

MAINTENANCE COMMITTEE MEETING MINUTES

11 July 2018

Location: IADC - Crown Center 1 Conference Room

Call to Order:

The committee was called to order by Mr. Frank Breland (Chairman). A building security and safety briefing was given by Mr. John Pertgen (IADC).

IADC Antitrust Policy and Guidelines:

Mr. Pertgen also covered the IADC Antitrust Policy and Guidelines and stated that the full policy is available on IADC's webpage.

Introductions

Each attendee provided an introduction of them self and their company affiliation.

Regulatory Review / Update:

The API regulatory update was presented by Ms. Holly Hopkins (API) and Mr. John Pertgen (IADC).

John Pertgen (IADC) provided the Committee with information about the following IADC-published semi-annual regulatory report located on the revised IADC website:

Federal Regulatory Actions Impacting the Offshore Industry –

This report provides a reference summary that reflects the regulatory actions, announced in the Federal Register by U.S. governmental agencies, which may affect operations in the oil and gas industries.

(Note: This report is available at: <http://www.iadc.org/advocacy/#reports>)

A list of the regulatory areas that were reviewed at this meeting is included at the end of these minutes.

Class Society Topics

ABS: *Survey Planning and Hull Manager* was presented by Mr. Brandon Postma (ABS).

The main topics covered were:

- Hull Inspection and Maintenance Program
- eSPD and Hull Manager
- Hull Manager Key Features
- ABS HM Software- Inspection Report
- Benefits of Integrated eSPD and NS Hull Manager
- Future Roadmap

Please contact the ABS representative via email address if you want a copy of his presentation, have any questions or want to get clarification on any issues that he covered. [bpostma@eagle.org]

DNV GL: *Rule Updates - Condition-based Monitoring* was presented by David McKay (DNV-GL).

The main topics covered were:

- Rule Updates
- Marine Riser Management
- Crane Offshore – Condition Management
- POSMOOR Integrity Management
- Electrical Systems Integrity Management
- Application of Data- Structure
- Condition Based Maintenance- General Model

Please contact the DNV GL representative (David McKay) via email address if you want a copy of his presentation, have any questions or want to get clarification on any issues. [David.McKay@dnvgl.com]

MAIN PRESENTATION: *Strategy for IIOT Deployment in Maintenance* presented by Stephen Maltby (Platinum Electrical Engineering)

The main topics covered were:

- AVID- Audio visual instructional demonstration
- Current in-service technology for IIOT
- McKinsey global workplace skills model
- Augmented maintenance and operations
- Maintenance legacy
- Connected Augmented reality in practice
- The 6-step process to delivery and execution
- Worked example of projected time savings

Please contact the Platinum Engineering representative (Stephen Maltby) via email address if you want a copy of his presentation, have any questions or want to get clarification on any issues that were addressed. [stephen.maltby@platinum-eng.co.uk]

Lunch & Learn The presentation during this period was *Oil and Gas: UIT Fundamentals and Applications*, which was presented by Sam Abston (Progress Rail).

The main topics covered were:

- Ultrasonic Impact Technology
- UIT Fundamentals
- Stress Mitigation / Distortion Control
- Weld Geometry
- Residual Compressive Stresses
- Grain Refinement
- UIT Applications

Please contact the Progress Rail representative (Sam Abston) via email address if you want a copy of his presentation, have any questions or want to get clarification on any issues that were addressed. [sabston@progressrail.com]

AFTERNOON SESSION- OPEN TO ONLY DRILLING CONTRACTORS

Caterpillar - Robert Froebel (CAT) provided an update for all the issues that CAT is working on for our industry. He discussed components dealing with the following:

- C175 HP Fuel pump
- 3500 ASO Valve

Please contact the CAT representative via his email address if you have any questions or want to get clarification on any issues regarding your CATERPILLAR equipment. [Froebel_Robert@cat.com]

National Oilwell Varco- Ian McWilliam provided an update on the issues that NOV is working on for our industry. He discussed components regarding the following:

- NOV reorganization
- HR Gripper head
- HR Encoder

Please contact the NOV representative via email address if you have any questions or want to get clarification on any issues regarding your equipment. [Ian.McWilliam@nov.com]

Topics for future meetings:

Taxonomy and failure reporting (Chairman to contact Tony Ciliberti at Reliability Dynamics)

NOV asked to address turn around on determining the root cause? (Discuss process.)
(What is actual root cause and not what you are going to do about it).

