

the penalty or file an appeal with MMS under part 290 of this chapter. If you do not either pay the penalty or file a timely appeal, MMS will take one or more of the following actions:

(a) MMS will collect the amount you were assessed, plus interest, late payment charges, and other fees as provided by law, from the date of assessment until the date MMS receives payment;

(b) MMS may initiate additional enforcement proceedings including, if appropriate, cancellation of the lease, right-of-way, license, permit, or approval, or the forfeiture of a bond under this part; or

(c) MMS may bar you from doing further business with the Federal Government according to Executive Orders 12549 and 12689, and section 2455 of the Federal Acquisition Streamlining Act of 1994, 31 U.S.C. 6101. The Department of the Interior's regulations implementing these authorities are found at 43 CFR part 62, subpart D.

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DEPARTMENT OF THE INTERIOR

30 CFR Part 250

RIN 1010-AC12

Safety and Pollution Prevention Equipment Quality Assurance Requirements

AGENCY: Minerals Management Service (MMS), Interior.

ACTION: Final rule.

SUMMARY: This rule amends the regulations governing the quality assurance (QA) program for safety and pollution prevention equipment (SPPE) used on the Outer Continental Shelf (OCS). The rule requires lessees to install only QA certified SPPE after April 1, 1998. However, the rule allows the continued use of noncertified SPPE installed prior to April 1, 1998, provided the equipment does not require remanufacturing. Amendments to the rule reduce the paperwork burden on both industry and MMS and ensure that OCS lessees continue to use the best available and safest equipment.

EFFECTIVE DATE: September 8, 1997. The incorporation by reference of certain publications listed in the rule is approved by the Director of the Federal Register as of September 8, 1997.

FOR FURTHER INFORMATION CONTACT: Bill Hauser, Engineering and Research Branch, at (703) 787-1613.

SUPPLEMENTARY INFORMATION:

Background

MMS proposed revising the regulations for the SPPE program in a notice of proposed rulemaking published in the **Federal Register** (61 FR 66639) on December 18, 1996. We received two sets of comments during the 60-day comment period, which closed on February 18, 1997. This final rule amends the regulations found at 30 CFR 250.126.

To fully understand this rule, you need to know that SPPE consists of the following equipment: surface safety valves (SSV) and their actuators; underwater safety valves and their actuators; and subsurface safety valves (SSSV) and associated safety valve locks and landing nipples. MMS requires lessees to install SPPE in their wells to protect the safety of personnel and to prevent the accidental release of produced fluids or gases (thus the name safety and pollution prevention equipment). Certified SPPE means that the manufacturer built the equipment under a QA program recognized by MMS. Noncertified SPPE is SPPE that was not manufactured under a recognized QA program but was in a lessee's inventory on April 1, 1988. MMS required each lessee to submit a list of this inventory to MMS by August 29, 1988.

Intent of Proposed Rule

The proposed rule had two goals: (1) to reduce the paperwork associated with the SPPE QA regulations and (2) to ensure that lessees continue to use high quality SPPE on the OCS. To reduce paperwork, the proposed rule eliminated the need for companies to update their list of noncertified SPPE. It also eliminated the detailed reporting requirements regarding the installation and failure of certified equipment.

The proposed rule addressed the quality of SPPE by limiting the use of noncertified SPPE. Under the proposed rule a lessee could not install noncertified SPPE after April 1, 1998. In addition, a lessee would have to replace noncertified SPPE already in service with certified SPPE when one of the following conditions occurred:

- (1) Noncertified SPPE failed during normal operations,
- (2) Noncertified SPPE failed during testing, or
- (3) Noncertified SPPE was removed from service for any other reason.

Comments on the Rule

The Offshore Operators Committee (OOC) and a major oil company were the only two commenters on the rule.

OOC, an organization that represents 85 companies that operate in the Gulf of Mexico, commended MMS' effort to reduce the paperwork associated with the program, but strongly objected to replacing noncertified SPPE with certified SPPE as proposed by the rule. They stated that the rules should allow noncertified SPPE to stay in service as long as it functions properly. Replacement of an internal seal or temporary removal from a well during routine operations should not prohibit the use of noncertified SPPE after it has functioned acceptably for many years. OOC recommended that MMS should require replacement only when the noncertified SPPE has to be remanufactured.

