

**Memorandum of Understanding  
Between  
Minerals Management Service  
U.S. Department of the Interior  
and  
United States Coast Guard  
U.S. Department of Transportation**

**Ia. Purpose**

This Memorandum of Understanding (MOU) defines the responsibilities of the Minerals Management Service (MMS) and the United States Coast Guard (USCG) relating to managing the activities of MODU's, fixed, and floating systems. It is designed to minimize duplication and promote consistent regulation of facilities under the jurisdiction of both agencies. This MOU does not apply to deepwater ports as licensed by the Secretary of Transportation under the Deepwater Port Act of 1974, as amended.

**Ib. Scope**

This MOU covers oil and gas activities located in the Outer Continental Shelf (OCS). However, oil-spill preparedness is for facilities located seaward of the coast line, unless noted otherwise. Certificates of financial responsibility are for certain facilities located in the OCS and the State waters included in the definition of Covered Offshore Facility found at 30 CFR 253.3. An MOU, dated February 3, 1994, among the Departments of Transportation and the Interior and the Environmental Protection Agency established jurisdictional responsibilities for facilities located both seaward and landward of the coast line.

**II. Definitions**

For purposes of this MOU, the following definitions apply:

Act - The OCS Lands Act (OCSLA) -- 43 U.S.C. 1331 et seq.

Coast Line - The line of ordinary low water along that portion of the coast that is in direct contact with the open sea and the line marking the seaward limit of inland waters, as defined by the Submerged Lands Act (43 U.S.C. 1301 (c)).

Outer Continental Shelf - The submerged lands that are subject to the Act.

OCS Activity - Any activity in the OCS associated with exploration, development, production, transporting, or processing of OCS mineral resources including but not limited to oil and gas.

OCS Facility - Any artificial island, installation, pipeline, or other device permanently or temporarily attached to the seabed, erected for the purpose of exploring for, developing, producing, and transporting resources from the OCS. This term does not include ships or vessels for transporting produced hydrocarbons. The following are types of OCS facilities:

1. Fixed OCS Facility - A bottom-founded OCS facility permanently attached to the seabed or subsoil of the OCS, including platforms, guyed towers, articulated gravity platforms, and other structures. This definition also includes gravel and ice islands and caisson-retained islands engaged in OCS activities used for drilling, production, or both.
2. Floating OCS Facility - A buoyant OCS facility securely and substantially moored so that it cannot be moved without a special effort. This term includes tension leg platforms, spars, semisubmersibles and shipshape hulls.
3. Mobile Offshore Drilling Units (MODU's) - Vessels capable of engaging in drilling operations for exploring or exploiting subsea oil, gas, or mineral resources.

OPA - The Oil Pollution Act of 1990 (Pub. L. 101-380).

Regional Director (RD) - The MMS officer delegated the responsibility and authority for a region within MMS. The USCG referrals for violations occurring in a particular MMS Region would be made to that MMS Region's RD.

Regional Supervisor (RS)- The MMS officer (or the authorized representative) in charge of operations within a Region.

Vessel - Every description of watercraft or other artificial contrivance used, or capable of being used, as a means of transportation on the water. This term does not include atmospheric or pressure vessels used for containing liquids or gases.

Violation - Failure to comply with the OCSLA, any regulations, or the terms or provisions of leases, licenses, permits, or rights-of-way issued under the OCSLA.

### **III. Responsibilities**

The following table lists the lead agency for system responsibilities associated with MODU's and fixed and floating OCS facilities. Other agency roles are identified where applicable. The lead agency is responsible for coordinating with the other agency as appropriate. The attachments to the table list the typical equipment that is included in the system.

The MMS and USCG will work together to develop the standards necessary to implement this MOU. Where the agencies have overlapping responsibilities, they will work together to minimize duplication.