NOV asked to also address encoding issues

Adjourned: 1340hrs

2018 Lunch Sponsors

10 JAN2018	NOV (Shawn Firenza)	shawn.firenza@nov.com
11 APR 2018	OCS Group (Rosemary R)	rose.rosenkampff@ocsgroup.com
11 JUL2018	Precision (Jamie Vargas)	jvargas@precisiondrilling.com
10 OCT2018	PPC (Lucas L)	love@performancepulsation.com

Attendance:

First Name	Last Name	Company Name
Brandon	Postma	ABS
Robert	Froebel	CATERPILLAR OIL & GAS
Ramon	Marin	DEVA PRESERVATION SERVICES, INC
Senogoden	Vasudhevan	DEVA PRESERVATION SERVICES, INC
Frank	Breland	DIAMOND OFFSHORE
David	McKay	DNV GL

Daniel	Melcher	ELA CONTAINERS OFFSHORE
Covey	Hall	ENSCO PLC
Jeff Davis	Craft	HELMERICH & PAYNE
John	Pertgen	IADC
Bill A	Waldroop	INTERACTIVE TRAINING SOLUTIONS
Ian	McWilliam	NATIONAL OILWELL VARCO
Rosemary	Rosenkampff	OFFSHORE COMMISSIONING SOLUTIONS (OCS GROUP)
Wayne	Webb	OFFSHORE COMMISSIONING SOLUTIONS (OCS GROUP)
Ryan	Spillane	OFFSHORE COMMISSIONING SOLUTIONS (OCS GROUP)
Joseph Paul	Effinger	PACIFIC DRILLING
Ernest	Darjean	PACIFIC DRILLING
Mike	Anatra	PARKER DRILLING
Victor	Rasanow	PARKER HANNIFIN
Steven	Maltby	PLATINUM ENGINEERING
Jamie	Vargas	PRECISION DRILLING
Sam	Abston	PROGRESS RAIL, A CATERPILLAR COMPANY
Robert	McGrath	SEATRAX, INC.
Michael L	Yoakum	YOAKUM TECHNICAL CONSULTING LLC

REGULATORY UPDATE

API ACTIVITIES

Explore Offshore

- On June 6, 2018, API officially launched a new coalition for U.S. offshore energy exploration and development called [Explore Offshore](#). The coalition will focus its efforts in Virginia, North Carolina, South Carolina, Georgia, and Florida – each state will be represented by state chairs. The full list of participants includes:

Explore Offshore National Co-Chairs:

Former Secretary of Veterans Affairs **Jim Nicholson** and
Former Secretary of the Navy and Virginia Senator **Jim Webb**

Virginia Co-Chairs:

Former Delegates **Winsome Sears** and **Mike Watson**

North Carolina Chair:

Former Mayor of Fayetteville **Nat Robertson**

South Carolina Chair:

South Carolina African American Chamber of Commerce Chairman
Stephen Gilchrist

Florida Chairs:

Former Puerto Rico State Senator Dr. **Miriam Ramirez**,
Former Florida Lieutenant Governor **Jeff Kottkamp**,
Former Director Crestview Area of Chamber of Commerce **Wayne Harris**

Georgia Chair:

Georgia State Petroleum Council Director **Hunter Hopkins**

API S53 *Blowout Prevention Equipment Systems for Drilling Wells*

- The 4th edition of API 53 was published November 2012 with its only Addendum published July 8, 2016. The last Task Group meeting was held April 18, 2018 and an update meeting given at the 2018 Summer Conference in Denver in June. The task group has completed development of the 5th edition, completed its first ballot with consensus, comment resolution and has sent the second limited ballot out to industry. The second ballot period ends July 13, 2018. The 5th edition major revisions include: further increasing normative requirements in lieu of informative statements, restructuring to include a larger “General” section that holds identical requirements for land, surface offshore and subsea BOPs in one section, included focus on land BOP operations, and expanded the testing tables for function and pressure testing criteria and frequency. The next meeting will be held after the ballot period ends to begin comment resolution. Ricky Cummings, Chevron is the chair RCummings@chevron.com.

