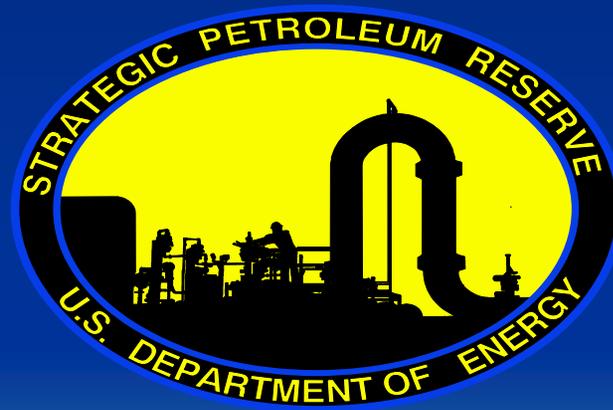




# Headquarters Communications

Emergency Public Information  
During Hurricanes Katrina and Rita



Diana Greenhalgh, Finance and Policy Office  
Strategic Petroleum Reserve  
U.S. Department of Energy, Washington D.C.



# *Strategic Petroleum Reserve*

---

- **World's largest crude oil reserve**
- **Nation's energy insurance**
- **Critical "key" infrastructure complex**
- **Respond to a National energy interruption or emergency within 13 days**
- **Capacity of 727 MMB crude oil**
  - **current inventory about 689**