1	Design & Operating Overview/Plan							
1.a	Deepwater Operating Plan	N/A	MMS	MMS	Where required			
1.b	Design Basis Document	USCG	N/A	USCG				
1.c	Design, fabrication, and installation verification plans	N/A	MMS	MMS	Section applies to MMS's Certified Verification Agent (CVA) Program.			
2	Structural Integrity							
2.a	Structural integrity, modifications for construction and repair requirements	USCG	MMS	MMS & USCG	USCG responsibilities for fabrication, installation, and inspection of floating units are found in 33 CFR Subchapter N. MMS responsibilities are found in 30 CFR Subpart I. USCG and MMS will each review the design of the turret and turret/hull interface structure for ship-shape floating facilities. All other aspects of the design and fabrication of all ship-shape floating facilities will receive only USCG review. All design, fabrication, and installation activities of all non-ship-shape floating facilities will be reviewed by both agencies.			
2.b	Design environmental conditions	USCG	MMS	MMS	Establishes in-place design environmental criteria.			
2.c	Risers (drilling, production, and pipeline)	MMS	MMS	MMS	Establishes design environmental criteria for intact and damage stability. Some pipeline risers may be subject to the Research and Special Programs Administration's (RSPA) jurisdiction.			
3	Floating Stability	USCG	N/A	USCG	USCG reviews and approves stability and sends copies to MMS.			
4	Station Keeping							
4.a	Foundations	USCG	MMS	MMS				
4.b	Mooring and tethering systems	USCG	MMS	USCG & MMS	USCG is not responsible for site specific mooring analyses			
4.c	Dynamic positioning	USCG	N/A	USCG				

5	Drilling, Completion, Well Servicing & Workover		MMS	MMS	MMS	See Attachment A for description of Drilling, Completion, Well Servicing & Workover Systems.
6	Production		MMS*	MMS	MMS	See Attachment B for description of Production Systems. * Production equipment is not normally installed on a MODU. However, such equipment may be installed for a finite time and designed for removal. In such cases, MMS is the lead agency.
7	Pipeline Operations and Components		MMS	MMS	MMS	Note: Certain pipelines are subject to MMS MOU(s) with RSPA.
8	Lightering Equipment & Procedures		USCG	USCG	USCG	
9	Utility Systems					
9.a		Boilers, pressure vessels, waste heat recovery (from any engine exhaust), water heaters and other piping or machinery	USCG	MMS	USCG	Listed equipment/systems not supporting drilling or production.
9.b		High pressure (H.P.) washdown	USCG	MMS	USCG	Listed equipment/systems supporting drilling or production.
9.c		Seawater supply	USCG	MMS	MMS	Listed system components and piping not supporting drilling or production.
9.d		Compressed air	USCG	MMS	USCG	Listed system components and piping supporting drilling or production.
9.e		Potable wash and sanitary water	USCG	USCG	USCG	Listed system components and piping not supporting drilling or production.
9.f		Sewage unit & piping	USCG	USCG	USCG	Listed system components and piping supporting drilling or production.
9.g		Diesel fuel	USCG	MMS	USCG	

9.h			Bilge & ballast, including pumps and related control systems	USCG	N/A	USCG				
9.i			Fuel gas from well	MMS	MMS	MMS				For MODU's and floating facilities, when powering drilling and production systems.
				USCG		USCG				For MODU's and floating facilities, when powering emergency and ship-service systems.
10	Elevators for Personnel			USCG	USCG	USCG				
11	Aircraft Landing and Refueling		Decks, fuel handling, and storage	USCG	MMS	USCG				
12	Fire Protection									
12.a			Fire protection, detection, and extinguishing	USCG	USCG	USCG				See Attachment C for description of Fire Protection, Detection, and Extinguishing. Excludes MMS-regulated safety systems.
12.b			Structural fire protection for accommodations	USCG	USCG	USCG				
13	Safety Systems									Includes interfaces between fire protection systems and MMS regulated safety systems.
13.a			Emergency shut-down systems	MMS	MMS	MMS				For MMS required systems. Excludes "remote stopping devices" required for USCG-regulated systems.
13.b			Gas detection	MMS	MMS	MMS				
13.c			Drilling, production, well-control safety, and shutdown systems	MMS	MMS	MMS				
13.d			General alarm	USCG	USCG	USCG				Includes public address system when integrated with general alarm system
14	Electrical Design & Equipment									
14.a			Production	MMS *	MMS	MMS				See Attachment B for definition of Production Systems. * Same comment as item #6.