API RP 4G *Operation, Inspection, Maintenance, and Repair of Drilling and Well Servicing Structures*

- There is an active task group within API that is working on a new revision to API RP 4G, *Operation, Inspection, Maintenance, and Repair of Drilling and Well Servicing Structures*. The revisions primarily affect CAT III and IV inspections. Ballot 4505 has been issued for API 4G, 5th Edition and can be found here: <http://mycommittees.api.org/standards/ecs/sc8/default.aspx> If you have any questions or concerns, the chair is Anthony Mannering, TM Engineering, PLLC; please contact Anthony at anthony.mannering@tmengineeringpllc.com or (713) 202-3288.

API RP 75 *Recommended Practice for Development of a Safety and Environmental Management Program for Offshore Operations and Facilities*

- Sandi Fury, Chevron, SFury@chevron.com and Charlie Duhon, Arena CDuhon@arenaoffshore.com are the co-chairs of the RP 75 revision workgroup. The last meeting was held February 6, 2018. A comment only ballot was issued, and comments were due June 29, 2018. A meeting will be scheduled to resolve the comments.

API Standard 16AR *Standard for Repair and Remanufacture of Drill-through Equipment* (no update)

- The API Monogram-APIQR Program continues to work with SC16 to design an APIQR certification and audit program for API Std 16AR (standard published April 2017). The program would certify, through an audit process, organizations that perform repair and remanufacture of drill-through equipment and have implemented quality systems and processes that meet the requirements of API Std 16AR. Program development is currently on hold pending subcommittee action on some key API Std 16AR interpretations.

API Spec Q2 *Specification for Quality Management System Requirements for Service Supply Organizations for the Petroleum and Natural Gas Industries* (1st Edition) (no update)

- APIQR continues to register service providers to API Spec Q2. There are over 115 service facilities with active Q2 certificates in 23 countries (just over 30% US based) with another 30 applications in-process in 14 countries (20% US based).
- API SC18, TG5 continues to investigate APIQR certification and auditing program requirements for Q2 certification of drilling contractor quality management systems/operations. API Staff continue to communicate with SC18 members to plan beta testing of the API Spec Q2 requirements and audit process with drilling contractors.
- The SC18, TG5 (the SC18 quality committee's task group on API Spec Q2) work groups continue to work revisions to API Spec Q2; a 2-year extension has been granted to allow the revision process to be completed over the next year. A work group (SC 18, TG 5, WG 2) of drilling contractors and Users/Operators has been formed to identify proposed revisions and additions to address the needs of drilling contractors. API 18TR2, Guidance to API Spec Q2, was published December 2017. For more information on the work of SC18, TG5, contact the chair of the TG, Stacey Hagen of ExxonMobil at stacey.w.hagen@exxonmobil.com.
- For information about the Q2 certification program, program requirements, auditing requirements, etc. visit the API website at <http://www.api.org/products-and-services/api-monogram-and-apiqr> or contact certification@api.org. For more information on API-U Q2 training courses please visit the API-U training calendar on the API website at <http://www.api.org/products-and-services/training/api-u/calendar>.

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

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

API SC 20, Supply Chain Management Standards (no update)

- APIQR is working with the SC 20 members to consider a new company registration program for the SC 20 series of supply chain specifications. The program would require conformity to one of the SC 20 specifications plus implementation of a management system that meets API Spec Q1. For example, the registration program would be designed to cover heat treat providers working to API Spec 20H, machine shops working to API Spec 20M, and some of the other specifications being developed under SC 20.

COS ACTIVITIES

COS Guidelines for a Robust Safety Culture

- In May, COS published *Guidelines for a Robust Safety Culture*, the document is available free on the COS website <http://www.centerforoffshoresafety.org/>

USCG ACTIVITIES

USCG Industry Day

- The last Industry Day was held May 10, 2018 at USCG Sector Headquarters Houston Galveston, 13411 Hillard Street, Houston, Texas 77034. The next Industry Day has not yet been scheduled.

