



American
Petroleum
Institute



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U.S. Coast Guard
2703 Martin Luther King Jr. Ave. SE
Washington, D.C. 20593-7509

Via electronic submission to: <http://www.regulations.gov/>

RE: Energy Trade Association Comments
Notice of Proposed Rulemaking
US Coast Guard Update to Marine Engineering Standards
Docket Number: USCG-2020-0634

Mr. Gilman:

On October 19, 2021, the U.S. Coast Guard (USCG) published a notice of proposed rulemaking (NPRM), proposing to update marine engineering standards as part of USCG's continuing efforts on regulatory reform. The American Petroleum Institute (API), the International Association of Drilling Contractors (IADC) and the Offshore Operators Committee (OOC) provide the following comments for consideration.

THE ASSOCIATIONS

API, IADC and OOC represent oil and natural gas operators, drilling contractors and service providers who conduct essentially all of the offshore oil and natural gas exploration and production activities in the Gulf of Mexico. Our members recognize that offshore operations must be conducted safely and in a manner that protects the environment. The offshore industry in the Gulf of Mexico has a long history of safe operations that have advanced the energy security of our nation, and the energy resources in the region are also crucial to our nation's economy.

API is a national trade association representing 600 member companies involved in all aspects of the oil and natural gas industry. API's members include producers, refiners, suppliers, pipeline operators, and marine transporters, as well as service and supply companies that support all segments of the industry. API and its members are dedicated to meeting environmental requirements, while economically developing and supplying energy resources for consumers.

Since 1940, IADC has exclusively represented the worldwide oil and gas drilling industry. IADC's contract-drilling members own most of the world's land and offshore drilling units that drill the vast majority of the wells producing the planet's oil and gas. IADC's membership also includes oil-and-gas producers, and manufacturers and suppliers of oilfield equipment and services. Through conferences, training seminars, print and electronic publications, and a comprehensive network of technical publications, IADC continually fosters education and communication within the upstream petroleum industry.

OOC is an offshore energy trade association that serves as a technical advocate for companies operating on the US Outer Continental Shelf (OCS). Founded in 1948, the OOC has evolved into the principal technical representative regarding regulation of offshore energy operations.

The following comments are offered for your consideration. These comments are made without prejudice to any of our member companies who may have differing or opposing views.

COMMENTS

1. Support for Incorporation by Reference of Industry Standards

Regarding the Notice of Proposed Rule Making (NPRM), API, IADC and OOC are highly supportive of the USCG's intent to update many of the standards Incorporated by Reference in 46 CFR Subchapter F. Our members currently utilize many of these standards and agree that referencing the latest editions of widely used industry consensus standards is essential.

The associations agree when writing regulations that set technical standards, the USCG should rely as much as possible on existing industry consensus standards. Doing so minimizes proliferation of differing standards and complies with the National Technology Transfer and Advancement Act and Office of Management and Budget (OMB) Circular A-119. Further, it is necessary to update the current standards incorporated by reference to ensure technological advances and modern technologies are addressed in the regulations.

We also support the proposed updates to prior incorporations by reference, the addition of a limited number of alternative standards, and elimination of outdated or unnecessarily prescriptive regulations in 46 CFR Subchapter F.

2. Support for ASTM F1155 and B16.10; Recommendation to Cancel MTN 02-10

API, IADC and OOC support the USCG proposal to incorporate by reference *ASTM F1155-10 (Reapproved 2015), Standard Practice for Selection and Application of Piping System Materials*. With the incorporation of this document, the proposed rule would supersede *USCG Marine Safety Center Technical Note (MTN) 02-10, Material Selection for Vital Piping Systems*. We recommend that the USCG cancel MTN 02-10 when the final rule becomes effective. Also, the associations recommend that the USCG continue to incorporate by reference *ASME B16.10, Face-to-Face and End-to-End Dimensions of Valves*.

