**API UPDATE**

**API ACTIVITIES**

**API Climate Action Framework**

* On March 25, 2021, API announced our [Climate Action Framework](https://nam04.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.api.org%2Fclimate&data=04%7C01%7C%7C8e35b833d2274bafee9d08d905a37e92%7C2df2418fe75f46f0898d65f4eeecb14b%7C0%7C0%7C637547022022536506%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C1000&sdata=Sxcyt7h2cfCB%2FTTAaDkiPtfatnszzAEDj0EpZ9uhdGk%3D&reserved=0), which includes five-pillars to help drive meaningful emissions reductions, while continuing to deliver affordable, reliable, and cleaner energy. In coordination with API’s Policy, Economic and Regulatory Affairs, API’s Global Industry Services Division (GIS) established five adhoc groups to determine what, if any, GIS activities should be established to support implementation of API’s Climate Action Framework. The five adhoc groups are:
1. Carbon Capture Utilization & Storage; Hydrogen Technology; Geothermal
2. Methane & Flaring
3. Refining Energy Efficiency
4. EV’s (New Energy Vehicle Fluids Work Group)
5. Differentiated Natural Gas/Hydrocarbons

The five groups are working in close coordination with policy groups to determine where API can add value while avoiding redundancy with existing efforts in this space, including coordination with other organizations, including the International Association of Oil and Gas Producers (IOGP). The work groups are planning to bring forward recommendations to the GISC in 2022.

**New API ESG Webpage (no update)**

* API is playing a more proactive role on broader sustainability issues, including how our industry contributes to the [17 UN Sustainable Development Goals](https://nam04.safelinks.protection.outlook.com/?url=https%3A%2F%2Fsdgs.un.org%2Fgoals&data=04%7C01%7C%7C8e35b833d2274bafee9d08d905a37e92%7C2df2418fe75f46f0898d65f4eeecb14b%7C0%7C0%7C637547022022536506%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C1000&sdata=FcmvyaTUI2R8v%2FKU4oO15ueIJ0hoyWlIfs5685rUASU%3D&reserved=0).  Since many of our member companies are being asked to demonstrate how their operations and products advance sustainability – specifically, on ESG issues, API created a new [ESG webpage](https://nam04.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.api.org%2Fnews-policy-and-issues%2Fsustainability&data=04%7C01%7C%7C8e35b833d2274bafee9d08d905a37e92%7C2df2418fe75f46f0898d65f4eeecb14b%7C0%7C0%7C637547022022546463%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C1000&sdata=Ft%2BEGu%2BI4M6JH1d8qbHxw%2F516HLaIOknxu6tL7yd1C0%3D&reserved=0) to help demonstrate API’s and our members’ contributions. API’s standards communications (press releases, publications announcements) are now regularly highlighting support of the UN Sustainable Development Goals.

**API Energy Excellence®**

* Approved by the API Board in November 2020 and publicly launched in January 2021,API Energy Excellence is a flexible, systems-based framework designed to drive continuous improvement in safety, security and environmental performance across the natural gas and oil industry. [API Energy Excellence](https://www.api.org/oil-and-natural-gas/api-energy-excellence) embodies the natural gas and oil industry’s commitment to safe and responsible operations and the core values by which API members operate – to help ensure safety and environmental protection as they continue to play a vital role in developing and deploying technologies and products that help tackle the world’s greatest challenges, fuel economic growth and create a better tomorrow.

As an expectation of membership, API will support, track and govern member conformance to the [13 elements](https://www.api.org/oil-and-natural-gas/api-energy-excellence/api-energy-excellence-elements). While most API members with mature internal management systems will have the majority, if not all, of the 13 API Energy Excellence elements in place, it is envisaged that some of API’s ~600 members may have gaps that the framework can assist in identifying and closing, enhancing operational integrity across the industry as a result. The first progress reporting period opened on January 1, 2022, and members are expected to report their progress by March 31, 2022.

**Biden Administration**

* API continues to work with DOI (BSEE, BOEM & BLM) on the Executive and Secretarial Orders on permitting and leasing.
* The BSEE Offshore Well Control Rule is listed for review by the Biden Administration. The final rule was published on May 15, 2019. Most of the rule became effective on July 15, 2019. API is revisiting the rosters for the 8 WCR workgroups. The revision was listed in the Fall Unified Agenda.

