig life. **Lynn Charles**, VP-Human Resources for **Diamond Offshore**, outlined several steps his company has taken along those lines. Lynn explained that Diamond's training program has not only reduced entry-level turnover by from 69% to 27% in 18 months, but cut accident rates for new hires in half. The company is also using the number of crews on a rig as a variable to retain people during slack times.

These challenges are not new. The increased awareness of security in our new age is. At our Directors Conference, **Ron Rolf of Risk Mitigation Group** detailed numerous steps we should be taking, for our people and our companies, if we aren't already. Ron, a former US Navy SEAL and undercover police officer, punctuated his suggestions with used numerous telling examples of how things can go terribly wrong and what could have been done to prevent it.

Our people are our strength. The tactical issue of protection and the strategic challenge of recruiting and retention are ever more important to us all. ■

From the President

MADNESS OVER MERCURY

THERE IS A PECULIAR madness gripping the American media these days. Talking heads — those well coiffed, full-some toothed, smiling news readers of the past decade — have been turned into shouting heads. It is impossible to scan American television channels without encountering some 24-hour news station filling the air with retired, ex or former this-that-and-the-others billed as experts, shouting at one another, spewing inane opinions at the top of their lungs. Lost in the noise is any semblance of real information, useful data to guide one in making sense out of a deluge of non-sense.

I began my working days as a professor of political science. I recall lecturing on the basic principles of pluralistic democracy: the interplay of countervailing powers, the role of special interests, the intricacies of electoral strategies and the wonders of a free press and its crucial role in an informed public. I was, of course, an idealist then. After



Lee Hunt, President

years of working the practical side of politics as a lobbyist and trade association executive, I've had too many encounters with a press corps intent on shaping public opinion not by factual reporting, but by slanting stories to conform to the writer's ideological bias. The recent *Times Picayune* story claiming offshore rigs were poisoning Gulf of Mexico fisheries is a good example. Researchers and the Mineral Management Service singled out this story for its lack of factual basis.

We have seen our industry pilloried by the media as an enemy of the environment and vilified on the evening news as profiteers, even as our own livelihoods swing between poverty and plenty.

Recent attempts by the national media to besmirch the administration for its ties to the petroleum industry had me scrambling to my professorial days to check up on the basic tenets of democracy: representation of interests, access to decision-makers, advantages of the "ins" versus the "outs". All things considered, I think we're doing the right thing, the right way for the right reasons in promoting a rational, reasonable energy policy for the US and the global economy.

Reflecting on those days in the lecture hall, I recall noticing a few souls nodding off in the shadows of the auditorium. Perhaps I should have shouted at them to wake up. But, how was I to know so many of them would grow up to be journalists. ■