OOC estimated that approximately 3,000 noncertified SSV's and 1,000 noncertified SSSV's remain in service on the OCS. OOC estimated that the cost to replace these noncertified SPPE would be \$51,000,000. Their estimate did not include the cost to replace noncertified landing nipples for the SSSV.

The major oil company endorsed OOC's comments. It reiterated that the rule should require replacement of noncertified SPPE only when it must be re-manufactured or repaired by hot work, such as welding.

Response to Comments

After review of the comments, MMS agrees that the rule should not prohibit the use of noncertified SPPE if it requires only minor repairs, such as the replacement of a seal. Therefore, we have revised the final rule to require replacement of noncertified SPPE only when the noncertified SPPE requires offsite repair, remanufacturing, or hot work, such as welding. This will allow lessees to continue using noncertified SPPE provided the equipment works properly, and when necessary, requires only minor repairs. Once noncertified SPPE requires offsite repair, remanufacturing, or hot work, it may not be used on the OCS. MMS believes this restriction helps ensure that lessees continue to use high quality SPPE.

MMS plans to examine the performance of noncertified and certified SPPE as part of a research study that will examine leakage rates and testing criteria for SPPE. This research will begin this year. We invite and encourage industry participation in this research study. The results will impact future rulemaking on SPPE testing requirements.

We also clarified § 250.126(b)(2) of the rule to state that a lessee may not install additional noncertified SPPE after April 1, 1998.

Other Changes to the Regulations

As part of amending the SPPE regulations, the rule updates the two QA documents referenced in § 250.1, Documents Incorporated by Reference, paragraphs (c)(5) and (d)(1):

- (1) American National Standards Institute/American Society Mechanical Engineers (ANSI/ASME) SPPE-1-1994, Quality Assurance and Certification of Safety and Pollution Prevention Equipment Used in Offshore Oil and Gas Operations, and
- (2) American Petroleum Institute (API) Spec Q1, Specification for Quality Programs, Fifth Edition, December 1994.

These documents update editions that MMS has previously incorporated by reference. MMS did not receive any comments on these documents. ASME has notified MMS that it will sunset its SPPE program on June 11, 1999. After that date, MMS will remove the reference to SPPE-1-1994 from the regulations. MMS believes that the sunset of this program will not have a significant effect on SPPE quality.

Executive Order (E.O.) 12866

This is a significant rule under E.O. 12866 and has been reviewed by the Office of Management and Budget (OMB).

Regulatory Flexibility Act

DOI has determined that this final rule will not have a significant economic effect on a substantial number of small entities. Most entities that engage in offshore activities as operators are not small because of the technical complexities and financial resources necessary to conduct such activities safely. Small entities are more likely to work as contractors to larger entities on the OCS, or in the case of SPPE, they may work at repairing SPPE. This rule will not have a negative effect on small SPPE repair shops or manufacturers since it does not impose any new restrictions on them. This rule should not change the business practices of repair and manufacturing SPPE.

Paperwork Reduction Act

OMB has approved the information collection requirements in 30 CFR Part 250, Subpart H, Oil and Gas Production Safety Systems, as required by the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*). The OMB control number is 1010-0059. The Paperwork Reduction Act of 1995 provides that an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it

displays a currently valid OMB control number.

MMS received no comments with respect to the information collection aspects in the notice of proposed rulemaking. There is no significant change to the information collection required by the final rule.

The collection of information consists of applications and approvals for design, installation, and operation of subsurface safety devices and surface production-safety systems and related requirements; notifying MMS prior to production and conduct of preproduction tests and inspections; approval of QA programs covering manufacture of SPPE; and related recordkeeping requirements. The requirement to respond is mandatory. MMS uses the information to evaluate equipment and/or procedures lessees propose to use during production operations and to verify compliance with minimum safety requirements. MMS will protect information considered confidential or proprietary under the Freedom of Information Act and under regulations at 30 CFR 250.18 (Data and information to be made available to the public) and 30 CFR Part 252 (OCS Oil and Gas Information Program).