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

- The last NOSAC meeting was held March 28, 2018 in New Orleans. At the meeting the 4 Subcommittee's formed to provide *Input to Support Regulatory Reform of Coast Guard Regulations—Executive Orders 13771 and 13783* (Drilling; Production; OSV; and Diving) provided final reports and we re-tasked to provide additional information and prioritization at the next NOSAC Meeting in September in Houston. Additionally, a new task statement and Subcommittee were formed to provide lessons learned/recommendations from OCS Industries' efforts to contribute to restoration and recovery efforts of hurricanes that impacted US waters in 2017. The new Subcommittee is co-chaired by Fallon Dominique and Richard Wells. The next NOSAC Meeting is scheduled for September 11-12, 2018 in Houston.
- Additionally, on March 23, 2018, the USCG published a FRN announcing vacancies on NOSAC and requesting applications. Applicants selected for service on NOSAC via this solicitation will begin their respective terms January 31, 2019. Completed applications were due on or before May 22, 2018.

USCG & BSEE Joint Activity Summary

- In May, the USCG & BSEE published a Joint Activity Summary. The report includes: A Note from Principals, Joint Activities, Compliance Collaboration and Field Spotlights.

USCG ENG Policy Letter No. 01-18 Equivalency Determination -- FRP Gratings Conforming to ASTM F3059

- On May 1, 2018, the USCG's Office of Design and Engineering Standards published Policy Letter 01-18: "Equivalency Determination-FRP Gratings Conforming to ASTM F3059" that according to the USCG "provides guidance on the acceptance of Fiber Reinforced Plastic (FRP) gratings for use on inspected vessels, including mobile offshore drilling units and floating production platforms. The intent of this policy is to afford a clear avenue of compliance with regard to obtaining U.S. Coast Guard (USCG) acceptance for the use of FRP gratings as equivalent to steel. Alternatively, manufacturers wishing to use a different testing standard may demonstrate that their FRP gratings meet an equivalent level of safety on a case-by-case basis." Questions concerning this policy letter may be addressed by the Coast Guard's Lifesaving and Fire Safety Division (CG-ENG-4) at typeapproval@uscg.mil .

USCG D8 Policy Letter Inspections of Emergency Evacuation Drills on Manned Facilities with Lifeboat

- On May 7, 2018, D8 of the USCG released a policy letter, which according to the USCG provides guidance to Eighth District OCS inspectors for verifying compliance with reference (a) regarding lifesaving equipment and emergency evacuation drills on manned facilities engaged in OCS activities.

USCG MSIB 18-03 Procedures for Reporting Unsafe Working Conditions

- On May 8, 2018, the USCG 8th District issued Marine Safety Information Bulletin (MSIB) 18-03 for the GOM OCS Procedures for Reporting Unsafe Working Conditions. According to the USCG this MSIB informs the public and partner agencies the process for reporting unsafe working condition to the Officer in Charge, Marine Inspection (OCMI) located at the Eight Coast Guard District in New Orleans, LA.

USCG MSIB 18-04 Exception to Hurricane Evacuation Reporting Policy

- On May 8, 2018, the USCG 8th District issued Marine Safety Information Bulletin (MSIB) 18-04 for the GOM OCS Exception to Hurricane Evacuation Reporting Policy. According to the USCG this MSIB informs the public and partner agencies that the Eighth Coast Guard District has implemented an exception to its hurricane evacuation reporting policy for the duration of the 2018 Hurricane Season. Compliance with this exception will allow the Eighth District personnel to predict and prepare for post-storm search and rescue demands.

USCG Pending Rules (Spring Regulatory Agenda)

- ~~Interim-Final~~ Proposed Rule Revision to TWIC Requirements for Mariners (04/18 06/18 08/18)
- Proposed Rule Crediting Recent Sea Service of Personnel Serving on Vessels of the Uniformed Services (07/18)

- Proposed Rule Implementation of the 2015 and 2016 Amendments to the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (09/18)
- Proposed Rule Ballast Water Management--Removal of Annual Reporting Requirement (05/18)
- Final Rule Marine Casualty Reporting on the OCS (~~08/17-02/18~~ 10/18)
- ~~Final Rule Deepwater Ports (12/17-06/18)~~
- ~~Final Rule Marine Casualty Property Damage Thresholds (12/17-06/18)~~