		Drilling systems		USCG		MMS		USCG		USCG		USCG	
14.b												See Attachment A for definition of Drilling Systems.	
14.c		Emergency lighting power generation and distribution		USCG		USCG						* MMS is the lead agency for drilling equipment installed for a finite time and designed for removal	
14.d		Hazardous areas classification		USCG		MMS						MMS and USCG will work on common, logical standards to minimize duplication of effort for industry.	
15	Aids to Navigation			USCG		USCG							
16	Communications			USCG		USCG							
17	Pollution Prevention												
17.a		Pollution not associated with vessel transfers		USCG		USCG						Garbage and plastics per the International Convention for the Prevention of Pollution from Ships MARPOL 73/78	
17.b		Petroleum and other product transfers to and from a vessel (includes lightering of produced hydrocarbons)		MMS		MMS						Other Pollution	
18	Cranes and Material Handling Equipment												
18.a		Crane design, certification, and operations		USCG		MMS						USCG	
18.b		Other Material Handling Equip.		USCG		MMS						USCG	
19	Ventilation												
19.a		Accommodations and machinery spaces		USCG		USCG						USCG	

		Areas other than accommodations or machinery spaces	USCG	MMS	MMS
19.b					
20	Life Saving Equipment		USCG	USCG	
21	Workplace Safety and Health				
21.a		Personnel protection equipment	USCG	USCG	
21.b		Hazardous material storage & handling (other than produced hydrocarbons)	USCG	USCG	
22	Living Quarters and Accommodation Spaces		USCG	USCG	Includes permanent and temporary units design & arrangement.
23	General Arrangements				
23.a		Access/egress & means of escape	USCG	USCG	
23.b		Safety plan, fire control or fire equipment, and lifesaving equipment plans	USCG	USCG	
24	Miscellaneous Systems and Operational Requirements				Supplements list of above mentioned systems.
24.a		Structural inspection requirements	USCG	MMS	USCG will copy MMS on approvals and compliance records. MMS recommends that USCG at least meet the requirements of the American Petroleum Institute's Recommended Practice 2A (API-RP2A) — Planning, Designing, and Constructing Fixed Offshore Platforms Working Stress Design.
24.b		Personnel requirements for marine and lifesaving operations	USCG	USCG	
24.c		Emergency evacuation plans	USCG	USCG	
24.d		Drills - fire, abandon, and lifeboat	USCG	USCG	

24.e		Inspection and testing of all production and drilling equipment	MMS	MMS	MMS	MMS	Includes hydrogen sulfide gas (H2S).
24.f		Inspection and testing of marine and lifesaving equipment	USCG	USCG	USCG	USCG	
24.g		Well-head & platform removal (decommissioning)	MMS	MMS	MMS	MMS	
24.h		Safe welding, burning and hot tapping	MMS	MMS	MMS	MMS	
24.i		Diving operations & equipment	USCG	USCG	USCG	USCG	
24.j		H2S contingency plan (including equipment, control, and detection systems)	MMS	MMS	MMS	MMS	Includes H2S personnel protection equipment.
25	Investigation - Lead Responsibility:						Agencies to consolidate/standardize and eliminate duplication in reporting and data-collection requirements (see section VIII of this MOU)
25.a		Oil Pollution reportable under the Outer Continental Shelf Lands Act (OSCLA)	MMS	MMS	MMS	MMS	Addresses oil pollution reportable under OSCLA
25.b		Oil Pollution under the Clean Water Act (CWA impact)	USCG	USCG	USCG	USCG	Conduct preliminary assessments and follow-on actions in accordance with the National Contingency Plan and investigation into violation of CWA
25.c		Incidents involving systems under USCG jurisdiction	USCG	USCG	USCG	USCG	
25.d		Incidents involving systems under MMS's jurisdiction	MMS	MMS	MMS	MMS	
26	Administer Shutdown or Resumption of Operation of a Facility		MMS	MMS	MMS	MMS	See Section V, Para C.2 of this MOU for the Federal On Scene Coordinator (FOSC) responsibility for spill response.
27	Safety Analysis	Safety analysis of industrial systems	USCG	MMS	MMS	MMS	For MODU's see the requirements of 46 CFR 58.60-11 and 58.60-13

