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6 May 2015

Docket Management Facility (M–30)
U.S. Department of Transportation
West Building Ground Floor, Room W12–140
1200 New Jersey Avenue SE.
Washington, DC 20590-0001

Via – Regulations.gov

Re: *Requirements for MODUs and Other Vessels Conducting Outer Continental Shelf Activities with Dynamic Positioning Systems* [Docket No. USCG-2014-0063]

To whom it may concern:

The International Association of Drilling Contractors is a trade association representing the interests of drilling contractors, onshore and offshore, operating worldwide. Our membership includes all drilling contractors currently operating mobile offshore drilling units (MODUs) in the areas subject to the jurisdiction of the United States.

The purpose of this letter is to respond to the Coast Guard's 28 November 2014 notice of proposed rulemaking (79 FR 70994 et. seq.) to establish minimum design, operation, training, and manning standards for mobile offshore drilling units (MODUs) and other vessels using dynamic positioning systems to engage in Outer Continental Shelf activities.

Our comments are offered without prejudice to comments that may be offered individually by our members. Further, IADC acknowledges that other sectors of the offshore industry may be affected in a different manner than our primary constituents (*i.e.*, MODU owners) and may offer divergent, but valid, views regarding this proposed rule and its potential effects.

Given the substantial issues IADC and others have identified, IADC does not believe that the proposal can be progressed to a final rule without a supplementary notice of proposed rulemaking to resolve significant deficiencies in the proposal. Many of the deficiencies relate to the prescriptiveness of the proposal. We would encourage the Coast Guard to move further toward a performance-based rule as it revises the proposal. Our principle areas of concern are outlined below. Enclosure (1) provides additional detailed comments on the proposed rule.

The proposal presents no clear and feasible path to implementation.

The entire structure of the proposed rule is dependent upon the Coast Guard's:

(1) Acceptance in accordance with the proposed 46 CFR 61.50-3, of a sufficient number of dynamic positioning system assurance organizations (DPSAOs) to, *inter alia*, perform the various plan and

information approvals, and conduct and document surveys that would be required by the regulations; and

(2) Authorization in accordance with the proposed 46 CFR 62.40-10(c), of a sufficient number of classification societies willing to: (a) revise, as necessary, their rules to align with IMO MSC/Circ.645 and the MTS DP Operations Guide; and (b) perform the plan review and surveys necessary to issue the notation for the Coast Guard's definition of equipment class 2 (DP-2) or higher, in accordance with the proposed 46 CFR 62.40-10(c).

Neither of these actions can be taken in advance of the issuance of a final rule, each action will be predicated on the business decision taken by the DPSAO/classification society that is willing to abide by the conditions of acceptance/authorization that would be placed on it by the final rule. No other provisions of the rule can be implemented in advance of these actions.

Based on discussions with organizations potentially qualified to undertake the responsibilities of a DPSAO for MODUs, IADC is concerned that these organizations will not seek Coast Guard acceptance under the conditions stipulated in the proposed rule. Resolution of the issues that would preclude these organizations from seeking acceptance would seem to require direct discussion (or negotiations) between these organizations and the Coast Guard, that would be difficult within the structure of the formal rulemaking process.

The preposition put forward, in various sections of the proposed rule, that any of the requirements relating to design, classification or operations for MODUs could be made effective immediately upon publication, or within 30 days of publication, of the final rule is simply nonviable. Vessel owners, DPSAOs and classification societies are all resource constrained, and even without resource constraints, some activities simply require time to accomplish.

Before the proposal is finalized, the Coast Guard must review the entire proposal and develop a timeline for its implementation that specifically takes into consideration a reasonable time period for:

- Presently serving dynamic positioning operators to obtain the credentials that would be required by the rule;
- Acceptance of a minimum number of (DPSAOs) – a single acceptance is not appropriate;
- Authorization of a minimum number of classification societies to issue DP notation;
- MODU owners to obtain manufacturer certification of equipment to the IEC design standard, should this remain an element of the final rule;
- MODU owners to review plans and instructions in preparation for their submittal to the DPSAOs and classification societies;
- The DPSAOs, classification societies, and the Coast Guard to review and approve the plans, instructions and documentation, without unnecessarily compressing the time period for doing so, such that it strains the resources of these organizations;
- The MODU to be made available (in consideration of contracted obligations and operations) for the initial survey, and to rectify any adverse findings arising from the survey; and
- Issuance of the classification society's DP notation and the Dynamic Positioning Verification Acceptance Document (DPVAD).

Regarding DP surveys, the Coast Guard has stated: "we have determined that all existing vessels are currently in compliance with this requirement" (79 FR 70958, column 3). The path to implementation of

this rule can be greatly simplified if the Coast Guard aligns the "initial survey" under this rulemaking with the next regularly scheduled 5-yearly survey in accordance with the classification society rules and IMO's *Guidelines for vessels with dynamic positioning systems* at annex to MSC/Circ.645. Such action would provide recognition to those vessel owners that began voluntary implementation of DP surveys in accordance with the Coast Guard's recommendation (77 FR 26562, 4 May 2012) to do so.

Further recommendations to facilitate implementation of various provisions of the proposed rule are made in the enclosed detailed comments.

The proposed definitions of *Critical OCS Activities* are inappropriate.

The proposed rule attempts to define *Critical OCS Activities*, *Critical OCS Activities on a MODU* and *Critical OCS Activities on Vessels Other than MODUs*. It does so in terms of a subset of OCS activities where maintaining station is deemed to be critical. A loss of position could cause a personal injury, environmental pollution, or catastrophic damage – to the exclusion of any other outer continental shelf (OCS) activity that might result in similar personal injury, environmental pollution, or damage.

This proposal's use of the term "critical" takes a term subjectively used, but not defined, within the DP guidance issued by the Marine Technology Society (MTS) and attempts to elevate it to the entire scope of OCS activities.

This must be reconsidered. It is likely to prove prejudicial to meaningful future discussions regarding the hazards analyses and risk management process(s) implemented by risk owners (both lessees and vessel owners) under API Recommended Practice 75, the Bureau of Safety and Environmental Enforcement's (BSEE's) Safety and Environmental Management System (SEMS) regulations in 30 CFR part 250, subpart D, the International Safety Management (ISM) Code, or possible future Coast Guard regulations to establish safety and environmental management systems for vessels on the U.S. OCS (Docket No. USCG-2012-0779), as may be applicable.

The MTS DP Operations Guidance state: "Criticality is derived from an assessment of the probability that a particular failure will occur combined with the severity of the failure if it does occur." The proposal's use of the term "critical" short-circuits this assessment and drives toward the singular conclusion of a worst-case outcome. It is also worth noting that, for the application of the MTS Guidelines "criticality" would include an assessment of the economic risks of a number of potential outcomes (*e.g.*, stuck pipe or severed drill string) that would not be the concern of the Coast Guard except where, under the proposed definition, they would fall within the definition of a serious marine incident as defined by 46 CFR 4.03–2.

The Coast Guard's attempt to influence the risk management process through this rule is somewhat misdirected as it is aimed exclusively at the MODU/vessel owner. Most DP operations on the OCS are conducted under contract to, and for the benefit of, an oil company operator. Both the IMO's "Guidelines for vessels with dynamic positioning systems" (section 2.1) and the MTS DP Operations Guidance anticipate that higher level risk assessments will be undertaken by the oil company operator in the selection of a DP vessel and in the vessel's operations. In the MTS DP Guidelines, this role for the oil company operator is evidenced by the recommendation that the client sign the MTS' Well Specific Operating Guidelines. For MODUs and other vessels engaged in well construction activities, developing a mutual understanding of a vessel's limiting capabilities is part of the process for developing the Well

Construction Interface Document in accordance with the guidance presented in API Bulletin 97. For MODUs and other vessels that may attach to the seabed, the hazards analysis criteria of BSEE's Safety and Environmental Management System (SEMS) regulations at 30 CFR 250.1911 will apply.

The distinction between the *Critical OCS Activities on a MODU* and the *Critical OCS Activities on Vessels Other than MODUs* is incorrect. IADC has previously attempted to direct the Coast Guard's attention toward the activities of vessels, other than MODUs, that engage in operations where there is a potential for loss of well control (see enclosure (2)) affecting the vessel, the safety of its personnel and the environment. The Safety Alert (enclosure (3), recently issued jointly by the Coast Guard and BSEE illustrates such an activity. Further, MODUs can be used to support the type of activities described in the definition of *Critical OCS Activities on Vessels Other than MODUs.*

It is perplexing that the activities enumerated in the definition of *Critical OCS Activities on Vessels Other than MODUs* are only deemed to be 'critical' as OCS operations, and it has not been proposed that they be subject to regulation in other circumstances, *e.g.* salvage diving, where these operations pose the same risks.

More suitable means can and must be developed to describe the applicability of the rule.

Provisions regarding Dynamic Positioning Operators and their training can be significantly improved.

In the preamble to the proposed rule (79 FR 70948, column 2), the Coast Guard states:

> "*Recommendation 2.* Minimum training should meet the standards found in the International Marine Contractors Association's "The Training and Experience of Key DP Personnel" (International Marine Contractors Association (IMCA) M 117, Rev. 1, February 2006); and IMO Maritime Safety Committee Circular 738, "Guidelines for Dynamic Positioning System (DP) Operator Training" (MSC/Circ.738/Rev. 1, July 2006).
> * * * * *
> We fully agree with the second recommendation."

Unfortunately, there is little evidence to this effect in the proposal, and no "mapping" of the provisions of IMCA M 117 to the elements of the proposed rule.

The proposed rule's use of the term "Dynamic Positioning Operator, Qualified" (DPOQ), to a level of qualification that is ***not*** qualified to operate a DP system without supervision, and the inclusion of persons with DPOQ qualifications into the proposed rule is, for the MODU sector of the industry, particularly unfortunate. It appears that the DPOQ, as described in the proposed rule is either a "Junior DPO" or possibly "Trainee DPO" as those terms are defined in IMCA M 117. In either case, it would be inappropriate to issue a safe manning document (or equivalent issued in accordance with SOLAS regulation V/14), in a form that would require the carriage of persons who are not fully qualified to undertake the duties specified on the manning document – the manning document should not be used as a means to establish a training program.

It is our understanding that IMCA M 117 is presently under review by the International Marine Contractors Association with the view to issuing a revised version.

The proposed incorporations by reference are impracticable.

As described in the preamble, the proposal would:

- " . . . incorporate IMO MSC/Circ.645 into regulations as **mandatory** provisions." and
- " . . . adopt in regulations DP guidance issued by the Marine Technology Society (MTS) as **mandatory** provisions . . . ". [emphasis added}

For both proposed incorporations by reference this is unworkable for the reasons described below and as supplemented by the detailed comments provided in enclosure (1).

As the Coast Guard is aware, the IMO's policies dictate that its non-mandatory instruments be written in non-mandatory language. MSC/Circ.645 and its annexed *Guidelines for vessels with dynamic positioning systems* is not a mandatory instrument, and therefore are written in non-mandatory language. This renders it impossible to determine if a particular provision of these Guidelines is intended to be universally applied ("shall") or must remain subject to some reasonable degree of discretion in its application ("should"). There are over 100 instances where the term "should" is used in these Guidelines. There are also over 100 provisions where it is clear that some degree of subjectivity needs to be applied, *e.g.*, in determining "where adequate protection from damage is demonstrated" or if a component is "normally static."

Are vessel owners, accepted DPSAOs and authorized classification societies to be allowed reasonable professional discretion in interpreting the non-mandatory and subjective language in the *Guidelines for vessels with dynamic positioning systems*, as they presently do, or is the Coast Guard, outside the rulemaking process, going to interpret the Guidelines for them to determine what is mandatory and what is not?

The situation with regard to the DP guidance issued by the Marine Technology Society (MTS) is even more acute. In the DP Operations Guidance Part 2 Appendix 1 (MODUs) Ver 2.0 April 30 2012, the word "should" appears nearly 300 times, the word "may" occurs nearly 80 times and "should consider" or "may consider" occur a dozen times. The word "must" is used, but often subjectively, *e.g.*, "must be extremely vigilant" or "must be fully aware." As above, are vessel owners, accepted DPSAOs, and authorized classification societies to be allowed reasonable professional discretion in interpreting the non-mandatory and subjective language in the guidelines, as they presently do, or is the Coast Guard, outside the rulemaking process, going to interpret the guidelines for them to determine what is mandatory and what is not?

Ostensibly, the Coast Guard has already identified this as an issue since it is proposing a differentiated approach with respect to classification societies and their administration of the rule, and vessel owners in its drafting of the proposed the rule --

- In the proposed 46 CFR 62.40-10(c)(2) the Coast Guard would require classification societies to "Possess DP system rules **aligned with** IMO MSC/Circ.645 and the MTS DP Operations Guide (incorporated by reference, see § 62.05–1) applicable to the vessel being classed."
- In contrast, under 46 CFR 62.40-15(b) vessel owners and operators are required "to demonstrate **compliance with** the applicable provisions of IMO MSC/Circ.645 and must demonstrate **compliance with** the MTS DP Operations Guide."

"Alignment with" implies the exercise of reasonable judgment, as is appropriate for competent professionals in applying these guidelines, whereas "compliance with" eliminates the option for such reasonable consideration.

OMB Circular No. A-119 differentiates between "voluntary consensus standards" and "non-consensus standards" or "industry standards." Due to the evident diversity of opinion within our membership regarding the MTS DP Guidelines and its standards development process, IADC concede that these Guidelines represent an "industry standard," but they cannot be accepted as a "voluntary consensus standard." While this does not preclude their use for incorporation by reference, it does call for an additional level scrutiny since strong differences of opinion regarding provisions within the standard, may remain unresolved and may need to be addressed during the rulemaking process. If unresolved, these issues are likely to re-emerge as the regulations are implemented.

As the Coast Guard is aware, IMO MSC/Circ.645 is presently under review by the IMO with an updated version expected to be completed within 2 years.

In their present form, both the IMO *Guidelines for vessels with dynamic positioning* and the DP guidance issued by the Marine Technology Society (MTS) present valuable guidance to be interpreted and applied by competent professionals; however, they are ill-suited for incorporation by reference as mandatory provisions. IADC does not see the development of prescriptive regulatory text to replace these proposed incorporations by reference as either feasible or appropriate. IADC would encourage the Coast Guard to develop a more performance-based rule that would avoid these difficulties.

Simplification of the regulatory requirements

In consideration of the above, IADC is of the view that the regulatory intent, at least with regard to MODUs, could be more efficiently met through:

- Reliance on existing classification society DP notation for all DP design and equipment requirements. IADC's understands that those classification societies that are presently providing DP class notations for MODUs have universally incorporated requirements that exceed the recommendations of IMO MSC/Circ.645 into their requirements and guidelines for DP notation.
- Eliminating the function of the DPSAO as a regulatory requirement. IADC understands that those classification societies that are presently providing DP class notation for MODUs have universally incorporated requirements for Failure Modes and Effects Analyses as a condition for class notation. The function of receiving and publishing owner-conducted investigations can, and should, be performed by the Coast Guard.

Further recommendations to simplify various provisions of the proposed rule are made in the enclosed detailed comments.

Watchkeeping.

Footnote 27 in the preamble to the proposed rule (79 FR 70956) states: "each work day consisting of an 8-hour shift." This assumption appears predicated on a specific outcome to issues within the scope of the Advance notice of proposed rulemaking on *Training of Personnel and Manning on Mobile Offshore Units*

and Offshore Supply Vessels Engaged in U.S. Outer Continental Shelf Activities (79 FR 20844). In that rulemaking, it was acknowledged "Maritime crew and persons other than crew typically work in 12-hour shifts in very physically demanding and especially dangerous conditions." IADC believes that, while the crew of MODUs do typically work in 12-hour shifts, and that the conditions can be both physically demanding and potentially dangerous, there is no evidence that increasing the number of persons on board in order to establish a system of 8-hour shifts will improve safety. IADC would particularly note that for U.S. flag MODU, 46 USC 8101(a)(2) provides that: "(a) The certificate of inspection issued to a vessel under part B of this subtitle shall state the complement of licensed individuals and crew . . . . considered by the Secretary to be necessary for safe operation. A manning requirement imposed on- . . . . (2) a mobile offshore drilling unit shall consider the specialized nature of the unit . . . . ." While there are presently few U.S. flag MODUs to which this would apply, IADC considers the Coast Guard's historical recognition of 12-hour shifts on board MODUs to be an integral part of the "specialized nature of the unit."

Other matters.

Some of the information presented in the preamble has caused concern. Our comments regarding this information are provided in enclosure (4).

Comments on the Preliminary Regulatory Analysis and Initial Regulatory Flexibility Analysis are presented in enclosure (5).

As it has allowed us to more fully develop our comments regarding this notice and its regulatory analysis, IADC is appreciative of the Coast Guard having extended the comment period for this rule in response to our request. If you have any questions about any portion of this correspondence, please contact me by phone at (713) 292-1964.

Sincerely,

Alan Spackman
Vice President, Policy, Government and
Regulatory Affairs

Enclosures
(1) Detailed supplementary comments on the proposed rules
(2) IADC letter to Commander, Eighth Coast Guard District (m) of 7 May 2002
(3) Coast Guard Alert 01-15/BSEE Alert # 315 dated 24 February 2015
(4) Comments offered on information presented in the preamble to the NPRM
(5) Comments regarding the Preliminary Regulatory Analysis and Initial Regulatory Flexibility Analysis

Comment	How can this comment be addressed or resolved?
General - Effective date(s) and implementation The proposal presents no feasible path to implementation. The entire structure of the proposed rule is dependent upon the Coast Guard's: (1) Resourcing the Officers in Charge, Marine Inspection, Marine Safety Center and Outer Continental Shelf National Center of Expertise to: (a) Undertake elective review of plans in accordance with 46 CFR 62.20-2(c). (b) Approve Failure Modes and Effects Analysis (FMEA) proving test documents in accordance with 46 CFR 62.40-20(a)(2). (c) Review evidence and authorize classification societies to issue (DP class) notations in accordance with 46 CFR 62.40-10(c)(3). (d) Review evidence and accept dynamic positioning system assurance organizations (DPSAOs) in accordance with 46 CFR 61.50-3. (e) Audit records of DPSAOs in accordance with 46 CFR 61.50-4(a). (f) Receive and review annual reports of DP investigation records submitted by DPSAOs in accordance with 46 CFR 46 CFR 61.50-4(b). (g) Rectify shortcomings identified in DP investigation records in accordance with 46 CFR 46 CFR 61.50-4(c). (h) Receive (and process?) reports of DP incidents in accordance with 30 CFR 140.335(j). (i) Review requests for acceptance of alternative guidance in accordance with 30 CFR 140.335(m). (j) Process notice of and attend surveys in accordance with 46 CFR 61.50-2(a). (2) Acceptance in accordance with 46 CFR 61.50-3, of a sufficient number of dynamic positioning system assurance organizations (DPSAOs) to: (a) approve the plans and information required by 46 CFR 62.20-2; (b) receive the incident reports and investigations required by 33 CFR 140.335(i); (c) issue Dynamic Positioning Verification Acceptance Documents	A review and analysis of the entire proposal, using the Critical Path Method or similar technique, must be undertaken to assure that there is a reasonable path (in terms of resource demands and time) to implementation of the rule for each type and category of vessel. The implementation path would be considerably simplified if the Coast Guard were to: (1) Commence the annual surveys that would be required by the proposed 46 CFR 61.50-15,to be conducted at the time of a vessel's first regularly scheduled annual survey (at a suitable time following the acceptance of a minimum number of DPSAOs) in accordance with the classification society rules, and their implementation of IMO's DP Guidelines; (2) Allow the initial survey that would be required by the proposed 46 CFR 61.50-5,to be conducted at the time of a vessel's first regularly scheduled 5-yearly survey (at a suitable time following the acceptance of a minimum number of DPSAOs) in accordance with the classification society rules, and their implementation of IMO's Guidelines for vessels with dynamic positioning systems (IMO DP Guidelines) at annex to MSC/Circ.645; (3) In lieu of requiring that a special set of rules and class notation be developed for DP systems rules aligned with IMO MSC/Circ.645 and the MTS DP Operations Guide in accordance with the proposed 46 CFR 62-40.10(c)(2), accept the existing DP-class notation from classification societies authorized in accordance 46 CFR, part 8, subpart B, and/or (4) Facilitate the acceptance of records and information from past annual and periodic surveys and tests as fulfilling the requirements for the initial survey that would be required by the proposed 46 CFR 61.50-5. Any final rule must also provide sufficient time (at least 2-years) for persons currently serving as dynamic positioning operators to obtain any documentation and/or credentials which may be required.

Comment	How can this comment be addressed or resolved?
(DPVADs) in accordance with 33 CFR 140.335(i); (d) conduct and document surveys in accordance with 33 CFR 140.340(d) and 46 CFR 61.50; (e) provide notification to OCMIs of scheduled surveys in accordance with 46 CFR 61.50-2(a); (f) submit annual reports and confirm DP investigation summaries in accordance with 46 CFR 61.50-4; (g) approve alteration of DP system software, programmable controls, and alarm system logic and make notifications to the OCMI in accordance with 46 CFR 61.50-5(b); (h) submit approved plans, survey results and FMEA proving tests to the Marine Safety Center as required by 46 CFR § 62.20-2; and (i) resolve causes of DP incidents as required by 46 CFR 61.50-4(c)(1). (3) Authorization in accordance with 46 CFR 62.40-10(c), of a sufficient number of classification societies to: (a) revise, as necessary, their rules to align with IMO MSC/Circ.645 and the MTS DP Operations Guide; and (b) perform the plan review and surveys necessary to issue the notation for equipment class 2 (DP-2) or higher in accordance with the proposed 46 CFR 62.40-10(c). Any final rule must be structured such that: • The Coast Guard, DPSAOs, and classification societies are not overburdened by an implementation scheme that is unnecessarily front-end loaded and would create a recurrent log-jam due to a forced periodicity of surveys and inspections resulting from the lack of a suitable phase-in period. • The timing of initial surveys can be reasonably integrated into the planned survey and certification scheme for the vessel in consideration of its contractual and operational obligations. • The provisions requiring survey and certification, or restricting operations such that they are conditional upon the actions of DPSAOs only become effective after a sufficient number of DPSAOs have been accepted by the Coast Guard. It is essential that the	

Comment	How can this comment be addressed or resolved?
classification societies presently classing DP systems on MODUs operating under U.S. jurisdiction elect to put themselves forward to be accepted as DPSAOs. • Sufficient time is permitted after the acceptance of the DPSAOs for these organizations to undertake the plan and information reviews required by the regulations (e.g., the proposed 46 CFR 62.20-2) before any requirements for certification or affecting operations become effective. • Sufficient time is provided for the Commanding Officer, Marine Safety Center to undertake any elective review of vessel plans and information under the proposed 46 CFR 62.20-2(c) subsequent to their approval by the DPVAO before the effective date of any requirement for initial survey and certification. • Sufficient time is provided for vessel owners to obtain the certification of the DP system control equipment from the designer or manufacturer in accordance with the proposed 46 CFR 62.25-40 for submittal to the DPSAO. • Sufficient time, subsequent to completion of the plan review by the DPSAO and prior to the initial survey to obtain the Coast Guard's approval of the Failure Modes and Effects Analysis (FMEA) proving test document in accordance with the proposed 46 CFR 62.40-20(a)(2). It is imperative that this does not become a log-jam. • A reasonable amount of time is provided to rectify any non-critical deficiencies found during the initial survey which would preclude the issuance of the Dynamic Positioning Verification Acceptance Document (DPVAD) by a DPSAO. • Classification societies have sufficient time to obtain authority to issue DP class notation on behalf of the Coast Guard. Sufficient time also needs to be provided for persons currently serving as dynamic positioning operators to obtain any documentation and/or credentials that may be required by the final rule. Footnote 42 (79 FR 70958, column 2) to the preamble states: "In year 1, we expect that 22 OSVs under 6,000 GT ITC, 5 OSVs of at least 6,000 GT ITC, 59 MODUs, and 3 crewboats would incur costs as a result of this	

Comment	How can this comment be addressed or resolved?
provision. Over the 10-year study, 764 OSVs under 6,000 GT ITC, 70 OSVs of at least 6,000 GT ITC, 110 MODUs, and 21 crewboats would need to receive a DPVAD." This is wholly unrealistic since: • The Coast Guard cannot guarantee the acceptance of the first DPSAO within the first year; and • The need to simultaneously and immediately process 86 vessels for issuance of DPVADs and a specialized class notation in the manner presented in the proposed rule would present an unmanageable burden on vessel owners, the Coast Guard, the DPSAOs and classification societies.	
General - Redundant text 33 CFR Subchapter N is applicable only to OCS activities. The proposed rule complicates the regulatory text by repetitious restatements of the rule's applicability. For clarity, it is beneficial to retain the reference to outer continental shelf (OCS) activities in the proposed 33 CFR 140.300, but in other sections of subpart D the redundant text should be eliminated.	For example, the proposed § 140.300 could be simplified to read: **§ 140.300 Applicability.** This subpart applies to all vessels that use a dynamic positioning (DP) system to engage in Outer Continental Shelf (OCS) activities. Similarly, the proposed § 140.310(a) could be simplified to read: **§ 140.310 DP system personnel requirements.** (a) When using a dynamic positioning system, each vessel to which this subpart applies must have on board a sufficient number of Dynamic Positioning Operators (DPOs) and Dynamic Positioning Operators, Qualified (DPOQs) to meet the following operational requirements: * * * * *
Proposed 33 CFR 140.7 (c)(1), Incorporation by reference of the IMO MODU Code(s) The existing text of § 140.7refers only to the original (unamended) version 1979 edition of the MODU Code as represented by IMO Assembly Resolution A.414 (XI) Code for Construction and Equipment of Mobile Offshore Drilling Units.	Include the following revised and additional incorporations by reference: • IMO Assembly Resolution A.414 (XI) Code for Construction and Equipment of Mobile Offshore Drilling Units (1979 MODU Code), as amended through [21 November 2014]; • IMO Assembly Resolution A.649 (16), Code for the Construction and Equipment of Mobile Offshore Drilling Units, 1989 (1989 MODU Code), as amended through [21 November 2014]; and

Comment	How can this comment be addressed or resolved?
The 1979 MODU Code has been amended on several occasions since its initial publication, most recently by resolution MSC.382(94) on 21 November 2014. The Coast Guard should update its incorporation by reference of the 1979 MODU Code to include all current amendments. As early as 16 October 2000, in comments submitted in response to the Coast Guard's 7 December 1990 (64 FR 68416) notice proposing a comprehensive rewrite to the Outer Continental Shelf Activities Regulations in 33 CFR chapter I, subchapter N, IADC identified the need to include IMO Assembly Resolution A.649 (16), Code for the Construction and Equipment of Mobile Offshore Drilling Units, 1989 (1989 MODU Code), within the incorporations by reference. In response to subsequent rulemaking proposals, IADC has also identified the need to include, in the incorporations by reference, IMO Assembly Resolution A.1023 (26) Code for the Construction and Equipment of Mobile Offshore Drilling Units, 2009 (2009 MODU Code). While the Coast Guard has not furthered these various rulemaking proposals, on 23 July 2012 (77 FR 43104, Docket No. USCG–2012–0546), it published a Policy on the 2009 Revision of the International Maritime Organization Code for the Construction and Equipment of Mobile Offshore Drilling Units.	• IMO Assembly Resolution A.1023 (26), Code for the Construction and Equipment of Mobile Offshore Drilling Units, 2009 (2009 MODU Code), as amended through [21 November 2014].
Proposed 33 CFR 140.7 (c)(3) and (4), Incorporation by reference As explained in the comments regarding the proposed 33 CFR 140.320, there is no need to refer to either: (1) The International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, as amended (the STCW Convention or the STCW), or (2) The Seafarers' Training, Certification and Watchkeeping Code, as amended (the STCW Code). Accordingly, they need not be incorporated by reference in 33 CFR, chapter I, subchapter N.	The following **should not** be included in the incorporations by reference as proposed for § 140.7 (c)(3) and (4): (1) The International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, as amended (the STCW Convention or the STCW), or (2) The Seafarers' Training, Certification and Watchkeeping Code, as amended (the STCW Code). While it is recognized that The International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, as amended, 2011, and the Seafarers' Training, Certification and Watchkeeping Code, as amended, 2011 (the STCW Code) have

Comment	How can this comment be addressed or resolved?
IADC believes that the Coast Guard's intent in referring to the STCW Convention and Code is to impose a U.S. interpretation of the STCW Code and Convention on vessels operating on the U.S. OCS. It has the authority to do so under the OCS Lands Act. Such unilateral action, while regrettable, would be consistent with customary international law (i.e., UNCLOS and the Convention on the Continental Shelf) and is similar to unilateral actions imposed by other Coastal States. The preamble to the rule clearly indicates (79 FR 70956, column 2) that the underlying reason for this proposed incorporation by reference is that at least one flag State (Liberia) has reached a different conclusion in its interpretation of the STCW Convention and Code. Rather than cloak the U.S. interpretation in terms of the STCW Code and Convention, the requirements should be be imposed by direct reference to the relevant Coast Guard regulations and, as a consequence, the Coast Guard should establish its own manning requirements for foreign-flag DP vessels subject to 33 CFR, chapter I, subchapter N. See related comments regarding the proposed 33 CFR 140.320.	already been incorporated by reference in Title 46 of the Code of Federal Regulations, i the above recommendation is not accepted, the Coast Guard should consider providing specific clarification to: (1) Identify where the authoritative texts of these treaty instruments, to which the United States is a party, are to be found; (2) Indicate a date through which amendments to these instruments have been accepted; and, if necessary, identify -- a. any amendments to the instruments that have not been accepted by the United States; and b. any reservations to these instruments that may have been submitted by the United States.
Proposed 33 CFR 140.7 (b)(2), Incorporation by reference of IMO MSC/Circ.645 The proposed incorporation by reference of IMO MSC/Circ.645 - Guidelines for Vessels with Dynamic Positioning Systems, 1994 ("IMO MSC/Circ.645") is inappropriate for the reasons given in the letter covering this enclosure. Additional difficulties associated with this proposed incorporation by reference include: • The Maritime Safety Committee of the International Maritime Organization, at its 90th session considered document MSC 90/25/17 (submitted jointly by the United States, IADC and IMCA), proposing to amend and update MSC/Circ.645 to address the current technology	As the rules governing DP notation issued by most classification societies that are authorized under 46 CFR, part 8, subpart B; are already aligned, if not in compliance with the *Guidelines for Vessels with Dynamic Positioning Systems*, 1994 at annex to IMO MSC/Circ.645, it should be possible to draft regulatory text to require vessels subject to 33 CFR Part 140, Subpart D to obtain and maintain class DP notation rather than refer to the IMO DP Guidelines. The ongoing revision of IMO MSC/Circ.645 will likely render this (avoidable) incorporation by reference of this obsolete before the rule can be finalized. If this incorporation by reference is retained, the Coast Guard must:

