



RULES PROCESSING TEAM

DEC 05 2003

December 4, 2003

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EMAIL: rules.comments@MMS.gov

ATTN: Rules Processing Team (Comments)

RE: Proposed Rule - Oil and Gas and Sulphur Operations in the Outer
Continental Shelf -- Incident Reporting Requirements (*Federal
Register*, Vol. 68, No. 130, July 8, 2003)

Dear Sir or Madam:

The National Ocean Industries Association (NOIA) appreciates the opportunity to respond to your request for comments on the proposal to amend regulations regarding the reporting of incidents associated with Outer Continental Shelf oil and gas and other mineral operations. The NOIA membership comprises more than 300 companies engaged in activities ranging from drilling to producing, engineering to marine and air transport, offshore construction to equipment manufacture and supply, shipyards to communications, and geophysical surveying to diving operations. The proposed regulation, therefore, is of particular importance to NOIA.

The proposed rulemaking would revise and clarify Minerals Management Service (MMS) requirements for reporting incidents associated with Outer Continental Shelf oil and gas operations. It would require written reports to be filed electronically and the use of two new report forms.

NOIA supports the practice of incident reporting. This data provides useful information and "lessons learned" analyses for companies operating on the Outer Continental Shelf, as well as for the regulators of these operations, in order to ensure safe and environmentally sound operations. We support the agency's intention to provide

clarification and consistency to the current requirements for incident reporting. However, we have serious concerns about several sections of the proposed regulation, and strong objections to the process underway to produce the regulation.

Regarding the process, NOIA is concerned that the intent expressed in the preamble to the regulation – that the reporting requirements be as consistent as possible with the U.S. Coast Guard requirements for incidents – cannot be achieved through two separate agency rulemakings with two separate reporting systems. Two separate systems lead to duplicative and inconsistent requirements, which causes confusion for companies and detracts from the value such reporting could produce. We believe that a joint rulemaking in which the two agencies develop and implement a common reporting system would allow both agencies to realize the intention of the regulation, and we strongly urge the MMS to pursue a joint process and common reporting system with its fellow regulatory agency.

In addition to our overall concern about the regulatory process, NOIA adds our concerns to those raised by the Offshore Operators Committee and the International Association of Drilling Contractors regarding the following issues:

- 1) The proposal provides for a very prescriptive and complicated process, rather than a more productive, performance-based reporting system. There are six different time frames in which reports must be filed, and notifications and reports must be filed with both the MMS and the Coast Guard using two different report forms and reporting means.

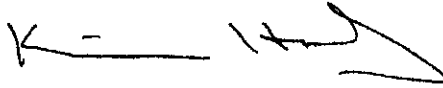
We strongly recommend that the MMS and Coast Guard develop a joint reporting procedure that is simple, consistent, and provides meaningful data in a timeframe appropriate for the incident.

- 2) The proposed rule appears to require employee health information to be disclosed. It is unclear whether this information is protected health information. We request that the MMS review the proposal in the context of the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations, along with any other relevant authority, and clarify for industry what medical information may be gathered and reported to the MMS.
- 3) It is unclear how the current data acquired through the voluntary reporting of SEMP performance measures will be utilized if the new reporting data is required. Since the two data sets vary greatly, it will be difficult to conduct any trend analysis. We recommend that the current requirements be amended so that the existing data may be used to conduct trend analyses.

We are eager to work with the MMS to improve the process for incident reporting,

and will be pleased to answer any questions you may have and/or provide additional information. Please do not hesitate to contact me at 202-737-0926.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kim Harb', with a stylized flourish at the end.

Kim Harb
Director
Policy & Government Affairs