# Strategic Petroleum Reserve



May 1, 2006

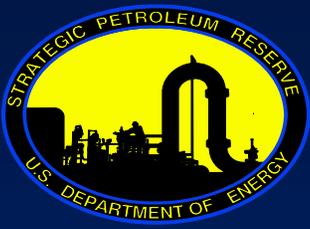
*HQ in New Orleans*





# SPR Sites & Associated Facilities



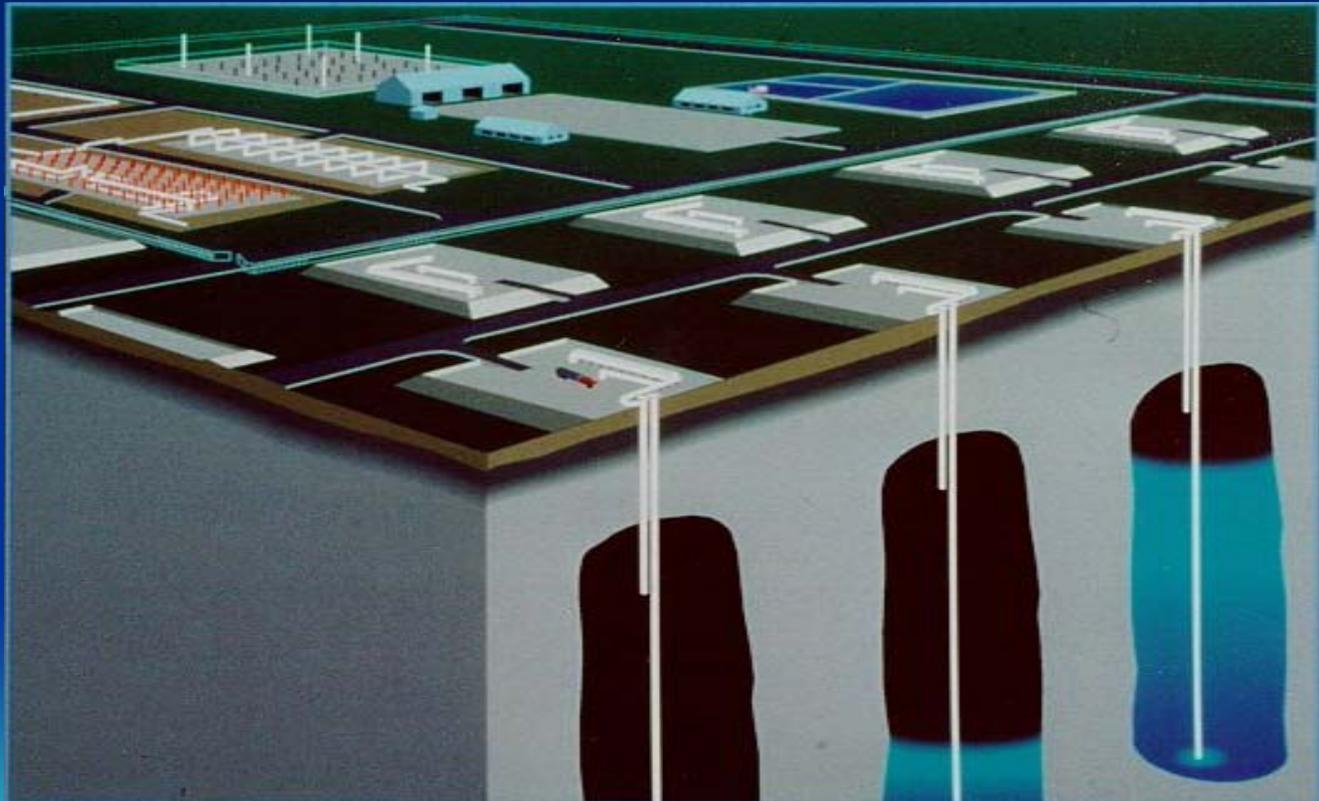


# U.S. Oil Reserve Facilities





# SPR CAVERNS



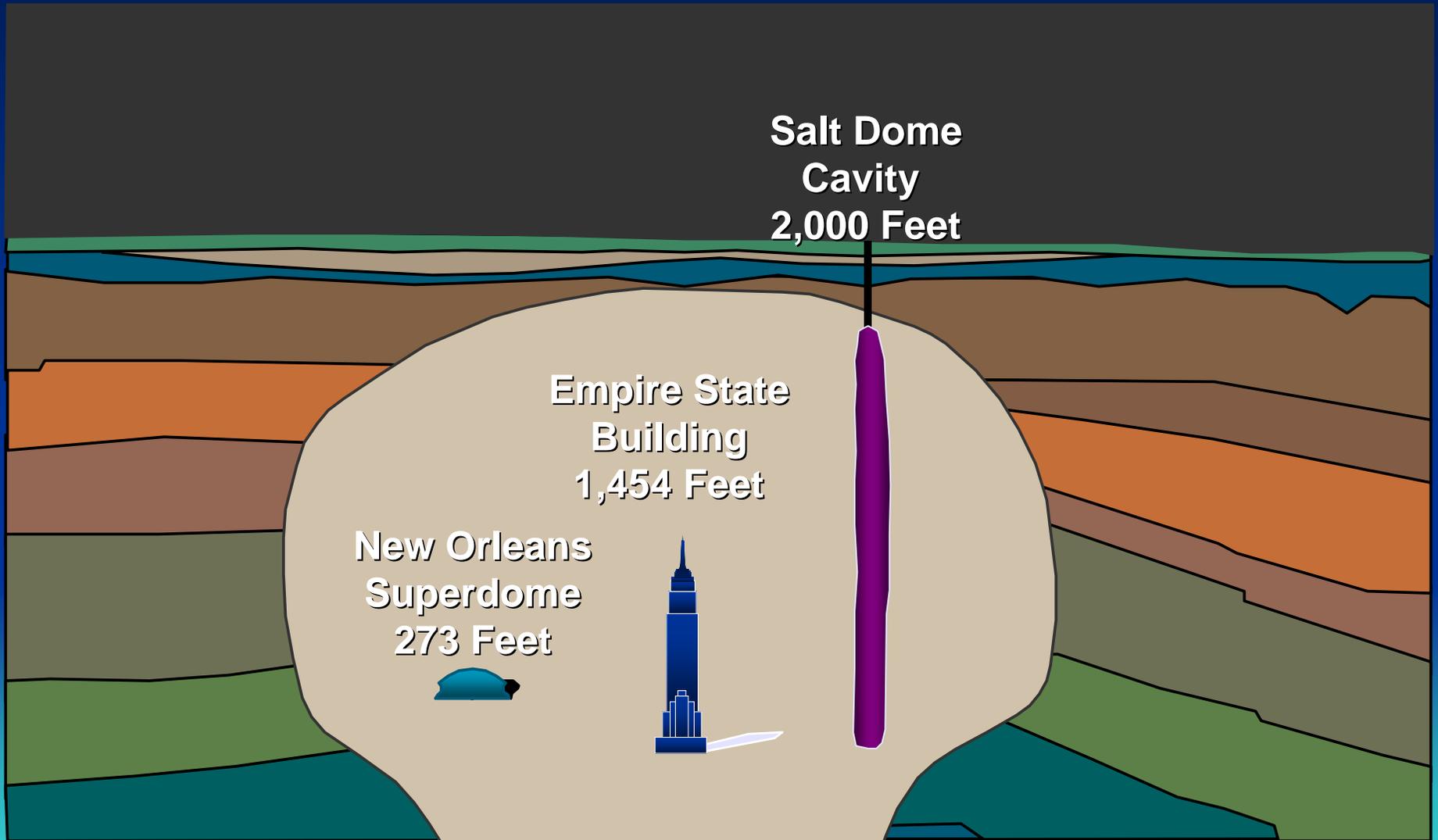


# SPR Distribution Capabilities





# CAVERN SIZE





# AUTHORITY FOR USE

---

- **U.S. Presidential Authority – Drawdown**
  - Response to a “severe energy supply disruption”
  - IEA obligations
- **Secretary of Energy Authority**
- **acquire oil for reserve (time exchanges/loans, deferrals)**
- **alter crude mix**
- **test reserve capabilities**





# SPR Organization

**John D. Shages**  
Deputy Asst. Secretary  
Petroleum Reserves

**PROGRAM  
OFFICE**  
Washington, DC

- Policy Development
- Program Planning
- Program Direction
- Financial Management

**W. C. Gibson**  
SPR Project Manager

**PROJECT MANAGEMENT OFFICE**  
New Orleans, LA

- Project Management
- Facilities Design
- Facilities Construction
- Operations Management