Comment	How can this comment be addressed or resolved?
employed on modern vessels of growing size and operating in deeper waters. It agreed to include in the Committee's agenda an output on "Development of amendments to the Guidelines for vessels with dynamic positioning (DP) systems (MSC/Circ.645)." In furtherance of this effort, in December 2014, Antigua and Barbuda, Australia, the United States, Vanuatu, the International Association of Drilling Contractors (IADC), the International Marine Contractors Association (IMCA) and the Superyacht Builders Association (SYBAss), jointly submitted a document [provisionally identified as SSE 2/13] proposing amendments to the Guidelines. These proposed amendments include revisions to the provisions of paragraph 4.4 of (the annex to) MSC/Circ.645 and associated text. As the revised MSC/Circ.645 is likely to be adopted by the IMO before the Coast Guard can complete this rulemaking, these amendments are pertinent to this rulemaking and should be made available to the rulemaking docket. • The existing paragraph 4.4 of (the annex to) MSC/Circ.645 under the proposed 33 CFR 140.325(a) would seemingly require that any foreign flag vessel obtain and maintain a Flag State Vessel Acceptance Document. Is this the intent?	(1) Publically articulate its expectations for its authorized classifications societies and accepted Dynamic Positioning System Assurance Organizations (DPSAOs) to exercise competent professional judgment in interpreting and applying the discretionary language within MSC/Circ.645; (2) To the extent that these organizations are not going to be authorized to exercise their competent and professional judgment in interpreting and applying the discretionary provisions of MSC/Circ.645, it must be made absolutely clear which provisions are to be interpreted as being mandatory. (3) Clarify whether or not a Flag State Vessel Acceptance Document is to be required.
Proposed 33 CFR 140.7 (d)(1) (and 46 CFR 62.05-1), Incorporation by reference the MTS DP Operations Guidance. The proposed incorporation by reference of the MTS DP Operations Guidance for MODUs (March 2012), Project Construction Vessels (July 2012), Logistics Vessels (July 2012), is inappropriate for the reasons given in the letter covering this enclosure. Additional difficulties associated with this proposed incorporation by reference include: • At least as regards MODUs, the cited document is not available as indicated. The document that is available is identified as: Marine Technology Society Dynamic Positioning Committee –DP Operations Guidance Part 2 Appendix 1 (MODUs) Ver 2.0 April 30 2012. This confusion is understandable given the MTS's cumbersome approach	The MTS DP Operations Guidance for MODUs (March 2012), Project Construction Vessels (July 2012), Logistics Vessels (July 2012), **should not** be incorporated by reference. If this recommendation is not accepted, the Coast Guard should provide specific regulatory clarification and, where needed, non-regulatory guidance to: (1) Develop appropriate regulatory text to indicate which "Part 1" of the MTS Guide text prevails – That of the base document (Marine Technology Society DP Operations Guidance ("MTS DP Operations Guide") , Part 1, October 2010) or that contained in each of the three Appendices; (2) The specific version of the Marine Technology Society DP Operations Guidance ("MTS DP Operations Guide"), Part 2, Appendix 1, that is intended for incorporation by reference must

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to identifying the document and version. All comments that follow are based on this later version. • Despite the above title implying that the document contains (solely) Part 2, it in fact contains Part 1 as well, with the Part 1 text varying between that presented in the stand-alone Part 1 and the three vessel-type specific versions proposed for incorporation by reference. • The terminology proposed by the Coast Guard for incorporation of these documents by reference in Title 33 of the Code of Federal Regulations differs from that differs from that proposed for Title 46. This could be a source of confusion. • The Maritime Safety Committee of the International Maritime Organization, at its 90th session considered document MSC 90/25/17 (submitted jointly by the United States, IADC and IMCA), proposing to amend and update MSC/Circ.645 to address the current technology employed on modern vessels of growing The proposed incorporation of the MTS DP Operations Guidance reads: (1) MTS DP Operations Guidance for MODUs (March 2012), Project Construction Vessels (July 2012), Logistics Vessels (July 2012), IBR approved for § 140.335. We note the statement in the preamble regarding the intent to incorporate: • Marine Technology Society DP Operations Guidance ("MTS DP Operations Guide") , Part 1, October 2010 • Marine Technology Society DP Operations Guidance ("MTS DP Operations Guide"), Part 2, Appendix 1, March 2012 • Marine Technology Society DP Operations Guidance ("MTS DP Operations Guide"), Part 2, Appendix 2, July 2012 • Marine Technology Society DP Operations Guidance ("MTS DP Operations Guide"), Part 2, Appendix 3, July 2012 The appropriate terminology for incorporating the above documents by reference would appear somewhat problematic in that each of the "Part 2" documents purports to include the corresponding text of the "Part 1"	be resolved and the intended version appropriately identified; (3) The terminology for incorporating the MTS guidance in titles 33 and 46 should be consistent; (4) The Coast Guard's expectations for its authorized classifications societies and accepted Dynamic Positioning System Assurance Organizations (DPSAOs) to exercise competent professional judgment in interpreting and applying the discretionary language within the MTS guidance need to be made clear; and (5) To the extent that these organizations are not going to be authorized to exercise their competent and professional judgment in interpreting and applying the discretionary provisions of the MTS Guidance, it must be made absolutely clear which provisions are to be interpreted as being mandatory.

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document; however upon examination, there are differences between the original "Part 1" text, and some of the text presented as "Part 1" text in the "Part 2" documents. Which prevails? Additionally, in attempting to obtain these documents from the referenced MTS website it was found that the document appearing on that website corresponding to "Part 2, Appendix 1, March 2012" contains the following annotation" Ver 2.0 April 30 2012". Is the March 2012 version or the subsequent April 2012 version the intended incorporation by reference? If they are to be incorporated by reference, the terminology for such incorporation in titles 33 and 46 should be consistent. We would note the differentiation between "voluntary consensus standards" and "non-consensus standards" or "industry standards" as articulated in OMB Circular No. A-119. Due to the diversity of opinion within our membership regarding the MTS DP Guidelines and its standards development process, we will concede that these Guidelines represent an "industry standard," but they cannot be accepted as a "voluntary consensus standard." While this does not preclude their use for incorporation by reference, it does require an additional level of scrutiny, as strong difference of opinion regarding provisions within the standard may remain unresolved. It appears that this is the case with the MTS DP Guidelines.	
Existing 33 CFR 140.10 On 7 December 1999 (64 FR 68415, USCG 1998-3868), the Coast Guard issued a NPRM to amend the definition of *OCS activity* in 33 CFR 140.10. This NPRM also proposed establishing requirements for vessels engaged in OCS activities which had not previously been regulated under 33 CFR chapter I subchapter N. Unfortunately, nearly two decades later, rulemaking proposed in December 1999 has not been finalized, and the comments submitted in	The Coast Guard should find a means to address the outstanding comments from its 7 December 1999 NPRM (64 FR 68415, USCG 1998-3868) such that they do not remains matters of uncertainty in subsequent related rulemaking activities, such as this. Of particular concern remains the interpretation of the term "any offshore activity associated with" in the definition of OCS activity. • What are the limits of "associated with"? • Does an offshore activity need to be super adjacent to the OCS to be an OCS activity under the regulations?

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response to the proposed revision of the definition of OCS activity and the extension of the applicability of 33 CFR chapter I subchapter N to previously unregulated vessel operations remain unanswered.	Relevant comments are contained in the rulemaking dockets for Safety and Environmental Management System Requirements for Vessels on the U.S. Outer Continental Shelf (78 FR 55230, 10 September 2013) and Training and Manning of Personnel on Mobile Offshore Units and Offshore Supply Vessels Operating on the U.S. Outer Continental Shelf (79 FR 38841, 9 July 2014), as well as the public comment docket for Accommodation Service Provided On Vessels Engaged in U.S. Outer Continental Shelf Activities (77 FR 5039, 1 February 2012). This matter is fundamental to any rulemaking under 33 CFR chapter I subchapter N, and must be brought to a resolution.
Proposed 33 CFR 140.300, Applicability As indicated in the General comment above, IADC believe the proposed text is unnecessarily cumbersome as the applicability to the OCS is defined by the applicability of the subchapter. Refer to comments below (Definitions) regarding use of the term "MODUs and vessels other than MODUs".	Revise to read: **§ 140.300 Applicability.** This subpart applies to all vessels that use a dynamic positioning (DP) system to engage in Outer Continental Shelf (OCS) activities.
Proposed 33 CFR 140.305 and 46 CFR 62.10-1, Definitions *Activity Specific Operating Criteria (ASOC)* and *Well Specific Operating Criteria (WSOC)* The definitions of *Activity Specific Operating Criteria (ASOC)* and *Well Specific Operating Criteria (WSOC)* are poorly crafted and have the potential to leave regulatory gaps. In particular: • MODUs can, and do, engage in position-critical activities other than those associated with a well, and • Vessels other than MODUs can, and do, engage in position-critical activities involving well operations.	Revise the proposed definition of *Activity Specific Operating Criteria (ASOC)* and *Well Specific Operating Criteria (WSOC)* in the proposed 33 CFR 140.305 and 46 CFR 62.10-1 to read as follows: *Activity Specific Operating Criteria (ASOC)* means criteria that set out the operational, environmental, and equipment performance limits considered necessary for safe dynamic positioning (DP) system operations while carrying out a specific activity. The ASOC sets out various levels of operator action as these limits are approached or exceeded and varies depending on the activity. The ASOC defines whether the DP system must be configured in its Critical Activity Mode of Operation (CAMO) during that specific activity. ASOC may also be known as Activity Specific Operating Guidelines (ASOG).

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There is also a need for consistency with section 4.8 (for MODUs) or section 4.9 (for construction and logistics vessels) of the MTS guidance and its use of the term "Activity Specific Operating Guidelines" as this section is proposed to be incorporated by reference by § 140.335. The text "If the CAMO is required for that specific activity, the ASOC (WCOC) will require the vessel to cease operations when an equipment failure makes operation in CAMO impossible" imposes an operational requirement and thus should not be included in a definition. In this regard, it should also be noted that vessels that have established multiple configurations that have been validated by the FMEA can have multiple CAMO configurations.	*Well Specific Operating Criteria (WSOC)* means the activity specific operating criteria for operating on a well. The WSOC defines when the DP system must be configured in its CAMO while operating on a well. WSOC may also be known as Well Specific Operating Guidelines (WSOG).
Proposed 33 CFR 140.305, Definitions *Critical Activity Mode of Operation (CAMO)* The proposed definition of *Critical Activity Mode of Operation (CAMO)* refers to validation of the CAMO during "the initial survey described in § 61.50-5 of this subchapter." This seems unnecessary and could be a source of confusion if the CAMO is subsequently modified in accordance with the proposed 33 CFR 140.335(i)(2), as it could be, without being subjected to another initial survey. If the reference is retained, the reference to "46 CFR 61.50.5", not to "§ 61.50-5 of this subchapter."	Revise the proposed definition of *Critical Activity Mode of Operation (CAMO)* in the proposed 33 CFR 140.305 to read as follows: *Critical Activity Mode of Operation (CAMO)* means a tabulated presentation of how to configure the vessel's DP system, including power generation and distribution, and propulsion and position reference systems, so that the DP system as a whole is fault-tolerant and fault-resistant.
Proposed 33 CFR 140.305, Definitions *Critical OCS Activities* and *Critical OCS Activities on a MODU* and *Critical OCS Activities on Vessels Other than MODUs* As indicted in the covering letter, the use of the term "Critical OCS Activities" is a matter of some concern, and it use is avoidable.	Do not include the proposed term *Critical OCS Activities* or its definition. In lieu of the terms *Critical OCS Activities on a MODU,* And *Critical OCS Activities on Vessels Other than MODUs,* use the following term and definition: *DP-critical activities* means those activities where the consequences of equipment failure or loss of position are greater than under normal operating circumstances and , through hazards analyses and

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Further, the proposal to have separate definitions for such activities performed by MODUs and by other vessels is unnecessary, unduly complicates the rule, and has the potential to leave regulatory gap. As noted in the above comments regarding *ASOC* and *WSOC*, MODUs can, and do, engage in position-critical activities other than those associated with a well, and that vessels other than MODUs can, and do, engage in position-critical activities involving well operations. "Well killing operations" seems better than "an OCS activity on a well where hydrostatic balance is lost and BOP rams are used to maintain well control seems inappropriate." The categorization of the following activities seems questionable: • OCS activities where loss of position risks a collision with a production riser; • transfer of oil or other hazardous material while underway; • personnel transfer between vessels or structures while underway; and • engaging in diving support or remotely operated vehicle operations when maintaining station is critical. Nothing in the proposed rule would proscribe a vessel which is operating without a DP system from engaging in these operations. From a regulatory standpoint, it is perplexing to suggest that a vessel operating with DP would need to operate in CAMO while engaging in such operations while one operating without any DP would be unregulated in this regard.	risk assessment, it has been determined that operations must be governed by a CAMO in order to render the DP system as a whole is fault-tolerant and fault-resistant. Such activities may include but are not limited to: • Well test and completion operations; • running nonsheareables through the blowout preventer (BOP); • Well killing operations; and • * * * * * If applicable to the vessel's operations, the hazards analysis criteria of 30 CFR 250.1911 must be considered. Consequential revisions are required elsewhere.
Proposed 33 CFR 140.305, Definitions *Direct Communication* Creating a general definition (*Direct Communication*) for a term that is used only once (proposed 33 CFR 140.310) seems rather pointless, accordingly it is being suggested that the text of the definition, if it is indeed needed, be incorporated into 33 CFR 140.310.	Do not include this proposed definition – see comments regarding the proposed 33 CFR 140.310, which follow.

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Proposed 33 CFR 140.305, Definitions *Dynamic Positioning System* or *DP System* The proposed rule reads: *Dynamic Positioning System* or *DP System* is defined in 46 CFR 62.10–1. Virtually all the definitions that have been proposed and appear in both Titles 33 and 46 are fully defined in each Title. This is the only one which is cross-referenced. This inconsistency should be eliminated and the definitions made identical. The statement "Any vessel using a DP system is considered a vessel underway, even if maintaining a fixed position" is not appropriately part of the definition of *Dynamic positioning system* and should be removed from the definition. If a general statement regarding the navigating status of DP vessels is needed, consider amending part 15 of 46 CFR; and parts 82 and 90 of 33 CFR.	Include a full definition *Dynamic Positioning System* or *DP System* in Title 33: *Dynamic positioning system (DP system)* means a complete installation of components and systems that act together and is sufficiently reliable to provide vessel position-keeping capability. A DP system is comprised of the following sub-systems: (1) Power system, consisting of prime movers with necessary auxiliary systems and associated piping, generators, switchboards, and distribution system. (2) Thruster system, consisting of thrusters with drive units and associated auxiliary systems and piping, main propellers, and rudders (if all such thruster system parts are under the control of the DP system), thruster control electronics, manual thruster controls, and associated cabling and cable routing. (3) Control system, consisting of computer system, joystick system, sensor system, display system (operator panels), position reference system, and associated cabling and cable routing. If a general statement regarding the navigating status of DP vessels is needed, consider amending part 15 of 46 CFR; and parts 82 and 90 of 33 CFR.
Dynamic Positioning Operator or DPO The proposed text reads: *Dynamic Positioning Operator* or *DPO* means a mariner who holds a credential as a rating forming part of the navigational watch, able seafarer-deck, operational-level deck officer, chief mate, master, a rating forming part of the engineering watch, able seafarer- engine, operational-level engineer officer, second engineer, or chief engineer; and has completed the applicable training requirements of 33 CFR 140.310 and, if applicable, 33 CFR 140.315. IADC recommends that, consistent with IMCA M 117, the rule should impose a requirement for a DPO to hold a DP Operators Certificate (e.g.	Definition should be revised to read: *Dynamic Positioning Operator* or *DPO* means a mariner who holds a credential as a rating forming part of the navigational watch, able seafarer-deck, operational-level deck officer, chief mate, master, a rating forming part of the engineering watch, able seafarer- engine, operational-level engineer officer, second engineer, or chief engineer; and who has been issued a DP Operator certificate for the DP class of vessel assigned by a recognized industry body. Additionally, they have completed the applicable training requirements of 33 CFR 140.310 and, if applicable, 33 CFR 140.315. Appropriate accompanying regulatory text must be provided to allow for a phase-in period that does not create either a one-time or

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such as issued by the Nautical Institute). For implementation, a phase-in period (IADC recommends at least two years) must be provided in order to allow persons currently serving as dynamic positioning operators to obtain the documentation associated with this credential, including a marine rating, that might be required by the final rule.	recurring bottleneck for organizations issuing DP certification.
Proposed 33 CFR 140.305, Definitions *Dynamic Positioning Operator, Qualified* or *DPOQ* The proposed definition for *Dynamic Positioning Operator, Qualified or DPOQ* is confusing. The terminology is awkward since the "Qualified" individual (DPOQ) is less qualified than the Dynamic Positioning Operator (DPO) and is not qualified to operate the DP system without supervision. The use of the term *Dynamic Positioning Operator, Qualified or DPOQ,* which appears to correspond to the term "Junior DPO" in IMCA 117 is unnecessary as this is a company-established position for training purposes and should not be a concern of the Coast Guard. The preamble to the rule states that the Coast Guard "fully agree" with the recommendations of the National Offshore Safety Advisory Committee (NOSAC) and Merchant Personnel Advisory Committee (MERPAC) that "minimum training meet the standards found in the International Marine Contractors Association's ''The Training and Experience of Key DP Personnel'' (International Marine Contractors Association (IMCA) M 117, Rev. 1. Accordingly, IADC believes that this rule should be aligned with that of IMCA M117, and a specific exercise should be undertaken to "map" the provisions of IMCA M 117 to this rule.	Do not include the proposed definition of *Dynamic Positioning Operator, Qualified* or *DPOQ.*
Proposed 33 CFR 140.305, Definitions *Dynamic Positioning System Assurance Organization or DPSAO* The proposed rule states: *Dynamic Positioning System Assurance Organization or DPSAO* means an	Revise the definition to read: *Dynamic Positioning System Assurance Organization or DPSAO* means an organization accepted by the Coast Guard under 46 CFR 61.50-3 to verify that a vessel's DP system is in compliance with the applicable requirements of this subchapter and of 46 CFR Parts 61

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organization **approved** by the Coast Guard under 46 CFR 61.50–3 to conduct independent verification that a MODU or other vessel's DP system is in compliance with applicable requirements contained in this subchapter. Under the proposed 46 CFR 61.50-3, DPSAOs are "accepted" by the Coast Guard, not approved. The DPSAO's have responsibilities associated with determining compliance with provisions in 46 CFR Parts 61 and 62, as well as with 33 CFR chapter I subchapter N. The text can be simplified since: • MODUs are vessels; and • It is unnecessary to state that the DPSAO's verification would be independent.	and 62.
Proposed 33 CFR 140.305, Definitions *Dynamic Positioning Vessel Acceptance Document* or *DPVAD* There is no definition proposed for *Dynamic Positioning Vessel Acceptance Document* or *DPVAD.* It is appropriate to provide such a definition.	Add the following new definition: *Dynamic Positioning Vessel Acceptance Document* or *DPVAD* means the document issued by the DPSAO to describe a vessel's DP system particulars, the document's period of validity, identify the DPSAO, the requirements of this subpart that are being certified, the dates of completion of the surveys required to maintain the document's validity.
Proposed 33 CFR 140.305, Definitions *Reportable DP incident* Inclusion of a definition of *Reportable DP incident* would add clarity to and simplify the rule.	Add the following new definition: *Reportable DP incident* means a loss of redundancy in DP System components that represents an immediate risk of losing position, or a loss of position which results in a change of the DP status level.
Proposed 33 CFR 140.305, Definitions *Vessels* The proposed text reads: *Vessels* include, but are not limited to, Mobile Offshore Drilling Units (MODUs). Vessels other than MODUs that conduct certain activities or	The proposed definition of *Vessels* is not needed and should be not be included in the rule.

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possess certain design characteristics means vessels that conduct such activities or possess such characteristics and are not MODUs. The intent of providing this definition is not clear. Neither the first or second sentence of the proposed text, alone or in combination, provide a definition. It appears that the first sentence attempts to establish that a MODU is a vessel. There is no need to do so, as 33 CFR 140.10 already states: *Mobile offshore drilling unit* or *MODU* means a **vessel**, other than a public vessel of the United States, capable of engaging in drilling operations for exploration or exploitation of subsea resources. Even if the second sentence is restructured so as to appear to provide a definition it remains incomprehensible, *i.e.:* *Vessels other than MODUs that conduct certain activities or possess certain design characteristics* means vessels that conduct such activities or possess such characteristics and are not MODUs. The rule can be revised such that this proposed definition is not needed.	
Proposed 33 CFR 140.310, DP system personnel requirements The text in can be greatly simplified. The proposed revised text is based on the premise that the Dynamic Positioning Operators are individuals that are fully capable operators and the term DPOQ is removed. The first sentence of the proposed text of paragraph (c) is unnecessary. It is clearly restating the requirement that would be imposed by the proposed 33 CFR 140.320. The proposed text in paragraph (d) to have a "properly trained" DPO is redundant. The definition of DPO already refers to the required training requirements.	Revise to read: **§ 140.310 DP system personnel requirements [for MODUs].** (a) When using a dynamic positioning (DP) system each vessel must have on board a sufficient number of DPOs to meet the following operational requirements: (1) DPOs must meet the rest hour requirements in 46 CFR 15.1111. (2) A properly trained DPO must be available at the DP operating station. (3) An individual who has entered the DP training scheme in order to become a DPO, may operate the DP station under the direct supervision of a DPO. (b) Determination of the number of DPOs must take into account the nature of the DP operations and the operational requirements of the DP system. (c) If the DPO is not the officer in charge of the navigational watch, a

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Creating a general definition (*Direct Communication*) for a term that is used only once seems rather pointless, accordingly it is being suggested that the text of the definition be incorporated into this section. IADC views the reference to a handheld radio as being inappropriate. For MODUs, it is industry practice to have one of the DPOs on each watch (for DP MODUs) designated as being overall responsible for the watch. This should continue to be managed by individual companies as the position name used by each company can differ. *E.g.,* One company may utilize the titles DPO and ADPO (Assistant DPO) as their designations for the two levels of DPOs; and another company may use SDPO (Senior DPO) and JDPO (Junior DPO) as their designations. Regardless of the title, the individuals filling these roles have DP Operator Certificates; the individuals filling the higher positions are chosen based on level of experience, company assessment, etc. and this should be maintained at the company level. To provide certainty to the regulations, IADC would include a provision acknowledging that an individual who is part of the DP training scheme may operate the DP station under the direct supervision of a DPO. IADC understands that other segments of the industry that employ dynamic positioning may not share IADC's views regarding the qualification of DPOs and the associated requirements for manning for DP operations.	DPO must be in the direct communication with the officer in charge of the navigational watch during DP system operations. (d) A DPO may operate the DP system only after meeting the training and practical experience requirements for that vessel, and after having obtained: (1) An endorsement entered by the master in the individual's DP system record of training, or (2) A written statement by the master attesting to the suitability of the DPO to undertake DP operator responsibility onboard the vessel. (e) While operating the DP system pursuant to paragraph (a) of this section, the officer in charge of the navigational watch may also serve as the DPO provided the mate or officer holds the appropriate credential and the DP control systems are collocated with the navigational equipment. (f) Nothing in this section is to be interpreted as relinquishing or lessening the responsibility of the master and watchstanding officer(s) to ensure the safe navigation and/or operation of the vessel.
Proposed 33 CFR 140.315, DP system training requirements The text in can be simplified. The proposed requirement in paragraph (b)(2) for "30 days of DP system training on board a vessel equipped with a DP system" should be deleted as the revised definition above for DPO requires a DP Operator Certificate. Thirty (30) days of training is a pre-requisite for all certificates	Revise to read: **§ 140.315 DP system training requirements.** (a) The DPO must receive training and practical experience in the operation of the DP system and its components. The content of training and experience must include all provisions of paragraph (b) of this section, and the following: (1) The DP system components, including the control station, power generation and management, propulsion units, position reference

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issued by industry recognized bodies such as the Nautical Institute. The reference in paragraph (b)(2) to 46 CFR 62.10-1 for the Activity Specific Operating Criteria or Well Specific Operating Criteria is confusing, given that proposed definitions are provided for these terms in 33 CFR 140.305. The reference in paragraph (b)(2) to Critical Activity Mode of Operations (CAMO) should be deleted as the definition is not accepted by the majority of our sector of the industry. It is difficult for the DPOs to carry the original copy of their DP system training all the time. At times the originals are sent back to the Nautical Institute for their upgrades and or renewals. The application, if at all, of the proposed paragraph (f)that "All onboard DP system training must be documented in each mariner's record of training in accordance with 46 CFR 15.1107" needs to be clarified with respect to foreign-flag vessels. The application, if at all, of the proposed paragraph (f)that "All onboard DP system training must be documented in each mariner's record of training in accordance with 46 CFR 15.1107" needs to be clarified with respect to foreign-flag vessels. The reference in the proposed paragraph (g) to 46 CFR 15.405 seems superfluous, particularly in the case of foreign-flag vessels. The reference in the proposed paragraph (g) to "any documented history of the DP system" (particularly, per the proposed definition in 46 CFR 62.10-1, which includes, *inter alia*, electrical cables and cable routing) seems overly broad. Much of the system history, particularly as it pertains to historic records of maintenance and testing, would be irrelevant to the DPO and their duties aboard the vessel. In the proposed paragraph (b)(3), the qualifying text "A DPOQ who will	systems, heading reference systems, environmental reference systems, and external force reference systems, such as hawser tension gauges. (2) The range of routine DP operations, as well as the handling of DP faults, failures, incidents, and emergencies, to ensure that operations are continued or terminated safely. (3) The type and purpose of documentation associated with DP operations, such as operational manuals, Failure Modes and Effects Analysis (FMEA), and capability plots. (4) Completed company requirements and endorsed by the master to be solely in charge of a DP watch while providing supervision to DPOs (b) To be qualified to operate a DP system, the DPO must have demonstrated -- (1) a thorough knowledge of the DP system operating manual for the specific vessel on which the DPO will serve, including procedures for shifting the DP system between all normal operational modes and emergency procedures. (2) a thorough knowledge of the industrial mission, including the Activity Specific Operating Criteria or Well Specific Operating Criteria, as applicable. (3) a fundamental understanding of the specific DP system's FMEA and its implications; and (4) familiarity with the vessel's specific DP system, including participating in a walkthrough of the design and mechanical features with the DPO, to include at a minimum-- (i) Power generation; (ii) Power distribution; (iii) Thruster units and associated equipment; (iv) Power management/logic; and (v) DP system control interfaces and related electronics and computer functions. (c) DPOs must carry their DP system record of training or be able to provide a copy to a requesting authority within 48 hours of the request. (d) Acceptance of training records will include: DP logbook entries

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serve on a vessel engaging in DP-critical Outer Continental Shelf (OCS) Activities" seems superfluous. If the vessel and the DPO were not engaged in such activities, this section simply wouldn't apply. In the proposed paragraph (e), the qualifying text "seagoing vessel using a DP system to maintain station" seems superfluous. As the section applies only to vessels engaged in OCS activities, the vessel would necessarily be seagoing, and regardless whether or not the vessel used a DP system to maintain station, the training records would be required. The provisions relating to the vessel owner/operators can be combined and simplified, as is shown in the recommended revised text; however, since this is a restatement/paraphrasing of requirements of 46 CFR 15.1107, is this necessary or can the paragraph be eliminated?	signed by the master, company letters signed by the marine manager (or equivalent marine authority), course completion certificates from a training institution, letters or course completion certificates from the DP system manufacturer, or certification from an industry accepted organization as proof of DP system training. (f) The master, officers in charge of a navigational watch, DPOs must be familiar with the characteristics of the vessel and the specific equipment fitted on it prior to operating the equipment. This familiarization must include reading the DP system equipment and operations manual, DP system incident reports, FMEAs, and any documented history of the DP system. The familiarization must be documented. (g) In in accordance with 46 CFR 15.1107, the owner or operator of a U.S.-documented vessel must: (i) maintain a copy of each DPO record of training in accordance with 46 CFR 15.1107; (ii) document all onboard DP system training in each mariner's record of training; and (iii) document all familiarization training provided in accordance with this section.]
Proposed 33 CFR 140.320(a), DP system manning requirements The introductory text in paragraph (a) can be simplified The proposed text in paragraphs (a)(1) and (2) is inaccurate. The certificate of competence is most often issued by the country in which the mariner is recognized as a citizen or has residency. If the country issuing the certificate of competence is not the flag State, this certificate would need to be endorsed by the flag State. In addition, provisions need to be made for those mariners that have applied for an endorsement of recognition, but who have not yet received it.	Revise to read: **§ 140.320 DP system manning requirements.** (a) All vessels to which this subpart applies must— (1) Be under the command of an individual holding a valid national certificate of competency as a master, with an endorsement of recognition as necessary, by the vessel's Flag State authority; (2) Maintain navigational watches with an adequate number of mates or officers in charge of a navigational watch holding a valid and appropriate national certificate of competency, with an endorsement of recognition, as necessary, by the vessel's Flag State authority. (3) Mariners who have applied for an endorsement of recognition may serve for up to three months from the date they join the vessel provided they can produce documentary evidence (a letter from the flag administration or consulate) stating that they have applied for

Comment	How can this comment be addressed or resolved?
	an endorsement of recognition.
Proposed 33 CFR 140.320(c), DP system manning requirements IADC opposes this proposed requirement for the following reasons: (1) It is uniquely applied to MODUs, rather than on all units engaging in DP-critical activities. (2) It implicitly requires that another sovereign nation interpret and apply the U.S. regulations in issuing its manning certificates. (3) The U.S. has the authority to directly impose its own standards of manning on vessels engaged in OCS activities. If, for foreign-flag vessels, it is concerned that flag-State required manning will not be sufficient, it should impose its own requirements through the letter of compliance. It is noted that the "letter of compliance" called for in the existing regulations has apparently been administratively changed to a "certificate of compliance" by the Coast Guard, without amendment of 33 CFR 143.210. The present regulations regarding the issuance of a letter of compliance for MODUs are in part 143; however the yet-to-be-finalized rulemaking on Outer Continental Shelf Activities (USCG 1998-3868, 64 FR 68416, et seq) proposed regulations regarding issuance of a letter of compliance to the various types of OCS units in parts 144, 145 and 146.	Revise paragraph (c) to read as follows: (c) Prior to the arrival on the OCS of any foreign-flag unit intending to engage in OCS activities using a DP system, the unit's owner must provide the OCMI a copy of the unit's safe manning document or equivalent issued in accordance with SOLAS regulation V/14. The OCMI will evaluate the flag-State's required manning in consideration of the specialized nature of the unit, including the limitations and capabilities of the DP system. If in the opinion of the OCMI, the manning complement fails to meet the requirements in paragraph (a) of this section and § 140.310 of this part, the letter [certificate] of compliance issued in accordance with part [143] of this subchapter will be endorsed to specify the minimum required manning necessary for the unit to conduct operations on the U.S. OCS. ***Note:*** *For vessels other than MODUs, the above text is predicated on the issuance of regulations requiring the issuance of a letter [certificate] of compliance to foreign-flag OCS units in accordance with the proposed 33 CFR 146.420 (64 FR 68416, 7 December 1999, USCG 1998-3868).*
Proposed 33 CFR 140.325(a), Operations, Operations Manual contents ***Note:*** *This comment is offered without prejudice to other comments which seek to eliminate IMO MSC/Circ.645—Guidelines for Vessels with Dynamic Positioning Systems, 1994 (''IMO MSC/Circ.645'') from being made mandatory through its incorporation by reference.* The proposed regulation would require: (a) Owners or operators of Mobile Offshore Drilling Units (MODUs) and other vessels to which this subpart applies must maintain a Dynamic	This proposed incorporation by reference should not be included in a manner which would cause all of its non-mandatory language to be considered mandatory – put simply: "Should" shouldn't become "shall." If it is deemed necessary for provisions of IMO MSC/Circ.645 to be made mandatory in a prescriptive manner, IADC believes the regulatory text should be carefully considered and kept to a minimum.