Respondents are approximately 130 Federal OCS oil, gas, and sulphur lessees. The frequency of submission varies. We estimate that the public reporting burden for this information averages 1.25 hours per response, including the time to review instructions, search existing data sources, gather and maintain the data needed, and complete and review the information collection. MMS estimates that the total annual burden of this collection of information to be 352 reporting hours and 2,548 recordkeeping hours. Based on \$35 per hour, the total burden hour cost to respondents is \$101,500.

You may direct comment on the burden estimate or any other aspect of this collection to the Information Collection Clearance Officer, Minerals Management Service, Mail Stop 4230, 1849 C Street, N.W., Washington, D.C. 20240; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Attn: Desk Officer for the Department of the Interior (OMB control number 1010-0059), Room 10102, 725 17th Street, N.W., Washington, D.C. 20503. You may obtain a copy of the collection of information by contacting the Bureau's Information Collection Clearance Officer at (202) 208-7744.

Takings Implication Assessment

DOI certifies that this final rule does not represent a governmental action capable of interference with constitutionally protected property rights. Thus, MMS did not need to prepare a Takings Implication Assessment pursuant to E.O. 12630, Governmental Action and Interference with Constitutionally Protected Property Rights.

Unfunded Mandates Reform Act of 1995

DOI has determined and certifies according to the Unfunded Mandates Reform Act, 2 U.S.C. 1502 *et seq.*, that this rule will not impose a cost of \$100 million or more in any given year on State, local, and tribal governments, or the private sector.

E.O. 12988

DOI has certified to OMB that this rule meets the applicable civil justice reform standards provided in sections 3(a) and 3(b)(2) of E.O. 12988.

National Environmental Policy Act

DOI has determined that this action does not constitute a major Federal action significantly affecting the quality of the human environment. Therefore, preparation of an Environmental Impact Statement is not required.

List of Subjects in 30 CFR Part 250

Continental shelf, Environmental impact statements, Environmental protection, Government contracts, Incorporation by reference, Investigations, Mineral royalties, Oil and gas development and production, Oil and gas exploration, Oil and gas reserves, Penalties, Pipelines, Public lands—mineral resources, Public lands—rights-of-way, Reporting and recordkeeping requirements, Sulphur development and production, Sulphur exploration, Surety bonds.

Dated: June 5, 1997.

Bob Armstrong,

Assistant Secretary, Land and Minerals Management.

For the reasons stated in the preamble, the Minerals Management Service (MMS) amends 30 CFR part 250 as follows:

PART 250—OIL AND GAS AND SULPHUR OPERATIONS IN THE OUTER CONTINENTAL SHELF

1. The authority citation for part 250 continues to read as follows:

Authority: 43 U.S.C. 1334.

2. Section 250.1 is amended by revising paragraphs (c)(5) and (d)(1) to read as follows:

§ 250.1 Documents incorporated by reference.

* * * * *

(c) * * *

(5) ASME SPPE-1-1994 and ASME SPPE-1d-1996 ADDENDA, Quality Assurance and Certification of Safety and Pollution Prevention Equipment Used in Offshore Oil and Gas Operations, Incorporated by Reference at: § 250.126(a)(2)(A).

* * * * *

(d) * * *

(1) API Spec Q1, Specification for Quality Programs, Fifth Edition, December 1994, API Stock No. 811-00001, Incorporated by Reference at: § 250.126(a)(2)(B).

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3. MMS revises § 250.126 to read as follows:

§ 250.126 Safety and pollution prevention equipment quality assurance requirements.

(a) *General requirements.* (1) Except as provided in paragraph (b)(1) of this section, you may install only certified safety and pollution prevention equipment (SPPE) in wells located on the OCS. SPPE includes the following:

- (i) Surface safety valves (SSV) and actuators;
- (ii) Underwater safety valves (USV) and actuators; and
- (iii) Subsurface safety valves (SSSV) and associated safety valve locks and landing nipples.

(2) Certified SPPE is equipment the manufacturer certifies as manufactured under a quality assurance program MMS recognizes. MMS considers all other SPPE as noncertified. MMS recognizes two quality assurance programs:

- (i) ANSI/ASME SPPE-1, Quality Assurance and Certification of Safety and Pollution-Prevention Equipment Used in Offshore Oil and Gas Operations; and
- (ii) API Spec Q1, Specification for Quality Programs.