3. Recommendation to Change Proposed 46 CFR 56.60-1(a)(2); Correction to Proposed 46 CFR 56.60-1(b)

The associations recommend that the text of proposed § 56.60-1(a)(2) be revised for clarity as follows:

(2) Materials used in piping systems must be selected from:

- (i) the pipe, tubing, and fitting specifications that appear in table 1 to § 56.60–1 or the accepted materials for use as piping system components that appear in table § 56.60–2;
 - (ii) ASTM F1155 (incorporated by reference; see § 56.01–2); or
 - (iii) the material specifications of Sections I or VIII of the ASME BPVC (both incorporated by reference; see § 56.01–2) if not prohibited by a regulation of this subchapter.
- (3) Materials conforming to specifications not described in § 56.60–1(a)(2) must receive the specific approval of the Marine Safety Center.
- (4) Materials listed in Table 126.1 of ASME B31.1 are not accepted unless specifically permitted by this paragraph.

Furthermore, proposed § 56.60-1(b) appears to contain an erroneous reference to *Table 56.60–1(b)*. We recommend that the USCG replace this reference with *Table 2 to § 56.60–1*.

4. Recommendations for Additional Standards for Incorporation

API, IADC and OOC also offer the following recommendations for inclusion in the revised rule:

- *ASTM B148-18 Standard Specification for Aluminum-Bronze Sand Castings*
- *API Spec 6D Specification for Pipeline and Piping Valves, 25th Edition*
- *ASTM D2996-17 Standard Specification for Filament-Wound “Fiberglass” (Glass-Fiber-Reinforced Thermosetting-Resin) Pipe*

5. Recommendations for Removal of Standards from the Proposed Rule

API, IADC and OOC also recommend that the following standards proposed for incorporation by reference **not** be included in the final rule:

- *API Recommended Practice 14C, Analysis, Design, Installation, and Testing of Safety Systems for Offshore Production Facilities, Eighth Edition, February 2017. (API RP 14C)*
- *API STD 53 Well Control Equipment Systems for Drilling Wells, 5th Edition. (API STD 53)*

API RP 14C and API STD 53 are already incorporated in Bureau of Safety and Environmental Enforcement (BSEE) regulations that govern safety and operations on OCS facilities. The Memorandum of Agreement (MOA) between the USCG and BSEE, specifically Item 4 in MOA OCS-08 dated June 4, 2013, indicates BSEE is the lead agency for industrial systems for Mobile Offshore Drilling Units (MODUs). Therefore, the associations recommend the USCG entirely remove Subpart 58.60—Industrial Systems and Components on Mobile Offshore Drilling Units (MODU) from 46 CFR Subchapter F. The associations also strongly recommend that the standards incorporated by reference in 30 CFR 250.198 be utilized for industrial systems and components as well as marine systems and components for all oil and gas facilities on the Outer-Continental Shelf (OCS). This is particularly important for piping systems utilized for both industrial and marine (e.g., utility water, firefighting, instrument air, etc.) applications.

Additionally, referencing identical standards in two regulatory frameworks increases complexity, as well as potentially creates a scenario where the two regulatory frameworks become conflicting. For example,

if the USCG references a specific edition of a standard (e.g., “5th Edition”) and the same standard/edition is referenced in BSEE regulations, the agencies will need to coordinate any future updates (e.g., a future update to “6th Edition”). Otherwise, the two sets of regulations will be in conflict (e.g., one incorporating the “5th Edition”; the other incorporating the “6th Edition”) leaving the regulated community in a conundrum regarding which standard is applicable.

6. Impacts of Incorporating New Standards on Existing Facilities

USCG regulations at 33 CFR 143.120(b) (Subchapter N) require floating OCS facilities to comply with the requirements of 46 CFR Subchapters F and J and 46 CFR 108 (Subchapter I-A). When incorporating standards by reference into the shipping regulations at 46 CFR, it is critical that the USCG consider their impact to existing floating OCS facilities, nearly all of which are not “vessels” nor “ships.” In addition to updating 46 CFR Subchapter F, the USCG should update 33 CFR Subchapter N to clarify the applicability of the NPRM to existing and new floating OCS facilities. For example, 33 CFR 143.120(d) currently states relative to electrical engineering:

(d) Each floating OCS facility that is constructed after April 2, 2018 must comply with the requirements of 46 CFR subpart 111.108 prior to engaging in OCS activities.