Comment	How can this comment be addressed or resolved?
Positioning (DP) System Operations Manual that complies with paragraph 4.4 of IMO MSC/Circ.645 (incorporated by reference, see § 140.7). * * * * * There is a difficulty associated with the manner by which IMO MSC/Circ.645—Guidelines for Vessels with Dynamic Positioning Systems, 1994 (''IMO MSC/Circ.645'') is incorporated by reference. The MSC Circular has only three paragraphs. The intended incorporation by reference appears to be the annex to IMO MSC/Circ.645, (the Guidelines for Vessels with Dynamic Positioning Systems (IMO DP Guidelines)) which provides the Guidelines, rather than the MSC Circular itself. The following concerns exist with regard to the specific incorporation by reference of paragraph 4.4 of the annex to IMO MSC/Circ.645, by reference: (1) Paragraph 4.4 of the IMO DP Guidelines refers to paragraphs 4.1, 4.2, 4.3, 5.1.1.1, 5.1.1.2, 5.1.1.3, and 5.1.1.4. It is not clear whether or not the provisions of these paragraphs would also be made mandatory. (2) If paragraph 4.2 is to be made mandatory, the proposed rule does not account for the burden of maintaining a "vessel specific watchkeeping checklist". (3) The provisions of paragraph 4.4.4, and by reference, paragraph 5.1.1.3, of the IMO DP Guidelines regarding annual tests and procedures are very specific regarding the period during which the annual survey is to be conducted. If made mandatory, they are at odds with the provisions of paragraph 4.6 of the MTS DP Guidelines for MODUs, which sets out a regime of annual testing that is conducted on an incremental basis throughout the year as opportunities arise but needs to be completed within a twelve month period following guidance given by IMCA M M191, *Guidelines for Annual DP Trials for DP Mobile Offshore Drilling Units*. (4) Paragraphs 5.1.1.1, 5.1.1.2, and 5.1.1.3 each refer to the documentation of tests on the Flag State Vessel Acceptance Document (FSVAD). If compliance with 5.1.1.1, 5.1.1.2, and 5.1.1.3 is considered to be made mandatory, does it then follow that the	Rather than include this proposed incorporation by reference, the Coast Guard should propose regulations to address inclusion in the DP System Operations Manual of the (1) the location checklist, and (2) the watchkeeping checklist and revise, if necessary, its proposal for DP-operation instructions. It appears that the proposal already fully addresses the provisions of the IMO DP Guidelines with regard to annual tests and procedures, initial and periodical tests and procedures and examples of tests and procedures after modifications and non-conformities in a manner that renders their inclusion in the DP System Operations Manual unnecessary.

Comment	How can this comment be addressed or resolved?
FSVAD is a required document? (5) The present text of paragraph 4.4 of the IMO DP Guidelines refers to a system of vessel surveys that are not entirely consistent which those of the proposed rule. This either leads to confusion or to redundant requirements (as with regard to the need for the FSVAD). (6) As the United States has joined with others in proposing amendments to the text of paragraph 4.4 of MSC/Circ.645, and associated provisions of the standard, the incorporation of the existing IMO DP Guidelines will soon be referring to a standard that is out of date. (7) It is difficult to reconcile the provisions of paragraph 4.4 of the IMO DP Guidelines regarding the "location checklist," "watchkeeping checklist" and "DP-operation instructions" with the provisions of Section 4.8 [possibly in error as 4.7 appears to be the appropriate reference] of the MTS DP Operations Guide for MODUs (proposed for incorporation by reference by the proposed 33 CFR 140.335(d)). How, if at all, do these checklists relate to the "pre-project execution readiness checklist"?	
Proposed 33 CFR 140.325(b), Operations, Operations manuals and manufacturers' manuals location The proposed regulation would require: (b) The owner, operator, or master of each MODU or other vessel to which this subpart applies must ensure that all DP System Operations Manuals, including manufacturers' manuals, are available to the Dynamic Positioning Operator (DPO) at or near the DP system console when using a DP system to engage in OCS activities. The proposed regulation: • Is disproportionately prescriptive as compared to requirements imposed for other equipment and systems under Subpart F for either main propulsion machinery (generally) or vital systems; • Seems to anticipate that DPOs would immediately turn to the various manufacturers' manuals to troubleshoot DP system problems rather than safely terminate the DP operation; and	Revise the proposed requirement to read: (b) The owner, operator, or master of each vessel to which this subpart applies must ensure that the DP System Operations Manuals are available to the Dynamic Positioning Operator (DPO) at or near the DP system console.

Comment	How can this comment be addressed or resolved?
• Is overly broad in specifying the inclusion of manufacturers' manuals when, given the definition of DP systems, this would include a vessel's propulsion machinery and many auxiliaries. The wording can also be simplified.	
Proposed 33 CFR 140.325(c)(1), Operations, Vessel-to-vessel transfer operations The proposed 33 CFR 140.325(c) would require: (c) When conducting vessel-to-vessel transfer operations using a DP system-- * * * * * There plain reading of the proposed text leads to differing regulatory treatment for operations with similar risk profiles, for example: • A transfer operation between a moored semisubmersible unit and a DP vessel would be regulated, while transfer operation between a floating platform and a DP vessel would not. • A transfer operation between a self-elevating mobile offshore drilling unit (a jackup) resting on the seabed and a DP vessel would be regulated, while transfer operation between a fixed platform and a DP vessel would not. • A transfer between DP vessels securely moored to one another would be regulated, while a transfer between two drifting vessels would not, irrespective of whether they were securely moored to one another. There are no limiting criteria regarding the nature of the materials to be transferred. As written, any transfer operations, even those of non-hazardous materials, would be regulated.	It is not clear how this "risk-based approach" has managed to focus on transfer operations involving DP operations, and conclude that regulations are required, without also concluding that similar risks posed by transfer operations that don't involve DP vessels should be similarly regulated. The proposed regulation is generally duplicative of requirements existing in 30 CFR part 250 subpart S that would be applicable to most OCS operations – certainly those that involve MODUs. The prescription to be imposed by this proposal is unnecessary and the proposed 33 CFR 140.325(c) should be eliminated from the rule. If there is a concern that the provisions of 30 CFR part 250 subpart S do not adequately address the potential for accidental release of oil and hazardous materials during transfer operations on the OCS then, rather than creating a requirement for use of oil transfer procedures for the limited scope of DP operations, it would seem appropriate to propose a more comprehensive set of requirements with general applicability in 33 CFR part 142 subpart C, or in 33 CFR part 146. IADC would note that the subject of personnel transfer was included in the yet-to-be-finalized proposal for major revisions to 33 CFR chapter I subchapter N (USCG 1998-3868) (64 FR 68416, 7 December 1999).
The following detailed comments on the proposed text of 33 CFR 140.325(c) are offered without prejudice to IADC's general recommendation (above) that the provisions of the proposed 33 CFR 140.325(c) regarding vessel-to-vessel transfer operations should not be included in the rule. They need not be considered if vessel-to-vessel transfer operations are excluded from the final rule.	
Proposed 33 CFR 140.325(c)(1), Operations, Vessel-to-vessel transfer operations	The transfer procedures in 33 CFR 155.750 point to a number of regulations in 33 CFR parts 154 and 155 that are not presently

Comment	How can this comment be addressed or resolved?
The proposed 33 CFR 140.325(c)(1) would require: (1) Operational procedures for conducting oil or hazardous material transfers in DP mode must follow the transfer procedures in 33 CFR 155.750 and must include emergency procedures for securing operations and executing emergency breakaway; There may be a need for coordination with the requirements of 33 CFR, part 156, subpart B, which are applicable to certain "vessel-to-vessel" transfer operations. The requirement to "follow the transfer procedures in 33 CFR 155.750" created concern with regard to confusion that may arise with respect to enforcement of the underlying regulatory provisions.. The applicability of 33 CFR 155.750 is governed by 33 CFR 155.100 which states: **§155.100 Applicability.** (a) Subject to the exceptions provided for in paragraph (b) and (c) of this section, this part applies to each ship that: (1) Is operated under the authority of the United States, wherever located; or (2) Is operated under the authority of a country other than the United States while in the navigable waters of the United States, or while at a port or terminal under the jurisdiction of the United States. For foreign-flag vessels would enforcement be under the underlying authority for 33 CFR 155.100, or would it rely on authorities of the OCS Lands Act? In establishing jurisdiction, is the Coast Guard asserting that the waters superadjacent to the Outer Continental Shelf are "navigable waters of the United States" as defined in 33 CFR 2.38, or that a vessel involved in a vessel –to-vessel transfer while engaged in OCS activities may be "at a port or terminal under the jurisdiction of the United States" under 33 U.S.C. 1225, 1231, 1321(j), or 1903(b)?	identified as being applicable to activities on the Outer Continental Shelf. What is, or will be, the underlying authority for the requirements of the proposed regulations? If there is a concern regarding the potential for accidental release of oil and hazardous materials during transfer operations on the OCS, rather than creating a requirement for use of oil transfer procedures for the limited scope of DP operations, it would seem appropriate to propose a more comprehensive set of requirements with general applicability in 33 CFR part 142 subpart C, or in 33 CFR part 146.

Comment	How can this comment be addressed or resolved?
If the intent is to assure that transfers of oil or hazardous material on the OCS are governed by oil transfer procedures such as those in 33 CFR 155.750, it would seem appropriate to propose this as a regulation with general applicability in 33 CFR part 146 Subpart A.	
Proposed 33 CFR 140.325(c)(2), Operations, Vessel-to-vessel transfer operations, responsibility The proposed 33 CFR 140.325(c)(2) would require: (2) Vessel masters and, as appropriate, chief engineers must— * * * * * While it is understood that the chief engineer may be given operational responsibility for certain transfer operations, it would seem to remain the masters' responsibility to make this determination.	Revise the proposed 33 CFR 140.325(c)(2) to read: (2) Vessel masters must–- * * * * *
Proposed 33 CFR 140.325(c)(2)(ii), Operations, Vessel-to-vessel transfer operations, exception for MODUs The proposed 33 CFR 140.325(c)(2)(ii) would require: * * * * * (ii) Ensure that all watchstanders of all vessels other than MODUs understand their responsibility to maintain a designated relative position to or remain clear of the vessel maintaining the geographic position; * * * * * While it is understood that MODUs would normally not be the maneuvering vessel, it is not clear why this exemption needs to be provided. It is also unclear why watchstanders, other than navigation watchstanders (*e.g.,* engineering watchstanders) would need to understand this responsibility.	Revise the proposed 33 CFR140.325(c)(2)(ii) to read: * * * * * (ii) Ensure that navigation watchstanders of all vessels understand their responsibility to maintain a designated relative position to or remain clear of the vessel maintaining the geographic position; * * * * *
Proposed 33 CFR 140.325(c)(3), Operations, Vessel-to-vessel transfer operations, coordination and communications	Remove the proposed 33 CFR 140.325(c)(3). The proposed regulation is generally duplicative of requirements existing in 30 CFR part 250 subpart S that would be applicable to most OCS operations

Comment	How can this comment be addressed or resolved?
The proposed 33 CFR 140.325(c)(3) would require: * * * * * (3) Vessel personnel must establish voice communications between participants to determine-- (i) The vessel designated as the controlling station; (ii) The controlling station DPO coordination responsibility; (iii) Primary and alternate communication channels; (iv) An emergency-only channel that can be monitored uninterrupted for the duration of the procedure; (v) The acquisition and assessment of regular weather forecast information for the area of operations; and (vi) The sharing with other active vessels of weather information, assessment of prevailing conditions, and use of onboard weather forecasting instruments; * * * * * The Bureau of Safety and Environmental Enforcement has regulations (30 CFR part 250 subpart S), which are applicable to many vessel-to-vessel transfers. These regulations require a Safety and Environmental Management System to establish a program for safe work practices and job safety analyses which are largely duplicative of the prescriptive requirements being proposed under this rule.	– certainly those that involve MODUs. If this is not agreeable to the Coast Guard, then elevate the requirement to provide Stop Work Authority to a general requirement applicable to those OCS operations that are not covered by 30 CFR 250.1930, by creating a new requirement having general applicability in either 33 CFR part 142 subpart C, or in 33 CFR part 146.
Proposed 33 CFR 140.325(c)(5), Operations, Vessel-to-vessel transfer operations, "stop operations" authority The proposed 33 CFR 140.325(c)(5) would require: * * * * * (5) Any crew member on a MODU or other vessel conducting a vessel-to-vessel transfer operation using a DP system for station keeping must execute a "stop operations" command if they identify a situation that warrants such action; * * * * * Does a "Stop Work Authority" requirement exist, or will it be proposed, for vessel-to-vessel transfer operations using DP which are not subject to	Remove the proposed 33 CFR 140.325(c)(5). The proposed regulation is generally duplicative of requirements existing in 30 CFR 250.1930 that would be applicable to most OCS operations – certainly those that involve MODUs. If this is not agreeable to the Coast Guard, then elevate the requirement to provide Stop Work Authority to a general requirement applicable to those OCS operations that are not covered by 30 CFR 250.1930, by creating a new requirement having general applicability in either 33 CFR part 142 subpart C, or in 33 CFR part 146. The wording of any such requirement should consistent with that of 30 CFR 250.1930.

Comment	How can this comment be addressed or resolved?
the authority of the OCS Lands Act? It is not clear why "Stop Work Authority" requirements should be promulgated for the limited purpose of addressing vessel-to-vessel transfer operations using a DP system rather than all vessel-to-vessel transfer operations where the Coast Guard can exercise regulatory jurisdiction, or even for vessel operations in general. The Bureau of Safety and Environmental Enforcement has regulations (30 CFR 250.1931), which are applicable to many of vessel-to-vessel transfers, and all involving MODUs. These regulations already require that Stop Work Authority "procedures must ensure the capability to immediately stop work that is creating imminent risk or danger. These procedures must grant all personnel the responsibility and authority, without fear of reprisal, to stop work or decline to perform an assigned task when an imminent risk or danger exists." Attachment (1) addresses issues relating to this Stop Work Authority that are also relevant to the proposed "stop operations" command.	
Proposed 33 CFR 140.325(c)(6), Operations, Vessel-to-vessel transfer operations, "communication of alarms The proposed 33 CFR 140.325(c)(6) would require: * * * * * (c) When conducting vessel-to-vessel transfer operations using a DP system— * * * * * (6) Each unit's DPO must keep the bridge personnel of the other units, as defined in 33 CFR 140.10, involved in the vessel-to-vessel transfer fully advised of all alarm or emergency situations, including, but not limited to, DP system operations that could affect the operation in progress; The proposed language is troublesome in that it: • Imposes a requirement for a DPO (not necessarily officer in charge of the navigational watch) for communication with other units; and • It is overly broad – addressing "all alarm . . . situations" rather than	Is this level of prescription really necessary? If so, extreme care must be taken to assure that it does not wrest away authority form those that should be held responsible and place it inappropriately with the DPO.

Comment	How can this comment be addressed or resolved?
just those that could affect the transfer operation.	
Proposed 33 CFR 140.325(c)(7), Operations, Vessel-to-vessel transfer operations, "cessation of pumping operations The proposed 33 CFR 140.325(c)(7) would require: * * * * * (c) When conducting vessel-to-vessel transfer operations using a DP system— * * * * * (7) During an emergency or the sounding of a general alarm, pumping operations must cease until the problem has been resolved. As previously noted, it is not clear why such a requirement, would not be made applicable to OCS operations not conducted by a vessel using a DP system – or indeed, to any operation involving an oil or hazardous material transfer operation where the Coast Guard has regulatory authority.	Remove the proposed 33 CFR 140.325(c)(7). The proposed regulation is generally duplicative of requirements existing in 30 CFR 250.1930 that would be applicable to most OCS operations – certainly those that involve MODUs. If this is not agreeable to the Coast Guard, then elevate Stop Work Authority to a general requirement applicable to those OCS activities that are not already covered by 30 CFR 250.1930, by creating a new requirement having general applicability in either 33 CFR part 142 subpart C, or in 33 CFR part 146. The wording of any such requirement should consistent with that of 30 CFR 250.1930.
Proposed 33 CFR 140.330, Minimum DP system requirements. Simplification of wording. The proposed rule would require: **§ 140.330 Minimum DP system requirements.** Vessels to which this subpart applies must, at a minimum, satisfy the provisions of 33 CFR 140.310, 140.315, 140.320, 140.325 and 46 CFR 62.40-3. Vessels that must comply with the intermediate, standard, or enhanced DP system requirements in §§ 140.335, 140.340, and 140.345 must also comply with the provisions of this section. The proposed language is overly complicated. There is seemingly no need to state that 33 CFR 140.310, 140.315, 140.320, and 140.325 apply – they already do. Similarly, as the proposed section has general applicability, there is no need to state that it would apply to vessels required to meet §§ 140.335, 140.340, or 140.345.	Revise to read: **§ 140.330 Minimum DP system requirements.** Vessels to which this subpart applies must satisfy the provisions of 46 CFR 62.40-3 in accordance with the following schedule: * * * * *
Proposed 33 CFR 140.330(b) & (c), Intermediate DP system	An achievable implementation schedule must be specified so as to

Comment	How can this comment be addressed or resolved?
requirements. Implementation. The proposed rule would require: **§ 140.335 Intermediate DP system requirements.** * * * * * (b) Vessels that must comply with the standard or enhanced DP system requirements in §§ 140.340 and 140.345 must also comply with the provisions of this section. (c) Vessels to which this section applies must meet the requirements of-- (1) 46 CFR 61.50 (Survey); (2) 46 CFR 62.40-15 (FMEA); (3) 46 CFR 62.40-20 (FMEA Proving Test Document); and (4) 46 CFR 62.40-25 (CAMO). * * * * *	reasonably allow for acceptance of DPVAOs to be followed by the plan review, inspections, tests and development of operational procedures which may be required to satisfy the requirements of this rulemaking. See comments regarding the proposed 46 CFR 61.50 (Survey), 62.40-15 (FMEA), 62.40-20 (FMEA Proving Test Document), and 62.40-25 (CAMO).
The following detailed comments on the proposed text of 33 CFR 140.335 are offered without prejudice to comments provided elsewhere regarding the appropriateness of the MTS DP Operations Guide for inclusion by reference.	
Proposed 33 CFR 140.335, Intermediate DP system requirements. WSOC for vessels other than MODUs. The proposed rule would require: **§ 140.335 Intermediate DP system requirements.** * * * * * (d) The DP System Operations Manual for a vessel other than a MODU to which this section applies must also meet section 4.8 of the MTS DP Operations Guide (incorporated by reference, see § 140.7) for either project/construction vessels or logistics vessels, as appropriate. The DP System Operations Manual for a vessel other than a MODU must contain Activity Specific Operational Criteria (ASOC) applicable to the operations performed by the vessel. * * * * * IADC is aware of vessels other than MODUs that engage in operations where there is a substantial risk of a loss of well control. Vessels that	Revise the text to read: **§ 140.335 Intermediate DP system requirements.** * * * * * (d) The DP System Operations Manual for a vessel other than a MODU to which this section applies must also meet section 4.8 of the MTS DP Operations Guide (incorporated by reference, see § 140.7) for either project/construction vessels or logistics vessels, as appropriate. The DP System Operations Manual for a vessel other than a MODU must be supplemented by Activity Specific Operational Criteria (ASOC) applicable to the operations performed by the vessel. Should such a vessel engage in well operations where the hazards analysis required by 30 CFR 250.1911 identifies the potential for loss of well control, the DP System Operations Manual must be supplemented by Well Specific Operational Criteria (WSOC) applicable to the operations performed by the vessel. * * * * *

Comment	How can this comment be addressed or resolved?
engage in well operations should be required to have Well Specific Operational Criteria. Revise the proposal to require that a WSOC be required for all vessels that engage in well operations where the hazards analysis required by 30 CFR 250.1911 identifies the potential for loss of well control. The DP System Operations Manual should not change appreciably over time. The WSOC by definition is well specific and is likely to change from one well location to the next. Notwithstanding the MTS DP Guideline, the DP Operations Manual needs to be reduced to its usable content – a bulkhead full of books is of questionable value and can be a distraction for operations.	The above recommendation is made without prejudice to comments provided elsewhere regarding the appropriateness of the MTS DP Operations Guide for incorporation by reference.
Proposed 33 CFR 140.330(e), Intermediate DP system requirements. Incorporation by reference of the MTS DP Guidelines. The proposed rule would require: **§ 140.335 Intermediate DP system requirements.** * * * * * (e) The DP System Operations Manual for a MODU to which this section applies must also meet section 4.7 of the MTS DP Operations Guide for MODUs (incorporated by reference, see § 140.7). The DP System Operations Manual on a MODU must contain Well Specific Operational Criteria (WSOC) applicable to the operations performed by the MODU. * * * * * The text should take into consideration the fact that MODUs can and do engage in DP operations other than those involving a well. The preamble to the rulemaking articulates two differing expectations with respect to incorporation by reference (IBR) of the MTS DP Guideline: • "We also propose to adopt in regulations DP guidance issued by the Marine Technology Society (MTS) as mandatory provisions to provide owners or operators of DP MODUs and other vessels essential	The proposed rule should be revised to read: **§ 140.335 Intermediate DP system requirements.** * * * * * (e) The DP System Operations Manual for a MODU to which this section applies must also meet section 4.7 of the MTS DP Operations Guide for MODUs (incorporated by reference, see § 140.7). The DP System Operations Manual on a MODU must be supplemented by Well Specific Operational Criteria (WSOC) and Activity Specific Operational Criteria (ASOC) as may be applicable to the operations performed by the MODU. * * * * * The above recommendation is made without prejudice to comments provided elsewhere regarding the appropriateness of the MTS DP Operations Guide for incorporation by reference. Notwithstanding the MTS DP Guideline, the DP Operations Manual needs to be reduced to its usable content – a bulkhead full of books is of questionable value and can be a distraction for operations.

Comment	How can this comment be addressed or resolved?
information on how to meet some of the requirements in this notice of proposed rulemaking (NPRM)." (79 FR 70946,column 2) • "Instead, we propose to require that owners or operators consult the applicable portions of the MTS DP Operations Guide as a method of drafting these documents and complying with the other mandatory provisions of the regulations." (79 FR 70952,column 2) Are the MTS DP Guidelines are to be "mandatory provisions" or are they only to be consulted? IADC believe the answer is evident: Professional discretion is required in interpreting the non-mandatory and subjective language in the guidelines. Section 4.7 of the MTS DP Guideline is clear in stating that it provides "recommendations" (section 4.7, paragraph 5). With regard to the proposed incorporation by reference of 4.7 of the MTS DP Operations Guide for MODUs, the following are examples of provisions dictate the exercise of professional judgment: • "For complicated power systems and/ or thruster configurations, it may be useful provide the operator with a thruster and generator operating strategy (TAGOS) to assist in the decision on what generators and thrusters to use for different circumstances and different equipment availabilities." *Question:* If it is "useful" is it required"? What constitutes a "complicated configuration?" • "Guidance on the contents of vessel specific DP Operations Manuals is provided in the following IMCA guidelines, M103, M109, M117 (contingency training) and in class society DP rules." *Question:* Indeed, but is it to be applied, noting the IMCA guidelines are not incorporated by reference? • "The manual should be a standalone document in hard copy. Owners/ operators, at their discretion, may provide this in an electronic format." *Question:* The proposed definition of *DP system* in 46 CFR 62.10-1 includes the power system, prime movers, necessary auxiliary systems, associated piping, generators, switchboards, distribution system thruster and associated systems and the control system. All this in a standalone document in hard copy?	

Comment	How can this comment be addressed or resolved?
• "At least one controlled copy including any updates and, where necessary, appendices should be kept on the DP navigating bridge." *Question:* This implies that copies other than controlled copies are acceptable, are they? • "Due consideration should be given to initiating disconnect sequence preceding an ESD resulting in a black out." *Question:*What does this mean? • "Owners/ operators may wish to refer to the following guidance when developing the vessel/ rig specific DP operations manual;" *Question:* Is this a suggestion or a required table of contents? There is an inconsistency between the MTS DP Guideline's reference to a DP Operations Manual and the proposed rule's reference to DP System Operations Manual. Are they the same? Notwithstanding the MTS DP Guideline, the DP Operations Manual needs to be reduced to its usable content – a bulkhead full of books is useless and can be a distraction for operations. The DP System Operations Manual should not change appreciably over time. The WSOC by definition is well specific and is likely to change from one well location to the next. Notwithstanding the MTS DP Guideline, the DP Operations Manual needs to be reduced to its usable content – a bulkhead full of books is of questionable value and can be a distraction for operations.	
Proposed 33 CFR 140.330(f), Intermediate DP system requirements. Inclusion of CAMOs in the DP Operations Manual. The proposed rule would require: **§ 140.335 Intermediate DP system requirements.** * * * * * (f) Vessels to which this section applies must define a Critical Activity Mode of Operation (CAMO) for use during Critical OCS Activities. The CAMO must be included in the DP System Operations Manual required by	Do not include the proposed 33 CFR 140.335(f). If the proposed 33 CFR 140.335(f) is to be included, see comment above regarding replacing term Critical OCS Activities with DP-critical activities.

Comment	How can this comment be addressed or resolved?
this section. * * * * * The proposed paragraph (f) is unnecessary. The CAMO is: • Required by the proposed 33 CFR 140.335(c)(4); • Required to be completed and maintained by the proposed 46 CFR 62.40-25. This paragraph is redundant. Additionally, as acknowledged in the MTS DP Guideline, the CAMO is developed in consideration of the client's (lease operator's) risk analyses and risk tolerance and therefore may change from operator to operator if not from well to well. The CAMO should not be made a required part of the DP (Systems) Operations Manual.	
Proposed 33 CFR 140.330(g), Intermediate DP system requirements. Operational compliance with ASOCs and WSOCs. The proposed rule would require: **§ 140.335 Intermediate DP system requirements.** * * * * * (g) Vessels other than MODUs to which this section applies must operate in accordance with the ASOC applicable to its operation every time the DP system is used, regardless of whether or not the particular operation is a Critical OCS Activity. A MODU must use a WSOC when operating on a well. This paragraph contains operational requirements for ASOCs and WSOCs that are more appropriately placed in the proposed 33 CFR 140.325. Again, IADC would note that MODUs can, and do, engage in position-critical activities other than those associated with a well, and that vessels other than MODUs can, and do, engage in position-critical activities involving well operations.	Do not include the proposed 33 CFR 140.335(g). If the proposed 33 CFR 140.335(g) is to be included, see comment above regarding replacing term Critical OCS Activities with DP-critical activities. Appropriately revise the text of the proposed requirement in consideration of MODUs conducting operations other than well operations, and vessels other than MODUs conducting well operations, and place the operational requirement in the proposed 33 CFR 140.325.