(3) All SSV's and USV's must meet the technical specifications of API Spec 14D or API Spec 6A and 6AV1. All SSSV's must meet the technical specifications of API Spec 14A.

(b) *Use of noncertified SPPE.* (1) Before April 1, 1998, you may continue to use and install noncertified SPPE if it was in your inventory as of April 1, 1988, and was included in a list of noncertified SPPE submitted to MMS prior to August 29, 1988.

(2) On or after April 1, 1998:

(i) You may not install additional noncertified SPPE; and

(ii) When noncertified SPPE that is already in service requires offsite repair, remanufacturing, or hot work such as welding, you must replace it with certified SPPE.

(c) *Recognizing other quality assurance programs.* The MMS will consider recognizing other quality assurance programs covering the manufacture of SPPE. If you want MMS to evaluate other quality assurance programs, submit relevant information about the program and reasons for recognition by MMS to the Chief, Engineering and Operations Division; Minerals Management Service; Mail Stop 4700; 381 Elden Street; Herndon, Virginia 20170-4817.

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DEPARTMENT OF TRANSPORTATION

Coast Guard

33 CFR Parts 100 and 165

[CGD 97-051]

Safety Zones, Security Zones, and Special Local Regulations

AGENCY: Coast Guard, DOT.

ACTION: Notice of temporary rules issued.

SUMMARY: This document provides required notice of substantive rules adopted by the Coast Guard and temporarily effective between April 1, 1997 and June 30, 1997, which were not published in the **Federal Register**. This quarterly notice lists temporary local regulations, security zones, and safety zones, which were of limited duration and for which timely publication in the **Federal Register** was not possible.

DATES: This notice lists temporary Coast Guard regulations that became effective and were terminated between April 1, 1997 and June 30, 1997, as well as several regulations which were not included in the previous quarterly list.

ADDRESS: The complete text of these temporary regulations may be examined at, and is available on request, from Executive Secretary, Marine Safety Council (G-LRA), U.S. Coast Guard Headquarters, 2100 Second Street, SW., Washington, DC 20593-0001.

FOR FURTHER INFORMATION CONTACT: Lieutenant Christopher S. Keane at (202) 267-6004 between the hours of 8 a.m. and 3 p.m., Monday through Friday.

SUPPLEMENTARY INFORMATION: District Commanders and Captains of the Port (COTP) must be immediately responsive to the safety needs of the waters within their jurisdiction; therefore, District Commanders and COTPs have been delegated the authority to issue certain local regulations. Safety zones may be established for safety or environmental purposes. A safety zone may be stationary and described by fixed limits or it may be described as a zone around a vessel in motion. Security zones limit access to vessels, ports, or waterfront facilities to prevent injury or damage. Special local regulations are issued to enhance the safety of participants and spectators at regattas and other marine events. Timely publication of these regulations in the **Federal Register** is often precluded when a regulation responds to an emergency, or when an event occurs without sufficient advance notice. However, the affected public is informed of these regulations through Local Notices to Mariners, press releases, and other means. Moreover, actual notification is provided by Coast Guard patrol vessels enforcing the restrictions imposed by the regulation. Because mariners are notified by Coast Guard officials on-scene prior to enforcement action, **Federal Register** notice is not required to place the special local regulation, security zone, or safety zone in effect. However, the Coast Guard, by law, must publish in the **Federal Register** notice of substantive rules adopted. To discharge this legal obligation without imposing undue expense on the public, the Coast Guard periodically publishes a list of these temporary special local regulations, security zones, and safety zones. Permanent regulations are not included in this list because they are published in their entirety in the **Federal Register**. Temporary regulations may also be published in their entirety if sufficient time is available to do so before they are placed in effect or terminated. These safety zones, special local regulations and security zones have been exempted from review under E.O. 12866 because of their emergency nature, or limited scope and temporary effectiveness.

The following regulations were placed in effect temporarily during the period April 1, 1997 and June 30, 1997, unless otherwise indicated.

Dated: August 5, 1997.

Pamela M. Pelcovits,
Chief, Office of Regulations and
Administrative Law.