**API S53** ***Well Control Equipment Systems for Drilling Wells***

* The 5th edition of API S53 was published December 2018.  The Task Group did not find it necessary to meet at the 2021 Summer Conference and is now focused on incoming RFI’s.  For the remainder of 2021, the task group will continue addressing Requests for Interpretations (RFI) and collecting issues for potential inclusion in a future 6th edition or if necessary, any addendums.  The task group is planning to reconvene in early 2022 to begin discussions on a BSR Inclusion Study for Surface Onshore drilling rigs and path for revision. Ricky Cummings, Chevron, is the chair RCummings@chevron.com

**API Standard 16AR *Standard for Repair and Remanufacture of Drill-through Equipment***

* The draft for the 2nd Edition of Standard 16AR was balloted and reached consensus with comments. This final draft includes the PAUT inspection requirements, and the (CVN) Charpy V-notch Impact Tests Location for Weld Qualification based on the CVN test results. Comment resolution meetings are complete, and API is awaiting the draft for reballot. Jan van Wijk, Shell jan.vanwijk@shell.com and Chris Johnson, NOV chris.johnson@nov.com is the chair and vice-chair.

**API SPEC 16B Blowout Prevention Equipment for Wireline, Coil Tubing and Polished Rod Application**

* First edition in development. Plan to submit Spec 16B to API Staff for Letter Ballot in April 2022, , Alex Sas-Jaworsky, SAS is the chair; sasindinc@cs.com

**API 16CBM Condition Based Maintenance**

* Meetings began in July 2020, have been meeting monthly since October 2021, developing first edition. Next mtg scheduled for February 16, 2022. Bryan McHugh, Baker Hughes is the chair; bryan.r.mchugh@BakerHughes.com

**API RP 16SB Snubbing and Hydraulic Workover Well Control Equipment Systems (no update)**

* Began activity Aug 2020. Actively progressing towards 1st draft. Alex Sas-Jaworsky SAS is the chair; sasindinc@cs.com

**API RP 16WL Wireline Wellhead Pressure Control Equipment and System**

* Developing first edition. Task group has been meeting monthly. Alex Sas-Jaworsky SAS is the chair

**API RP 16WS RP for Surface Well Servicing Pressure Control Equipment**

* Formalized the Task Group – Begin mtgs in 1Q 2021 and have held monthly meetings 16WS and 16ST are meeting to ensure no overlap. Gary Olliff, Brigade Energy is the chair; golliff@brigade.energy

**API RP 75, 4th Edition: *Recommended Practice for a Safety and Environmental Management System for Offshore Operations and Assets* (no update)**

* API RP 75, Version 4, was published in December 2019. The updated RP provides guidance for establishing, implementing, maintaining, and continually improving a safety management system (SEMS) for offshore oil and gas operations. The new edition expands the reach of SEMS globally, to contractors and sub-contractors, as well as acknowledges advancements in technology and advancements to improve risk management.
* A training video on API RP 75 is now available for free on API’s training website, [www.apilearning.org](http://www.apilearning.org).

**Monogram/APIQR Program Update**

* Monogram/APIQR is performing virtual audits in response to the disruptions caused by the COVID-19 pandemic. The Program has conducted 1000+ remote audits. During this time, API staff have witnessed multiple remote audits to ensure they are effective. The API QR Monogram Program Board (QRMPB) is evaluating future needs with regards to virtual audits.

**API SC 20, Supply Chain Management Standards**

* Eight facilities have referenced SC20 supply chain specifications in their APIQ1 registration scope. The most common are API 20J and API 20M. On October 19 API published the first edition of API Standard (Std) 20S, *Additively Manufactured Metallic Components for Use in the Petroleum and Natural Gas Industries*, providing requirements for the qualification of the manufacturing process, production, marking and documentation of metallic components. This standard applies to additively manufactured metallic components produced by powder bed fusion (PBF), directed energy deposition (DED), and binder jetting (BJT) processes. Work has started on a companion standard for additively manufactured polymeric materials, API Standard 20T.