Comment	How can this comment be addressed or resolved?
Proposed 33 CFR 140.330(h), Intermediate DP system requirements. Configuration to CAMO. The proposed rule would require: **§ 140.335 Intermediate DP system requirements.** * * * * * (h) Vessels to which this section applies must configure the DP system in its CAMO when engaging in Critical OCS Activities as defined in 33 CFR 140.305. This paragraph contains operational requirements for configuration of the DP system to CAMO that are more appropriately placed in the proposed 33 CFR 140.325. MODUs can, and do, engage in DP-critical activities other than those associated with a well, and that vessels other than MODUs can, and do, engage in DP-critical activities involving well operations.	Do not include the proposed 33 CFR 140.335(h). If the proposed 33 CFR 140.335(h) is to be included, see comment above regarding replacing term Critical OCS Activities with DP-critical activities. Appropriately revise the text of the proposed requirement and place the operational requirement in the proposed 33 CFR 140.325.
The following detailed comments on the proposed text of 33 CFR 140.330(i) are offered without prejudice to comments provided on the proposed 46 CFR 61.50 and the role of DPSAOs.	
Proposed 33 CFR 140.330(i), Intermediate DP system requirements. Reporting and investigation of DP incidents The proposed rule would require: **§ 140.335 Intermediate DP system requirements.** * * * * * (i) In the event that a vessel to which this section applies experiences a reactive change of DP status from green to yellow or red as described in the applicable MTS DP Operations Guidance and defined by the vessel's ASOC or WSOC, the owner or operator of the vessel must report this DP incident to the DPSAO that conducted the DP surveys required under 46 CFR 61.50. For each such DP incident, the owner or operator of the vessel must conduct an investigation as described in section 4.11 of the MTS DP Operations Guide for MODUs or section 4.12 for either project/construction vessels or logistics vessels, as appropriate	Do not include the proposed 33 CFR 140.335(i). If the proposed 33 CFR 140.335(i), is to be included: (1) appropriately revise the text of the proposed requirement and place this operational requirement in either the proposed 33 CFR 140.325 or in a new and separate section on the Reporting and investigation; and (2) Clarify the role, if any, of the FMEA provider as it would be imposed through the incorporation by reference of the MTS Guidelines. The text of such a regulation could read: **Reporting and investigation of DP incidents.** (a) In the event of a reportable DP incident as defined in 33 CFR 140.305, the owner or operator of the vessel must report this

Comment	How can this comment be addressed or resolved?
(incorporated by reference, see § 140.7) and send an investigation summary to the DPSAO that issued the DPVAD to the vessel. Each DP incident investigation summary must include— * * * * * The use of "reactive change of DP status from green to yellow or red" as a trigger for reporting requirements is not workable and could have unintended and negative consequences: • Notwithstanding the use of the term "reactive change" in the MTS DP Guidelines, the meaning of this term in not clear; • Our members report having procedures in place that proactively change their system status from green to yellow based on alerts/alarms (reactive?) that are not necessarily associated with any reduction of the vessel's stationkeeping capability or redundancy of the DP system (e.g., fire alarms, proximity to a loop current, high thruster or engine loads, approaching weather, etc.). Requiring reporting of such status changes would not be appropriate. • Misinterpretation of such reports, either individually, or aggregated, could have adverse commercial consequences. If a reporting requirement is to be introduced, it needs a different trigger – one that is clearly tied to a loss of system redundancy. Add a new definition of "Reportable DP Incident" to 33 CFR 140.305. DPSAO is not a defined term in the proposed 33 CFR, chapter I, subpart D. See comment regarding 33 CFR 140.305. With regard to the requirement to "conduct an investigation as described in . . . the MTS DP Operations Guide ," These Guidelines state: "This [investigation procedures] should shall be in accordance with vessel owner or operators' and, if applicable, **clients'** processes. For MODUs and other vessels that may be attached to the seabed, there is no question that the client has a role in the investigation of incidents in accordance with 30 CFR 250.1919.	incident to the cognizant OCMI; (b) For each such DP incident, the owner or operator of the vessel must conduct an investigation and send the investigation summary to the cognizant OCMI. Each DP incident investigation summary must include— (1) The cause of the DP incident and whether it was addressed by the vessel's FMEA, Well Specific Operating Criteria (WSOC) or Activity Specific Operating Criteria (ASOC), and Critical Activity Mode of Operation (CAMO), and lessons learned for incorporation into revised documents; and (2) If the cause of the DP incident was not addressed by the vessel's FMEA, ASOC, WSOC, or CAMO, the changes that were made to those documents to address the cause(s) of the incident. This requirement is applicable whether or not the operation or activity at the time of the incident was a DP-critical activity. (c) Where applicable, the lessee, the owner or holder of operating rights, or a designated operator or agent of the lessee(s) must provide a copy of the investigation conducted in accordance the provisions of 30 CFR 250.1919. This requirement may be satisfied by jointly submitting the investigation report with that of the vessel owner or operator under paragraph (b) of this section. If the Coast Guard decides to retain a requirement to report DP incidents to DPSAOs, clarification is required regarding when such an incident report becomes an Agency Record subject to release under the Freedom of Information Act; specifically, is it (1) upon receipt by the DPSAO, or (2) when a report submitted by the DPSAO is received by the Coast Guard? Requirements, if any are to be included, regarding in review and analysis of DP incidents by DPSAOs must be clearly specified in the regulations.

Comment	How can this comment be addressed or resolved?
It is noteworthy that 30 CFR 250.1919 requires: (a) The investigation of an incident must address the following: (1) The nature of the incident; (2) The factors (human or other) that contributed to the initiation of the incident and its escalation/control; and (3) Recommended changes identified as a result of the investigation. (b) A corrective action program must be established based on the findings of the investigation in order to analyze incidents for common root causes. The corrective action program must: (1) Retain the findings of investigations for use in the next hazard analysis update or audit; (2) Determine and document the response to each finding to ensure that corrective actions are completed; and (3) Implement a system whereby conclusions of investigations are distributed to similar facilities and appropriate personnel within their organization. This is obviously synergistic to the investigation being proposed by the Coast Guard. Accordingly, for MODUs, and other vessels where BSEE's regulations are applicable, a cross reference to these BSEE requirements is appropriate and should be included. It would appear that the Coast Guard has adequate authority to impose such a requirement on lessees, the owners or holders of operating rights, or a designated operator or agent of the lessee(s). Further, the MTS DP Guidelines state "it is suggested that the FMEA provider is involved in the incident investigation." This becomes an significant issue with regard to the incorporation by reference of these Guidelines: Does the Coast Guard interpret this "suggestion" as mandatory? If this is to be mandatory, does this then require that the "FMEA provider" brought into the investigation must be the same entity that prepared the FMEA under the proposed 46 CFR 62.40-15?	

Comment	How can this comment be addressed or resolved?
The proposed requirement that the vessel owner "send an investigation summary to the DPSAO that issued the DPVAD to the vessel" is seemingly meaningless. Under the proposed 46 CFR 61.50-4(b), the DPSAO only confirms each report is made in accordance with 33 CFR 140.335(i), and submits an annual report to the OCS NCOE. There is no requirement imposed by the proposed rule for the DPSAO to undertake review or analysis of the incident report. The accessibility under the Freedom of Information Act, of records required by the regulations that are held outside the government, but are accessible to the government, is a matter of concern for which clarification is required.	
Proposed 33 CFR 140.335 Intermediate DP system requirements. The proposed rule states: **§ 140.335 Intermediate DP system requirements.** * * * * * (j) Immediately after addressing safety concerns resulting from a DP incident, the owner or operator of the vessel must notify the cognizant OCMI verbally and by email of any DP incident reported under paragraph (i) of this section if the incident— * * * (3) Was a serious marine incident as defined by 46 CFR 4.03-2. The terminology "verbally and by email" is generally inconsistent with other Coast Guard casualty reporting requirements. Where does one find the email addresses for OCMIs? The proposed paragraph (j)(3) would seem to be redundant if the amendments to the 33 CFR Parts 140 and 146 and 46 CFR Parts 4 and 109 addressed in the 10 January 2014 Notice of proposed rulemaking on Marine Casualty Reporting on the Outer Continental Shelf (79 FR 1780 et seq) are adopted. These two rulemaking proposals need to be coordinated.	The stated concerns and comments need to be addressed and the proposed rule revised accordingly.

Comment	How can this comment be addressed or resolved?
Proposed 33 CFR 140.335 Intermediate DP system requirements. The proposed rule states: **§ 140.335 Intermediate DP system requirements.** * * * * * (k) A vessel to which this section applies must be issued a Dynamic Positioning Verification Acceptance Document (DPVAD) by a DPSAO. The DPVAD describes the vessel's DP system particulars, the certificate's period of validity, the identification of the DPSAO, the requirements of this subpart that are being certified, the dates of the completed surveys required by paragraph (c) of this section, and the subsequent surveys required to maintain the certificate's validity. Rather than requiring a vessel to obtain a DPVAD as a condition for operating with a DP system on the OCS, the proposed regulation creates an affirmative requirement for the DPSAO to issue the DPVAD. This wouldn't seem to be the intent. The proposed regulation also infers that the DPVAD, at the time of issue, would identify the dates of the completed surveys and the subsequent surveys required to maintain the certificate's validity. Additional guidance is required regarding the identification and listing of "the requirements of this subpart that are being certified" and how this information is to be presented on the DPVAD. If a DPVAD is to be issued, a model form DPVAD should be developed which is similar to and would supplement the model form FSVAD shown in the appendix to the annex to IMO MSC/Circ.645. It appears that the Coast Guard expects that the DPVAD will serve a different purpose and differ in content from the model form FSVAD issued in accordance with IMO MSC/Circ.645. As a related matter, for U.S. flag vessels, IADC suggests that specific provision be made for the issuance of FSVADs in accordance with IMO MSC/Circ.645. See comment regarding amendment of 46 CFR 8.320, below.	The stated concerns and comments need to be addressed and the proposed rule revised accordingly.

Comment	How can this comment be addressed or resolved?
Proposed 33 CFR 140.340 Standard DP system requirements. The proposed rule states: **§ 140.340 Standard DP system requirements.** (a) Vessels other than MODUs of 6000 GT ITC or less that use a DP system installed on or after [30 DAYS AFTER DATE OF PUBLICATION OF FINAL RULE] to engage in Critical OCS Activities must comply with the provisions of this section and 33 CFR 140.335 and 140.330. While paragraph (a) is of no particular concern to IADC, it appears that 30 days is a wholly inadequate period of time for the development of manuals and other documentation, completion of surveys, and certifications that are required either directly or indirectly by 33 CFR 140.335 and 140.330.	Review the entire proposal (IADC suggests a flow chart) to assure that it provides a reasonable path, and sufficient time, to achieve implementation for each requirement for each type and category of vessel.
Proposed 33 140.345 Enhanced DP system requirements. The proposed rule states: **§ 140.345 Enhanced DP system requirements.** (a) The following vessels must comply with the provisions of this section: (1) Mobile Offshore Drilling Units (MODUs) that use a dynamic positioning (DP) system to engage in Critical Outer Continental Shelf (OCS) Activities on the U.S. OCS; and (2) Vessels other than MODUs of more than 6,000 GT ITC that use a DP system installed on or after [30 DAYS AFTER DATE OF PUBLICATION OF FINAL RULE] to conduct Critical OCS Activities on the U.S. OCS. Neither the immediate effect of paragraph (a)(1) or the 30 days that would be provided by (a)(2) is inadequate for the development of manuals and other documentation, completion of surveys, and certifications that are required either directly or indirectly by 33 CFR 140.330, 140.335, 140.340, 46 CFR 61.50, and 46 CFR 62.20-2.	Review the entire proposal (IADC suggests a flow chart) to assure that it provides a reasonable path, and sufficient time, to achieve implementation for each requirement for each type and category of vessel.
Proposed 33 140.345 Enhanced DP system requirements. The proposed rule states:	Revise to read: **§ 140.345 Enhanced DP system requirements.** * * * * *

Comment	How can this comment be addressed or resolved?
§ 140.345 Enhanced DP system requirements. * * * * * (b) Vessels to which this section applies must meet the requirements of this section, 33 CFR 140.330, 140.335, 140.340, and 46 CFR 62.20-2 (Required plans for DP systems). 46 CFR 62.40-20(a)(2), approval of the FMEA proving test document by the Marine Safety Center, is missing from this list.	(b) Vessels to which this section applies must meet the requirements of this section, 33 CFR 140.330, 140.335, 140.340, 46 CFR 62.20-2 (Required plans for DP systems) and 46 CFR 62.40-20(a)(2) (approval of the FMEA proving test document by the Marine Safety Center).
Proposed 33 140.345 Enhanced DP system requirements. The proposed rule states: **§ 140.345 Enhanced DP system requirements.** * * * * * (c) Vessels to which this section applies must have the surveys required by 46 CFR 61.50 completed and have the plans required by 46 CFR 62.20-2 approved by a DPSAO prior to receiving a Dynamic Positioning Verification Acceptance Document (DPVAD) under 33 CFR 140.335(j). 33 CFR 140.335(j) addresses the handling of DP incidents, not the issuance of DPVADs. It appears that the intended reference is 33 CFR 140.335(k). This proposed requirement creates a great deal uncertainty regarding plan review, tests and inspections for existing vessels as the rule is implemented. The DPSAO, as it is defined by these regulations, is a new entity and there is no historical record by which to assess how they will operate in carrying out the responsibilities which they are to be assigned under the rule. Because of the broad definition of “DP System” (as proposed for 46 CFR 62.10-1) which includes virtually all components of the power, propulsion and related systems, DPSAOs are required to undertake plan review and approval on power, propulsion and related systems for which plan review and approval will already have been undertaken by the Coast Guard	Correct the cross reference in the regulations. Review the entire proposal (we suggest a flow chart) to assure that it provides a reasonable path, and sufficient time, to achieve implementation for each requirement for each type and category of vessel.

Comment	How can this comment be addressed or resolved?
and/or classification society to the standards applicable at the time of such review. The rule provides no standard, and the Coast Guard offers no guidance regarding the standards against which the DPSAO is to undertake its plan review. It is obvious that the Coast Guard has not accounted for the potential costs for modifications to vessels and vessel systems for existing vessels to upgraded (if it is indeed possible) to standards that would be in effect at the time that the rulemaking is finalized. Similarly, the rule provides no standard or guidance regarding the acceptance of tests or inspections that may have already been performed for qualification of DP systems. As above, it does not appear that the Coast Guard has accounted for the costs of repeating these tests and inspections or for any further testing that might be required because existing systems do not meet the standards that might be in place a the time the rulemaking is finalized. As indicated in the covering letter, IADC believe that the rule's proposed role for the DPSAO needs to be reconsidered. The role of third-party systems assurance organizations, as is current commercial practice, should be maintained.	
Proposed 33 140.350 Operational Control. The proposed rule states: **§ 140.350 Operational Control.** If the Cognizant OCMI determines that a vessel is not in compliance with this part, the OCMI may require the owner or operator of a vessel to suspend use of DP to conduct an OCS activity until the OCMI determines that the vessel complies with this part. The existing regulations provide: **§140.35 Sanctions.** *** * * * *** (3) Any order issued under the Act or the regulations in this subchapter by the Commandant, a District Commander, or an Officer in Charge,	Do not include the proposed § 140.350. If the authority implicit in 33 CFR 140.35 is no longer deemed sufficient, the Coast Guard should propose a rule of general applicability authorizing the OCMI to issue corrective orders (e.g., in 33 CFR 140) rather than one that is limited in its applicability to DP operations.

Comment	How can this comment be addressed or resolved?
Marine Inspection, after notice of the failure and after expiration of any reasonable period allowed for corrective action, shall be liable for a civil penalty for each day of the continuance of the failure. This presupposes and implies that the OCMI has the authority to issue corrective orders such as those contemplated in the proposed 33 CFR 140.350. If this implicit authority is no longer deemed sufficient, it would appear appropriate to promulgate a rule of general applicability (*e.g.*, in 33 CFR 140) rather than one limited in its applicability to DP operations.	
Proposed 33 CFR 143.15 Lights and warning devices. The proposed rule states: **§ 143.15 Lights and warning devices.** (a) OCS facilities, except when using DP systems defined by § 140.305, must meet the lights and warning devices requirements under part 67 of this chapter concerning aids to navigation on artificial islands and fixed structures. (b) * * * (c) Vessels, including MODUs and attending vessels, using a DP system defined by § 140.305 to maintain station, even when in contact of the seabed of the OCS, are considered underway and should display the lights and shapes for "vessel restricted in her ability to maneuver" as defined under Rule 3 of the International Regulations for Preventing Collisions at Sea 1972. IADC agrees that, if a vessel using a DP system is to be considered to be underway, it should display the lights and shapes for a "vessel restricted in her ability to maneuver." However, the proposed interpretative text is misplaced. Inasmuch as there are DP vessels that aren't necessarily subject to Subchapter N, the Coast Guard's interpretation regarding the navigation status of such DP vessels should be placed in a rule with general applicability – i.e., in parts	Develop appropriate text for inclusion in 33 CFR parts 67 and 82 to reflect the Coast Guard's interpretation that vessels, using a DP system defined by § 140.305 to maintain station, even when in contact of the seabed of the OCS, are considered underway and should display the lights and shapes for "vessel restricted in her ability to maneuver." If the above recommendation is not accepted, revise the proposed § 143.15(c) to read: (c) Vessels using a DP system defined by § 140.305 to maintain station, even when in contact of the seabed of the OCS, are considered underway and should display the lights and shapes for "vessel restricted in her ability to maneuver" as defined under Rule 3 of the International Regulations for Preventing Collisions at Sea 1972.

Comment	How can this comment be addressed or resolved?
67 and 82 of Chapter I of Title 33. In the alternative, the text can be simplified since MODUs and attending vessels are both, by definition, vessels in accordance with 33 CFR 140.10.	
33 CFR 146.215, Safety and Security notice of arrival for U.S. or foreign MODUs Noting the proposed amendments to 33 CFR 146.405 (Safety and Security notice of arrival for vessels arriving at a place on the OCS), it would appear appropriate to make corresponding amendments to 33 CFR 146.215.	If the suggestion below regarding the proposed 33 CFR 146.405(b)(4) is not accepted, it would be appropriate to make corresponding amendments to 33 CFR 146.215.
Proposed 33 CFR 146.405 Safety and Security notice of arrival for vessels arriving at a place on the OCS. The proposed rule states: **§ 146.405 Safety and Security notice of arrival for vessels arriving at a place on the OCS.** * * * * * (b) * * * (4) Vessels to which 140.335 applies that use a dynamic positioning (DP) system, as defined by 140.305, must provide the following information from the Dynamic Positioning Verification Acceptance Document (DPVAD): (i) DPVAD period of validity; and (ii) Identification of the dynamic positioning system assurance organization, as defined in 140.305, that conducted surveys; The proposed requirement is unnecessary. There is ample time during the process of inspecting a vessel for issuance of the letter of compliance for the USCG to obtain information regarding the DPVAD. If it is determined that the proposed regulation is necessary, then the following comments apply: • No effective date has been proposed for the revised reporting	Do not include the proposed requirements as they are unnecessary. There is ample time during the process of inspecting a vessel for issuance of the letter of compliance for the USCG to obtain information regarding the DPVAD. It is noted that the “letter of compliance” called for in the existing regulations has apparently been administratively changed to a “certificate of compliance” by the Coast Guard, without amendment of 33 CFR 143.210. This should be resolved. The present regulations regarding the issuance of a letter of compliance for MODUs are in part 143; however the yet-to-be-finalized rulemaking on Outer Continental Shelf Activities (USCG 1998-3868, 64 FR 68416, et seq) proposed regulations regarding issuance of a letter of compliance to the various types of OCS units in parts 144, 145 and 146.

Comment	How can this comment be addressed or resolved?
requirements in 33 CFR 146.405. If a requirement to report information regarding the DPVAD is to be included, it would need to be phased-in in a manner that corresponds to the phase-in period for the DPVAD. • It appears that it would be appropriate for the Coast Guard to amend the information requirements in Table 160.206 so as to include the DPVAD information, rather than amend § 146.405. If Table 160.206 is amended, no amendments would be required for either §146.215 or §146.405. • It will be necessary for the Coast Guard to make corresponding changes to its eNOA system to accommodate the reporting of the information, recognizing the complexity of the determination of whether or not the DPVAD will be a required document, and thus a mandatory field in the eNOA report.	
46 CFR 8.320 Classification society authorizations to issue international certificates. If the existing IMO MSC/Circ.645, which includes provisions for the issuance of a Flag State Vessel Acceptance Document (FSVAD) is to be incorporated by reference, then 46 CFR 8.320 should be amended to allow classification societies to issue FSVADs.	46 CFR 8.320(b) should be amended by adding "Flag Sate Vessel Acceptance Document" to the list of certificates that may be issued by classification societies. It should be noted that neither the Flag Sate Vessel Acceptance Document nor the Mobile Offshore Drilling Unit Safety Certificate are truly "convention certificates," so the Coast Guard may wish to consider adding a category of "other international certificates" to 46 CFR 8.320.
46 CFR part 50 or 46 CFR part 61, Definitions 46 CFR part 61 is lacking definitions for key terms, *e.g.:* - Critical Activity Mode of Operation (CAMO) - Dynamic positioning system (DP system) - Dynamic Positioning System Assurance Organizations (DPSAO) - FMEA Failure Modes and Effects Analysis (FMEA). It has been proposed that some of these terms be defined in 46 CFR part 62.	Identify an appropriate means to promulgate the definitions of new key terms used in 46 CFR parts 61 and 62. The definitions should be consistent across both titles 33 and 46 of the CFR.

Comment	How can this comment be addressed or resolved?
46 CFR part 61 currently contains no subpart providing definitions. 46 CFR part 50, subpart 50.10, provides definitions that are applicable to both parts 61 and 62. Accordingly, it would appear appropriate to define these terms in 46 CFR 50.10.	
The detailed comments which follow are offered without prejudice to IADC's general opposition to the role of DPSAOs as an instrumentality of the government. IADC believe that the proposed role for DPSAOs is largely superfluous. If DPSAO's are to be included in the final rule, their role must be fundamentally reconsidered to eliminate duplication of the efforts of classification societies in issuing DP class notation, and responsibilities that are inherently governmental in nature that must remain with the Coast Guard.	
Proposed 46 CFR 61.50-1(a)(3), Applicability The proposed rule states: **§ 61.50-1 Applicability.** (a) The following vessels must comply with the provisions of this subpart: * * * * * (3) MODUs that use a DP system to conduct Critical OCS Activities, as defined in 33 CFR 140.305, on the U.S. OCS. **It is not feasible for MODUs to comply with the requirements initial, annual and periodic surveys as of the date of publication of the final rule. A realistic implementation schedule needs to be established.** In a "Notice of Recommended Interim Voluntary Guidance" (77 FR 26562), the Coast Guard recommended that owners or operators of DP MODUs voluntarily follow the guidance provided in the MTS DP Guidelines for MODUs. Subsequently, the Coast Guard published a follow-up "Notice of Recommended Interim Voluntary Guidance" (77 FR 62247), which recommended that owners or operators of DP vessels	There must be a suitable phase-in period provided for the proposed 46 CFR 61.50-2, 61.50-5, 61.50-10 and 61.50-15. In determining a suitable period for making the provisions of the proposed 46 CFR 61.50-2, 61.50-5, 61.50-10 and 61.50-15effective, the Coast Guard must consider: (1) The time required for commercial arrangements to be made between the vessel owner/operators and the DPSAOs; and (2) Sufficient time after commercial arrangements have been agreed for the DPSAOs to: (a) approve the plans and information as would be required by 46 CFR 62.20-2; (b) submit approved plans, survey results and FMEA proving tests to the Marine Safety Center (MSC) as would be required by 46 CFR § 62.20-2; and resolve any issues that may result from the MSC's review of these plans, survey results and FMEA proving tests. *Note: See comments relating to 46 CFR § 62.20-2 and the process for*

Comment	How can this comment be addressed or resolved?
other than MODUs follow the applicable MTS DP Guidelines for other vessel operations. The proposed effective date of the proposed rule does nothing to recognize vessel owners' efforts in implementing the MTS DP Guidelines either before, or in response to, these notices. The Coast Guard should work with vessel owners and DPSAOs to assure that surveys voluntarily conducted either before or in response to these notices are appropriately credited as fulfilling the rule's requirements.	*resolution of issues identified by the MSC.* In accepting DPSAOs, the Coast Guard must not create a monopoly. Sufficient DPSAOs must be accepted to assure the creation of a competitive marketplace for the DPSAO's services. Given that MODUs that use DP systems have universally obtained DP notation from a classification society and may have implemented voluntary surveys in accordance with the MTS DP Guidelines as recommended by the Coast Guard, the implementation schedule for the initial, annual and periodic surveys should be aligned with the MODUs' classification society surveys, *i.e.:* (1) The first annual survey in accordance with the proposed 46 CFR 61.50-15 should be at the time for the first classification society annual survey following the approval of the plans and information as would be required by 46 CFR 62.20-2; and (2) The initial survey in accordance with the proposed 46 CFR 61.50-5 should be at the time for the first classification society 5-year survey following the approval of the plans and information as would be required by 46 CFR 62.20-2; (3) A process should be established such that the results of previous voluntary surveys (completed as recommended by the Coast Guard) can be accepted and credited as fulfilling the requirements for the initial survey, annual, and periodic surveys under the proposed 46 CFR 61.50-5, 61.50-15 and 61.50-10.
Proposed 46 CFR 61.50-1(a)(4), Applicability The proposed rule states: **§ 61.50-1 Applicability.** * * * * * (4) For purposes of this subpart, "vessels" includes, but is not limited to, MODUs. Vessels other than MODUs that conduct certain activities or possess certain design characteristics means vessels that conduct such activities or possess such characteristics and are not MODUs.	This paragraph is not needed and should not be included in the rule. The recommendations offered regarding the proposed 33 CFR 140.305 Definitions – Vessels apply.

Comment	How can this comment be addressed or resolved?
The comments offered regarding the proposed 33 CFR 140.305 Definitions – Vessels apply.	
Proposed 46 CFR 61.50-2, Surveys of MODUs and vessels, other than MODUs. The proposed rule states: **§ 61.50-2 Surveys of MODUs and vessels, other than MODUs.** (a) The owner or operator of a vessel to which this subpart applies must ensure that the dynamic positioning system surveys required by §§ 61.50-5, 61.50-10, and 61.50-15 of this subpart are completed by a DPSAO and provide the cognizant Officer in Charge, Marine Inspection an opportunity to attend upon request. The DPSAO that conducts the surveys required by this subpart must notify the cognizant Officer in Charge, Marine Inspection at least 30 days in advance of the survey. There is an unacceptable level of uncertainty associated with the proposed requirement to "provide the cognizant Officer in Charge, Marine Inspection an opportunity to attend upon request." Does this mean that: - The scheduled dates for surveys might need to be changed to accommodate the availability of Coast Guard inspectors? - Owners or operators of vessels (including foreign-flagged vessels) would be required to provide transportation to Coast Guard inspectors in order to attend surveys at overseas locations? - Overseas locations for a planned surveys might need to be changed if the Coast Guard is not allowing its personnel to travel the vessel's location or the Coast Guard cannot obtain approval for its inspector(s) to enter the country? For a U.S. flag vessel or a foreign vessel operating on the U.S. OCS, the Coast Guard has ample authority under existing regulations to place its inspectors onboard the vessel at any time. The only need is for the cognizant OCMI to be advised of the date of the survey.	As previously indicated, a suitable phase-in period must be provided. Revise to read: **§ 61.50-2 Surveys.** (a) The owner or operator of a vessel to which this subpart applies must ensure that: (1) the dynamic positioning system surveys required by §§ 61.50-5, 61.50-10, and 61.50-15 of this subpart are completed by a DPSAO; and (2) in order to allow the attendance of a marine inspector, the cognizant OCMI is notified at least {30 days] in advance of the date each such survey is initially scheduled. The rule should provide clarification regarding: • The actual expectation regarding attendance by Coast Guard inspectors, i.e., is it mandatory, mandatory on occasion, or simply a courtesy to facilitate attendance; and • To whom this notification should be given for foreign-flag vessels operating outside the jurisdiction of the United States.

Comment	How can this comment be addressed or resolved?
The obligation for advising the OCMI of the date of a scheduled survey should rest with the vessel owner, not the DPSAO. It is likely that surveys will be scheduled at locations outside the United States: Which OCMI is the "cognizant OCMI" for a foreign-flag vessel that may be outside of the jurisdiction of the United States?	
Proposed 46 CFR 61.50-2, Surveys of MODUs and vessels, other than MODUs - Continuity of surveys The proposed rule states: **§ 61.50-2 Surveys of MODUs and vessels, other than MODUs.** (a) The owner or operator of a vessel to which this subpart applies must ensure that the dynamic positioning system surveys required by §§ 61.50-5, 61.50-10, and 61.50-15 of this subpart are completed by a DPSAO. . . . * * * * * It may not be possible to perform annual surveys if a vessel is out of service or is outside the United States. What is the status of a DPVAD if a vessel moves overseas and cannot complete an annual survey due to the unavailability of DPVAO survey services? Is the DPVAD's validity reinstated once a satisfactory annual survey is completed?	Provide clarification regarding the validity of a DPVAD in the event that an annual survey is not completed or cannot be completed due to the vessel being out of service or operating outside the United States.
Proposed 46 CFR 61.50-3, Acceptance of dynamic positioning system assurance organizations. and **Proposed 46 CFR § 61.50-4 Oversight of dynamic positioning system assurance organizations.** These provisions are awkwardly placed within 46 CFR chapter I subchapter F. They would appear to be better placed with similar material in 46 CFR chapter I, subchapter A, regarding recognition of classification societies.	Move these provisions to a new subpart in 46 CFR chapter I, subchapter A.
Proposed 46 CFR 61.50-3, Acceptance of dynamic positioning system assurance organizations – Role and authority of the Coast Guard Outer Continental Shelf National Center of Expertise.	Provide clarification regarding the path by which the OCS NCOE is delegated authority to act on behalf of the Commandant of the Coast Guard.

Comment	How can this comment be addressed or resolved?
The proposed rule states: **§ 61.50-3 Acceptance of dynamic positioning system assurance organizations.** (a) Each DPSAO, as described in § 61.50-2 of this subpart, must be accepted by the Coast Guard Outer Continental Shelf National Center of Expertise (OCS NCOE). To be accepted, such an organization must apply to the OCS NCOE in writing for acceptance. The application must contain information demonstrating that the organization or society-- * * * * * It is not clear that the Coast Guard Outer Continental Shelf National Center of Expertise (OCS NCOE) has, or will be, delegated authority under 33 CFR part 1, subpart 1.01. Provided it is continually staffed to do so, IADC has no objection to the OCS NCOE being delegated this authority, but it needs to be properly reflected in the regulations. The last sentence of paragraph (a) of the proposed 46 CFR 61.50-4 appears misplaced and should be moved to 46 CFR 61.50-3(b).	If the rule is finalized as proposed, the industry will have no choice but to rely on the capabilities of the staff of the OCS NCOE to competently perform the assessment of the prospective DPSAOs in a timely manner. In this regard: • How many positions at the NCOE are vacant? • What training and experience does the NCOE staff have in overseeing conformity assessment bodies? IADC would suggest that certification of the NCOE to ISO/IEC 17011:2004 would be appropriate. Add a new paragraph (b) to 46 CFR 61.50-3 to read as follows: (b) Acceptance of a DPSAO remains in effect until revoked by the OCS NCOE.
Proposed 46 CFR 61.50-3(a), Acceptance of dynamic positioning system assurance organizations – General qualifications for DPSAOs The proposed rule states: **§ 61.50-3 Acceptance of dynamic positioning system assurance organizations.** (a) Each DPSAO, as described in § 61.50-2 of this subpart, must be accepted by the Coast Guard Outer Continental Shelf National Center of Expertise (OCS NCOE). To be accepted, such an organization must apply to the OCS NCOE in writing for acceptance. The application must contain information demonstrating that the organization or society-- * * * * * In general, the qualifications for DPSAOs are a matter of considerable	Provide clarification regarding the path by which the OCS NCOE is delegated authority to act on behalf of the Commandant of the Coast Guard.