## **Attachment A**

### **Drilling, Completion, Well Servicing and Workover Systems**

System requirements for operating the following equipment and systems:

- Drilling, production, and workover risers
- Blowout prevention equipment and control systems
- Drilling system and related relief valves, vent system, pressure vessels and piping, pumps, water systems, safety systems, cementing systems, and circulating systems
- Riser and guideline tensioning systems
- Motion compensation systems
- Instruments and controls
- Atmospheric vessels and piping
- Fitness of the Drilling Unit
- Lifting and hoisting equipment associated with the derrick
- Cementing systems
- Circulating systems, including:
  - pipes and pumps for mud;
  - shale shakers;
  - desanders;
  - degassers.
- Structures including derrick and sub-structure
- Bulk material storage and handling systems
- Other pressurized systems designed for industrial operations

**Attachment B  
Production Systems**

Includes but not limited to the following equipment:

- Hydraulic systems
- Connections between production and workover (industrial) systems
- Production safety systems including subsurface and surface well control
- Relief valves, relief headers, vent and flare systems
- Production wells and wellhead
- Well-handling equipment (contract drilling rig)
- Instrumentation, controls, and measurement (including oil and gas)s
- Gas compression
- Process system and related pumps
- Odorization for gas piped into enclosures
- Process system and related pressure vessels and piping
- Process system and related heat exchangers, including waste heat recovery units
- Chemical injection and treatment systems

**Attachment C**  
**Fire Protection, Detection and Extinguishing**

Includes the following equipment:

- Deluge systems in the wellbay area
- Firewater pumps, piping, hose reel and monitor equipment
- Foam extinguishing equipment
- Fixed gaseous extinguishing equipment [carbon dioxide(CO<sub>2</sub>) and halon alternatives]
- Fixed watermist extinguishing equipment
- Portable and semi-portable extinguishers
- Fire and smoke detection (excludes interfaces to MMS regulated safety systems)

#### IV. Civil Penalties

The USCG reports violations of OCSLA statutes or regulations that may result in civil penalty action to MMS. The USCG will investigate and document OCSLA based violation cases according to the procedures in 33 CFR 140.40 with the following clarification:

1. The cognizant Officer-in-Charge, Marine Inspection (OCMI) makes the determination whether a violation "constitutes or constituted a threat of serious, irreparable, or immediate harm." If the OCMI determines:
  - a. That it does, then the OCMI will refer the case to MMS and recommend that a civil penalty be assessed.
  - b. That it does not, then the OCMI will establish a reasonable time for the violator to fix the problem. The OCMI may do this in consultation with MMS, particularly on matters in which MMS has expertise or knowledge of industry practice. If the violator does not correct the problem, or does not file an appeal with the appropriate USCG official in the allotted time, the OCMI will refer the case to MMS, pursuant to 43 USC 1348 (a).