**API Specs Q1 and Q2**

* API Q2, 2nd edition was published July 2021. A new work item for an addendum to API Q2, 2nd edition was proposed at the January 2022 SC18 meeting. The intent is for the addendum to address inconsistencies between API Q1 and API Q2 in addition to new topics such as: deferral of maintenance, improved service quality plans and inventory management.
* A second ballot for API Q1, 10th edition closed on September 13, 2021, and the TG continues to meet every Monday to resolve the 324 comments. API anticipates API Q1, 10th edition to publish 4Q2022.
* For more information on the work of SC18, TG2, regarding Q1, contact the chair of the TG, Mark Wars at mark.wars@RetiredQuality.onmicrosoft.com.
* For more information on the work of SC18, TG5, regarding Q2, contact the chair of the TG, Stacey Hagen of ExxonMobil at stacey.w.hagen@exxonmobil.com.
* For information about the Q2 certification program, program requirements, auditing requirements, etc. visit the API website at <http://www.api.org/products-and-services/api-monogram-and-apiqr> or contact certification@api.org.
* For more information on API-U Q2 training courses please visit the API-U training calendar on the API website at <http://www.api.org/products-and-services/training/api-u/calendar>. The API Training department was able to pivot last year to convert our traditional Q2 classroom training to virtual classrooms.

**API Standard 18LCM *Product Life Cycle Management System Requirements for the Petroleum and Natural Gas Industries* (no update)**

* The API Monogram-APIQR Programs launched the company registration program for API Std 18LCM on January 16, 2018. The program is now open to applicant organizations that provide life cycle management services for E&P equipment under a management system that meets API Std 18LCM and API Spec Q1. For more information visit the API website at <http://www.api.org/products-and-services/api-monogram-and-apiqr#tab_api-18lcm>.

**API Lifting Standards**

* The Committee on Standardization of Oilfield Equipment and Materials (CSOEM) approved the creation of a subcommittee on Upstream Offshore Crane & Safe Lifting Standards (SC 22). The new subcommittee will be responsible for the maintenance of Specs 2C and 2CCU and RPs 2D and 2D-2, as well as the consideration of new standards in this subject area. This new SC will bring the lifting-related standards under a single group to allow for better management of the work program in evaluating new and revising existing standards in this area.
* In October 2020 API published API RP 2D, 7th Edition, Operation and Maintenance of Offshore Cranes, Addendum 1; API RP 2D-2, 1st Edition, Training for Offshore Pedestal-Mounted Crane Riggers, Operators, and Inspectors, and API Specification 2C, 8thEdition, Offshore Pedestal-mounted Cranes in API’s efforts to improve safe lifting operations.
* With the release of the 2D-2 training standard, the API Training Department launched a new accreditation program for all API-U Approved Training Providers offering 2D-related courses. All API-U training providers are required to meet the requirements of the 2D-2 standard.
* Available on apilearning.org are 2 Significant Standards Webinars covering the release of the new 2C and 2D-2 editions.

**2022 API Offshore Safe Lifting Conference & Expo**

* The API conference originally planned for September 2021, in Houston has been rescheduled for June 22-23, 2022, at the Westin Houston Memorial City, our website has been updated, <https://events.api.org/2022-api-offshore-safe-lifting-conference-expo/>. More details to come. Please contact Holly Hopkins hopkinsh@api.org with any questions.

**CSB Pryor Trust Well Control Incident Report Recommendations**

* On June 12, 2019, the U.S. Chemical Safety Board (CSB) released their final report on the Pryor Trust Fatal Gas Well Blowout and Fire that occurred in Pittsburg County, OK on January 22, 2018. In the report CSB made five recommendations to API. <https://www.csb.gov/pryor-trust-fatal-gas-well-blowout-and-fire/>

**Automatic Safety Instrumented Systems 2018-01-I-OK-R2 (CSB Recommendation)**

Establish and convene a group of experts with drilling, engineering, and instrumentation expertise to discuss methods to achieve widespread implementation of automatic safety instrumented systems that could bring a well to a safe state in the event other operational barriers fail. Publish a technical bulletin discussing the strategies to implement Blowout Preventer (BOP) safety instrumented systems.