Comment	How can this comment be addressed or resolved?
concern. This rulemaking will create a new type of organization to serve as an instrumentality of the government and require that vessel owners enter into a commercial agreement with one or more of these organizations for the provision of such services as may ultimately be required by this rulemaking. As previously indicated a sufficient number of DPSAOs must be accepted so as to assure that DPSAO services are provided on a competitive basis. Vessel owners will wish to assess the commercial aspects of the DPSAO's organization as well as those matters addressed by the USCG's acceptance (*e.g.*, insurance coverage). Those that are accepted must, of commercial necessity (given the high costs of non-productive rig time and offshore transportation) be able to efficiently and competently provide the required services.	
Proposed 46 CFR 61.50-3(a)(1), Acceptance of dynamic positioning system assurance organizations. The proposed rule states: **§ 61.50-3 Acceptance of dynamic positioning system assurance organizations.** * * * * * (1) Has functioned as a recognized source to the industry of guidance on recommended practice through participation in industry groups (e.g., International Marine Contractors Association, Marine Technology Society, National Offshore Safety Advisory Committee); * * * * * In IADC's view, it is not appropriate to characterize the National Offshore Safety Advisory Committee (NOSAC) as an "industry group." NOSAC is a chartered Federal Advisory Committee whose members are appointed by the Coast Guard.	Remove the National Offshore Safety Advisory Committee from the list, or modify the text so it doesn't refer to "industry groups".
Proposed 46 CFR 61.50-3(a)(2), Acceptance of dynamic positioning system assurance organizations – Minimum qualifying experience	Provide a means for newly formed organizations to gain recognition as a DPSAO.

Comment	How can this comment be addressed or resolved?
The proposed rule states: **§ 61.50-3 Acceptance of dynamic positioning system assurance organizations** * * * * * (2) Has functioned as a DP assurance provider to vessel owner, operators, charterers, etc., for at least 5 years in the role of DP Assurance with a documented, auditable history of providing Failure Modes and Effects Analysis (FMEA) and survey services on a wide variety of Mobile Offshore Drilling Units (MODUs) and vessels with different industrial missions; * * * * * Prospective DPSAOs must have appropriate experience in DP assurance; however, the absolute requirement for 5-years' experience, with provision for alternative means of acceptance, presents what would appear to be an unacceptable barrier to the entry of any new organization seeking to serve as a DPSAO.	
Proposed 46 CFR 61.50-3(a)(3), Acceptance of dynamic positioning system assurance organizations – "DP class rules" and "DP trials". he proposed rule states: **§ 61.50-3 Acceptance of dynamic positioning system assurance organizations.** * * * * * (3) Has a history of advising vessel owners, operators, and charterers and providing guidance on appropriate corrective actions to address nonconformities and observations raised during DP trials and otherwise, to include incidents, casualties, and cases of nonconformity with DP class rules. * * * * * The proposed rule creates no obligation for DPSAOs to attend DP trials. Attendance at such trials presumably remains an entirely commercial matter between the vessel owner and the organization that may be accepted by the Coast Guard to serve as a DPSAO.	Provide clarification of the term "DP class rules" as it is used in this paragraph. Reference to "DP trials" in this paragraph should be replaced by "surveys."

Comment	How can this comment be addressed or resolved?
It is unclear what is meant by "DP class rules." Is this intended to mean "classification society rules for dynamically positioned ships" or is it intended to refer to the guidance on equipment classes in section 2 of the annex to IMO MSC/Circ.645? The reference to "DP trials" does not seem appropriate since the term is not used elsewhere in the proposed rule.	
Proposed 46 CFR 61.50-3(a)(4)-(9), Acceptance of dynamic positioning system assurance organizations – qualification s and experience of surveyors and technical staff. The proposed rule states: **§ 61.50-3 Acceptance of dynamic positioning system assurance organizations.** * * * * * (4) Has adequate resources, including research, technical, and managerial staff, to ensure appropriate updates and maintenance of internal DP guidelines, trials procedures, and survey requirements; (5) Has adequate resources and processes in place to ensure regular and adequate communications to the Coast Guard concerning recurring DP-related issues for purposes of trend analysis, reporting, and continuing development of rules and guidelines; (6) Uses personnel with a minimum of 5 years of experience for both FMEA and survey services; (7) Directly employs a number of surveyors adequate to meet Coast Guard survey requirements; (8) Has adequate criteria for hiring and qualifying surveyors and technical staff; (9) Has an adequate program for continued training and development of surveyors and technical staff. Training and development must be structured, measured, monitored, and auditable; *** * * * *** These criteria are highly subjective. Both the Coast Guard and industry	Provide clarification regarding the proposed 46 CFR 61.50-3(a)(6). Is 5 years of experience required in both disciplines? Reference to "DP trials" in paragraph (4) should be replaced by "surveys."

Comment	How can this comment be addressed or resolved?
will be faced with balancing the need for DPSAOs to be accepted in order to provide the services required by the regulations against the capability of the DPSAO to fulfill these criteria, both initially and on an ongoing basis. This proposed requirement under paragraph (6) is unclear. Is 5 years of experience required in both disciplines?	
Proposed 46 CFR 61.50-3(a)(11), Acceptance of dynamic positioning system assurance organizations – "DP trials". he proposed rule states: **§ 61.50-3 Acceptance of dynamic positioning system assurance organizations.** * * * * * (11) Can determine whether MODUs and vessels, other than MODUs, comply with the DP requirements of the Coast Guard during appropriate surveys and DP trials; * * * * * The proposed rule creates no obligation for DPSAOs to attend DP trials. Attendance at such presumably remains an entirely commercial matter between the vessel owner and the organization that may be accepted by the Coast Guard to serve as a DPSAO. As plan review is proposed by the rules, it should also be addressed. Reference to "DP trials" in this paragraph should be replaced by "surveys." "MODUs and vessels, other than MODUs" is unnecessarily wordy.	Revise the proposed 46 CFR 61.50-3(a)(11) to read: (11) Can determine whether vessels comply with the DP requirements of the Coast Guard during plan review and surveys;
Proposed 46 CFR 61.50-3(a)(13), Acceptance of dynamic positioning system assurance organizations – Potential conflicts of interest The proposed rule states:	Revise the proposed 46 CFR 61.50-3(a)(13) to read: (13) Is not under the financial control of owners or builders of vessels, of others engaged commercially in the manufacture, equipping, repair, or operation of vessels, or of other engaged in the

Comment	How can this comment be addressed or resolved?
§ 61.50-3 Acceptance of dynamic positioning system assurance organizations. * * * * * (13) Is not under the financial control of owners or builders of MODUs or vessels, other than MODUs, or of others engaged commercially in the manufacture, equipping, repair, or operation of MODUs or vessels, other than MODUs; * * * * * It is also unacceptable for a DPSAO to have a business interest in the design and manufacture of DP systems or components. "MODUs and vessels, other than MODUs" is unnecessarily wordy.	design and manufacture of DP systems;
Proposed 46 CFR 61.50-3(a), Acceptance of dynamic positioning system assurance organizations – Additional qualification criteria Based on review of 46 CFR 2.45-15 and 46 CFR 8.200, the following additional criteria should be included: • Have a corporate office in the United States that provides a continuous management and administrative presence. • Maintain and ensure compliance with a Code of Ethics that recognizes the inherent responsibility associated with acceptance as a DPVAO. • Use a system to make its plan review and survey records and those of persons acting on its behalf available to the Coast Guard in electronic format. • Allow its technical staff and surveyors to participate in training with the Coast Guard regarding delegated functions.	Add the following additional qualification requirements to those already enumerated in the proposed 46 CFR 61.50-3(a): (15) Have a corporate office in the United States that provides a continuous management and administrative presence. (16) Maintain and ensure compliance with a Code of Ethics that recognizes the inherent responsibility associated with acceptance as a DPVAO. (17) Use a system to make its plan review and survey records and those of persons acting on its behalf available to the Coast Guard in electronic format. (18) Allow its technical staff and surveyors to participate in training with the Coast Guard regarding delegated functions.
Proposed 46 CFR 61.50-4, Oversight of dynamic positioning system assurance organizations The proposed regulation conflates (1) the oversight of DPSAOs with (2) the processing of DP investigation reports and preparation of annual summary reports. These two functions must be separated. See below.	Separate out the functions of: • Oversight of DPSAOs; and • Processing of DP investigation reports and preparation of annual summaries. See comments offered below.
Proposed 46 CFR 61.50-4, Oversight of dynamic positioning system	Revise the proposed 46 CFR 61.50-4 to read:

Comment	How can this comment be addressed or resolved?
assurance organizations The proposed regulation 46 CFR 61.50-4 should be confined to the oversight of DPSAOs. The proposed text regarding the term of acceptance of DPVAOs should be moved to a new 46 CFR 61.50-3(b). See above. Based on the requirements of46 CFR 8.130, the following additional criteria should be added (1) Allow the Coast Guard to accompany the DPSAO on internal and external quality audits and provide written results of such audits to appropriate Coast Guard representatives. Guidance must be provided regarding transfer of DPSAO services should a DPSAO's acceptance be revoked.	**§ 61.50-4 Oversight of dynamic positioning system assurance organizations.** (a) The DPSAO must allow the Coast Guard to accompany the DPSAO on internal and external quality audits and provide written results of such audits to appropriate Coast Guard representatives. (b) With reasonable advance notice, the OCS NCOE may periodically audit the records of DPSAOs to determine whether such organizations continue to comply with the provisions of § 61.50-3(a) of this subpart. (c) The OCS NCOE may revoke acceptance after determining that such an organization no longer complies with the provisions of § 61.50-3(a) of this subpart. (d) In the event that a DPSAO's acceptance is revoked the OCS NCOE will notify the owners of vessels affected and, with each vessel owner, establish a schedule for the orderly transfer of the DPSAO's services to another DPSAO.
Suggested new 46 CFR 61.50-X, DP Incident reports As stated above, the rule should separately address the functions of: • Oversight of DPSAOs; and • Processing of DP investigation reports and preparation of annual summaries. Both the period and deadline for the annual report need to be specified. As a stated purpose of the rule is to make information regarding DP incidents available, the Coast Guard needs to commit to make appropriate information available to the industry and general public. To facilitate the submission and subsequent publication of information, the Coast Guard should develop a format for use by DPSAOs in making the required report.	Add a new 46 CFR 61.50-X to read: **§ 61.50-X DP Incident reports** (a) Not later than 15 March of each year, each DPSAO must submit a report to the OCS NCOE that contains each DP investigation summary reported to it for the previous calendar year under 33 CFR 140.335(i). (b) The DPSAO must confirm in the report that each DP investigation summary was reviewed and was found to comply with 33 CFR 140.335(i). (c) Where the OCS NCOE is not satisfied with the resolution of any DP incident contained in the report required by paragraph (a) of this section, the OCS NCOE: (i) will advise the cognizant OCMI who may exercise operational control under 33 CFR 140.350 and require the DPSAO and the owner or operator of a MODU or vessel other than MODU to satisfactorily resolve the cause of the DP incident; and (ii) may initiate an audit of the DPSAO under § 61.50-4 of this subpart.

Comment	How can this comment be addressed or resolved?
	The Coast Guard is asked to confirm that the annual reports provided to the OCS NCOE will be appropriately redacted and made publically available on the internet. The Coast Guard should specify a format for use by DPSAOs in making the required annual reports.
Proposed 46 CFR 61.50-4 Oversight of dynamic positioning system assurance organizations – delayed response to reported DP incidents The proposed rule states: **§ 61.50-4 Oversight of dynamic positioning system assurance organizations.** * * * * * (c) Where the OCS NCOE is not satisfied with the resolution of any DP incident contained in the report required by paragraph (b) of this section, the OCS NCOE: (i) will advise the cognizant OCMI who may exercise operational control under 33 CFR 140.350 and require the DPSAO and the owner or operator of a MODU or vessel other than MODU to satisfactorily resolve the cause of the DP incident; IADC questions the efficacy of this requirement. By reference to "the report" it is acknowledged that more than a year may have lapsed between the time of the incident and the review of the report by the OCS NCOE. The proposed 33 CFR 140.335(j) contains requirements for reporting DP incidents to the OCMI, who can and should follow up on these reports. If need be, the Coast Guard can create an internal reporting requirement for OCMIs to forward information on reports submitted under the proposed 33 CFR 140.335(j) to the OCS NCOE. Appropriate corrective action is required in addition to the resolution of the cause of any DP incident. IADC would presume that OCMI's, having been advised of a DP incident would take appropriate action.	See the above comments and recommendations regarding separately addressing the functions of: • Oversight of DPSAOs; and • Processing of DP investigation reports and preparation of annual summaries.

Comment	How can this comment be addressed or resolved?
Proposed 46 CFR 61.50-5 Initial survey – Uncertainties created by the proposed incorporations by reference The proposed rule states: **§ 61.50-5 Initial survey.** (a) An initial survey, specified in paragraph 5.1.1.1 of IMO MSC/Circ.645 (incorporated by reference, see § 61.03-1) and section 4.6 of the MTS DP Operations Guide for MODUs or section 4.7 for either project/construction vessels or logistics vessels, as appropriate (incorporated by reference, see § 61.03-1), must be conducted on a Mobile Offshore Drilling Unit (MODU) or vessel other than a MODU to which this subpart applies. The initial survey must include a Failure Modes and Effects Analysis (FMEA) proving test using the dynamic positioning (DP) system FMEA proving test document described in § 62.40-20 of this subchapter. The initial survey must identify the Critical Activity Mode of Operation (CAMO) defined in § 62.10-1 of this subchapter. Paragraph 5.1.1.1 of the annex to IMO MSC/Circ.645 reads: 5.1.1. Each DP-vessel which is required to comply with the Guidelines is subject to the surveys and testing specified below: .1 Initial survey which ~~should~~ **shall** include a complete survey of the DP-system to ensure full compliance with the applicable parts of the guidelines. Further it includes a complete test of all systems and components and the ability to keep position after single failures associated with the assigned equipment class. The type of test carried out and results ~~should~~ **shall** be documented in the Flag State Verification and Acceptance Document (FSVAD), see 5.2. (Note: Conversion to mandatory language shown for clarification of regulatory effect.) The proposed incorporation by reference of paragraph 5.1.1.1 of the annex to IMO MSC/Circ.645 has the effect of: • Incorporating all other applicable parts of the guidelines (“applicable” being subject to interpretation); and • Specifically requiring the documentation of the test result in the Flag State Verification and Acceptance Document (FSVAD).	If it is to be retained as a standard incorporated by reference, revise the reference to IMO MSC/Circ.645 to read: . . . specified in paragraph 5.1.1.1 of the annex to IMO MSC/Circ.645 . . . Revise the rule to make more effective use of the annex to IMO MSC/Circ.645 as the basis for compliance with the rule or, in the alternative, eliminate the pretense that the annex to IMO MSC/Circ.645 is actually being accepted as a standard. Provide clarification on the relevance, if at all, of section 4.6 of the MTS DP Operations Guide for MODUs (or section 4.7 for either project/construction vessels or logistics vessels) and how it is to be taken into account during the initial survey. Revise the rule to provide absolute clarity regarding whether or not a FSVAD must be obtained as an element of compliance with the rule.

Comment	How can this comment be addressed or resolved?
With regard to the requirement to "ensure full compliance with the applicable parts of the guidelines," what other parts of the annex to IMO MSC/Circ.645 are deemed to be applicable by the Coast Guard? In terms of the proposed rulemaking, what purpose does requiring a FSVSD serve? The Coast Guard needs to carefully examine this proposed incorporation by reference. From IADC's perspective, it appears to have been included to provide the appearance of an acceptance, without effect, of an international (IMO) standard. The reference to section 4.6 of the MTS DP Operations Guide for MODUs for information regarding the initial survey for MODUs appears to be in error. The MTS guideline does not refer to the "initial survey." It does refer to the DP FMEA Proving Trials, but it states that "These tests should be conducted *immediately following launching* of a new build vessel." This is a patently ridiculous suggestion that should not be made mandatory by incorporation by reference of this guidance into regulation. As previously indicated, a feasible implementation schedule needs to be established. IADC is concerned that that there are insufficient qualified persons to staff the DPSAOs to handle the startup workload that the rule, as proposed, would generate. Implementation could be facilitated if previous FMEA proving tests witnessed by the FMEA provider or classification society can be accepted rather than repeating the FMEA proving test.	
Proposed 46 CFR 61.50-5 Initial survey – "approval" of software. The proposed rule states: **§ 61.50-5 Initial survey.** * * * * * (b) DP system software, programmable controls, and alarm system logic	We would presume that "alteration of software" rather than "alternation of software" intended? The Coast Guard should consult with potential DPSAOs and obtain specific assurance that these organizations will be willing to, and anticipate that they will have the capability to "approve" DP system

Comment	How can this comment be addressed or resolved?
must not be altered after satisfactory completion of the initial survey without the approval of the DPSAO described in § 61.50-2 of this subpart. The DPSAO must notify the cognizant Officer in Charge, Marine Inspection of any approved alternation of software after an initial survey. The notification must include any changes to the vessel's FMEA or CAMO that resulted from the software change, if applicable. The term "alternation" seems to be in error. This proposed requirement seems overly prescriptive. It would appear possible that insignificant changes could take place after initial surveys that will be of virtually no consequence to critical functions. Key terms (DP system, FMEA, CAMO and DPSAO) have not been defined for subpart 61 – see comment above.	software, programmable controls, alarm system logic, and alteration of software for all the equipment and systems that fall within the definition of "DP system." Part of the capability analysis must be an assessment of the willingness of those having proprietary rights to the software and code to allow examination by 3rd parties. Without prejudice to IADC's recommendation that the functions of the DPSAO be removed from the regulation, the following revised text is offered: **§ 61.50-5 Initial survey.** * * * * * (b) Any DP system software, programmable controls, and alarm system logic that directly impacts the FMEA analysis must not be altered after satisfactory completion of the initial survey without the approval of the DPSAO described in § 61.50-2 of this subpart. The DPSAO must notify the cognizant Officer in Charge, Marine Inspection of its approval of any alteration of software after an initial survey. The notification must include information regarding any changes to the vessel's FMEA or CAMO that resulted from the software change, if applicable.
Proposed 46 CFR 61.50-5 Initial survey – duplication of OCMI actions with those of the DPSAOs. The proposed rule states: **§ 61.50-5 Initial survey.** * * * * * (b) DP system software, programmable controls, and alarm system logic must not be altered after satisfactory completion of the initial survey without the approval of the DPSAO described in § 61.50-2 of this subpart. The DPSAO must notify the cognizant Officer in Charge, Marine Inspection of any approved alternation of software after an initial survey. The notification must include any changes to the vessel's FMEA or CAMO that resulted from the software change, if applicable. The proposed regulation would create an overlap between the functions	The Coast Guard should provide clarification regarding the applicability of 46 CFR 62.25-25 and its requirement that changes to programmable control and alarm system logic required the specific approval of the OCMI and how this relates to the proposed new requirements. This seems duplicative for those systems and equipment that are subject to 46 CFR 62.25-25 and also fall within the definition of a "DP system." The Coast Guard should provide guidance to DPSAOs regarding determination of the cognizant OCMI, particularly with regard to a vessel that may be outside the U.S.

Comment	How can this comment be addressed or resolved?
of the DPSAO and the OCMI with regard to those automated vital systems that would be included within DP systems. The existing 46 CFR 62.25-25 (General Requirements for All Automated Vital Systems) already requires: **§62.25-25 Programmable systems and devices.** (a) Programmable control or alarm system logic must not be altered after Design Verification testing without the approval of the cognizant Officer in Charge, Marine Inspection (OCMI). (See subpart 61.40 of this subchapter, Design Verification Tests). Safety control or automatic alarm systems must be provided with means, acceptable to the cognizant OCMI, to make sure setpoints remain within the safe operating range of the equipment. With regard to the existing regulations: Are OCMIs really individually approving all replacements (including 'in kind' replacements) of programmable logic controllers and electronic control modules and each 'tweak' to the programming that is being made by OEM service technicians? If not, why replicate this requirement for DP systems?	
Proposed 46 CFR 61.50-10 Periodic survey – Uncertainties created by the proposed incorporations by reference. The proposed rule states: **§ 61.50-10 Periodic survey.** (a) A periodic survey, specified in paragraph 5.1.1.2 of IMO MSC/Circ.645 (incorporated by reference, see § 61.03-1) and section 4.6 of the MTS DP Operations Guide for MODUs or section 4.7 for either project/construction vessels or logistics vessels, as appropriate (incorporated by reference, see § 61.03-1), must be conducted on a vessel to which this subpart applies at intervals not exceeding 5 years. This survey is intended to verify compliance with IMO MSC/Circ.645 and the applicable requirements of this subchapter. Paragraph 5.1.1.2 of the annex to IMO MSC/Circ.645 reads: 5.1.1 Each DP-vessel which is required to comply with the Guidelines is subject to the surveys and testing specified below: * * * * *	If it is to be retained as a standard incorporated by reference, revise the reference to IMO MSC/Circ.645 to read: . . . specified in paragraph 5.1.1.1 of the annex to IMO MSC/Circ.645 . . . Revise the rule to make more effective use of the annex to IMO MSC/Circ.645 as the basis for compliance with the rule or, in the alternative, eliminate the pretense that the annex to IMO MSC/Circ.645 is actually being accepted as a standard. Provide clarification on the relevance, if at all, of section 4.6 of the MTS DP Operations Guide for MODUs (or section 4.7 for either project/construction vessels or logistics vessels) and how it is to be taken into account during the initial survey. Revise the rule to provide absolute clarity regarding whether or not a FSVAD must be obtained as an element of compliance with the rule.

Comment	How can this comment be addressed or resolved?
.2 Periodical survey at intervals not exceeding five years to ensure full compliance with the applicable parts of the guidelines. A complete test ~~should~~ **shall** be carried out as required in 5.1.1.1. The type of test carried out and the results ~~should~~ **shall** be documented in the FSVAD, see 5.2. (Note: Conversion to mandatory language shown for clarification of regulatory effect.) The annex to IMO MSC/Circ.645 refers to a "periodical survey" rather than a "periodic survey". If the reference is to be retained, the terminology should be made consistent. With regard to the requirement to "ensure full compliance with the applicable parts of the guidelines," what other parts of the annex to IMO MSC/Circ.645 are deemed to be applicable by the Coast Guard? The Coast Guard needs to carefully examine this proposed incorporation by reference. From IADC's perspective, it appears to have been included to provide the appearance of an acceptance, without effect, of an international (IMO) standard. The reference to section 4.6 of the MTS DP Operations Guide for MODUs for information regarding the initial survey for MODUs appears to be in error. The MTS guideline does not refer to the "initial survey." It does refer to the DP FMEA Proving Trials, but it states that "These tests should be conducted immediately following launching of a new build vessel." This is a patently ridiculous suggestion that should not be made mandatory by incorporation by reference of this guidance into regulation.	
Proposed 46 CFR 61.50-15 Annual survey – Uncertainties created by the proposed incorporations by reference. The proposed rule states: **§ 61.50-15 Annual survey.** (a) An annual survey, described in paragraph 5.1.1.3 of IMO MSC/Circ.645 (incorporated by reference, see § 61.03-1), must be conducted on a vessel to which this subpart applies within the 3 months before or after	If it is to be retained, revise the reference to IMO MSC/Circ.645 to read: . . . specified in paragraph 5.1.1.3 of the annex to IMO MSC/Circ.645 . . . Revise the rule to make more effective use of annex to IMO MSC/Circ.645 as the basis for compliance with the rule or, in the alternative, eliminate the pretense that the annex to IMO

Comment	How can this comment be addressed or resolved?
each anniversary date of the initial survey. The annual survey must ensure that the dynamic positioning system has been maintained in accordance with applicable parts of IMO MSC/Circ.645 and is in good working order. Paragraph 5.1.1.3 of the annex to IMO MSC/Circ.645 reads: 5.1.1 Each DP-vessel which is required to comply with the Guidelines is subject to the surveys and testing specified below: * * * * * .3 Annual survey ~~should~~ **shall** be carried out within three months before or after each anniversary date of the initial survey. The annual survey ~~should~~ **shall** ensure that the DP-system has been maintained in accordance with applicable parts of the guidelines and is in good working order. Further an annual test of all important systems and components ~~should~~ **shall** be carried out to document the ability of the DP-vessel to keep position after single failures associated with the assigned equipment class. The type of test carried out and results ~~should~~ **shall** be documented in the FSVAD, see 5.2. Regarding the proposed requirement to "ensure that the DP-system has been maintained in accordance with applicable parts of the guidelines," it is necessary for the Coast Guard to identify what other parts of the annex to IMO MSC/Circ.645 are deemed to be applicable. The proposal, as written, would require that each DP vessel have a FSVAD. While IADC believes this to be an important document, in terms of the proposed rulemaking, what purpose does requiring a FSVSD serve? The Coast Guard needs to carefully examine this proposed incorporation by reference. From IADC's perspective, it appears to have been included to provide the appearance of an acceptance, without effect, of an international (IMO) standard. Section 4.6 of the MTS DP Operations Guide for MODUs does provide recommendations regarding the annual survey for MODUs. The MTS guideline acknowledges the difficulty associated with carrying out the	MSC/Circ.645 is actually being accepted as a standard. Revise the rule to such that, consistent with Section 4.6 of the MTS DP Operations Guide for MODUs, where allowance is made for applying IMCA M191and the proposed MTS TECHOP GEN 02 (WHITE PAPER ON CONTINUOUS TRIALS FOR DP MODUS) to develop a regime of annual testing that is conducted on an incremental basis throughout a year, as opportunities arise, but completed within a twelve month period. Revise the rule to provide absolute clarity regarding whether or not a FSVAD must be obtained as an element of compliance with the rule. If MSC/Circ.645 is to be incorporated by reference, the Coast Guard needs to identify what other parts of the annex to IMO MSC/Circ.645 are deemed to be applicable for compliance with this regulation.

Comment	How can this comment be addressed or resolved?
annual survey at as a single time-bound event and recommends the application of IMCA M191 to develop a regime of annual testing that is conducted on an incremental basis throughout a year, as opportunities arise, but completed within a twelve month period. The proposed MTS TECHOP GEN 02 (WHITE PAPER ON CONTINUOUS TRIALS FOR DP MODUS) also supports this option. IADC recommends that the regulations accommodate this continuous survey regime. The applicability of section 62 Vital System Automation is confusing and needs to be reworded.	
Proposed 46 CFR 61.50-20 Appeals. The proposed regulatory text appears misplaced since general sections regarding appeals appear in 33 CFR part 1, subpart 1.01, and 46 CFR part 1, specifically 46 CFR subpart 1.03 regarding "Rights of appeal.". See also the comments regarding § 61.50-3 Acceptance of dynamic positioning system assurance organizations and the delegation of authority to the OCS NCOE.	Make appropriate amendments 33 CFR part 1, subpart 1.01, and 46 CFR part 1, specifically 46 CFR subpart 1.03 regarding "Rights of appeal."
Proposed 46 CFR 62.01-5(a), Applicability – reversal of 18 August 2014 final rule extending the application to OSVs of 6,000 GRT and above. The proposal would revise 46 CFR 62.01-5(a) to read: (a) *Vessels.* Except as described in § 62.40-1 of this part, this part applies to self-propelled vessels of 500 gross tons or more that are certificated under 46 CFR subchapters D, I, or U and to self-propelled vessels of 100 gross tons or more that are certificated under 46 CFR subchapter H. On 18 August 2014 (79 FR 48925) the Coast Guard amended § 62.01-5(a) as follows: a. After the words "subchapter D, I, or U", remove the word "and" and add, in its place, the punctuation mark ","; and b. After the words "subchapter H", add the words ", and to OSVs of at least 6,000 GT ITC (500 GRT if GT ITC is not assigned) as defined in §	Clarify the status of the amendment to 46 CFR 62.01-5(a) issued as a final rule on 18 August 2014 (79 FR 48925).

Comment	How can this comment be addressed or resolved?
125.160 of this chapter". The proposed action would have the effect of reversing the final rule that was issued on 18 August 2014. No explanation for this proposed reversal of the 18 August 2014 final rule is provided.	
Proposed 46 CFR 62.05-1, Incorporation by reference. See comments regarding the corresponding incorporations by reference in for the proposed 33 CFR 140.7(d)(1) provided above. The terminology for incorporating the MTS guidance in titles 33 and 46 should be consistent.	See recommendations provided above regarding the corresponding incorporations by reference in for the proposed 33 CFR 140.7(d)(1). The terminology for incorporating the MTS guidance in titles 33 and 46 should be consistent.
Proposed 46 CFR 62.10-1, Definitions – Definition of terms not used directly within the proposed rule. The proposed rule would define the terms *consequence analyzer*, *capability plot* and *redundancy*; however, these terms are not used within the proposed rule. The proposed rule's definition of *consequence analyzer* differs from its definition within the ABS DP Guidelines. What is the Coast Guard's purpose in proposing this this definition? IADC understands that the primary reference for *capability plot* is IMCA M 140, Rev. 1, *Specification for DP Capability Plots* (June 2000). The term is not defined in this standard. The MTS DP Operations Guide uses, and refers to IMCA M 140, but does not provide a definition of the term. The term is used but not defined in the ABS DP Guidelines, and is not used directly within the DNV DP Guidelines. What is the Coast Guard's purpose in proposing this this definition? The proposed rule's definition of the *redundancy* is not identical to that in the annex to IMO MSC/Circ.645, or to that in either the DNV or ABS DP Guidelines. The term is used in the MTS DP Operations Guide, but it is	Do not include the definitions of the terms *consequence analyzer*, *capability plot* and *redundancy* unless the purpose for including the definitions can be made clear. If they are to be included, an effort should be made to assure that the definitions are consistent with definitions appearing in any of the standards incorporated by reference.