When referring a case to MMS, the OCMI will forward the following information:

- i. The case file, which consists of a summary of the investigation and a USCG determination of the regulations violated.
  - ii. A description of the seriousness of violation and any incidents actually associated with the violation.
  - iii. If requested, additional information concerning the merits of a civil penalty action. All physical evidence remains with the USCG, but available to MMS upon request.
2. If the violator files an appeal of a USCG's enforcement action the USCG will not forward the case to MMS until the appeal has been resolved.
  3. Upon receipt of the violation report, the MMS Regional Civil Penalty Coordinator will appoint a Reviewing Officer (RO) who will process the report in accordance with the MMS OCS Criminal/Civil Penalties Program Guidebook.
  4. Notification of the MMS RO's decision regarding the civil penalty assessment, collection, compromise, or dismissal shall be provided to the OCMI originating the violation report.

## **V. Oil Pollution Responsibilities**

### **A. Certificates of Financial Responsibility (COFR)**

1. The MMS issues certifications of oil-spill financial responsibility for certain facilities located in the OCS and State waters included in the definition of Covered Offshore Facility found at 30 CFR 253.3. The COFR ensures that responsible parties can pay for cleanup and damages from facility oil spills.
2. The MMS will provide COFR-related information to the USCG upon request. Upon request from the USCG, MMS will provide available information for any covered OCS facility (COF) in certain OCS and the State waters included in the definition of Covered Offshore Facility found at 30 CFR 253.3 that are involved in an oil pollution incident including:
  - (1) Copies of the lease, permit, or right of use and easement for the area in which the COF is located;
  - (2) Contacts for claims;
  - (3) Agents for service of process;
  - (4) Amounts guaranteed; and
  - (5) List of all responsible parties.
3. The USCG issues COFR for vessels and floating OCS facilities which store oil. This COFR is in addition to the MMS COFR and addresses the operator's financial responsibility for the clean up and damages from oil discharges resulting from non-well-related sources and produced oil stored onboard the floating OCS facility.

### **B. Oil Spill Preparedness and Response Planning**

1. The MMS, for all facilities seaward of the coast line, requires that responsible parties maintain approved Oil Spill Response Plans (OSRP) consistent with the area contingency plan; ensures that response personnel receive training; and that response equipment is inspected. The MMS will require unannounced oil-spill response drills. The MMS RS will advise the Federal On Scene Coordinator (FOSC) of drills to coordinate participation, and avoid conflict or duplication.
2. The USCG Captain of the Port serves as the pre-designated FOSC in accordance with the National Contingency Plan. The appropriate FOSC will also jointly approve OSRPs for floating facilities which store oil. Participation in MMS drills will be at the discretion of the FOSC. The FOSC will advise the MMS RS of spill-response drills and activities, such as exercise and response activities, occurring on facilities seaward of the coast line.

### **C. Spill Response**

1. All spills are required to be reported to the National Response Center (NRC). The NRC provides notification to the appropriate agencies and State offices. Additionally, OCS facility owners or operators are required to report spills of one barrel or more to the MMS RS.
2. The FOSC will direct and monitor Federal, State, and private actions, consult with responsible parties, and determine the removal action. The MMS RS will direct measures to abate sources of pollution from an OCS facility. However, if a discharge poses a serious threat to public health, welfare, or the environment, in accordance with Public Law 101-380 (OPA) Sec. 4201, the FOSC may mitigate or prevent the substantial threat of a discharge and notify the MMS RS as soon as possible. The MMS will authorize the return of an OCS facility to operation in coordination with the FOSC.

### **VI. Exchanging Services and Personnel**

To the extent its own operations and resources permit, each agency will provide the other agency with assistance, technical advice, and support, including transportation, if requested in accordance with 43 U.S.C. 1348. Exchange of services and personnel is non-reimbursable (except for pollution removal funding authorizations for incident specific fund access). The assistance may extend to areas beyond the OCS where one Agency's expertise will benefit the other agency in applying and enforcing its safety regulations.