Chair: Jerry Eubank, OXY Jerry\_Eubank@oxy.com

**Update:**

This workgroup met regularly and developed a draft document. The draft API Bulletin 16H *Automated Safety Instrumented Systems for Onshore Blowout Preventer Actuation* has been passed to SC 16 on Drilling Well Control Equipment to undergo the official standards development process. The document was balloted and reached consensus with comments that have been resolved. This document is ready for a mid-February 2022 publication as a Significant Standard.

**Safely Tripping Drill Pipe 2018-01-I-OK-R3 (CSB Recommendation)**

For onshore drilling operations, develop and publish a recommended practice providing guidance on safely tripping drill pipe during (1) overbalanced drilling operations, (2) managed pressure drilling operations, and (3) underbalanced drilling operations. At a minimum, include information on:

(a) Required equipment for tripping operations,

(b) Techniques and procedures for controlling or preventing formation fluid influx, and

(c) Methods to monitor the well and replace the drill pipe displacement volume with drilling fluid (e.g., mud).

Chair: Darren Days, Patterson UTI Darren.Days@patenergy.com

**Update**

This workgroup has been meeting regularly and has developed a draft document. The first Standards Development Meeting was held in March 2020. The new document will be API RECOMMENDED PRACTICE 79-1 *Tripping Operations in Overbalanced Wells.*  The draft document was distributed through a comment only ballot, the ballot closed on July 13, 2021. Workgroup meetings were held to review and resolve the comments received and further prepare the draft for an official ballot. Comments have been resolved and the document is in balloting as of January 10, 2022, the ballot closes on February 28, 2022. A new task group which includes members from the IADC UBO/MPD workgroup, met on July 8, 2021, to begin work on API RP 79-2 - *Managed Pressure Tripping Operations.*  Work still to be completed on tripping operations during underbalanced drilling operations.

**Alarm Management 2018-01-I-OK-R4 (CSB Recommendation)**

Develop a recommended practice on alarm management specifically for the drilling industry based on guidance in ANSI/ISA 18.2 Management of Alarm Systems for the Process Industries. The recommended practice will address the unique dynamic environment of the drilling industry and provide guidance on implementing a state-based alarm system for different operating modes (e.g., drilling, circulating, tripping, etc.). Include International Association of Drilling Contractors (IADC) in the development of this recommended practice.

Chair: Darren Days, Patterson UTI Darren.Days@patenergy.com

**Update:**

The 2nd edition of the IADC ART Drilling Control Systems Alarm Management Guidelines was published in February 2021 to reflect lessons learned and current industry practices.  The API Recommend Practice 59 task group will review this edition for possible incorporation into the next edition of the standard. The first revision meeting of RP 59 is expected after the winter standards meeting. Dana Witt, Chevron is the chair of the revision task group.

**Protection of Onshore Drilling Rig Workers 2018-01-I-OK-R5 (CSB Recommendation)**

Develop a new recommended practice or modify an existing recommended practice (e.g. API RP 54 Recommended Practice for Occupational Safety for Oil and Gas Well Drilling and Servicing Operations) addressing the protection of rig workers on onshore drilling rigs from fire and explosion hazards in the event of a blowout. The recommended practice will specifically address:

(a) Protecting drilling cabin occupants from blowout hazards including heat, blast overpressure, and projectiles, such as requiring an increased fire rating for the driller’s cabin that would allow enough time for occupants to evacuate during a blowout and fire;

(b) Minimum required evacuation methods from the drilling cabin, rig floor, and mast or derrick in the event of a blowout so that personnel can quickly escape in variable hazard location conditions. For example, floor exit hatches and exits on the driller’s cabin wall opposite the rig floor could provide safe evacuation routes during a blowout and fire; and

(c) Proximity of the Blow Out Preventer (BOP) activation controls with the driller.

The above options could be retrofitted on existing drilling rigs. Additionally, formally evaluate alternative locations for the drilling cabin that establishes a safe distance from fire and explosion hazards (e.g., ground level).

Chair: Micah Backlund, H&P International Drilling Company micah.backlund@hpidc.com

**Update:**

The workgroup met regularly and developed an addendum to API RP 54 Section 7.15, “Drilling and Well Servicing Equipment.” The addendum was published in June 2021. A letter was sent to CSB on September 8, 2021, to close out this recommendation. We await a response from CSB.

**API Bulletin 97L 2018-01-I-OK-R6 (CSB Recommendation)**

Update API Bulletin 97 Well Construction Interface Document Guidelines to specify that it applies to both onshore and offshore drilling operations.