Comment	How can this comment be addressed or resolved?
not defined. What is the Coast Guard's purpose in proposing this this definition? Is it intended to override the term as it is defined in the proposed incorporations by reference?	
Proposed 46 CFR 62.10-1, Definitions – Dynamic positioning system (DP system). The proposed rule offers the following definition: *Dynamic positioning system (DP system)* means a complete installation of components and systems that act together and is sufficiently reliable to provide vessel position-keeping capability. Any vessel using a DP system is considered a vessel underway, even if maintaining a fixed position. A DP system is comprised of the following sub-systems: (1) Power system, consisting of prime movers with necessary auxiliary systems and associated piping, generators, switchboards, and distribution system. (2) Thruster system, consisting of thrusters with drive units and associated auxiliary systems and piping, main propellers, and rudders (if all such thruster system parts are under the control of the DP system), thruster control electronics, manual thruster controls, and associated cabling and cable routing. (3) Control system, consisting of computer system, joystick system, sensor system, display system (operator panels), position reference system, and associated cabling and cable routing. The statement "Any vessel using a DP system is considered a vessel underway, even if maintaining a fixed position" is important as an interpretation of law and regulation, but it doesn't belong within the definition *Dynamic positioning system* as proposed. If a general statement regarding the navigating status of DP vessels is needed, the Coast Guard should consider drafting of appropriate amendments to part 15 of 46 CFR; and parts 82 and 90 of 33 CFR.	Revise to read: *Dynamic positioning system (DP system)* means a complete installation of components and systems that act together and is sufficiently reliable to provide vessel position-keeping capability. A DP system is comprised of the following sub-systems: (1) Power system, consisting of prime movers with necessary auxiliary systems and associated piping, generators, switchboards, and distribution system. (2) Thruster system, consisting of thrusters with drive units and associated auxiliary systems and piping, main propellers, and rudders (if all such thruster system parts are under the control of the DP system), thruster control electronics, manual thruster controls, and associated cabling and cable routing. (3) Control system, consisting of computer system, joystick system, sensor system, display system (operator panels), position reference system, and associated cabling and cable routing. If a general statement regarding the navigating status of DP vessels is needed, consider amending part 15 of 46 CFR; and parts 82 and 90 of 33 CFR.

Comment	How can this comment be addressed or resolved?
Proposed 46 CFR 62.10-1, Definitions – Vessels. See comments above regarding the proposed 33 CFR 140.305.	See recommendations above the proposed 33 CFR 140.30.
Proposed 46 CFR 62.10-1, Definitions – Activity Specific Operating Criteria (ASOC) and Well Specific Operating Criteria (WSOC). See comments above regarding proposed 33 CFR 140.305 and 46 CFR 62.10-1, Definitions for Activity Specific Operating Criteria (ASOC) and Well Specific Operating Criteria (WSOC).	See recommendations above regarding proposed 33 CFR 140.305 and 46 CFR 62.10-1, Definitions for Activity Specific Operating Criteria (ASOC) and Well Specific Operating Criteria (WSOC).
Proposed 46 CFR 62.20-2(a)(1), Required plans for DP systems - Implementation. The proposed 46 CFR 62.20-2(a)(1) states: **§ 62.20–2 Required plans for DP systems.** (a) The following vessels must comply with the provisions of this section: (1) MODUs that use a dynamic positioning (DP) system to conduct Critical Outer Continental Shelf (OCS) Activities, as defined in 33 CFR 140.305, on the U.S. OCS; and (2) Vessels of more than 6,000 GT ITC other than MODUs that use a DP system installed on or after [30 DAYS AFTER DATE OF PUBLICATION OF FINAL RULE] to conduct Critical OCS Activities, as defined in 33 CFR 140.305, on the U.S. OCS. Neither the immediate effect of paragraph (a)(1) nor the 30 days that would be provided by (a)(2) provide an adequate period for review of the final regulations and the development of the plans that would need to be submitted to the DPSAO. Further, the DPSAO's need to be authorized by the Coast Guard and be functional before the effective date of any requirement to submit plans.	A feasible implementation scheme needs to be developed. In terms of establishing a reasonable path toward implementation, vessel owners could begin to **submit** plans to their selected DPSAO within 90 days of the date on which the Coast Guard determined that a sufficient number of DPSAOs had been accepted in accordance with the proposed 46 CFR 61.50-3. A reasonable period of time would need to be provided for plan review and approval. Initial surveys under the proposed 46 CFR 61.50-5 could not be scheduled until the **approved** plans were available.
Proposed 46 CFR 62.20-2(b), Required plans for DP systems – Plan review requirements and coordination. The proposed 46 CFR 62.20-2(b) states:	DPSAOs, if they are required at all, do not need to be performing plan review. If the Coast Guard determines that DPSAOs do need to undertake

Comment	How can this comment be addressed or resolved?
§ 62.20-2 Required plans for DP systems. * * * * * (b) The owner or operator of each vessel to which this section applies must submit the following DP system plans and information for approval to the dynamic positioning system assurance organization (DPSAO) that performs the surveys under subpart 61.50 of this subchapter and is accepted under § 61.50-3 of this subchapter by the Coast Guard Outer Continental Shelf National Center of Expertise (OCS NCOE): (1) A DP system description, including a block diagram and functional relationships of various components. (2) Specifications of position reference and environmental monitoring sensors or systems. (3) The location of thrusters and control system components. (4) Details of the DP system monitoring and alarm system and interconnection with the main centralized monitoring and alarm system. (5) DP system Failure Modes and Effects Analysis (FMEA) and FMEA proving test documents as described in § 62.40-15 and § 62.40-20 of this part, respectively. (6) The Critical Activity Mode of Operation determined from the initial survey required by § 61.50-5 of this subchapter. (7) Designer or manufacturer self-certification of the DP system control equipment to the environmental design standards in § 62.25-40 of this part. See § 62.20-5 of this part. The Coast Guard needs to examine the rule to eliminate duplicative plan review. It is not clear to IADC that the DPSAO needs to be so heavily involved, if at all, in plan review and approval, since the proposed scope of plan review is largely, if not entirely, duplicates the plan review undertaken by the classification societies for issuance of DP class notation. Those U.S. (and possibly foreign) vessels that are certificated under the various subchapters of 46 CFR will submit (or will have submitted) some, if not all, the plans required under this proposed regulations as part of the required plan submittal process for inspection and certification. Such	plan review, it needs to carefully reassess the role of the DPSAO since the proposed role is already being largely, if not entirely, performed by classification societies for issuance of DP class notation. If the DPSAOs are to be assigned a role in plan review, The Coast Guard must carefully define this role so that there can be consistent and coordinated outcomes for plan review undertaken by the Coast Guard, classification societies, and DPSAOs on the same systems and system components. If DPSAO's are to be required to undertake plan review on DP systems on existing vessels, standards for such plan review need to be established. Plan review, *de novo*, to the standards that will be in effect at the time that this rule is finalized would be entirely unreasonable and would have both direct costs and lost opportunity costs that have not been accounted for in the regulatory analysis. With regard to the specifics of the proposed rule: • Any **requirement** for DPSAO's to conduct plan review would seem to require that conforming amendments be made to Subpart 50.20 of 46 CFR. • Paragraph (b)(4) needs to be revised to eliminate use of the term "main centralized monitoring and alarm system." • Paragraph (b)(6) must be revised to eliminate the requirement that the Critical Activity Mode of Operation **determined from the initial survey** be provided for the plan review.

Comment	How can this comment be addressed or resolved?
plans are submitted to the Coast Guard or to a classification society recognized in accordance with 46 CFR part 8, subpart B. There is a need to coordinate the plan review process to assure consistent and coordinated outcomes in those cases from DPSAO, classification society and Coast Guard plan reviewers, all of whom may be reviewing the same plans from approval. For example, a DPSAO would need to know if the Coast Guard or classification society acting on behalf of the Coast Guard had not approved the plans for the vessel's propulsion machinery or electrical power generation system. Systems and system components where classification societies use type approvals would seem to be an area where DPSAOs efforts would be largely wasted. Paragraph (b)(4) uses the term "main centralized monitoring and alarm system." While these are common on newer ships, there is no requirement (or standards) for such a system. Paragraph (b)(6) requires information from the initial survey to be submitted as part of plan review – This introduces circular logic. The initial survey should not be conducted until the plan review has been completed and approved plans are available. Subpart 50.20 of 46 CFR specifies requirements for plan submittal and approval that are applicable to the entirety of subchapter F of 46 CFR, including parts 61 and 62. If there is to be a requirement for plans to be submitted to a DPSAO, it will be necessary to make conforming amendments to subpart 50.20. Plan review on existing vessels' systems could be particularly problematic since it is not clear what standards are to be applied. Would it be appropriate for a DPSAO to question the acceptability of components of vital systems (e.g., part of an automated propulsion system that is also part of a DP system) that had been approved by the Coast Guard or a classification society and are performing satisfactorily?	
Proposed 46 CFR 62.20-2(c), Required plans for DP systems – Plan	Move this paragraph to the section of the regulations regarding

Comment	How can this comment be addressed or resolved?
review requirements and coordination. The proposed 46 CFR 62.20-2(c) states: **§ 62.20-2 Required plans for DP systems.** * * * * * (c) The DPSAO that performs the surveys under subpart 61.50 of this subchapter must submit a copy of the approved plans under paragraph (b) of this section and the results of the initial survey, including the FMEA proving test required by subpart 61.50 of this subchapter to the Commanding Officer, Marine Safety Center, U.S. Coast Guard Stop 7410, 4200 Wilson Blvd., Suite 400, Arlington, VA 20598-7410. The Commanding Officer, Marine Safety Center may elect to review the plans to validate compliance with the requirements of this subpart and advise the DPSAO, the Coast Guard OSCNCOE and the cognizant Officer in Charge, Marine Inspection. As worded, the purpose of any plan review undertaken by the Marine Safety Center seems directed toward oversight of the activities of the DPSAO and accordingly should be included in the provisions of the rule addressing oversight of DPSAOs rather than in this section.	oversight of DPSAOs. The comments above regarding where these provisions regarding oversight of DPSAOs should be placed within the regulations are applicable.
Proposed 46 CFR 62.25-40 Environmental design standards – Unnecessary or, if needed, incorrectly placed in the regulations. The proposed rule would add a new 62.25-40 to read: **§ 62.25-40 Environmental design standards.** * * * * * (b) Computer-based systems, microprocessors, storage devices, power supply units, signal conditioners, analog/digital converters, computer monitors (visual display units), keyboards, reference sensors, and related systems (excluding printers), and data recording or logging devices must be designed to the environmental standards in Clause 5 of IEC 60092-504 (incorporated by reference, see § 62.05-1). Clause 5 of IEC 60092-504 states:	Do not include in the final rule. The certifications that would be provided to satisfy Clause 5 of IEC 60092-504 are essentially the same as those that are required of classed vessels by IACS UR E10. Accordingly, IADC recommends that this requirement NOT be included in the regulations. If it is to be included, and there is justification for applying it to DP vessels, then there would seem ample justification for the requirement to be included in 46 CFR 62.25-30 so as to be applicable to all vital automation systems. The comments and recommendations provided above regarding application of standards to existing vessels are also applicable.

Comment	How can this comment be addressed or resolved?
5 Environmental type testing parameters Where equipment or systems are subject to type testing, the test procedures and severities specified in table 1 shall apply. It should be noted that table 1 specifies type tests, test procedures and severities – not "environmental design standards." The test procedures and severities in table 1 are similar to, but not identical to, the requirements specified in the existing 46 CFR 62.25-30, which is applicable to U.S. flag vessels and foreign flag vessels required to obtain a certificate of inspection (see 46 CFR 2.01-6). IADC would note that IACS UR E10 has required essentially compliance with Clause 5 of IEC 60092-504 since the early 1990's. IADC would expect that the major classification societies have incorporated these requirements into their rules. Doesn't this suffice? Can the Coast Guard explain the reasoning behind adding compliance with Clause 5 of IEC 60092-504 to the certification criteria for DP vessels, and not making it a general requirement for all automated vital systems by revising 46 CFR 62.25-30?	
Proposed 46 CFR 62.40-3 Minimum dynamic positioning system requirements – Uncertainties created by the proposed incorporations by reference. The proposed rule states: **§ 62.40-3 Minimum dynamic positioning system requirements.** Vessels to which this subpart applies must meet the applicable requirements of this part and 46 CFR 62.35-5 and 46 CFR 62.50-30 for remote propulsion control systems with periodically unattended machinery plants, as well as paragraph 3.4.1 of IMO MSC/Circ.645 (incorporated by reference, see § 62.05-1), except subparagraph 3.4.1.4. Paragraph 3.4.1.5 of the annex to IMO MSC/Circ.645 states: .5 Alarms and warnings for failures in systems interfaced to and/or controlled by the DP-control system are to be audible and visual. A	If the Coast Guard wants to establish a recordkeeping requirement for a "permanent record" of the occurrence of alarms and of status changes it should be explicitly stated in the proposal and addressed in the Coast Guard's ICB for the rule. Further, if a requirement for such a record is to be included, a reasonable retention period should be stated (e.g., 5 years). It should not be a "permanent record." The reference should be to paragraph 3.4.1 of **the annex to** IMO MSC/Circ.645.

Comment	How can this comment be addressed or resolved?
permanent record of their occurrence and of status changes should be provided together with any necessary explanations. IADC cannot find where the Coast Guard has addressed the creation or maintenance of this "permanent record" in the discussion of this proposed rule or in the Draft Regulatory Analysis.	
Proposed 46 CFR 62.40-5 Design for Critical OCS Activities – Implementation. The proposed regulation reads: **§ 62.40-5 Design for Critical OCS Activities.** (a) The following vessels must comply with the provisions of this section: (1) MODUs that use a dynamic positioning (DP) system to conduct Critical Outer Continental Shelf (OCS) Activities, as defined in 33 CFR 140.305, on the U.S. OCS; and (2) Vessels other than MODUs that use a DP system installed on or after (30 DAYS AFTER DATE OF PUBLICATION OF FINAL RULE) to conduct Critical OCS Activities, as defined in 33 CFR 140.305, on the U.S. OCS. Neither the immediate effect of paragraph (a)(1) or the 30 days that would be provided by the proposed (a)(2) provide adequate time to obtain and compile the necessary documentation to demonstrate compliance.	The Coast Guard must review the entire proposal to assure that it provides a reasonable path (and sufficient time) to implementation for each type and category of vessel. As has been indicated above, the proposed effective date 30 days after publication in the Federal Register is not feasible.
Proposed 46 CFR 62.40-5(b), Design for Critical OCS Activities – Uncertainties created by the proposed incorporations by reference. The proposed regulation reads: **§ 62.40-5 Design for Critical OCS Activities.** * * * * * (b) Vessels to which this section applies must meet the provisions of IMO MSC/Circ.645 (incorporated by reference, see § 62.05-1) and the provisions of the applicable MTS DP Operations Guide (incorporated by reference, see § 62.05-1) relevant to equipment class 2 (DP-2) or higher for MODUs, project construction vessels, or logistics vessels, as	As previously noted, there are numerous difficulties presented by the proposed regulation's proposed incorporation by reference of the MTS guidelines and IMO MSC Circ.645. These must be resolved if these incorporations by reference are to be included in the regulations. With regard to this section, the following must be addressed: • The term "equipment class 2 (DP-2)" must be clarified regarding its reference to provisions of the annex to IMO MSC/Circ.645 or to classification society DP class notation as referenced in the MTS DP Operations Guide. • In applying the proposed requirement that "Vessels to which this

Comment	How can this comment be addressed or resolved?
appropriate. It is not clear whether the requirement to "meet the provisions of IMO MSC/Circ.645 (incorporated by reference, see § 62.05-1) and the provisions of the applicable MTS DP Operations Guide (incorporated by reference, see § 62.05-1) relevant to equipment class 2 (DP-2) or higher . . ." refers to a class 2 (DP-2) system as described in the annex to IMO MSC/Circ.645, or to such systems as described in the MTS DP Operations Guide, or both. In this regard, it should be noted that the MTS DP Operations Guide requires compliance with "the relevant DP rules of the vessel's Classification Society." The intended effect of the MTS DP Operations Guide with respect to "design" is unclear as the MTS guides provide very little guidance on design. In this regard, IADC would offer the following observations/questions: • "The DP FMEA for a DP MODU should address the ESD function, in particular the various issues relating to the status of post activation battery power supplies (UPS). Appropriate guidance is given in section 6.6 of IMCA M196, "Guidance on the Design, Selection, Installation and Use of UPS onboard Vessels". Does this mean that the provision of IMCA M196 are also to be interpreted as being incorporated by reference? • "Some modern communications and alarm systems rely solely on software activated alarms through the network. This sole dependency is not recommended. Manual activation of alarms should never be overlooked in design or in operation." Does the mean that a manual means of activation should be provided for all software activated alarms? • The MTS Guide refers to provisions of the DNV rules for the classification of Ships – are these to be made mandatory, irrespective of the classification society providing the vessel's DP notation? With regard to the incorporation by reference of IMO MSC/Circ.645, IADC would offer the following observations and questions. • In applying the proposed requirement that "Vessels to which this	section applies must meet the provisions of IMO MSC/Circ.645" is it intended that all non-mandatory language in the annex to IMO MSC/Circ.645 be interpreted as mandatory? • Is the participation by the client/customer and its risk analysis (section 2 of the annex) mandatory? • How is discretionary language to be applied? E.g., "in so far as practicable," "may be accepted," etc. • Where the annex to IMO MSC/Circ. 645uses definitions that differ from that of the rule, which definition applies? • IMO MSC/Circ. 645 is intended to be administered by a flag-State, and allows flag State Administrations to allow exemptions and equivalents. The Coast Guard is clearly attempting to impose differing requirements as a coastal State, while simultaneously seeming to require flag –State certification in the form of a FSVAD. How are possible differences between flag-State and Coast Guard interpretations to be resolved? • What is the standard for adequacy of redundancy or reliability for applying paragraph 3.2.6 of the annex to IMO MSC/Circ. 645? • What is the standard for 'adequacy of thrust' for applying paragraph 3.3.1 of the annex to IMO MSC/Circ. 645? • What quality standards are recognized for the production of software for applying paragraph 3.4.1.8 of the annex to IMO MSC/Circ. 645? • Paragraph 5.1.2 of the annex to IMO MSC/Circ.645 states that surveys and tests should be witnessed by officers of the organization. Is this to be considered mandatory? If so, this would seem at odds with the Coast Guard's proposed delegation of this responsibility to DPSAOs. Can the owner be entrusted to carry out minor repair surveys as permitted by this paragraph? • How is "due regard" applied to the location of piping systems, lubrication, hydraulic oil, etc., in relation to fire hazards and mechanical damage as required by paragraph 3.5.2 of the annex to IMO MSC/Circ. 645? • What is the retention period for the FSVAD test results that must be available on board?

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section applies must meet the provisions of IMO MSC/Circ.645" is it intended that all non-mandatory language in the annex to IMO MSC/Circ.645 be interpreted as mandatory? • What is the role of the client/customer (oil company) and the its risk analysis (section 2 of the annex)? • How is discretionary language to be applied? E.g., "in so far as practicable," "may be accepted," etc. • The Circular uses definitions that differ from the proposed rule. The differences can be a source of confusion. • The Circular is intended to be administered by a flag-State, and allows flag State Administrations to allow exemptions and equivalents. The Coast Guard is clearly attempting to impose differing requirements as a coastal State, while simultaneously seeming to require flag –State certification in the form of a FSVAD. • What is the standard for adequacy of redundancy or reliability for applying paragraph 3.2.6? • What is the standard for adequacy of thrust for applying paragraph 3.3.1? • What quality standards are recognized for the production of software for applying paragraph 3.4.1.8? • Paragraph 5.1.2 of Circ.645 states that surveys and tests should be witnessed by officers of the organization. Is this "should" a "shall"? Can the owner be entrusted to carry out minor repair surveys as permitted by this paragraph? • How is "due regard" applied to the location of piping systems, lubrication, hydraulic oil, etc., in relation to fire hazards and mechanical damage as required by paragraph 3.5.2? • While proposing the wholesale incorporation of IMO MSC/Circ.645, the Coast Guard is a co-sponsor of a proposal to amend the IMO MSC/Circ.645. • For U.S. vessels, will the Coast Guard or the DPSAO on behalf of the Coast Guard issue a FSVAD? • What is the retention period for the FSVAD test results that must be available on board?	Other related issues that need to be addressed include: • While proposing the wholesale incorporation of IMO MSC/Circ.645, the Coast Guard is a co-sponsor of a proposal to amend the IMO MSC/Circ.645. Will the Coast Guard delay the issuance of a final rule in order to reflect the updated version of the Circular in the regulations? • For U.S. vessels, will the Coast Guard, or the DPSAO on behalf of the Coast Guard, issue a FSVAD if this remains a requirement of the updated Circular? For existing vessels, what standards are to be applied for plan review? As previously indicated, it does not appear that the Coast Guard has accounted for the direct costs of any vessel modifications that might be required or for lost opportunity costs as vessels are taken out of service for such modifications.
Proposed 46 CFR 62.40-10(b) and (c), Classification for Critical OCS	IADC believes the purpose of the proposed rule, at least with regard

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Activities – Uncertainties created by the proposed incorporations by reference. The proposed regulation reads: **§ 62.40-10 Classification for Critical OCS Activities.** * * * * * (b) Vessels to which this section applies must obtain an IMO MSC/Circ.645 equipment class 2 (DP-2) or higher notation from a classification society that meets the requirements of paragraph (c) of this section. (c) The classification society that issues an equipment class 2 (DP-2) or higher notation to vessels under this section applies must-- (1) Comply with the provisions of 46 CFR, part 8, subpart B; (2) Possess DP system rules aligned with IMO MSC/Circ.645 and the MTS DP Operations Guide (incorporated by reference, see § 62.05-1) applicable to the vessel being classed; and, (3) Submit evidence that it complies with paragraphs (c)(1) and (c)(2) of this section to the Coast Guard Outer Continental Shelf National Center of Expertise (OCS NCOE), which will authorize the classification society to issue notations as described in this section. This section requires classification societies to develop revised rules for DP class notation that can be reviewed by the OCS NCOE to assure that they are "aligned with …. the MTS DP Operations Guide." This seems rather odd, as other provisions of the proposed rule require vessel owners to comply with the MTS Guide, but the classification societies undertaking the plan review for such compliance only need to "align" the rules for certification. Aside from the time that will be required for classification societies obtain internal approval for developing a special set of rules for this class notation, or revise their existing rules, it will require some period of time for the classification societies to work with vessel owners to determine what changes, if any, might be required on individual vessels. Neither the immediate effect of paragraph (a)(1) or the 30 days that	to MODUs, could be fully achieved by simply requiring MODUs to obtain and maintain DP-2 class notation from a classification society recognized in accordance with 46 CFR part 8. This would greatly simplify the rule, streamline the implementation process, and eliminate the administrative burdens placed on the OCS NCOE. If this recommendation is not accepted: • The above comments regarding the 46 CFR 62.40-5(b) are applicable to classification societies' need to interpret and apply the annex to IMO MSC/Circ.645 and the MTS DP Operations Guide. • The Coast Guard should consult with potential classification societies that would seek authorization under this section and obtain specific assurance that these organizations that they will be willing to DP system rules aligned with IMO MSC/Circ.645 and the MTS DP Operations Guide and create a DP class notation that would be specific to DP systems on vessels operating on the US OCS. • If these classification societies are to review plans on behalf of the Coast Guard in order to issue the Coast Guard specific DP class notation to assure that the equipment and systems described in the plans comply with the applicable regulations, then the standard for authorization of the classification societies needs to be elevated from "alignment" to "conformance." • In establishing an implementation scheme, sufficient time must be allowed for the US NCOE to authorize the classification societies and for them to conduct any necessary plan review, tests and inspections, before the final effective date of the rule.

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would be provided by (a)(2) to meet the proposed requirements of this paragraph.	
Proposed 46 CFR 62.40-10(c)(3), Classification for Critical OCS Activities. The proposed rule would require that classification societies: (3) Submit evidence that it complies with paragraphs (c)(1) and c(2) of this section to the Coast Guard Outer Continental Shelf National Center of Expertise (OCS NCOE), which will authorize the classification society to issue notations as described in this section. This information is already in the possession of the Coast Guard for any classification society which has been recognized in accordance with 46 CFR, part 8, subpart B. This is a burden that should not be imposed.	Do not include the provisions requiring classification societies to submit evidence that they are recognized in accordance with 46 CFR part 8. The Coast Guard has this information.
Proposed 46 CFR 62.40-15, Failure Modes and Effects Analysis (FMEA) – Implementation. The proposed regulation reads: **§ 62.40-15 Failure Modes and Effects Analysis (FMEA).** (a) The following vessels must comply with the provisions of this section: (1) Vessels other than MODUs of more than 500 GT ITC (500 GRT if GT ITC not assigned) that use a dynamic positioning (DP) system installed before (30 DAYS AFTER DATE OF PUBLICATION OF FINAL RULE) to conduct Critical Outer Continental Shelf (OCS) Activities, as defined in 33 CFR 140.305, on the U.S. OCS; (2) Vessels other than MODUs that use a DP system installed on or after (30 DAYS AFTER DATE OF PUBLICATION OF FINAL RULE) to conduct Critical OCS Activities; and (3) MODUs that use a DP system to conduct Critical OCS Activities, as defined in 33 CFR 140.305, on the U.S. OCS. * * * (c) Vessels described in paragraph (a)(1) of this section must comply with the provisions of this section no later than the applicable date in 33 CFR table 140.335. * * * * *	The Coast Guard must review the entire proposal to assure that it provides a reasonable path (and sufficient time) to implementation for each type and category of vessel.

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Neither the immediate effect of paragraph (a)(3), the 30 days that would be provided by (a)(1) or (a)(2), or the effective dates in 33 CFR Table 140.335 provide sufficient time to meet the proposed requirements of this section.	
Proposed 46 CFR 62.40-15, Failure Modes and Effects Analysis (FMEA) – Uncertainties created by the proposed incorporations by reference. The proposed regulation reads: **§ 62.40-15 Failure Modes and Effects Analysis (FMEA).** * * * * * (b) The owner or operator of each vessel to which this section applies must complete and maintain an FMEA with the details necessary to demonstrate compliance with the applicable provisions of IMO MSC/Circ.645 and must demonstrate compliance with the MTS DP Operations Guide (both incorporated by reference, see § 62.05-1) for equipment class 2 (DP-2) or equipment class 3 (DP-3) requirements and this subpart, as applicable. * * * * * The requirement to "complete and maintain an FMEA with the details necessary to demonstrate compliance with the applicable provisions of IMO MSC/Circ.645" is confusing. The existing annex to IMO MSC/Circ.645 does not contain any requirements for an FMEA. IADC notes that the proposal currently being considered by the IMO for updating IMO MSC/Circ.645 includes a proposal to require an FMEA.	A requirement to produce and maintain a FMEA is included in the classification society rules applicable to obtaining DP class notation. Accordingly, if the recommendation (above) to accept DP class notation to fulfill the purposes of the rule, this section becomes superfluous. If the general recommendation to rely on use of DP class notation is not accepted, then the Coast Guard should either remove the reference to the current version of IMO MSC/Circ.645 (as it contains to requirement for a FMEA) or delay the final rule until an update to IMO MSC/Circ.645 which includes a requirement for a FMEA is adopted.

Attachment
(1) COS/API/IADC/OOC letter of 28 February 2014 to Director, Bureau of Safety and Environmental Enforcement

February 28, 2014

Mr. Brian Salerno
Director
Bureau of Safety and Environmental Enforcement
U.S. Department of Interior
1849 C Street, NW
Washington, D.C. 20240
Via: brian.salerno@bsee.gov

RE: Initial response to agency request for industry input regarding Stop Work Authority (SWA) and Ultimate Work Authority (UWA) requirements of Revisions to Safety and Environmental Management System (SEMS), Final Rule [Docket No. BSEE-2012-0011; RIN 1014-AA04; 78 Fed. Reg. 20423, April 5, 2013]

Dear Director Salerno,

On July 26, 2013, BSEE requested input from the Center for Offshore Safety (COS) in order to answer questions it received from the U.S. offshore industry upon publication of the agency's revisions to the SEMS final rule. Specifically, BSEE received many post-publication requests for clarification of the new SWA and UWA regulations contained in the revisions to the SEMS final rule. On August 28, 2013, the COS, the American Petroleum Institute (API), the International Association of Drilling Contractors (IADC), and the Offshore Operators Committee (OOC) commenced the first of several industry work group meetings to provide input on operationalizing the new SWA and UWA regulations, taking into account current industry good practices.

I am pleased to report that after several industry work group meetings, and after much constructive deliberation among industry personnel, we deliver the enclosed list of Frequently Asked Questions (FAQs). I kindly invite you to review the enclosed FAQs.

We look forward to discussing these FAQs further with you. If you have questions, please feel free to contact me at (832) 495-4925 or WilliamsC@centerforoffshoresafety.org.

Regards,

Charlie Williams, COS

Holly A. Hopkins, API

Alan Spackman, IADC

Allen Verret, OOC

Attachment

cc: Doug Morris, Chief, Office of Offshore Regulatory Programs
Staci King, Chief, SEMS Branch

Attachment: SWA and UWA Frequently Asked Questions (FAQs)

DEFINITIONS

1. What is the definition of "lease operator" as used in this FAQ?

   For the purposes of this FAQ the term "lease operator" is used in place of "You" as referred to in 30 CFR 250.1900. The word "You" is defined in 30 CFR 250.105 as "a lessee, the owner or holder of operating rights, a designated operator or agent of the lessee(s), a pipeline right-of-way holder, or a State lessee granted a right-of-use and easement."

2. What is the definition of "Stop Work Authority" (SWA)?

   It is the responsibility of the lease operator to define what SWA means for its company's SEMS program, taking into account the requirements of 30 CFR 250.1930.

3. What is the definition of "imminent risk or danger"?

   "Imminent risk or danger" means any condition, activity, or practice in the workplace that could reasonably be expected to cause:
   (1) Death or serious physical harm; or
   (2) Significant environmental harm to:
   (i) Land;
   (ii) Air; or
   (iii) Mineral deposits, marine, coastal, or human environment."
   [30 CFR 250.1930 (a)]

4. What is the definition of "Ultimate Work Authority" (UWA)?

   UWA "means the authority assigned to an individual or position to make final decisions relating to activities and operations on the facility." [30 CFR 250.1903]

5. What is the definition of "Person in Charge" (PIC) according to U.S. Coast Guard (USCG) regulations?

   PIC "means the master or other individual designated as such by the owner or operator" under 33 CFR 146.5 (in the case of unmanned or manned OCS facilities other than MODUs) or 46 CFR 109.107 (in the case of MODUs). [33 CFR 140.10]

   The PIC of unmanned or manned OCS facilities other than MODUs means the persons on the facility whom the "owner or operator, or the agent of either of them, shall designate by title and in order of succession." [33 CFR 146.5(a)]

   The PIC of a MODU means the individual whom the "owner of a unit or his agent shall designate" to be the master or person in charge of the MODU. [46 CFR 109.107]

Please see Questions 31 – 34 for discussion of the relationship between PIC, UWA, and person in charge.

6. What is the definition of "person in charge" according to BSEE regulations?

   Person in charge is not defined in the BSEE regulations.

   Please see Questions 31 – 34 for discussion of the relationship between PIC, UWA, and person in charge.