**Bob McGough**  
DM Project Manager

**MANAGEMENT & OPERATING CONTRACTOR**  
DynMcDermott Petroleum Operations Company

- Site Management
- Site Operations
- Site Maintenance
- Site Security



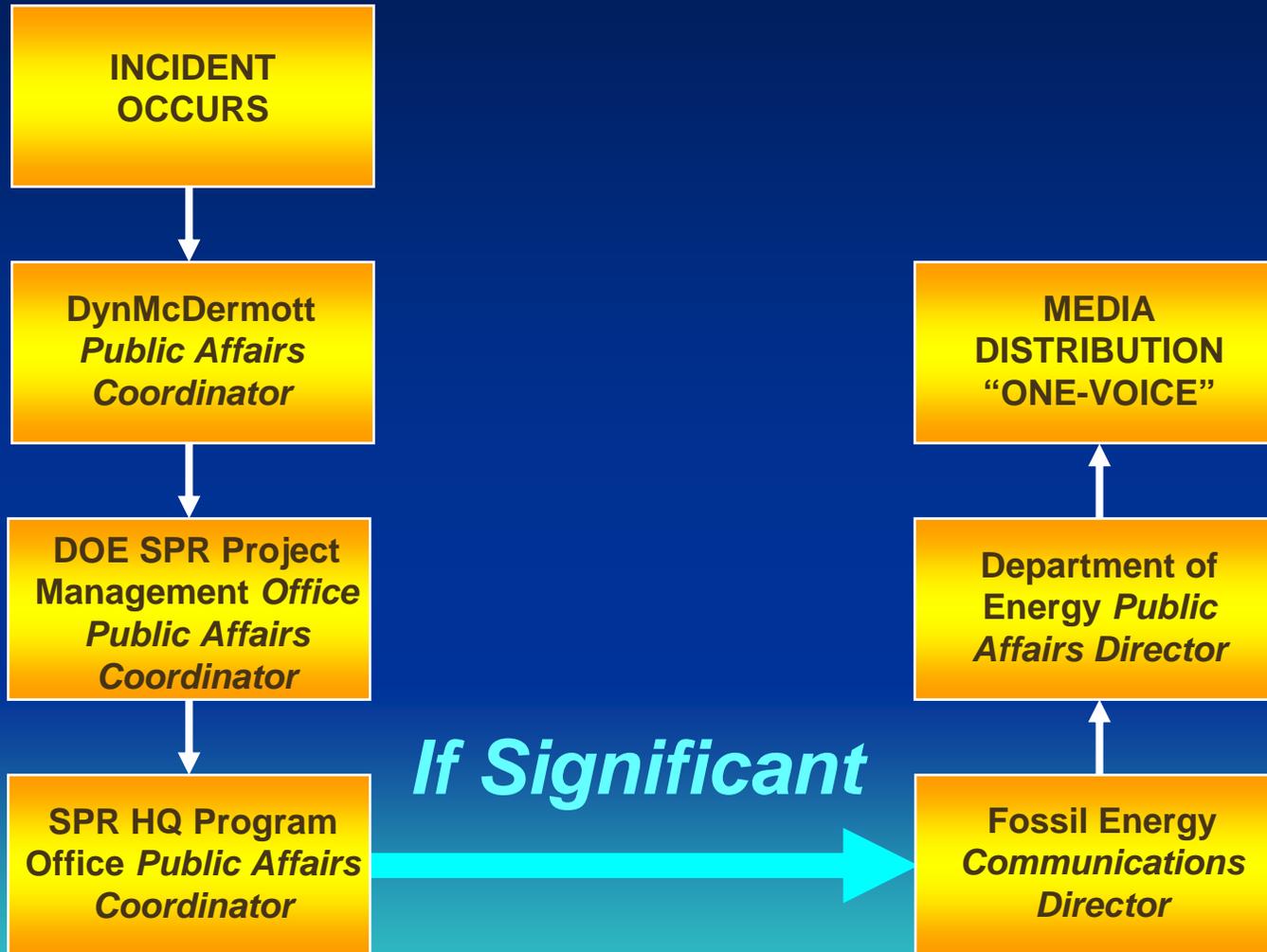
# ***The Best Laid Plans....***

---

- **SPR Public Affairs Emergency Plan**
  - Each site has Emergency Response Procedures
  - Emergency Categorization (DOE Order 151.1B)
  - Emergency Plan Activation
  - Incident Command Center structure
  - Media Briefing Sites
  - Pre-approved media release templates
  - Media Interview script template & checklist
  - Guidance if contacted personally



# SPR Public Affairs Process





# PMO Public Affairs Emergency Plan



"before"



# Official Contacts

## DOE Program Office - Primary

**Diana Greenhalgh**  
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## DOE Project Management Office - Primary

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504-818-5716 (fax)  
504-341-5081 (home)  
[Gordon.Payne@spr.doe.gov](mailto:Gordon.Payne@spr.doe.gov)

