BP Exec: Safety Was Top Priority Before Blast

MICHAEL KUNZELMAN, Associated Press

NEW ORLEANS (AP) — A BP executive who oversaw the company's Gulf of Mexico operations testified Tuesday that he he led a push to improve safety when he started the job more than two years before an April 2010 rig explosion killed 11 workers and led to the nation's worst offshore oil spill.

Neil Shaw, a witness for BP at a trial over the deadly Deepwater Horizon disaster, said safety was his team's top priority when he became the London-based oil giant's strategic performance unit leader for the Gulf in 2007. Shaw said he developed a plan in 2009 to improve the safety performance of its drilling operations.

"Safety is all about good business for me," said Shaw, who now serves as BP's chief operating officer for projects.

Plaintiffs' attorneys claim BP cut costs and sacrificed safety in a rush to complete a drilling project that was behind schedule and millions of dollars over budget at the time of its Macondo well blowout.

During the trial's opening statements, plaintiffs' lawyer Jim Roy said Shaw issued cost-cutting directives starting in 2008 that led to the elimination of 290 positions for BP personnel and 93 contractors.

"BP management incentivized a culture of cost cutting, profits over safety and taking high risk with a conscious disregard for dire potential risks," Roy said.

Shaw said some of the employees whose positions were eliminated were actually "embedded" in other parts of the company.

"There was no change at all in the roles," he said.

BP's production in the Gulf increased by 155,000 barrels of oil between 2008 and 2009, while its "cash costs" decreased by $202 million over the same period. Shaw said the increased production and cost reductions had no impact on safety and had nothing to do with the company's motto at the time that "Every Dollar Counts."

"That was never the intent," he said.

Shaw said his unit implemented a new safety plan in the Gulf in 2009. But an expert who testified for the plaintiffs earlier in the trial said BP failed to implement the plan on the Deepwater Horizon even though the company realized a blowout in the Gulf of Mexico was its greatest danger.

Shaw's testimony is scheduled to resume Wednesday. He hasn't been questioned yet by lawyers for the federal government and attorneys for Gulf Coast businesses

and residents who claim the spill cost them money.

U.S. District Judge Carl Barbier is hearing testimony without a jury. Barring a settlement, he could decide how much more money BP and its contractors should pay for their roles in the disaster.

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