7. What is the definition of "facility" and "OCS facility"?

   For purposes of the BSEE SEMS regulations, "facility" means "all types of structures permanently or temporarily attached to the seabed (*e.g.*, mobile offshore drilling units (MODUs); floating production systems; floating production, storage and offloading facilities; tension-leg platforms; and spars) that are used for exploration, development, and production activities for oil, gas, or sulphur in the OCS. Facilities also include DOI-regulated pipelines." [30 CFR 250.105, paragraph (5) under definition of "facility"]

   For the purposes of USCG regulations, "OCS facility means any artificial island, installation, or other device permanently or temporarily attached to the subsoil or seabed of the Outer Continental Shelf, erected for the purpose of exploring for, developing, or producing resources therefrom, or any such installation or other device (other than a ship or vessel) for the purpose of transporting such resources. The term includes mobile offshore drilling units when in contact with the seabed of the OCS for exploration or exploitation of subsea resources." [33 CFR 140.10]

8. What is the definition of "attached and working together" and "in close proximity to one another" according to BSEE regulations?

   It is the responsibility of the lease operator to define what "attached and working together" and "in close proximity to one another" means for its SEMS program, taking into account the requirements of 30 CFR 250.1931 (a). It is expected that the lease operator will take into consideration the nature of its operations.

GENERAL

9. Who must approve a "Job Safety Analysis" (JSA) on a facility?

   The individual whom the lease operator designates as "being in charge of the facility" or another individual whom that individual designates must approve each JSA before personnel start a job activity associated with the JSA. This individual must sign the JSA to indicate such approval. This individual need not be the PIC. [30 CFR 250.1911(b)(3)]

10. How should the lease operator and contractors align policies and procedures regarding UWA and SWA?

    The lease operator and contractors "must document an agreement on appropriate contractor safety and environmental policies and practices before the contractor begins work" at the lease operator's facility. This includes UWA and SWA. [30 CFR 250.1914]

STOP WORK AUTHORITY (SWA)

11. Can the lease operator use its existing processes and/or procedures that allow for the stoppage of work that creates imminent risk or danger rather than creating a separate SWA program?

    Yes, as long as the program meets the requirements of 30 CFR 250.1930.

12. Must the SWA procedures required by 30 CFR 250.1930 include every work stoppage (e.g. those resulting from a behavioral based safety observation or similar program)?

    No. The SWA procedures required by BSEE must include only the capability to "stop work or decline to perform an assigned task when an imminent risk or danger exists." The practice of stopping work to address safety concerns that do not pose an imminent risk or danger do not fall within the scope of the SWA regulatory requirement. [30 CFR 250.1930(a)]

13. Does work stoppage need to be documented?

    No. There is no requirement to document work stoppages. The regulations require only that the "decision to resume activities [that posed an imminent risk or danger] must be documented in writing as soon as practicable." [30 CFR 250.1930 (c)]

    See Question # 30 for more information on documentation required for resumption of work.

14. According to 30 CFR 250.1930(b), "individuals who receive a notification to stop work must comply with that direction immediately." What actions are required by individuals receiving such a notification?

    Affected individuals must stop work immediately, provided the work can be stopped "in an orderly and safe manner." If the work cannot be stopped immediately "in an orderly and safe manner," then action should be taken to stop the work as soon as possible when it can be stopped "in an orderly and safe manner." [30 CFR 250.1930(b)]

15. How will the lease operator demonstrate that the person in charge of the conducted work that is creating an imminent risk or danger is responsible for ensuring the conducted work is stopped in an orderly and safe manner?

    Everyone has the responsibility to use SWA whenever an imminent risk or danger exists. It is the responsibility of the lease operator to determine how it will demonstrate in its SEMS

program that the person in charge of the conducted work is responsible for ensuring the work is stopped in an orderly and safe manner. [30 CFR 250.1930(b)]

16. According to 30 CFR 250.1930(b), "the person in charge of the conducted work is responsible for ensuring the work is stopped in an orderly and safe manner." Can the supervisor(s) of the person in charge of the conducted work be the responsible individual(s)?

    Yes, provided the lease operator's SEMS program clearly documents the process identifying the responsible individual(s) or position(s).

17. According to 30 CFR 250.1930(b), "the person in charge of the conducted work is responsible for ensuring the work is stopped in an orderly and safe manner." Can the person in charge of the conducted work assign this responsibility to another person?

    Yes, as long as the person assigned this responsibility is capable of ensuring the work is stopped in an orderly and safe manner.

18. According to 30 CFR 250.1930(e), "SWA procedures must be reviewed during all meetings focusing on safety." What does this mean?

    It is the responsibility of the lease operator to determine the applicability of this regulation, taking into account the type and nature of the various meetings on its facilities.

ULTIMATE WORK AUTHORITY (UWA)

19. Who must identify and designate the individual or position with the UWA in accordance with BSEE regulations?

    The lease operator as defined in Question #1 must do so. [30 CFR 250.1931(a)]

20. For which types of facilities must the lease operator identify and designate the individual or position with the UWA?

    The lease operator must designate the individual or position with the UWA for its facility(ies) "permanently or temporarily attached to the seabed (*e.g.*, mobile offshore drilling units (MODUs); floating production systems; floating production, storage and offloading facilities; tension-leg platforms; and spars) that are used for exploration, development, and production activities for oil, gas, or sulphur in the OCS" including DOI-regulated pipelines. [30 CFR 250.1931(a) and 30 CFR 250.105, paragraph (5) under definition of "facility"]

21. How may the lease operator identify and designate the individual or position with the UWA?

    It is the responsibility of the lease operator to have a process to identify and designate the individual or position with the UWA in its SEMS program. [30 CFR 250.1931(a)]

22. May the lease operator designate as the individual or position with the UWA the same individual that the MODU owner or operator designates as the master or PIC?

    Yes.

23. May the lease operator designate as the individual or position with the UWA a person other than the individual that the MODU owner or operator designates as the master or PIC?

    Yes.

24. May the lease operator designate an individual as the master or PIC of a MODU it contracts?

    No. Only the MODU's owner or operator (or the agent of either of them) may designate an individual as the master or PIC. [33 CFR 140.10 and 46 CFR 109.107]

25. Can the lease operator designate more than one individual or position with the UWA on a single facility at the same time?

    No. Per the definition of UWA, the lease operator must assign one individual or position with the UWA for a single facility at any given time. The lease operator may shift the assignment of the UWA from one individual or position to another, provided the lease operator's SEMS program clearly documents the process identifying the individual or position with the UWA on the facility. [30 CFR 250.1931(a)]

    Note that the lease operator must ensure that all personnel clearly know who has the UWA at all times. [30 CFR 250.1931(b)]

26. Can the lease operator designate more than one individual or position with the UWA for an OCS operation consisting of multiple facilities that are "attached and working together or in close proximity to one another"?

    Where multiple facilities are "attached and working together or in close proximity to one another" to perform a single OCS operation (e.g., Simultaneous Operations or SIMOPS), the lease operator must assign only one individual or position "with the UWA over the entire operation, including all facilities." The lease operator may shift the assignment of the UWA from one individual or position to another. [30 CFR 250.1931(a) and 30 CFR 250.1931(b)]

    Where multiple facilities are "attached and working together or in close proximity to one another" to perform multiple OCS operations independently (e.g., non-SIMOPS), the lease operator must assign one individual or position with the UWA on each facility.

27. May the individual or position with the UWA delegate this authority to another individual or position?

    It is the responsibility of the lease operator to determine if and when the individual or position with the UWA may delegate this authority to another person (e.g., if the individual

or position with the UWA becomes incapacitated, etc.), provided the lease operator's SEMS program clearly documents the process for delegating this authority. The lease operator must ensure that all personnel clearly know who has the UWA at all times. [30 CFR 250.1931(b)]

28. Is the individual or position with the UWA the only person authorized to stop work?

    No. All personnel have the responsibility to use SWA whenever an imminent risk or danger exists. It is the responsibility of the individual or position with the UWA to determine that work may be resumed when imminent risk or danger no longer exists. [30 CFR 250.1930 (c)]

29. Must the individual or position with the UWA determine when work can resume after every work stoppage that occurs on the facility?

    No. Only work that was stopped due to imminent risk or danger requires the individual or position on the facility with the UWA to determine "that the imminent risk or danger does not exist or no longer exists" prior to allowing the work to resume. [30 CFR 250.1930 (c)]

30. Does the lease operator have to document in writing the decision(s) by the individual or position with the UWA to resume work after an imminent risk or danger does not exist or no longer exists?

    Yes. The lease operator's SEMS program should establish the methodology for documentation and identify the specific documentation.

RESPONSIBILITES OF AND RELATIONSHIPS BETWEEN THE UWA AND THE PIC

31. What is the relationship between the UWA as defined in BSEE regulations and the PIC as defined in USCG regulations?

    The UWA and the PIC may or may not be the same person. The authorities and responsibilities for these individuals or positions, while appearing similar, must meet the specific requirements of the individual agency regulations.

32. What are the responsibilities of the individual or position with the UWA?

    The individual or position with the UWA has the authority to "make final decisions relating to activities and operations on the facility." [30 CFR 250.1903]

    The individual or position with the UWA has the authority "to pursue the most effective action necessary in that individual's judgment for mitigating and abating the conditions or practices" causing an emergency "that creates an imminent risk or danger to the health or safety of an individual, the public, or to the environment." [30 CFR 250.1931(c)]

    Only the individual or position with the UWA on the facility may determine "that the imminent risk or danger does not exist or no longer exists" for the work stopped under the

SWA procedures required by 30 CFR 250.1930(a), and only after such a determination may the work resume. [30 CFR 250.1930(c)]

Although 30 CFR 250.1931(a) requires the lease operator's SEMS program to clearly define "who is in charge at all times," the regulation does not require this person "who is in charge at all times" to be the same person as the "individual with the UWA on your facility(ies)."

33. How is "person in charge" used in BSEE regulations?

BSEE SEMS regulations in several sections [30 CFR 250.1911(b)(4), 250.1928(b), 250.1930(b), and 250.1931] contain a reference to a "person in charge." The term "person in charge" as used in these BSEE regulations normally relates to the supervision of a job or task and is unrelated to the USCG regulations that deal with designating a Person in Charge (PIC) of an OCS facility.

34. According to 30 CFR 250.1931(a), the lease operator must designate the individual or position with the UWA "taking into account all applicable USCG regulations that deal with designating a person in charge of an OCS facility." What USCG regulations should the lease operator take into account?

At a minimum, the lease operator should take into account the prescriptive responsibilities assigned to the PIC under USCG regulations. These prescriptive requirements include, **but are not limited to**, the following:

A. UNMANNED AND MANNED OCS FACILITIES INCLUDING MODUs

- Consulting with Coast Guard marine inspectors and BOEMRE (now BSEE) inspectors in order to minimize disruption of unit activities or risk to life or property in the conduct of drills or other tests or procedures [33 CFR 140.101(d)]
- Making the proper casualty notifications and reports to the USCG [33 CFR 146.30, 146.35, and 146.303]
- Implementing the lease operator's Emergency Evacuation Plan [33 CFR 146.140(d)(7) and 146.210(d)].

B. UNMANNED AND MANNED OCS FACILITIES **NOT** INCLUDING MODUs

- Exercising judgment for rectifying the conditions causing an emergency [33 CFR 146.5(b)]
- Controlling use of buoyant work vests [33 CFR 146.20(b)]

C. MANNED OCS FACILITIES **NOT** INCLUDING MODUs

- Maintaining custody of the first-aid kit [33 CFR 144.01-30]
- Establishing emergency signals to be used for calling personnel to their emergency stations [33 CFR 146.110(a)]

- Assigning personnel to special duties and duty stations in case of emergency [33 CFR 146.115]
- Assigning personnel to survival craft [33 CFR 146.120]
- Conducting emergency drills on a monthly basis and reporting in writing the time of the drill to the facility owner [33 CFR 146.125]
- Preparing and posting a station bill (muster list) [33 CFR 146.130]

D. MODUs

- Ensuring compliance with the provisions of the USCG Certificate of Inspection [46 CFR 109.109(a)(1)]
- Being fully cognizant of the provisions in the USCG required operating manual [46 CFR 109.109(a)(2) and 109.121]
- Inspecting and testing the steering gear and the means of communication between the bridge or control room and engine room on self-propelled units [46 CFR 109.201(a)]
- Inspecting and testing the whistles and general alarm bells [46 CFR 109.201(b)]
- Maintaining the accommodation spaces in a clean and sanitary condition [46 CFR 109.203]
- Maintaining the integrity of watertight appliances [46 CFR 109.209]
- Testing emergency lighting and power systems [46 CFR 109.211]
- Testing portable and fixed fire extinguishing systems and maintaining records on board [46 CFR 109.223 and 109.435]
- Ensuring compliance with all stability requirements at all times [46 CFR 109.227]
- Distributing a sufficient number of trained and untrained persons equitably among the MODU's survival craft [46 CFR 109.323]
- Maintaining at least one fire pump ready for use on the fire main system at all times [46 CFR 109.329]
- Ensuring that a fire hose is connected to each fire hydrant and that each fire hydrant is not blocked [46 CFR 109.331]
- Maintaining each fire main cutoff valve open and sealed to prevent closing [46 CFR 109.333]
- Ensuring that each person working over water is wearing a life preserver or buoyant work vest [46 CFR 109.334]
- Stowing work vests separately from life preservers [46 CFR 109.335]
- Maintaining on board at all times sufficient number of fireman's outfits and personnel trained to use them [46 CFR 109.337]
- Locating fire axes properly [46 CFR 109.339]
- Maintaining pilot boarding equipment and safe pilot boarding operations [46 CFR 109.347]
- Reporting unsafe machinery conditions and any repairs to the USCG [46 CFR 109.419]
- Reporting repairs or alterations of fire detecting and extinguishing equipment to the USCG [46 CFR 109.425]
- Maintaining a logbook and making the required entries [46 CFR 109.431 and 109.433]

- Maintaining cranes, a crane record book, crane certificates, and proper crane operations [46 CFR 109.437, 109.439, 109.521, 109.525, and 109.527]
- Ensuring that propulsion boilers are safely operated [46 CFR 109.555]
- Properly handling and stowing flammable and combustible liquids [46 CFR 109.557]
- Authorizing the use of explosives or radioactive materials and equipment [46 CFR 109.559]
- Posting required drawings, information and certificates [46 CFR 109.563 and 109.564]
- Maintaining up to date nautical charts and publications on self-propelled units [46 CFR 109.565]
- Inspecting certain areas before permitting riveting, welding, or burning work is conducted as required [46 CFR 109.573]
- Ensuring that no liquids are allowed to accumulate on the helideck [46 CFR 109.575]
- Designating persons to conduct helicopter fueling operations [46 CFR 109.577]
- Establishing manual control of the unit's steering gear when the automatic pilot is used in hazardous navigational situations [46 CFR 109.585]

INTERNATIONAL ASSOCIATION OF DRILLING CONTRACTORS

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7 May 2002

Captain Daniel F. Ryan
Commander, Eighth Coast Guard District (m)
501 Magazine Street
New Orleans, LA 70130-3396

Re: Well Bore Operations by Vessels other than Mobile Offshore Drilling Units

Dear Captain Ryan:

We are prompted by recent events to write to you to provide our views regarding the employment of vessels other than Mobile Offshore Drilling Units (MODUs) in drilling and associated operations where MODUs have traditionally been employed. This issue has previously been addressed by the Commandant.

On appeal, the Commandant held[1] that two specific vessels, which were not certificated as MODUs, could not permissibly engage in "drilling", *i.e.*, work beyond a cased hole. This same ruling does not prohibit these vessels (certificated Industrial Vessels) from continuing to perform workover operations within a cased hole.

While it is tempting to accept this ruling as precedent it must be recognized that, as with any appeal, the ruling is based on a set of specific circumstances and care must be exercised in extending the ruling to other circumstances.

We do not interpret the Commandants ruling on the appeal as requiring that "drilling" only be performed by vessels certificated as MODUs. In this regard, we note that the Coast Guard has allowed drilling from certain floating production units (*e.g.*, TLPs) without having issued them certificates of inspection as MODUs. Neither do we interpret the as ruling as implying that it is permissible for any vessel to perform workover operations. The lack of a statement of prohibition on the part of the Coast Guard cannot and should not be interpreted as implying permission or acceptability.

Over the past 30 years, a comprehensive body of regulation has been developed, both internationally and domestically, governing the minimum standards for design, construction, and equipment of Mobile Offshore Drilling Units. Internationally, these regulations have been codified as the IMO's "Code for the Construction and Equipment of Mobile Offshore Drilling Units," and domestically the regulations are codified at 46 CFR subchapter I-A, "Mobile Offshore Drilling Units."

Both sets of regulations were developed by governmental experts, with input from other interested parties, as a generalized approach to mitigating the risks and uncertainties associated with drilling and associated operations. The regulations mitigate the risks and uncertainties through detailed, often prescriptive, and interrelated requirements addressing, but not limited to:

[1] Commandant (G-MOC) letter 16703/46-107.11 dated December 1, 1997

- Construction, strength and materials;
- Subdivision, stability and freeboard;
- Machinery and electrical installation requirements, including hazardous area classification and protection;
- Fire and explosion safety, including structural fire protection, fire-extinguishing equipment, fire fighting equipment, and fire and gas alarms;
- Lifesaving appliances and equipment;
- Radiocommunications installations;
- Lifting device standards;
- Helicopter facility standards;
- Operating requirements, including standards for personnel competence assessment, training and instruction, and drills; and
- Periodic inspection and certification.

These regulations were not derived using formal safety assessment techniques; thus, the major classes of hazards that are addressed are not obvious. Subsequent application of formal safety assessment techniques to a wide variety of MODU operations throughout the world have served to identify these major hazard classes for traditional MODU operations. **These assessments have demonstrated that, with appropriate site-specific assessment, the minimum standards of the IMO MODU Code and the Coast Guard's MODU regulations are appropriate to mitigate the hazards associated with typical MODU operations.**

The site-specific assessment is needed to confirm that the anticipated operating conditions are within the MODUs acceptable operating range, *e.g.*, water depth, current, storm conditions, formation pressures, etc. Additional site-specific assessment may be required for certain "combined operations," *i.e.*, where an incident on a MODU may effect an adjacent installation or vice-versa.

Attachment A provides a description of these generalized hazards found to be associated with typical MODU operations. A model demonstrating the interrelationship of these generalized hazards is provided as attachment B.

We would emphasize that "minimum standards" address "generalized hazards" and are interrelated.

- A particular hazard may not exist in every operational situation. For example, the risk of helicopter crash may be largely eliminated if it is accepted that helicopters will not be used to supply the MODU.
- Hazards must be considered in terms of both their probability and their consequences. For example, the probability of a release of an explosive gas/air mixture may be reduced by limiting operations to within a cased hole, but this may not be sufficient to allow reclassification of a work area from "zone 1" to "zone 2" or "division 1" to "division 2".
- The protection offered by a minimum standard may not be sufficient to mitigate the risks in all situations. For example, additional mitigation may be appropriate to reduce the collision risks associated with operations adjacent to a major shipping fairway or to prevent foundation failure when a jack-up is moved onto a location previously occupied by a unit with a different leg configuration.
- The standards must be viewed holistically. For example, a firewater system is of little use without assurance that there will be power to the fire pumps in time of emergency and personnel trained in firefighting procedures.

To assure our nation's energy supplies, our industry must be able to embrace new technology where it is appropriate. This may require that the vessels employed in our industry have flexibility and functionality not currently envisioned by the IMO and Coast Guard regulations.

We suspect that there will be a continued blurring of the traditional "classes" of vessels inspected by the Coast Guard to allow such operational flexibility. Yesterday, at the Offshore Technology Conference, Admiral Pluta acknowledged the challenge that will be presented by compressed and liquefied natural gas transport vessels and terminals. We would offer the following as additional potential challenges:

- Jurisdiction and standards, if any, for accommodations units on the high seas over the outer continental shelf;
- Standards for vessels supporting coiled tubing units for drilling and workover;
- Standards for internal storage on MODUs of fluids produced during well tests; and
- Provision of workover equipment, and perhaps drilling equipment, on FPSOs.

On their face, the prescriptive nature of the IMO and Coast Guard regulations governing MODUs and other classes of vessels appear to hinder such flexibility and functionality. Fortunately, both these regulations allow alternatives to be considered when an equivalent effectiveness can be demonstrated.

The prerequisite for moving from the prescription of the Coast Guard and IMO standards for MODUs and seeking acceptance of an alternative approach is the demonstration of equivalent effectiveness. Such demonstration must be based on a thorough understanding of the underlying hazards and the effect of the substitution being sought. In recent years, a number of analytical tools have been developed to assist in making such a demonstration.

The Coast Guard has been receptive to considering such alternatives and we would expect that they would continue to be similarly receptive. We would urge greater consultation between the Coast Guard and the Minerals Management Service (MMS) when such alternatives are considered. For example, should the Coast Guard be asked to accept alternative or reduced standards on the basis that a cased and cemented well bore presents a lower risk than traditional drilling operations, MMS should be consulted on the quantification of the risk.

In consideration of the above, we have no objection, *per se*, to the Coast Guard considering allowing "drilling" operations from a vessel that is not specifically designed as a MODU – provided that a formal safety assessment demonstrates that the achieved level of safety and environmental protection is equivalent.

If you have any questions regarding these comments, I can be reached at (281) 578-7171, ext. 207.

Sincerely,

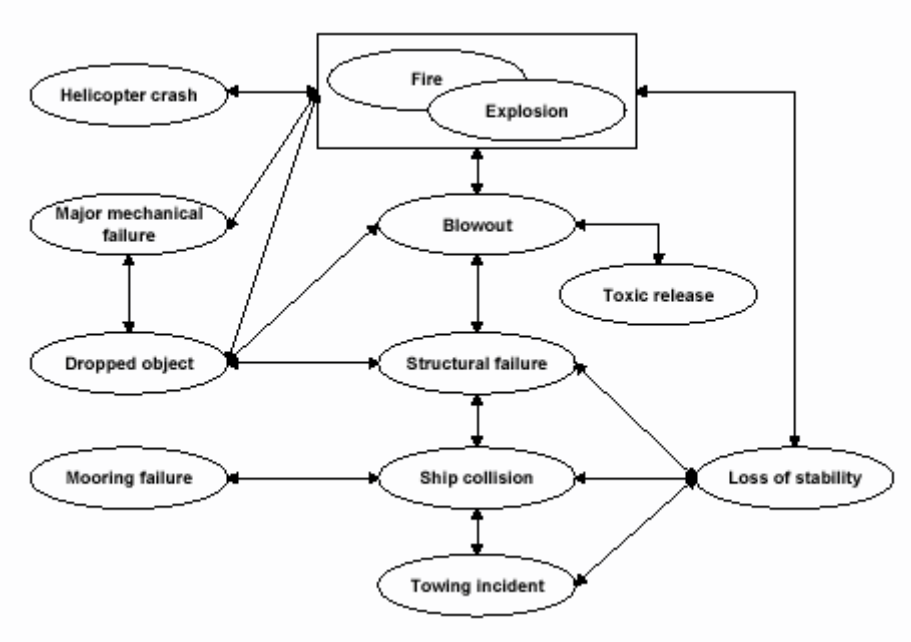
Alan E. Spackman
Director, Offshore Technical
and Regulatory Affairs

Copy: MMS, Mr. Don Howard

Attachment A – Major Hazard List

Hazard	Description
Blowout	An uncontrolled release of well fluids. It can occur at the drill floor, the blowout preventer (BOP), at the seabed, or underground from one reservoir to another.
Explosion	A combustion explosion in air, within either a compartment, or a partially confined volume of the MODU.
Fire	The ignition and development of liquid and combustible solid fires, leading to generation of heat and the products of combustion, such as smoke and toxic fumes. This includes fires that could result from normal combustibles such as fuel, oil, paints, paper, and gas cylinders.
Toxic Release	Material emitted from the well, or because of materials handled in the course of drilling or other activities. The main toxic hazard is the release of hydrogen sulphide from a "sour" well.
Loss of Stability	An event that threatens to capsize or sink the MODU. It includes events leading to listing or to loss of buoyancy.
Mooring/Stationkeeping Failure	Partial loss of anchoring and stationkeeping elements which holding failures can lead to further failure and possibly to a drifting MODU.
Foundation/Leg Failure	The buckling of a leg or punching through the seabed or failure of the jacking system, which can lead to listing and possibly eventual toppling of the MODU.
Towing Incidents	Failure of a towline, which cannot be recovered, possibly leading to grounding or collision.
Structural Failure	Loss of ability of the primary structural members of the MODU to carry the design loads, including emergency or extreme loads.
Dropped Objects	Dropped loads and impact, moving loads and side impacts, snagged loads, crane pedestal collapse or crane boom failure.
Major Mechanical Failure	Catastrophic failure of a mechanical system with the release of sufficient kinetic energy in fragments or other effect that could lead to escalation, it includes failure of pressure vessels or rotating machinery, and internal equipment explosions, but excludes failure of high pressure systems due to flame impingement.
Ship Collision	Impacts to the MODU from service vessels and errant or drifting vessels.
Helicopter Crash	The impact of a helicopter, either on or off the helideck of the MODU, immediately before or after landing or takeoff.

Attachment B – Major Hazard Interrelationship



SAFETY ALERT

February 24, 2015
Washington, DC

Coast Guard Alert 01-15
BSEE Alert #315

DYNAMIC POSITIONING SYSTEM FAILURES ON OFFSHORE SUPPLY VESSELS ENGAGED IN OIL AND GAS OPERATIONS IN THE U.S. OUTER CONTINENTAL SHELF

Discussion: This Joint Safety Alert addresses a dynamic positioning (DP) incident involving an Offshore Supply Vessel (OSV) which resulted in a loss of position while conducting a critical Outer Continental Shelf (OCS) activity. The OSV was attached to a wellhead, lost position and severed the wellhead tree causing a lubricant release on the platform deck and to the environment. Immediately prior to the position loss, the OSV had multiple DP system alarms and failures, including loss of bow thruster and engine control. No attempt was made to identify or correct the causes of these failures and the operations continued.

At the time of the position loss, the OSV was being utilized to support pump and electric line equipment which was connected to the well at the time of the incident. Specifically, when the vessel lost position, the vessel operator was in the process of removing a downhole DX plug from the well via wireline. High pressure pump lines were also connected to the well, although actual pumping operations were not in progress. When the vessel lost position, the Christmas tree was sheared from the well because of the force exerted on it by virtue of the connected high pressure lines. Severe consequences were averted because a subsurface safety valve was activated and there was an absence of hydrocarbon flow from the well.

The OCS activity performed was critical due to the short time to terminate and the potential uncontrollable release of hydrocarbons from a well with known sustained casing pressure. The Coast Guard and the BSEE are issuing this joint Safety Alert because we share jurisdiction on the OCS and wish to highlight the importance of an OSV's Safety Management System (SMS) and a leaseholder's Safety and Environmental Management System *(see Reference 1).*

This incident highlights the following critical issues:

Alarms: The Coast Guard and BSEE stress the importance of properly acknowledging and investigating all alarms, and taking immediate and positive corrective action prior to initiating or proceeding with any critical OCS activity.

SMS: The OSV was not required to and did not have an International Safety Management (ISM) Code certificate. The Coast Guard reminds OSV owners and operators that an effective SMS is essential to safe operations, particularly when those operations are critical OCS activities. Had the OSV implemented an effective SMS, as described in the ISM code, it likely would have:

1) Had adequate emergency disconnect capability and procedures for loss of position events and personnel trained in those procedures. In this case the OSV did not have adequate emergency disconnect capability, procedures or training records;

2) Ceased the critical OCS activity after experiencing multiple DP system failures - including engine and thruster loss - and not have resumed the activity until after correcting the causes of the DP system failures *(see Reference 2).*

Dynamic Positioning: The Coast Guard strongly recommends owners and operators of OSVs using DP to follow DP guidance provided in reference 3 (Marine Technology Society (MTS) DP operations guidance) when conducting critical activities on the U.S. OCS. See the applicable notice on this topic published in the Federal Register (77 FR 62247, October 12, 2012) for more details. Had this OSV followed the MTS DP operations guidance it likely would have:

1) Had a DP system that met a minimum of DP Equipment Class 2 (DP-2). The involved OSV's DP system was DP Equipment Class 1 (DP-1), which means that a loss of position may occur in the event of a single failure. *(see Reference 3, paragraph 4.1);*

2) Had an Activity Specific Operating Guideline (ASOG) that prescribed emergency disconnect procedures and capability to prevent equipment damage and pollution. The involved OSV did not have an ASOG defined. The sample ASOG in MTS DP guidance recommend the operator should "halt operations and initiate contingency procedures" for thruster and generator failures, which this OSV experienced prior to the loss of position incident. *(see Reference 3, Appendix C);*

3) Had a Critical Activity Mode of Operation (CAMO) defined. The involved OSV did not have a CAMO defined. The sample CAMO in MTS DP guidance recommend the operator change operating condition from "normal operations" to "informative/consultative status (risk assess)" when any change occurs to the normal operations of the DP system, which this OSV experienced prior to the loss of position incident. *(see Reference 3, Appendix C);*

4) Ensured a structured competence assurance program was applied to all key DP personnel. At a minimum DP personnel should be required to demonstrate proficiency in understanding the redundancy concept and emergency procedures to respond in the event of a DP system failure. *(see Reference 3, paragraph 4.14).*

Leaseholder/operator SEMS: BSEE strongly recommends leaseholders/operators consider Coast Guard recommendations for DP vessels when evaluating potential hazards and establishing/implementing contractor safe work practices in their SEMS program (*see 30 CFR §§ 250.1911 and 250.1914*). BSEE reminds leaseholders/operators of their critical role in ensuring safety and environmental hazards associated with contracted vessels on their lease are properly managed. For example, leaseholders/operators should ensure hazards associated with a loss of position by contracted DP vessels are analyzed and managed with appropriate contractor safe work practices.

For additional information, contact Lieutenant Commander Elizabeth Massimi at (504) 671-2156 with the Coast Guard District 8 Prevention Division or Troy Trosclair at 504-736-2923 with the BSEE Gulf of Mexico Region.

Reference 1: BSEE/USCG Memorandum of Agreement OCS-07 "Safety and Environmental Management Systems (SEMS) and Safety Management Systems (SMS)" (April 30, 2013).

Reference 2: ISM Code Regulations 7 and 10 (2014 ed.).

Reference 3: DP Operations Guidance, Part 2 Appendix 2: DP Project /Construction Vessels (Dynamic Positioning Committee of the Marine Technology Society to aid in the safe and effective management of DP Operations (July 31, 2012).