BSEE ACTIVITIES

BSEE Offshore Well Control Rule

- The final rule was announced on April 14 and published on April 29, 2016. Most of the rule became effective on July 28, 2016. API, IADC, OOC, NOIA, IPAA, PESA and USOGA sent BSEE a letter on May 27, 2016 asking for clarification and/or interpretation from BSEE. BSEE has been providing that information on their website at: <https://www.bsee.gov/site-page/well-control-rule-by-date>
- The Joint Industry Trades also send a letter May 17, 2017 to the Trump Administration outlining issues associated with the final rule and its implementation.
- BSEE has announced its intent to revise the WCR and held a public forum in Houston on September 20, 2017 to begin gathering information for the revision. In addition to the May 17, 2017 letter the Joint Industry Trades presented at the Forum on drilling margins, remote real time monitoring, casing and cementing, containment, API 53, BAVOs, shearing requirements, accumulators and codifying Interpretations. The Joint Trades will continue our engagement with BSEE and the Department of the Interior to revise the rule.
- BSEE link to submit comments on the regulatory reform <https://www.regulations.gov/document?D=DOI-2017-0003-0006>
- The proposed revisions to the WCR was sent to OIRA on December 12, 2017. <https://www.reginfo.gov/public/do/eoDetails?rrid=127772>
- The proposed revisions were published in the Federal Register on May 11, 2018, comments are due August 6, 2018. The Joint Trade workgroups are developing comments.

Revisions to Production Safety System Regulations (no update)

- On December 29, 2017, BSEE proposed Oil and Gas and Sulphur Operations on the Outer Continental Shelf, Oil and Gas Production Safety Systems, Revisions (Subpart H) on January 29, 2018, API, OOC and NOIA filed joint comments. We await comment resolution and publication of the final rule by BSEE.

Early Kick Detection possible BAST Candidate (no update)

- BSEE has posted a document announcing BSEE's intention to evaluate Early Kick Detection (EKD) technology as part of the Best Available and Safest Technology (BAST) Program. Use of cost-effective BAST is required by the Outer Continental Shelf Lands Act (OCSLA) to address significant safety issues on the Outer Continental Shelf (OCS). BSEE believes that this assessment is

needed to determine if use of BAST involving kick detection and mitigation can reduce the likelihood of loss of well control (LOWC) events. The information can be found on BSEE's website: <https://www.bsee.gov/what-we-do/offshore-regulatory-programs/emerging-technologies/BAST> API filed comments on both **BAST candidates**.

DOI Public Notice on Regulatory Reform Initiatives (no update)

- On June 22, 2017, the US Department of the Interior published a Federal Register Notice soliciting public input on how the Department of the Interior can improve implementation of regulatory reform initiatives and policies and identify regulations for repeal, replacement, or modification. The notice also provides an overview of Interior's approach for implementing the regulatory reform initiative to alleviate unnecessary burdens placed on the American people, which was established by President Trump in Executive Order (E.O.) 13777, "Enforcing the Regulatory Reform Agenda." There is no deadline to submit comments. Interior commits to review public responses on an ongoing basis. API has previously provided recommendations in various forms to policy leadership at DOI concerning regulations that should be re-examined and potentially considered as candidates for revision and has had ongoing meetings with DOI staff to discuss our specific concerns. Link to submit documents to DOI on all Regulatory reform at the Department <https://www.regulations.gov/docket?D=DOI-2017-0003>

BSEE Bolt Report, Safety Alert & API Response

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

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

In addition to the work of the multi-segment task group, API met with BSEE on March 31, June 22, September 20, and October 7, 2016, to discuss the Safety Alert. And provides BSEE quarterly updates to track the voluntary industry actions we have committed to to improve subsea BOP bolting. Work continues with BSEE on subsea BOP bolting.

Additionally, the National Academies of Sciences, Engineering, and Medicine (the Academies) through the National Academy of Engineering (NAE) and the National Materials and Manufacturing Board (NMMB) has been contracted by BSEE to hold an Academies' workshop and follow-on study to address issues associated with the reliability of connectors used in critical safety components and equipment for offshore oil and natural gas operations. The workshop was held April 10-11, 2017 in Washington, DC. The website for the Committee: http://sites.nationalacademies.org/DEPS/NMMB/DEPS_174523. The workshop proceedings can be found here: [Bolting Reliability for Offshore Oil and Natural Gas Operations: Proceedings of a Workshop](#)

The pre-publication of the Committee's report "High-Performance Bolting Technology for Offshore Oil and Natural Gas Operations" was posted March 9, 2018 and can be found [here](#). API submitted technical corrections to the Committee on the pre-publication copy. The final report was published in June and can be found here: <https://www.nap.edu/catalog/25032/high-performance-bolting-technology-for-offshore-oil-and-natural-gas-operations> API is reviewing the final report and determining next steps, including a possible letter to BSEE.