Chair Mark Crelia, H&P mark.crelia@hpidc.com

**Update:**

The first edition of API Recommended Practice 97L *Onshore Well Construction Interface Document* was published in December 2020. A letter was sent to CSB on January 21, 2021, to close out this recommendation. On July 28, 2021, the CSB voted to designate the recommendation “Closed – Acceptable Alternative Action.” This completes the work on this recommendation.

**BSEE ACTIVITIES**

**Best Available and Safest Technology (BAST)**

* Industry continues to work with BSEE on BAST. BSEE issued a Bureau Interim Directive (BID) on drilling equipment on July 6, 2020. A similar BID for production equipment was issued on September 30, 2020. BSEE is working with industry SMEs to discuss Performance Requirements on the equipment identified in the initial Drilling BAST Bureau Interim Directive. The first meeting on casing was held the week of October 25, 2021. Other SME meetings will continue until BSEE releases the performance requirements for public comment, expected in 2022.

**BSEE Bolt Report, Safety Alert & API Response**

* August 11, 2014 BSEE released a technical Review of Connector and Bolt Failures following the failure of connectors and bolts used in critical equipment. The technical review, entitled Evaluation of Connector and Bolt Failures, was completed by the bureau's Quality Control-Failure Incident Team (QC-FIT) and submitted to BSEE Director Brian Salerno. API held a Technical Session during the API Exploration and Production Winter Standards Meeting in New Orleans on January 27, 2015. After the Technical Session, a multi-segment task group was formed to review the detailed recommendations in the report and determine next steps. The final report was shared with BSEE and is now being implemented.

BSEE held a public forum on offshore connector equipment failures, including connector bolt failures that have occurred on the OCS on August 29, 2016, in Washington, DC. API presented at the Forum.

In addition to the work of the multi-segment task group, API met with BSEE on March 31, June 22, September 20, and October 7, 2016, to discuss the Safety Alert. And provides BSEE quarterly updates to track the voluntary industry actions we have committed to to improve subsea BOP bolting. The phase one voluntary work is complete and reporting to BSEE will now be twice yearly, after the 1st and 3rd quarter. Q3 2021 report was delivered to BSEE on November 8, 2021. Preparation of the Q1 2022 report will begin in April with delivery to BSEE expected by May 6, 2022.

Additionally, the National Academies of Sciences, Engineering, and Medicine (the Academies) through the National Academy of Engineering (NAE) and the National Materials and Manufacturing Board (NMMB) has been contracted by BSEE to hold an Academies’ workshop and follow-on study to address issues associated with the reliability of connectors used in critical safety components and equipment for offshore oil and natural gas operations. The workshop was held April 10-11, 2017 in Washington, DC. The website for the Committee: <http://sites.nationalacademies.org/DEPS/NMMB/DEPS_174523>. The workshop proceedings can be found here: [Bolting Reliability for Offshore Oil and Natural Gas Operations: Proceedings of a Workshop](https://nap.us4.list-manage.com/track/click?u=eaea39b6442dc4e0d08e6aa4a&id=367402764c&e=49e9de8db5)

The pre-publication of the Committee’s report “High-Performance Bolting Technology for Offshore Oil and Natural Gas Operations” was posted March 9, 2018 and can be found [here](http://www8.nationalacademies.org/onpinews/newsitem.aspx?RecordID=25032&_ga=2.15189750.1146116966.1520613132-462635333.1520613132). API submitted technical corrections to the Committee on the pre-publication copy. The final report was published in June and can be found here: <https://www.nap.edu/catalog/25032/high-performance-bolting-technology-for-offshore-oil-and-natural-gas-operations> API submitted a letter to BSEE on August 30, 2018 on the final report.

**Offshore Inspections**

* As you know, BSEE contracted The National Academies to form a Committee on the Review and Update of BSEE Offshore Oil and Gas Operations Inspection Program <http://www8.nationalacademies.org/cp/projectview.aspx?key=49890> The first meeting was held October 26-27, 2017 in Washington, D.C. The NAS committee (Transportation Research Board) posted the final report “[Modernizing the U.S. Offshore Oil and Gas Inspection Program for Increased Agility and Safety Vigilance](https://www.nap.edu/catalog/26095/modernizing-the-us-offshore-oil-and-gas-inspection-program-for-increased-agility-and-safety-vigilance)” in July. The API OOC Workgroup sent comments to the National Academies Transportation Research Board on the prepublication report. BSEE is implementing the final report.

