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ATTN: Rules Processing Team

RE: Proposed Rule - Oil and Gas and Sulphur Operations in the Outer Continental Shelf (OCS) Fixed and Floating Platforms and Documents Incorporated by Reference (66 Fed. Reg. 66851, December 27, 2001).

Dear Sir or Madam:

The National Ocean Industries Association (NOIA) appreciates the opportunity to respond to your request for comments on the proposed rule addressing fixed and floating offshore platforms and floating production systems. NOIA is the only national trade association representing all segments of the offshore energy industry. The NOIA membership comprises more than 300 companies engaged in activities ranging from producing to drilling, engineering to marine and air transport, offshore construction to equipment manufacture and supply, shipyards to communications, and geophysical surveying to diving operations. The proposed regulation, therefore, is of particular importance to NOIA.

The proposed rulemaking would amend the current regulations concerning fixed offshore platforms, and establish regulations over floating offshore platforms and floating production systems. The floating production systems include, among other things, column-stabilized units, floating production, storage and offloading facilities (FPSOs), tension-leg platforms, and spars.

Incorporated into the proposed regulations are nine industry recommended practices and standards (eight from the American Petroleum Institute and one American Welding Society) which are performance-based, rather than prescriptive. NOIA strongly supports this approach to rulemakings. It saves the public the cost of developing

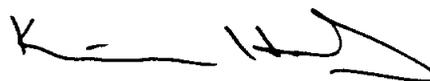
separate and unnecessarily duplicative government standards, and provides the government with the most current information on technology, industry expertise, and safety standards.

While we support the overall approach to the regulations, we also recommend some specific changes. First, the preamble to the regulation notes the concern of industry that the MMS has not clarified the different regulatory responsibilities of the MMS and U.S. Coast Guard over floating OCS facilities. Unfortunately, the proposed regulation does not solve the problem. The overlapping jurisdiction of the two agencies over the same systems creates confusion and endless possibilities for misunderstandings between the regulators and the regulated. We recommend that the two agencies work together to promulgate one set of regulations for these systems.

We also recommend that the proposed regulation be reorganized so that there are separate sections for regulations which apply to fixed platforms, those that apply to floating platforms, and those that apply to both fixed and floating platforms, respectively. There are significant differences between the field development concepts of fixed and floating platforms, and attempting to apply the fixed platform regulatory language to floating platforms can be like attempting to squeeze a square peg into a round hole.

In addition to the specific concerns highlighted here, NOIA concurs with the extensive comments submitted by the Offshore Operators Committee. If you have any questions or need additional information, please feel free to contact me at (202)347-6900.

Sincerely,

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

Kim Harb
Director of Government Affairs