## DOE Duty Officer

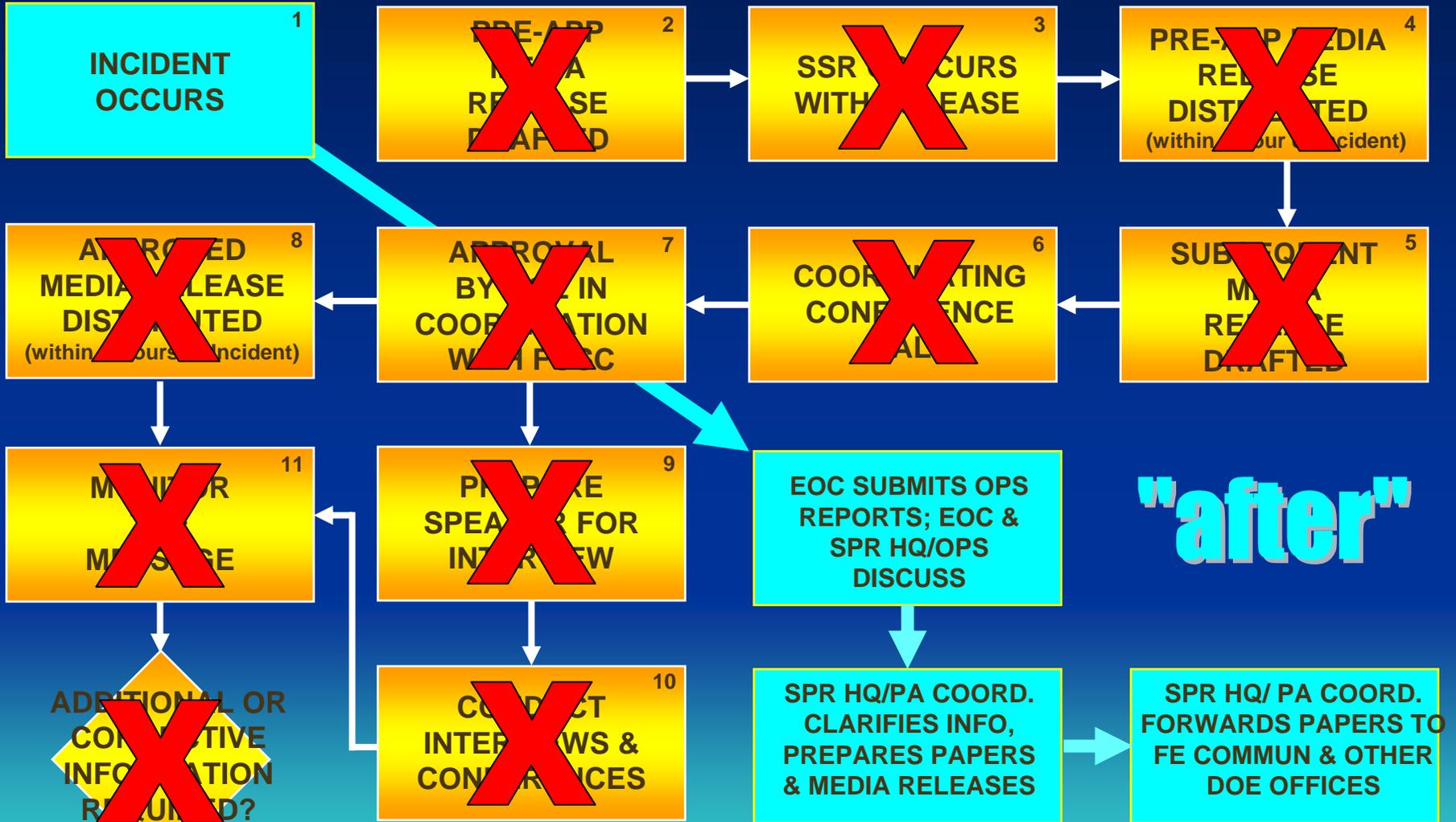
504-734-4208  
504-451-9972 (mobile)

## DynMcDermott Duty Officer

504-734-4380  
504-450-8436 (mobile)



# PMO Process for Communications





# Official Contacts

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DOE Duty Officer [REDACTED] 504-777-9208  
504-777-9972 (mobile)

DynMcDermott Duty Officer [REDACTED] 504-777-4380  
504-777-8436 (mobile)



# *The Work-Around*

---

- **“Big Red” portable communications vehicle sent to Big Hill in advance of storm.**
- **Emergency Operations Center activated at Big Hill.**
- **Alternate work sites for activated personnel established at Bayou Choctaw, Big Hill, Baton Rouge, and other locations.**



# Problem Solving

---

- **Problem:** No land line phone service, cell or Blackberry reception for area code “504”. Only text messaging worked.

**Solution:** Emergency Communication Network (ECN) satellite phones from Nellis AFB(NV) Remote Sensing lab. New phones & numbers assigned.

- **Problem:** No network access, i.e., no e-mail or internet access.

**Solution:** Relocated backup servers from damaged Stennis facility to Bayou Choctaw site near Baton Rouge, LA.



## ***Problem Solving (cont'd)***

---

- **Problem:** DOE public affairs coordinator inactive.

**Solution:** Sent message to EOC for DM communications officer. Established communications channels.

**Problem:** Employees unable to reach supervisors or emergency call-in number.

**Solution:** Employees phoned HQ or other sites, were directed to EOC phone number.



# *Improvised Communications*

---

- **EOC central communications point**
- **Daily conference call between HQ, EOC and Sites**
  - **commercial conferencing contractor for reliability**
- **Situation reports, crude oil logistics reports, and site facility status reports sent to HQ daily**





# ***Questions About The Media***

---

- **Did media/trade publications contact SPRO shortly after the hurricane?**
- **If so, what was SPRO's message?**
- **Did HQ have to handle many inquiries and if so, what was the nature?**



# Communications Challenges

- **What were the major communications challenges during/after the hurricane?**
- **Is SPR still facing those challenges?**
- **How did SPRO handle communication with its employees during/after the hurricane?**





# Telling the Story

- Are they now publicizing “good” news from SPRO?
  - Secretary’s Gold Award
  - Malcolm Baldrige National Quality Award
  - Conference presentations
  - Positive media reports





# Communicating to the Media

- During the ECN broadcast, they discussed the big sale right after the storm. How was that effort communicated to the media?