**USCG ACTIVITIES**

**USCG Proposed Update to Marine Engineering Standards**

* On October 19, 2021, the USCG published a FRN announcing a NPRM proposing to incorporate by reference updated Marine Engineering Standards and eliminate outdated or unnecessarily prescriptive regulations in 46 CFR Subchapter F. API, IADC and OOC, filed comments on February 2, 2022.

**USCG Proposed Update to Electrical Engineering Regulations (no update)**

* On Thursday, April 22, 2021, the USCG published a FRN announcing a proposed rulemaking to update electrical engineering standards that are incorporated by reference and add acceptable alternative standards. According to the USCG, this proposed rule would also eliminate several outdated or unnecessarily prescriptive electrical engineering regulations. The proposed regulatory action would be consistent with the standards currently used by industry and support the Coast Guard’s maritime safety mission. Comments were due by July 21, 2021, API and OOC submitted a joint comment letter.

**National Offshore Safety Advisory Committee meeting (NOSAC) (no update)**

* The last meeting of the discretionary NOSAC Committee was held September 30, 2020.   Going forward the Committee will be statutory, as established by the USCG Authorization (Congress).  The individuals that will serve on the statutory committee have not yet been announced yet, nor has the first meeting of the statutory committee.  The materials from yesterday’s NOSAC meeting can be found [here](https://nam04.safelinks.protection.outlook.com/?url=https%3A%2F%2Fhomeport.uscg.mil%2FLists%2FContent%2FDispForm.aspx%3FID%3D63817%26Source%3D%2FLists%2FContent%2FDispForm.aspx%3FID%3D63817&data=02%7C01%7C%7C1c8a9200fbbe42606fae08d8660fe308%7C2df2418fe75f46f0898d65f4eeecb14b%7C0%7C0%7C637371565723395531&sdata=mEjjWF1Ng8O0i7io7sPGGOe621T3L961WEnRUh8BKPc%3D&reserved=0) (If the link doesn’t work you can go here [https://homeport.uscg.mil/](https://nam04.safelinks.protection.outlook.com/?url=https%3A%2F%2Fhomeport.uscg.mil%2F&data=02%7C01%7C%7C1c8a9200fbbe42606fae08d8660fe308%7C2df2418fe75f46f0898d65f4eeecb14b%7C0%7C0%7C637371565723405532&sdata=Qdq1FLqj7v%2B0YRWFoksXW%2Fc6Xuhdk%2Btlvsr4NhLQjag%3D&reserved=0) to Missions – Ports & Waterways – Safety Advisory Committees – NOSAC – Meetings – September 30, 2020)

The USCG shared a presentation that provides information on potential failure pathways for lifeboat release mechanism control cables. **USCG is strongly encouraging all OCS operators to review this material and share within their organizations as appropriate.**

In addition to the control cable presentation included, other material from the Sept 30, 2020 NOSAC meeting include:

1. The agenda.
2. A presentation from the NOSAC Lifeboat Task Statement subcommittee. NOSAC unanimously accepted the report from this Task Statement committee.
3. A presentation on a potential future Task Statement re: improving ICS guidance/training for source control functions.
4. A brief update from BSEE.
5. A brief update from IADC.

Additionally, two future Task Statements will be recommended to the new NOSAC committee for consideration: a task statement on implementing the recommendations from the Auger Lifeboat Incident Report (yet to be published), and a task statement on improvements to ICS guidance on source control functions. It is TBD if the future NOSAC committee will adopt these recommendations.

**OTHER ACTIVITIES**

**OOC BSEE CFR Referenced Standards Workshop**

OOC and BSEE held a CFR Referenced Standards Workshop onMarch 30, 2021, continuing the work done in 2020. As you know, a majority of the BSEE regulation text is 125 referenced standards. BSEE knows these references are not always up to date with the latest editions but wants to hear what industry thinks are the most important standard references to get update in the CFR. The Committee sent the 2021 report to BSEE in November 2021 and are working to plan a 2022 workshop for April.