### **VII. Other Cooperative Functions**

1. Both agencies will exchange data and study results, participate in research and development projects, and exchange early drafts of rulemaking notices to avoid duplicative or conflicting requirements.
2. Both agencies will review current standards, regulations, and directives and will propose revisions to them as necessary in keeping with the provisions of this MOU.
3. Both agencies will review reporting and data collection requirements imposed on operators of OCS facilities and, where feasible, eliminate or minimize duplicate reporting and data collection requirements.
4. Each agency will conduct scheduled and unannounced inspections to ensure compliance with its own requirements. If the inspector notices deficiencies that fall within the responsibility of the other agency, the deficiency will be reported to the other agency for action. However, if the deficiency may cause serious or irreparable harm to persons, property, or the environment, the inspector may take the necessary preventative action. The preventative action will then be reported to the other agency.

## **VIII. Accident Investigations**

The MMS or the USCG is responsible for conducting investigations and preparing a public report for each major fire, oil spillage, serious injury, and fatality associated with OCS activities. To avoid duplication of effort and to simplify administration, the responsibility for investigating and preparing a public report for these incidents rests with the agency that is listed in Section III as being responsible for the system associated with the incident. In addition, the MMS investigates blowouts and the USCG investigates collisions.

For those incidents for which both agencies have an investigative interest in the system associated with the incident, one agency will assume lead investigative responsibility with supporting participation by the other agency. The lead agency in a joint investigative effort shall investigate and prepare, approve, and release the report in accordance with the normal procedures of that agency, subject to the following terms and conditions:

1. The lead agency shall be determined through mutual agreement. If mutual agreement is not reached, each agency may decide to conduct its own investigation.
2. The specific details of a supporting agency's participation in a joint investigation shall be determined on a case-by-case basis through mutual agreement.
3. Prior to the public release of a joint agency report, the supporting agency will be afforded an opportunity to comment on the report. If the supporting agency's conclusions and/or recommendations differ with those of the lead agency, either both conclusions and/or recommendations will be included in the lead agency's report in a mutually acceptable manner, or a joint report will not be issued, and each agency may issue separate reports.

## **IX. Implementing this MOU**

1. Each agency will review its internal procedures and, where appropriate, will revise them to accommodate the provisions of this MOU. Each agency will also designate in writing one senior official who will be responsible for coordinating and implementing the provisions of this MOU.
2. Each agency will designate regional officials to be responsible for coordinating and implementing the provisions of this MOU in their respective regions.
3. The USCG--MMS MOU concerning regulation of activities and facilities in the OCS, dated August 29, 1989 is canceled on the effective date of this agreement.
4. If new technology (or new uses of current technology) require a change to this MOU, the MMS regional office and appropriate USCG district will work together to reach an agreement. The MMS regional office and the USCG district will notify their respective Headquarters office of any change. If the MMS regional office and the USCG district office can't reach an

agreement, it will be elevated to MMS and USCG Headquarters. The new policy will become part of a revised MOU the next time the MOU is revised.

**X. Savings Provision**

Nothing in this MOU alters, amends, or affects in any way the statutory authority of MMS or the USCG.

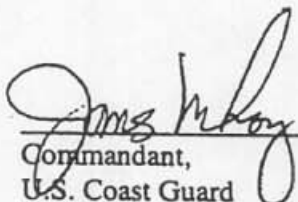
**XI. Effective Date**

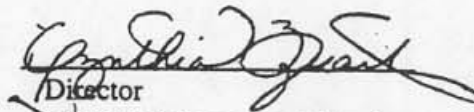
This MOU is effective upon signature.

**XII. Termination**

Both parties may amend this MOU by mutual agreement and either agency may terminate it with a 30-day written notice.

Signed at Washington, D.C., December 16, 1998.

  
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Commandant,  
U.S. Coast Guard  
Department of Transportation

  
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Director  
Minerals Management Service,  
Department of the Interior