BSEE Pending Rulemaking (Spring Regulatory Agenda)

- ~~Supplemental Proposed Rule Cost Recovery Adjustment (08/17)~~
- Final OCS Rule Civil Penalties; 2019 Inflation Adjustments for Civil Penalties (01/19)
- Final Rule Federal Oil and Gas Royalty Management Act; 2019 Inflation Adjustments for Civil Penalties (01/19)
- ~~Final Rule Incorporation of Updates of Crane Standards (09/18)~~
- ~~Proposed Rule Extension of Certain Compliance Deadlines in the Blowout Preventer Systems and Well Control Rule (12/17)~~
- Proposed Rule Revisions to the Blowout Preventer Systems and Well Control Rule (05/18)
- Final Revisions to Production Safety System Regulations (05/18)
- ~~Proposed Rule Revisions to the Requirements for Exploratory Drilling on the Arctic Outer Continental Shelf (10/18)~~
- Final Privacy Act Regulations; Exemption for the Investigations Case Management System (05/18)
- ~~Final Rule Pipeline Decommissioning Cost Reporting (12/16)~~
- ~~Proposed Rule Aviation Regulations (03/17)~~
- ~~Proposed Rule Oil Spill Response Requirements (07/17)~~
- ~~Proposed Rule Pipelines and Pipeline Right-of-Way Safety (09/17)~~

OTHER ACTIVITIES

SafeOCS Oil and Gas Production Safety System Events 2017 Annual Report

- The SafeOCS 2017 Annual Report on Oil and Gas Production Safety System Events is now posted on the SafeOCS website at the following link:
<https://safeocs.gov/2017SafeOCSSPPEAnnualReport.pdf>

Comments on Maritime Regulatory Reform

- On May 17, 2018, the Office of Information and Regulatory Affairs (OIRA) published a FRN seeking public comment on how existing agency requirements affecting the maritime sector can be modified or repealed to increase efficiency, reduce or eliminate unnecessary or unjustified regulatory burdens, or simplify regulatory compliance while continuing to meet statutory missions. The request for information is meant to inform agencies' development of regulatory reform proposals. For purposes of the initiative, the maritime sector includes all enterprises related to maritime commerce, including: (1) Designing, building, acquiring, repairing, or scrapping vessels; (2) operating, manning, or maintaining vessels, port facilities, or shipyards; (3) operating shipping lines, customs brokerage services, shipping and freight forwarding services, or maritime activities related to resource extraction, renewable energy, cable laying, or marine research. Comments are due July 16, 2018. API has developed comments to submit.

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

- On January 18, 2017, CBP published a notice entitled "Proposed Modification and Revocation of Ruling Letters Related to Customs Application of the Jones Act to the Transportation of Certain Merchandise and Equipment Between Coastwise Points" in volume 51 of the Customs Bulletin and Decisions. According to CBP they proposed to modify a 1976 Ruling HQ 101925 to make it more consistent with federal statutes and regulations that were amended or promulgated after HQ 101925 was issued, and to clarify the proper reasoning underlying the conclusions reached regarding the subjects covered in the ruling. In addition, CBP proposed to revise its rulings which have determined that articles transported between coastwise points are vessel equipment pursuant to Treasury Decision ("T.D.") 49815(4). CBP intends to revoke or modify all prior rulings inconsistent with the proposed modifications. To respond to this notice, API coordinated a Joint Trade comment letter, filed April 18, 2017, which included (API), the Association of Diving Contractors International (ADCI), IADC, the Independent Petroleum Association of America (IPAA), the International Association of Geophysical Contractors (IAGC), the International Marine Contractors Association (IMCA), the Louisiana Mid-Continent Oil and Gas Association (LMOGA), the Offshore Operators Committee (OOC), the Petroleum Equipment & Services Association (PESA) and the U.S. Oil and Gas Association. On May 10, 2017, CBP withdrew the proposal stating that "Based on many substantive comments CBP received both supporting and opposing the proposed action, and CBP's further research on the issue, we conclude that the Agency's notice of proposed modification and revocation of the various ruling letters

relating to the Jones Act should be reconsidered.” CBP is currently deciding its next steps which could include going through a rulemaking process. API and the Industry remain engaged with CBP on this activity.