



International Association
of Drilling Contractors
10370 Richmond Ave., Suite 760
Houston, Texas 77042
P.O. Box 4287
Houston, Texas 77210

P +1.713.292.1945
F +1.713.292.1946
www.iadc.org

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The Honorable David Michaels, Assistant Secretary
OSHA Docket Office
Technical Data Center
Room N-2625
OSHA, U.S. Department of Labor
200 Constitution Avenue, NW.
Washington, DC 20210

Docket Number OSHA-2013-0020

Re: Process Safety Management and Prevention of Major Chemical Accidents
[RIN 1218- AC82]

Dear Assistant Secretary Michaels:

The purpose of this letter is to respond to the Occupational Safety and Health Administration's 9 December 2013 request for information (78 FR 73756), which requests comment on, inter alia, potential revisions to the Process Safety Management (PSM) standard and to the PSM enforcement policies.

The International Association of Drilling Contractors strongly supports efforts to make the drilling and well servicing operations safe for our member's employees. IADC also supports reasonable regulations that do not result in unreasonable difficulty to comply with as well as enforce. IADC strongly urges OSHA to retain the Oil and Gas Drilling and Servicing exemption in the above referenced matter. Policymakers are rightly saying that the U.S. needs to preserve and create more American jobs, however the proposal to remove the upstream exemption overshoots the mark, does little to improve safety, imposes unnecessary regulatory burdens and ultimately, it would result in Americans being put out of work. OSHA has a choice---it can regulate in a way that protects both jobs and safety, or it can regulate in a way that sacrifices jobs.

The International Association of Drilling Contractors is a trade association representing the interests of drilling contractors, onshore and offshore, operating worldwide. Our membership includes those drilling contractors operating approximately eighty percent of the drilling rigs currently operating in the United States.

IADC believes the recent PSM Request for Information (RFI) is an indicator that OSHA intends to add new burdens to what is already an overly complex rule. The changes outlined in the RFI would bring in potentially exorbitant additional costs for employers. In addition, by removing the upstream oil and gas exemption an additional four thousand work sites (approximate total of drilling and servicing rigs) to the PSM standard for OSHA inspectors to audit.

OSHA should consider its reaction, if PSM modernization is needed, to publish an advance notice of proposed rulemaking (ANPR) instead of going directly to a notice of proposed rulemaking (NPR). This step would be needed due the extensive and broad range of options contained in OSHA's RFI, the detailed data requested on needs, evidence, solution options, anticipate costs and benefits. Absent this intermediate step of either (a) engaging and expert group of stakeholders to help evaluate practical, and

valuable PSM improvements or (b) using the ANPR process step to solicit information needed to support effective OSHA technical basis for any proposed changes to the PSM standard, the rulemaking is likely to languish in extensive debates over needs, solutions, costs, and benefits, and it may be difficult for OSHA to pass the required OMB and SBA economic impact analysis to achieve any final revisions to the PSM standard to achieve the overall objective of promoting improved process safety performance.

Item #2: 213111 Drilling Oil and Gas Wells, and 213112 Support Activities for Oil and Gas Operations: IADC opposes the elimination of the PSM exemption for oil and gas well drilling and servicing. The PSM standard is intended to minimize catastrophic releases of highly hazardous chemicals, primarily at processing facilities which conduct static, repetitive processes. Oil and gas well drilling operations are essentially temporary operations and as such are transient, inherently variable (to address the unique factors associated with each well), and pose only a negligible risk of catastrophic release. These facilities are not “processes” and typically do not handle covered substances. The present PSM standard was not developed by OSHA to address temporary transient facilities. There are numerous other federal and/or state regulations, industry codes and standards and recommended practices which more effectively address the hazards posed by oil and gas well drilling or servicing operations. The various oil and gas producing states have regulatory bodies that oversee oil and gas well drilling operations.

Removing the exemption would result in incident prevention efforts and resources (which are effectively preventing worker injuries) being diverted to attempting to comply with a regulation which was never intended to apply to oil and gas well drilling and servicing operations.

Item #8: OSHA suggests that it should amend the PSM standard to require evaluation of updates to applicable Recognized and Generally Acceptable Good Engineering Practices (RAGAGEP) and provide a definition for RAGAGEP. IADC is concerned that this is an extremely broad mandate that in all likelihood will be very difficult to manage. As with other issues within this request for information, OSHA appears to be making an already overly complex PSM standard even more burdensome without a clear need to do so.

Item #10: The PSM standard includes a number of specific considerations for managing changes. All of these considerations are not appropriate for managing organizational changes. IADC contends that it would be inappropriate and create confusion to expand the current PSM management of change regulations (which were written to require written procedures for managing physical changes, such as swapping of equipment) to include the wide scope of management practices listed in RFI question 44. It would result in an enormous time burden and require additional personnel for our member companies to meet the extensive requirements mandated by this standard. The economic impacts of developing and implementing PSM programs for organizational changes to approximately two thousand drilling rigs and nearly three thousand well servicing rigs would be extremely complex with the thousands of people and factors to consider. IADC believes that the best practice is to manage organizational changes through established human resources practices which are independent of the PSM management of change process. Implemented programs such as communication protocols, training, mentoring, on-the-job training and competency assessments will ensure organizational changes impacting drilling and well servicing operations are managed.

Item #11: Revising Paragraph (n) of the PSM Standard to Require Coordination of Emergency Planning with Local Emergency-Response Authorities. This standard would require rig managers to coordinate emergency planning with local emergency-response

authorities. Based upon experience of our members with the facilities that we deal with on a regular basis, there is difficulty with a large number of these facilities in securing an actual on-site visit or coordination meeting with their Fire Department/LEPC Member or Council. Often their numerous efforts to establish these meetings go unrecognized or ignored due to lack of resources or manpower on the part of the Fire Department/LEPC. Having to demonstrate compliance on this issue is an undue burden upon rig managers. This coordination process, while desirable, should not be a made regulatory requirement as the participation by local authorities is outside of the control of the drilling or servicing companies.

Item #12: Revising Paragraph (o) of the PSM Standard to Require Third-Party Compliance Audits. It is suggested that PSM employers hire well-trained and experienced third-party auditors. Local rig-personnel, management personnel and qualified preferred contractors understand their rigs best, and know where existing problems are and are likely to emerge. In some cases, third-party audits can be productive, but most of the time they are conducted by individuals who are not familiar with the operational specifics of drilling and well servicing rigs. Third-party audits are an option under the current PSM standard and should stay that way.

IADC appreciates the opportunity to comment on the proposed rulemaking and requests that our comments be given due consideration. If you have any questions about these comments or recommendations, please contact me by phone at (713) 292-1945, ext. 224.

Sincerely,



Joseph R Hurt
IADC Vice President Onshore Division