We believe such language provides much needed clarity to the offshore industry and USCG marine inspectors when determining whether a new or revised USCG regulation, including any industry standard incorporated by reference, applies to existing floating OCS facilities. At a minimum, we believe the USCG should update 33 CFR 143.120 to establish the date on which this NPRM would apply to a new floating OCS facility.

7. Comments on the Regulatory Analysis

In addition to our recommendations for incorporating standards listed above, API, IADC and OOC would also like to offer comments on the Regulatory Analysis contained in the NPRM. Table 3 of the NPRM (shown below) does not specifically address floating OCS facilities. As floating OCS facilities are not “vessels” nor “ships” and are not subject to inspection in accordance with 46 USC 3301, the USCG, as a matter of practice, has held floating OCS facilities to one of the two fees assigned for an “industrial vessel.” This practice is due to limitations with the Coast Guard’s Marine Information for Safety and Law Enforcement (MISLE) system, because a USCG marine inspector must assign a vessel service type in the system; however, floating OCS facilities are not vessels and are not assigned a unique inspection user fee. For reasons we will not speculate, floating OCS facilities were lumped into MISLE as industrial vessels even though that term, as defined by the USCG at 46 CFR 90.10-16 clearly does not apply to a floating OCS facility. The term “floating OCS facility” is defined by the USCG at 33 CFR 140.10, and clearly does not include vessels. Therefore, Table 3 does not provide enough clarity to determine if floating OCS facilities are omitted from the table or included in the category of Cargo and Miscellaneous Vessels where industrial vessels would be included. We recommend that the USCG undertake the necessary changes to the MISLE system and USCG documentation to correct this discrepancy to ensure clarity and eliminate confusion for the NPRM and future USCG rulemakings and regulatory actions.

Additionally, the listing of 110 MODUs in Table 3 is not accurate. Currently, there are less than 5 US-flagged MODUs in active service. IADC is willing to assist the USCG in improving the accuracy of MISLE data for MODUs.

TABLE 3—U.S.-FLAGGED VESSEL POPULATION SUBJECT TO 46 CFR SUBCHAPTER F

Subchapter F vessel category	Subchapter	Population
Freight Ship	I	1,563
Industrial Vessel	I	3,748
In-service—Inspected	I	2
Mobile Offshore Drilling Unit (MODU)	I-A	110
Offshore Supply Vessel (OSV)	L	1,354
Oil Recovery	I	556
Passenger (Inspected) (≥ 100 gross tons)	H	132
Passenger Barge (Inspected)	I	217
School Ships and Research Ships	R and U	141
Tank Barge	O-I	7,945
Tank Ship	D	380
Total	16,148
U.S.-flagged vessels (subchapter F only) (as of April 24, 2020).		

Note: These data are based on Coast Guard data found in the Marine Information for Safety and Law Enforcement (MISLE) database.

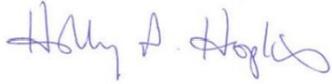
8. NOSAC Recommendations for 46 CFR Subchapter F and Subchapter J

Finally, the associations request the USCG clarify the proper application of 46 CFR Subchapter F to floating OCS facilities, which again, are not “vessels” nor “ships.” Wholesale application of Subchapter F over the course of many floating OCS facility projects has led to multiple requests to the USCG for equivalencies and alternatives, because applying vessel-based regulations to offshore installations that are not “vessels” nor “ships” is inherently problematic. The USCG made an attempt to clarify this matter in 2013 when it issued CG-ENG Policy Letter 01-13; however, it applies only to floating OCS facilities classed with one of three specific classification societies. As a result, API and OOC recommend that the USCG act on the recommendation contained in the March 28, 2018, National Offshore Safety Advisory Committee (NOSAC) Production Subcommittee Final Report on USCG Regulatory Reform that states:

“The Coast Guard should issue NOSAC a new Task Statement to evaluate the suitability of the regulations in 46 CFR Subchapter F (Marine Engineering) and 46 CFR Subchapter J (Electrical Engineering) to floating OCS facilities.”

API, IADC and OOC appreciate the opportunity to provide comments on this proposed rulemaking. Should you wish to discuss further or have questions, please feel free to contact Greg Southworth, Associate Director, OOC at greg@theooc.org.

Sincerely,



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