Reference 4: Marine Technology Society Technical and Operations Guidance (TECHOP) "Defining Critical Activities Requiring Selection of Critical Activity Mode", TECHOP_ODP_12_(O) (January 2014).

Location	Information presented	Comments
Page 70944	Part I of the preamble is missing sections A, B & C.	
Page 70945	SAMUDRA SURAKSHA	While IADC agrees that this incident illustrates the possible consequences of an incident involving the allision of an OSV with an offshore production facility, IADC believes that the Coast Guard has somewhat misrepresented this information by not fully establishing the context of the incident. This incident serves as a far better example of the need to establish appropriate procedures for (1) handling non-life-threatening medical injuries and (2) assessing when support vessels should be permitted to enter the safety zone of an offshore facility.
Page 70945	To reduce the likelihood of a DP incident causing loss of position and the resulting consequences, many large offshore lease-holding corporations require MODUs and other vessels using DP systems while performing Critical OCS Activities on their leases to meet a minimum DP system design standard. Additionally, they require these vessels to implement operating guidelines and employ procedures and decision support tools to ensure the DP system is operated within its design limits. They also require Dynamic Positioning Operators (DPOs) and other essential personnel to be well trained.	For a prudent lease-holder, this follows naturally from the implementation of the company's Safety and Environmental Management System (in accordance with BSEE regulations), to assure that the equipment and personnel selected to undertake a particular operation are appropriately qualified to do so. IADC believes that the Coast Guard has inappropriately discounted the role of the lease-holder in its initial selection and contracting of an appropriately qualified vessel to undertake work on the US OCS and, once contracted, to assure that the vessel is operating within its design capabilities to control the specific risks associated with the intended operations.
Page 70946 footnote 12	Footnote 12 reads: 12 ''DP Operations Guidance'' (Marine Technology Society, Part 1, Oct. 2010);"	The current (and available) guidance document is dated September 2012.
Page 70948	Because MODUs and other vessels operating solely with a DP system are considered to be underway, the regulations in 46 CFR subpart B that implement STCW Convention watchkeeping and	If "MODUs and other vessels operating solely with a DP system are considered to be underway" then the effect of this determination extends beyond OCS activities on the U.S. OCS.

Location	Information presented	Comments
	hours of rest provisions and the training requirements for personnel standing watches also apply to mariners serving on MODUs and other vessels using a DP system to engage in OCS activities on the U.S. OCS.	How does the Coast Guard intend to communicate this to the broader affected population of stakeholders?
Page 70948	*Recommendation 2*. Minimum training should meet the standards found in the International Marine Contractors Association's ''The Training and Experience of Key DP Personnel'' (International Marine Contractors Association (IMCA) M 117, Rev. 1, February 2006); and IMO Maritime Safety Committee Circular 738, ''Guidelines for Dynamic Positioning System (DP) Operator Training'' (MSC/Circ.738/Rev. 1, July 2006). In addition to meeting these training standards, further training and/or competency assessments should be required to ensure the proper performance of duties, and should be the responsibility of companies based on the DP system, vessel type, and service/activities. * * * * * We fully agree with the second recommendation.	It is disappointing that the proposed regulatory text doesn't reflect the Coast Guard's having "fully agreed" with this recommendation. IADC would like to see proposed regulations that are fully mapped to IMCA M117, Rev.1. IADC notes, in particular, the differences between IMCA M117 relating to terminology and qualifications of DP Operators, in particular, the position of DPOQ suggested for incorporation into the regulations. IADC is aware that IMCA 117 is currently undergoing revision.
Page 70948	As a party to the STCW Convention, we are proposing changes in this proposed rule to address the gap with respect to the application of STCW requirements to non-U.S. MODUs using a DP system to engage in OCS activities on the U.S. OCS by extending the application of the Convention requirements to them.	These non-U.S. MODUs are universally registered in other nations that are also party to the STCW Convention. The Coast Guard's perceived "gap" is the result of a difference in interpretation of the Convention and its requirements. The Coast Guard does not have the right to impose its interpretation of the Convention on other administrations. However, as a coastal State regulating drilling activity on its continental shelf, the Coast Guard does have the authority to impose its own requirements. The Coast Guard should be clear that it is this latter authority that is being employed in promulgating these regulations.

Location	Information presented	Comments
Page 70948	In general, we are proposing a risk-based approach tied to the type of vessel and whether the vessel conducts Critical OCS Activities.	IADC fails to see the risk basis for the proposed regulations. As proposed, the regulations perpetuate the employment of older and smaller vessels, and seemingly presume that disabling a DP system on an existing vessel reduces risk when the same activity is undertaken. Is an OSV approaching a MODU or fixed/floating platform under full manual propulsion control (with a disabled DP system) less of a risk than the same vessel with its DP system enabled?
Page 70951	Owners or operators would also be required to report DP system incidents involving a reactive change from ''green'' to ''yellow'' or ''red'' as defined by the ASOC or WSOC.	Typical WSOCs go from ''green'' to ''yellow'' for a number of non-equipment or non-excursion events related to establishing a higher state of readiness on the vessel. This may be unrelated to the potential for a loss of position, or if related to a potential for a loss of position, are for the purpose to avoiding purely economic loss.
Page 70951	Instead, we propose to require that owners or operators consult the applicable portions of the MTS DP Operations Guide as a method of drafting these documents and complying with the other mandatory provisions of the regulations.	IADC finds this statement at odds with the proposed incorporation by reference of the MTS DP Operations Guide. If incorporated by reference, it would appear necessary to "comply with" rather than "consult" these guidelines.
Page 70953	We propose to require that when using a DP system to maintain station, a DPO must either operate the DP system or supervise a DPOQ who is operating the DP system.	As indicated above, the Coast Guard's proposals relating to DPOQs seem inconsistent with IMCA M117.
Page 70953	To ensure proper navigation and adequate operational oversight of DPOs, we are proposing a requirement in 33 CFR 140.320 that any MODU or other vessel using a DP to engage in OCS activities on the U.S. OCS, must be under the command of a master and maintain navigational watches.	This would seem to be of equal concern with regard to MODUs or other vessels using a DP system when engaged in activities other than OCS activities. Is this being addressed?
Page 70954	To address the concern that the requirements in the STCW tables of competency for masters and officers in charge of the	IADC would not recommend that the USCG develop a MODU limited license for self-propelled MODUs. If this is done, IADC

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	navigational watch exceed what is required in these proposed regulations for a MODU, the STCW Convention permits the issuance of limitations based on vessel types after identifying the competencies that are not applicable. Although the proposed requirements do not refer to specific STCW regulations or identify the appropriate competencies (specifically, knowledge, understanding, and proficiency) applicable to MODUs, the Coast Guard will address any differences through the issuance of exemptions and limitations to the credential in accordance with 46 CFR 11.301(f). We may also consider developing policy to identify any differences based on MODU type, if appropriate.	would be concerned that US mariners would avoid obtaining US Licenses and only obtain Exam Unlimited Licenses from the foreign flag administration of the MODU.
Page 70954	Furthermore, a provision similar to existing 46 CFR 15.520 would permit the flag state to also consider the specialized nature of each MODU, including the limitations and capabilities of the DP system, when determining the minimum manning complement.	The Coast Guard should not be in the position of either permitting or denying a flag State's activities, in relation to fulfilling its responsibilities under SOLAS for establishing the manning for its ships. If the Coast Guard sees the need to exercise its authority as a coastal State it should do so without interfering with the flag State.
Page 70956 footnote 27	The Coast Guard assumes that these positions would operate under current industry practices: A master and navigational watch would work a 28- day on/off schedule, with each work day consisting of an 8-hour shift; the master would then be on call for the remainder of the day, while three navigational watches would rotate 8-hour shifts throughout the day. We also expect that two masters and six navigational watches would alternate 28-day on/off rotations throughout the year in order to keep that MODU operational year round. As a result, one crew, which consists of three navigational watches and one master, would work seven rotations per year, while the other group would work six rotations per year.	We do not understand how the Coast Guard came to this assumption. During NOSAC subcommittee meetings, IADC members have informed the Coast Guard that DPOs (like other rig workers on the US OCS) are assigned a schedule of 12 hours on and 12 hours off, and do so while meeting the STCW requirements for hours of rest. While on a well location, 4 DPOs rotate 12 hours on and 12 hours off. Of these 4 DPOS, each one has a different shift, 0000 hrs to 1200 hrs, 0600 hrs to 1800 hrs, 1200 hrs to 2400 hrs, and 1800 hrs to 0600 hrs. This provides a fresh DPO on watch every 6 hours. Presently, the industry norm for the US OCS is 21 days on by 21

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		days off.
Page 70958	During the initial survey, and again during the periodic survey 5 years later, a full FMEA test must be performed.	IADC disagrees that a “full FMEA test must be performed,” and notes that this does not actually appear to be reflected as a requirement in the proposed regulatory text.
Page 70954 et seq	VII. Regulatory Analyses	See enclosure (5).

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Executive Summary	Costs for such [DP] systems range from $350,000 to $408,000 per vessel depending on requirements of the vessel and its operation.	This grossly underestimates the cost of a "DP system" as it is defined in the proposed rule, considering the inclusion of all the components, systems and sub-systems that act together and is sufficiently reliable to provide vessel position-keeping capability, particularly when redundancy must be provided to meet the requirements of DP-2 (or higher).
Executive Summary	The Coast Guard has also limited the application of the DP system design and operations standards to existing and new MODUs and new vessels, other than MODUs, that conduct OCS activities while using a DP system.	The Coast Guard acknowledges that the rule will apply (new) DP system design and operating standards to existing MODUs but offers a period for phasing-in these new standards. This creates an immediate and substantial demand on all the resources necessary to achieve and demonstrate compliance with the new regulations, and a recurring cyclical demand on these resources, due to the requirements for periodic tests and inspections.
Executive Summary	While this rule imposes no carriage requirements, nor does it require use of DP, it does require that DP used in certain critical situations (e.g., transfer of personnel and/or hazardous materials) meet DP-2 requirements to ensure that a single failure of a primary component does not lead to catastrophic consequences.	The statement that the "rule imposes no carriage requirements" is true only because the rule does nothing to prohibit vessels without DP systems from conducting operations which would subject them to these same critical situations, e.g., liveboating of diving operations would still be permitted even though the Coast Guard has apparently determined that, should a DP system be used for this operation, it must (eventually) meet the standards of the proposed rule.
Executive Summary	Reporting DP incidents (green to red) and near misses (green to yellow) will assist Coast Guard in understanding the frequency, causes and potential consequences of DP incidents in order to better ensure safety for this evolving technology.	The Coast Guard errs in its conclusion that all green to yellow status changes are near misses. This status change may only reflect a company's decision that certain events warrant the establishment of a higher level of awareness or preparation to react to situations not necessarily related to a loss of position. The status change may also be triggered In situations where a loss of position would result only in

<table>
<tr><th>Location</th><th>Information presented</th><th>Comments</th></tr>
<tr><td></td><td></td><td>economic loss related to the industrial operation – a concern for the vessel owner and oil company, but under the current regulations, not a concern for the Coast Guard.</td></tr>
<tr><td>Executive Summary - Benefits</td><td>While DP system incidents can be resolved through the DPO or DPOQ manually taking control of the system, inaction or delayed action can have potentially catastrophic consequences.</td><td>As described in the proposed rule, the DPOQ is not a qualified dynamic positioning operator and should not be “taking control of the system.”

The Coast Guard errs in its apparent assumption that manually taking control of the DP system can mitigate a potential loss of position, e.g., certain environmental events will always have the potential to overwhelm a vessel’s capabilities.</td></tr>
<tr><td>Executive Summary – Benefits

Table ES-6

and

4.3 Consequences of DP Incidents</td><td><table><tr><th>Consequence Category</th><th>Range of Potential Consequences</th></tr><tr><td>Riser Lost on Seabed</td><td>$7 million to $70 million</td></tr><tr><td>Pipe Bent or Buckled</td><td>$3 million to $30 million</td></tr><tr><td>Downtime from Production</td><td>Up to $500 thousand per day rate</td></tr></table></td><td>The consequence categories relate to potential economic losses that, while they are of vital concern to the industry, they fall outside the Coast Guard’s regulatory jurisdiction except for having involved a vessel. (E.g., they can, and do, occur with floating platforms.)

The upper limits for these potential costs are likely on the low side as they don’t appear to include spread costs in addition to day rate.</td></tr>
<tr><td>Executive Summary – Benefits

and

4.3 Consequences of DP Incidents</td><td>In July, 2005, the Samudra Suraksha was transferring personnel off the coast of India when the vessel experienced a loss of position* and the vessel collided with a platform, severing a gas riser in the process.

*The vessel was equipped with DP but was not operating under DP at the time of the loss of position.</td><td>While IADC agrees that this incident illustrates the possible consequences of an incident involving the allision of an OSV with an offshore production facility, IADC believes that the Coast Guard has somewhat misrepresented this information by not fully establishing the context of the incident. This incident serves as a far better example of the need to establish appropriate procedures for (1) handling non-life-threatening medical injuries and (2) assessing when support vessels should be permitted to enter the safety zone of an</td></tr>
</table>

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		offshore facility. While IADC doesn't advocate such action, as justification for rulemaking, this example could just as reasonably be applied to a Coast Guard regulation to require OSVs to have trained medical personnel within their complement and/or prohibiting any vessel experiencing mechanical problems from entering into the safety zone of an offshore facility, or to a BSEE requirement to shut-in production when vessels come alongside.
Executive Summary – Alternatives Also section 1.2 and 6) Discussion of Alternatives	The Coast Guard considered the following alternatives: • Proposed Alternative (NPRM) • Alternative 2: Grandfathering all existing non-drilling DP vessels • Alternative 3: No Grandfathering and no phase-in period • Alternative 4: Proposed Alternative Plus Additional DP manning requirements • for non-drilling vessels with new or upgraded DP systems • Alternative 5: Alternative 3 Plus Additional DP manning requirements	The alternatives considered made no differentiation with respect to MODUs. With regard to equipment requirements, IADC finds it extremely disappointing that the Coast Guard did not fully analyze existing classification society rules for DP notation and consider mandating DP class notation as the regulatory requirement to be applied to classed vessels as an alternative to prescriptively applying new and ambiguous requirements.
OMB A-4 ACCOUNTING STATEMENT		We concur that the proposed rule is not expected to exceed the threshold for economic significance.
Table 1-1: Dynamic Positioning Requirements based on Vessel Type		IADC is perplexed that the Coast Guard did not recognize a need to phase-in the proposed regulatory requirements for existing MODUs. At a minimum, a reasonable period must be provided for plan preparation, review and approval in advance of any mandate for testing and inspection based on approval of such plans and documentation.

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1.3 Assumptions: Wages		IADC does not obtain information from our membership regarding wages or working conditions and can offer no comment.
2) Affected Population	The Coast Guard provides no phase-in period for existing MODUs.	This is simply infeasible as, at a minimum, reasonable period must be provided for plan preparation, review and approval in advance of any mandate for testing and inspection based on approval of such plans and documentation. Front-loading the requirements for existing MODUs introduces a large workload on all stakeholders and, due to the cyclic nature of the rule's requirements for testing and inspection, causes this to recur. The alternative of accepting existing DP class notation from classification societies for the design and equipment requirements would largely eliminate this problem. A phase-in period is also required for training and documentation of personnel.
Table 2-2: Summary of Affected Population		The estimates for MODUs are not unreasonable for this purpose.
Table 2-3 Summary of Affected Population by Requirement	MODUs - 0 Section 3.4 - 33 CFR 140.335 (b) (2) (Develop a FMEA)* * Through interviews with private MODU owners, it was determined that all existing and future MODUs would comply with these requirements.	There is a difference between a company choosing to obtain classification society DP class notation (and having a FMEA as a result), and having both the classification society and a DPSAO review that FMEA to the Coast Guard's interpretation of the MTS Guidelines. Due to the uncertainties associated with the introduction of DPSAOs into the process and their review of FMEAs to the "standard" of the MTS Guidelines, IADC cannot agree that

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		there are no affected MODUs. As the rule is proposed IADC believes all MODUs will need to submit the unit's FMEA for review, *de novo*. MODUs would be removed from the affected population if the Coast Guard were to accept existing DP class notation as fulfilling the requirements of the rulemaking.
Table 2-3 Summary of Affected Population by Requirement and 3.5 Costs for 33 CFR 140.335(b)(4) & (c)(d) / 46 CFR 62.40-25	MODUs – varies by year Section 3.5 - 33 CFR 140.335 (b) (4) (Develop a CAMO and ASOC/WSOC)* * Through interviews with private MODU owners, it was determined that all existing and future MODUs would have developed a WSOC in the absence of this rule, while only 70 percent of existing and future MODUs would have developed a CAMO.	There is a difference between a company choosing to develop a CAMO and ASOC/WSOC to their interpretation of the relevant guidelines and doing so in conformance with the Coast Guard's interpretation of the MTS Guidelines. IADC cannot agree with the minimal number of affected MODUs used in the calculation. As the rule is proposed IADC believes all MODUs will need to develop CAMO and ASOC/WSOC, *de novo*.
Table 2-3 Summary of Affected Population by Requirement	MODUs – varies by year Section 3.6 - 33 CFR 140.335 (h) (Report DP Incidents) and Section 3.6 - 33 CFR 140.335 (h) (Submit DP Investigation Reports)	For the reasons given in enclosure (1), IADC believes that the Coast Guard's estimate is far too low. IADC believes that vast majority of the additional incidents that would be reported will not provide meaningful information. IADC has suggested changes to the reporting criteria to alleviate this burden.
3) Discussion of Costs		While the Coast Guard is proposing incorporation by reference of IMO MSC/Cir.645 and the MTS DP Operations Guidelines, it has chosen to do so without attempting to reconcile the definitions proposed in the regulations with

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		the (differing) definitions used in the two standards. The Coast Guard has also failed to indicate how the non-mandatory language within these incorporations by reference is to be interpreted. Both of the above have cost implications that are not addressed.
3) Discussion of Costs	Although Coast Guard regulations have not kept pace with this new technological development, industry has developed the IMO MSC/Cir.645 and MTS guidelines for DP operation in order to ensure that their vessels operated at acceptable levels of safety.	While the industry may have been the major contributor to the development of IMO MSC/Cir.645, it remains an IMO (not industry) standard. It is noteworthy that paragraph 2 of this Circular states: 2 Member Governments are invited to bring the Guidelines to the attention of all bodies concerned, and apply the Guidelines to new vessels with dynamic positioning systems constructed on or after 1 July 1994, in conjunction with implementation of the provisions of paragraph 4.12 of the 1989 MODU Code as amended by resolution MSC.38(63). Not only have Coast Guard regulations not kept pace – the Coast Guard has neglected to develop a means by which such information is routinely "brought to the attention of all bodies concerned."
3.1 Changes to 33 CFR part 140 -- Dynamic Positioning Systems	Many of these requirements are based on existing international convention standards established for vessels that utilize DP systems as described in the IMO MSC/Circ.645 and the MTS DP Operation Guidelines, which based on discussions with industry, we estimate that 90 percent of existing MODUs and 50 percent of existing OSVs and crewboats would comply with in the absence of this rule. Furthermore, we expect that all future MODUs and 50 percent of future OSVs and crewboats would comply with	The statement minimizes the potential impacts that can arise due to the difference between industry's interpretation of the non-mandatory language in the cited standards and the Coast Guard's interpretation of such language as it may be imposed by regulation through the offices of the accepted DPSAOs and authorized classification societies. The uncertainties are considerable.

Location	Information presented	Comments
	provisions in IMO MSC/Circ.645 and MTS DP Operation Guidelines in the absence of this rule.	
Table 3-1: Changes to 33 CFR part 140 -- Dynamic Positioning Systems	140.330 Minimum Design Standards and Testing Requires all vessels that use a DP system to conduct OCS activities meet the DP Design Standards in paragraph 3.4.1 of IMO MSC/Circ. 645 as well as the provisions in 33 CFR 140.310 - 140.325. No net cost. This provision incorporates international standards understood to be used given industry practice and desire to compete in international markets.	IADC disagrees. The regulatory mandate for periodic tests and inspections removes a great deal of flexibility from the conduct and scheduling of such inspections and tests. This is exacerbated by the need to employ the services of one of a limited number of authorized DPSAOs vice employing a service provider of choice. IMO MSC/Circ.645 calls for the issuance of a Flag State Vessel Acceptance Document. This would seemingly be made mandatory if IMO MSC/Circ.645 is incorporated by reference. The costs associated with obtaining and issuing this document are not included.
Table 3-1: Changes to 33 CFR part 140 -- Dynamic Positioning Systems and 3.6 Costs for 33 CFR 140.335(h)	DPSAOs must submit an annual report to the Coast Guard OCSNCOE summarizing each DP investigation that occurred during that year, and whether it is satisfied with the owner or operators response.	The proposed regulation states: The DPSAO must confirm in the report that each DP investigation summary complies with 33 CFR 140.335(i). This isn't a statement that the DPSAO is satisfied; rather it is an attestation that the report has been reviewed and found in compliance with the regulations. This is a significant difference – particularly with regard to the resources that might be required (both on the part of the owner and the part of DPSAO) before a report that can be deemed acceptable is received.
3.2 Costs for 33 CFR 140.315 (d)	The Coast Guard estimates that it would take an owner or operator 6 minutes to prepare a DPO's or DPOQ's proof of training certificate for shipment.	Something is truly amiss if it takes just as long for the Coast Guard to review a certificate as it does for a vessel owner to prepare it.

Location	Information presented	Comments
	This requirement would also impact government, as government employees would now have to review DPO/DPOQ training certificates during an inspection. This review would be conducted by a uniformed Coast Guard personnel, usually at an O-3 grade, with an average loaded wage of $75 per hour. According to Coast Guard subject matter experts, this review would take an official 6 minutes to complete.	
3.3 Costs for 33 CFR 140.320	The Coast Guard assumes that these positions would operate under current industry practices: a master and navigational watch would work a 28-day on/off schedule, with each work day consisting of an 8 hour shift; the master would then be on call for the remainder of the day, while 3 navigational watches would rotate 8 hour shifts throughout the day.	IADC is aware that a NOSAC subcommittee provided the Coast Guard with information regarding work practice on MODUs, so no "assumption" should have been necessary. This information **did not** indicate that individuals were standing 8 hour shifts.
3.4 Costs for 33 CFR 140.335(b)(2) & (3) / 46 CFR 62.40-15 and 62.40-20	Existing MODUs, future MODUs, and future non-drilling vessels must comply with these sections immediately following the issuance of a final rule. The Coast Guard has determined that all MODUs are, or would be, compliant with the requirements in these sections prior to the effective date of this final rule.	As has been indicated elsewhere, immediate compliance with a requirement to develop and maintain a FMEA and FMEA test proving document is not feasible. 50+ vessels cannot complete proving tests in one day. The rule, as proposed, does not permit a MODU owner to use FMEA and FMEA test proving documents to satisfy the regulations. As proposed, the process would need to be completed *de novo* with both an authorized DPSAO and accepted classification society, and this process could not begin prior to the issuance of the final rule and the completion of the authorizations/acceptances.
3.11 Costs for 33 CFR 140.340(b)(1) /	Through this research, the Coast Guard has determined that all MODUs are, or would be, compliant with this	The rule, as proposed, does not permit a MODU owner to use existing classification society DP class notation to satisfy

Location	Information presented	Comments
46 CFR 62.40-5 (b)(2)	requirement prior to the effective date of this final rule.	the regulations. As proposed, the process would need to be completed *de novo* with an accepted classification society, and this process could not begin prior to the issuance of the final rule, the development by the classification society of a new and unique "Coast Guard" DP notation, and the completion of the acceptance process.
3.14 Changes to 33 CFR part 146 – Operations	Because the costs associated with obtaining a DPVAD have already been discussed in this RA, as well as foreign-flagged vessels already being required under existing regulations to submit a NOA to the NVMC upon arrival in the U.S. OCS, we estimate that this amendment to part 146 would not result in new costs to either industry or the government.	It appears that modifications to the e-NOA reporting process would need to be made to include the DPVAD in the report. Varying effective dates for the DPVAD being made mandatory for different classes of vessels will complicate the presentation of the information for the e-NOA.
Table 3-33: Changes to 46 CFR part 61 -- Periodic Tests and Inspections 61.50-2 Surveys	All applicable drilling and non-drilling vessels must complete DP surveys conducted by DPSAO. No incremental cost to have a DPSAO conduct a vessel survey, as it is understood that this is industry practice in order to compete in international markets.	IADC disagrees. Vessel owners would need to choose from a limited number of Coast Guard-accepted DPSAOs. There is no guarantee that these DPSAOs will provide services that will be acceptable to the vessel owner's clients.
Table 3-33: Changes to 46 CFR part 61 -- Periodic Tests and Inspections 61-50.3 Acceptance of dynamic positioning system assurance	The Coast Guard estimates that it would cost $1,235.10 for a DPSAO to show in writing that it meets the requirements of a highly qualified DP system assurance organization whose DP system rules align with IMO MSC/Circ. 645.	The proposed 46 CFR 61-50-3 makes no mention of IMO MSC/Circ. 645 or of the DPSAO having DP system rules.

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organizations		
Table 3-33: Changes to 46 CFR part 61 -- Periodic Tests and Inspections 61.50-1, 61.50-5, 61.50-10, 61.50-15 Initial, Periodic, and Annual Surveys of DP system and 3.18 Costs for 46 CFR 61.50-5, 61.50-10 & 61.50-15	The Coast Guard expects that industry would already be compliant with a majority of the requirements in these sections, as it is expected to be used given industry practice and desire to compete in international markets.	There is a difference between a company choosing the services of a systems assurance organization for commercial purposes and having one imposed by regulation. There is no guarantee that the Coast Guard-accepted DPSAOs will be accepted as fulfilling the commercial needs for a systems assurance organization. If for no other reason, costs incurred will raise due to the inflexibility of the regulatory schedule versus that of commercially accepted practice.
3.17 Costs for 46 CFR 61.50-4	This report assures the Coast Guard that DPSAOs are complying with the requirements necessary of an authorized DP assurance organization, as well as that owners and operators are not resuming operations until only after safety and environmental concerns have been addressed.	How does this report assure the Coast Guard that owners and operators are not resuming operations until only after safety and environmental concerns have been addressed?
3.18 Costs for 46 CFR 61.50-5, 61.50-10 & 61.50-15	It is further assumed that an OMCI would choose to attend these surveys. The cost incurred by government to record and attend a survey is $607.50.	It is not clear from the rule whether the survey schedule would need to be revised to accommodate attendance by the Coast Guard, or whether vessel owners would be required to reimburse the Coast Guard for travel and per diem associated with its attendance when these surveys are conducted outside the United States.

Location	Information presented	Comments
		Ultimately, it would seem inevitable that additional attendance by Coast Guard inspectors would be reflected in higher user fees.
Table 3-39: Changes to 46 CFR part 62 -- Vital System Automation 62.20-2 Required Plans for DP systems	No additional cost to create and maintain these plans or to submit the plan to DPSAO, as this incorporates international standards understood to be used given industry practice and desire to compete in international markets.	IADC disagrees. The rule, as proposed, does not permit a MODU owner to use existing plan approvals to satisfy the regulations. As proposed, the process would need to be completed *de novo* with an authorized DPSAO, and this process could not begin prior to the issuance of the final rule and the completion by the DPSAO of the authorization process. To further complicate matters (and possibly incur costs) the rule does not identify how the standards would be applied to existing vessels. If modifications to vessel systems, equipment or processes and procedures are required as a result of the plan review, there will be additional costs.
Table 3-39: Changes to 46 CFR part 62 -- Vital System Automation 62.25-40 Environmental Design Standards on OCS Units	Incorporates IEC environmental standards into Title 46. No cost, as this incorporates international standards expected to be used given industry practice and desire to compete in international markets.	IADC disagrees. There is a cost to assemble this information for presentation. There may also be costs associated with bringing existing vessels into compliance.
Table 3-39: Changes to 46 CFR part 62 --	There would be costs incurred to vessels that conduct Critical OCS activities using DP systems, but do not currently	IADC cannot find where the possible costs associated with bringing an existing MODU into compliance with the

Location	Information presented	Comments
Vital System Automation 62.40-3, 62.40-5 Design Standards for DP systems on OCS	use a DP system classed 2 or higher. In addition, the cost of equipment upgrades to a DP system classed 2 or higher could also require mechanical and structural improvements to the vessel. The costs incurred as a result of these provisions have been discussed previously in Sections 3.10 and 3.11 of this RA.	requirements of the proposed rule have been addressed. While IADC understands that all potentially affected MODUs have DP systems classed to DP 2 or higher by ABS or DNV. However, as proposed, the process of obtaining class notation would need to be completed *de novo* with an accepted classification society, and this process could not begin prior to the issuance of the final rule, the development by the classification society of a new and unique "Coast Guard" DP notation called for by the proposed 46 CFR 62.40-10(c)(2), and the completion of the acceptance process.
3.19 Costs for 46 CFR 62.20-2 (c)	The Coast Guard estimates that it would take a DPSAO surveyor 30 minutes to compile and submit the approved DP system plan to the MSC. According to Coast Guard subject matter experts, it would take a Coast Guard engineer approximately 3 to 6 hours to review each individual requirement of the plan, for an average total of 36 hours per DP system plan.	Something seems amiss. There do not seem to be any time or costs associated with DPSAOs reviewing plans, yet the Coast Guard is to expend 36 hours per DP system? Presuming that the plans for 53 existing MODUs were to be submitted to the MSC on the effective date of the final rule, how long would it take the MSC to complete the reviews?
Table 4-2: Description of Benefits of the NPRM 140.335 Intermediate DP system requirements	Provides Coast Guard officials with information on how and why DP failures occur. This information provides valuable feedback to ensure that future such incidents do not occur, which would reduce the probability of significant casualties or property damage from occurring in the future.	Unfortunately, the full benefit of the reporting requirements isn't realized because the rule contains no commitment that this information will be made available to vessel owners and operators.

Location	Information presented	Comments
and 61.50-4 Oversight of dynamic positioning system assurance organizations		
7) Initial Regulatory Flexibility Analysis and 8) Collection of Information Reporting and recordkeeping		There are uncertainties associated with the proposed incorporations by reference that make it difficult to comment on the projected reporting and recordkeeping requirements of the rule. Put simply, if a document incorporated by reference recommends that a report be made or a record be created and maintained, is it a requirement of the rule? Several such instances have been identified in enclosure (1). For example IMO MSC/Circ.645 recommends issuance of a Flag State Vessel Acceptance Document. Is this to be a requirement of the rule?