IEA Press Releases

Page 1 of 2

[Home](#) > [News and Events](#) > [Press releases](#)

(05)14

## IEA Announcement of Emergency Stock Release

9/2/2005 Paris --- IEA Executive Director Claude Mandil gave notice this evening (19:00 Paris time) that all 26 IEA member countries will take collective action in response to the interrupted oil supplies in the Gulf of Mexico caused by Hurricane Katrina. The loss of production in the Gulf of Mexico and considerable damage to oil refining and transportation infrastructure constitute a serious disruption of supplies. The IEA countries plus the EU Commission unanimously support the measure to make available to the market the equivalent of 2 million barrels per day (2 mb/d) of oil for an initial period of 30 days. The IEA has consulted with major producers and the OPEC President who have also committed to make incremental oil available to the market.

Member countries will contribute to this collective action by making their emergency oil stocks available to the market to help offset the loss of 1.5 million barrels per day of oil production and 2.0 million barrels per day of lost refining capacity resulting from damage from Hurricane Katrina. Although the initial impact of the storm was regional, the implications for the oil market are global. IEA member countries are acting in solidarity with the United States in addressing this loss and restoring confidence to the oil market. IEA member countries are aware that products and, in particular, gasoline, will be the most useful contribution. IEA Member countries hold over 4 billion barrels of public and industry oil stocks, of which, roughly 1.4 billion barrels are government-controlled. IEA net oil importing countries have a legal obligation to hold emergency oil reserves equivalent to at least 90 days of net oil imports of the previous year. The IEA's Governing Board will convene in two weeks to assess the oil market and review the impact of their coordinated action.

U.S. DEPARTMENT OF ENERGY

FOSSIL ENERGY

You are here: [Technique \(News\)](#) > [2005 Techniques](#) > [05245-President Directs SPRL](#)

**FOSSIL ENERGY TECHNIQUE**

Technique provides updates of specific interest to the fossil fuel community. Some Techniques may be issued at the Department of Energy Office of Public Affairs as agency news announcements.

Issued on: September 3, 2005

**President Bush Directs Energy Secretary to Draw Down Strategic Petroleum Reserve to Counter "Severe Energy Supply Interruption"**

Select a State

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The fit of the Strategic Petroleum Reserve to 700 million barrels was completed in August, 2005. In responding to Hurricane Katrina, the Administration has used every tool at its disposal to mitigate any disruption in fuel supply:

- The Department of Energy worked quickly to approve requests of loans from the Strategic Petroleum Reserve to oil refineries. Within 48 hours of receiving requests, oil was on its way to expanding refineries. As of September 2, 2005 loans totaling 12.6 million barrels of the Strategic Petroleum Reserve have been approved.
- The EPA issued a nationwide waiver that allows use of "hotter blends" of reformulated gasoline throughout the country in place of the "summer blend" that otherwise would have been required through September 15, and that currently is in much shorter supply. The action allowed use of the considerable stock of reformulated gasoline in storage, and is already helping to increase the supply of fuels to consumers.
- EPA is also allowing the use of diesel fuel which exceeds 500 ppm sulfur content, provide additional fuel for generators used by first responders, and providers, and essential services.
- The Department of Homeland Security eased the Jones Act restrictions on the transport by ship of petroleum, gasoline and other refined petroleum products. This action will also allow additional tankers and barges to transport oil and gasoline into ports around the country that may have seen supply disrupted by pipelines running at lower capacity.