**CBP Rulings Notice on Proposed Modification and Revocation of Ruling Letters Related to Customs Application of the Jones Act to the Transportation of Certain Merchandise and Equipment Between Coastwise Points (no update)**

* On January 18, 2017, CBP published a notice entitled “Proposed Modification and Revocation of Ruling Letters Related to Customs Application of the Jones Act to the Transportation of Certain Merchandise and Equipment Between Coastwise Points” in volume 51 of the Customs Bulletin and Decisions. According to CBP they proposed to modify a 1976 Ruling HQ 101925 to make it more consistent with federal statutes and regulations that were amended or promulgated after HQ 101925 was issued, and to clarify the proper reasoning underlying the conclusions reached regarding the subjects covered in the ruling. In addition, CBP proposed to revise its rulings which have determined that articles transported between coastwise points are vessel equipment pursuant to Treasury Decision (“T.D.”) 49815(4). CBP intends to revoke or modify all prior rulings inconsistent with the proposed modifications. To respond to this notice, API coordinated a Joint Trade comment letter, filed April 18, 2017, which included (API), the Association of Diving Contractors International (ADCI), IADC, the Independent Petroleum Association of America (IPAA), the International Association of Geophysical Contractors (IAGC), the International Marine Contractors Association (IMCA), the Louisiana Mid-Continent Oil and Gas Association (LMOGA), the Offshore Operators Committee (OOC), the Petroleum Equipment & Services Association (PESA) and the U.S. Oil and Gas Association. On May 10, 2017, CBP withdrew the proposal stating that “Based on many substantive comments CBP received both supporting and opposing the proposed action, and CBP’s further research on the issue, we conclude that the Agency’s notice of proposed modification and revocation of the various ruling letters relating to the Jones Act should be reconsidered.”
* On October 23, 2019, CBP published a new notice of proposed modification and revocation of ruling letters related to CBP’s application of the Jones Act to the transportation of certain merchandise and equipment between coastwise points. On December 19, 2019 CBP finalized the notice with little to no changes. The following changes go into effect on February 17, 2020:
* Revokes the “Koff” rulings. This is significant because if these rulings are applied broadly, virtually any movement that is necessary to safely conduct installation, construction or decommissioning work by highly-specialized vessels offshore could be prohibited.
* Revokes and modifies “equipment of the vessel” rulings, such that it clarifies that the Jones Act-qualified vessels of the domestic marine industry are required for the transport of equipment for installation to and from offshore locations.
* Implements a definition of “lifting operations” that is critical to safe and workable operations, as it distinguishes those activities from transportation of merchandise that is otherwise covered by the Jones Act.
* While this is a significant victory for the industry, we continue to advocate against any language in the USCG Authorization, NDAA or other legislation which would reverse this progress. Final legislation passed in 2020 did NOT include any detrimental language, including installation vessel language.
* On January 27, 2021, CBP issued a ruling letter on an offshore wind project. The ruling letter applies the “Garamendi Amendment” from the recent NDAA to make the Jones Act applicable to renewable energy projects on the OCS. The January 27, 2021 ruling also raises a problem for offshore oil and gas operations, it concludes that the entire seabed and subsoil of the OCS is a Jones Act “point in the United States.” Which is contrary to decades of CBP rulings and is an argument that OMSA raised regarding seismic nodes in its lawsuit. Both API and CBP have denied that interpretation in the litigation.

Outside counsel for API sent a letter to CBP on March 9, outlining our concerns with the ruling letter and supporting information confirming CBP’s overreach in their interpretation of the Garamendi Amendment. API also coordinated with fellow trades to get additional letters sent from IMCA, IADC and ACP. On March 25, 2021 CBP issued a revised ruling letter, which modifies the prior decision to hold “that the Jones Act does not apply to activity occurring at the pristine seabed on the OCS, which has been CBP’s longstanding position on the issue.” API continues to monitor both Administrative and Legislative action to ensure there is no adverse action to the offshore oil and natural gas industry related to the Jones Act.

Questions:

Holly Hopkins

Director, Upstream
American Petroleum Institute
200 Massachusetts Ave, NW
Washington, DC 20001
hopkinsh@api.org
202-682-8439 phone