47-57-65-50 - email: [FOSSILenergy@hq.doe.gov](mailto:FOSSILenergy@hq.doe.gov)

47-57-65-50 - email: [FOSSILenergy@hq.doe.gov](mailto:FOSSILenergy@hq.doe.gov)



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# **PUBLIC AFFAIRS AND MEDIA QUESTIONS**

# **HURRICANE KATRINA**



# ***Katrina Hits the Gulf States***

---

## **(Internal DOE discussions)**

- **Is there anything we can say now?**
- **Note that both the IEA and OPEC have said something today in an effort to calm the market...saying something positive about our intent...would be helpful in calming the market's nerves.**
- **...We need to remind the market that we have a SPR and that we are prepared to use it...you don't actually have to use it to get some use out of it.**



## ***Internal Discussions (cont'd)***

---

- **Status of employees?**
- **Who is contractor and who is Fed?**
- **Is everyone accounted for?**



## ***Internal Discussions (cont'd)***

---

- **“Please keep us updated on our discussions with oil companies with regards to requests for loans. Since this is breaking news, we are getting regular requests with reporters who simply have rolling deadlines. They’ll use the information as soon as we have it, and we want to show that we’re responsive.”**



# *Oil Loans*

---

- **Phone call received from a small independent refinery in Kentucky that would like to participate in oil loan. They have the capability to help compensate for refinery outages by processing additional product for consumers and ease concerns about shortages. They can take possession by rail.**



## ***Oil Loans (cont'd)***

---

- **How is the premium a company pays back determined?**
- **What goes into the negotiation?**
- **Does the premium from a deal become public? If not, why not?**



## ***Oil Loans (cont'd)***

---

- **How does the government get it back?**
- **How do we make sure we're getting something back that is equal to what we are giving?**



# *Oil Delivery Questions*

---

- **How do you know refiners will take the extra crude and produce heating oil?**
- **Do we have a breakdown of SPR Sales Summary that is similar to the “Loan of Oil Summary?”**



# *Drawdown and Sale*

---

- **What happens if we offer 30 MMB and only 20 MMB are bid on?**
- **Could there be another U.S. release on the heels of this one to satisfy Hurricane Katrina shortages?**
- **Is there a minority set-aside in SPR drawdown sales?**



## ***Drawdown and Sale (cont'd)***

---

- **Published Reuters report shows figures for sale evaluation breakout. Is this what the companies will pay?**
- **What is order of next steps?**
  1. **Provide appropriate letter of credit?**
  2. **Contract signing?**
  3. **Arrangement for delivery?**



---

# **PUBLIC AFFAIRS AND MEDIA QUESTIONS**

## **HURRICANE RITA**



# *Hurricane Rita*

---

- ***September 21.*** We are starting to get questions on SPR preparations in advance of Hurricane Rita. What are we doing to get ready?



## *After Hurricane Rita*

---

- **Can the sites draw down without electric power?**
- **Have you been able to find out if the reason the DOE did not schedule any loaned oil to be returned during Dec, Jan, and Feb is to keep more oil in the market during the winter months and boost heating oil supply?**



## ***After Hurricane Rita (cont'd)***

---

- **Just double checking to see if there are SPR loan requests pending.**
- **Are the sales affecting the sites' recovery (Big Hill and West Hackberry), or are all sales planned from the two operational sites?**



## ***After Hurricane Rita (cont'd)***

---

- ***September 26.*** Some 3 MMB of crude was scheduled to be returned to SPR under the “swaps” program in Nov 2005 – given the impact of Rita, will this schedule change?



# October 13, 2005

---

- **“Dear DOE...I was browsing in your website in the strategic oil reserves area...I imagine it is to control world oil prices, also to be used in case of an emergency, but for how long will supplies last, will it be used to keep the country running, and if so, how long will they last?”**
  - **Professor of Economics, Chile**



## *The Reality....*

---

- **If the event is big, national media will be on it immediately**
- **Washington will likely take over the primary public affairs role**
- **So... timely feed of accurate information to Washington is critical.**



# ***What Washington Wants to Know***

---

- **Are all personnel accounted for?**
- **Emergency operations contact info: Who is in charge, phone, fax (and alternates)**
- **What media is present at the site**
- **Who is calling the site or the PMO**
- **What information is being released**
- **Operational status/ facilities**
- **Plans for recovery**



# *What the Public Needs*

---

**To establish confidence and credibility for your agency:**

- **Timely and Accurate Facts**
- **What's being done**
- **Public safety advice**
- **Regular Updates**



# *Home is Where the Heart Is*

**SPR  
Federal  
employees  
in New  
Orleans in  
front of  
their FEMA  
trailers.**





# THANK YOU FOR LISTENING! QUESTIONS?

