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**4310-VH-P**

**DEPARTMENT OF THE INTERIOR**

**Bureau of Safety and Environmental Enforcement**

**30 CFR Part 250**

**[Docket ID: BSEE-2014-0002; 14XE1700DX EX1SF0000.DAQ000 EEEE50000]**

**RIN 1014-AA13**

**Oil and Gas and Sulphur Operations in the Outer Continental Shelf - Update of Incorporated Cranes Standard**

**AGENCY:** Bureau of Safety and Environmental Enforcement (BSEE), Interior.

**ACTION:** Proposed rule.

**SUMMARY:** BSEE proposes to incorporate by reference the Seventh Edition of the American Petroleum Institute (API) Specification 2C (Spec. 2C), “Offshore Pedestal-mounted Cranes” (2012), into its regulations. The Seventh Edition of API Spec. 2C revised many aspects of the standard for design and construction of cranes manufactured since the Seventh Edition took effect in October 2012. The intent of proposing to incorporate this revised standard into BSEE regulations is to improve the safety of cranes mounted on fixed platforms that are installed on the Outer Continental Shelf (OCS). This proposed rule would require that all cranes that lessees or operators mount on any fixed platforms after the effective date of the final rule comply with the Seventh Edition of API Spec. 2C.

**DATES:** Submit comments by [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]. BSEE may not fully consider comments received after this date.

**ADDRESSES:** You may submit comments on the proposed rulemaking by any of the following methods. Please use the Regulation Identifier Number (RIN) 1014–AA13 as an identifier in your comments. BSEE may post all submitted comments, in their entirety, at: [www.regulations.gov](http://www.regulations.gov). See *Public Participation and Availability of Comments*.

1. Federal eRulemaking Portal: [www.regulations.gov](http://www.regulations.gov). In the search box, enter “BSEE-2014-0002,” then click search. Follow the instructions to submit public comments and view supporting and related materials available for this rulemaking.

2. Mail or hand-carry comments to the Department of the Interior (DOI); Bureau of Safety and Environmental Enforcement; ATTN: Regulations and Standards Branch; 45600 Woodland Road, Mail Code VAE-ORP; Sterling, Virginia 20166. Please reference “Oil and Gas and Sulphur Operations in the Outer Continental Shelf - Update of Cranes Standard, 1014–AA13,” in your comments and include your name and return address.

**FOR FURTHER INFORMATION CONTACT:** Kelly Odom, BSEE, Regulations and Standards Branch, 703-787-1775, email address: [regs@bsee.gov](mailto:regs@bsee.gov).

**SUPPLEMENTARY INFORMATION:**

Executive Summary

As required by law, BSEE regulates oil and gas exploration, development and production operations on the OCS. Among other purposes, BSEE’s regulations seek to prevent injury, loss of life, as well as damage to property, natural resources, and the

environment. BSEE incorporates by reference in its regulations many oil and gas industry standards in order to require compliance with those standards in offshore operations.

Currently, BSEE's regulations require that all cranes on any fixed platform that was installed on the OCS after March 17, 2003, as well as all cranes manufactured after March 17, 2003 and installed (*i.e.*, mounted) on any fixed platform (regardless of when the platform was installed on the OCS), meet the requirements of the Sixth Edition of API Specification 2C, "Offshore Pedestal Mounted Cranes" (2004). In 2012, API adopted the Seventh Edition of API Spec. 2C, which extended the standard to more types of cranes and made significant improvements to the standard for design, manufacture and testing of cranes in areas such as gross overload (*e.g.*, from supply boat entanglement), consideration of duty cycles (including intensity and frequency of crane use), structural design, and wire rope design.

BSEE has determined that incorporation of the Seventh Edition of API Spec. 2C would improve safety and help prevent injury as well as damage to property. Thus, BSEE proposes to amend its existing regulations by incorporating the Seventh Edition of API Spec. 2C and, thus, to require that any cranes that lessees or operators mount—after the effective date of the final rule—on any fixed platforms meet the requirements of that standard. BSEE also proposes to add a definition of "Fixed Platform" to the regulations, consistent with the Sixth and Seventh Editions of API Spec. 2C as well as with related API standards and BSEE regulations.

#### BSEE's Functions and Authority

BSEE promotes safety, protects the environment, and conserves offshore oil and gas resources through vigorous regulatory oversight and enforcement. BSEE derives its

authority primarily from the Outer Continental Shelf Lands Act (OCSLA), 43 U.S.C. 1331-1356a. Congress enacted OCSLA in 1953, establishing Federal control over the OCS and authorizing the Secretary of the Interior (Secretary) to regulate oil and natural gas exploration, development, and production operations on the OCS. The Secretary has authorized BSEE to perform these functions (*see* 30 CFR 250.101).

To carry out its responsibilities, BSEE regulates exploration, development and production of oil and natural gas on the OCS to enhance safety and environmental protection in a way that reflects advancements in technology and new information. In addition to developing and implementing such regulatory requirements, BSEE collaborates with standards development organizations and the international community to develop and revise safety and environmental standards, which BSEE may incorporate into its regulatory program. BSEE also conducts onsite inspections to ensure compliance with regulations, lease terms, and approved plans. Detailed information concerning BSEE's regulations and guidance for the offshore industry may be found on BSEE's website at: [www.bsee.gov/Regulations-and-Guidance/index](http://www.bsee.gov/Regulations-and-Guidance/index).

#### Public Participation and Availability of Comments

BSEE encourages you to participate in this proposed rulemaking by submitting written comments, as discussed in the "ADDRESSES" and "DATES" sections of this proposed rule. This proposed rule provides 30-days for public comment because the Seventh Edition of API Spec. 2C (which was extensively reviewed and discussed during the API standard-setting consensus process) has been in effect for well over two years; thus, the relevant industries are already familiar with both the Seventh Edition and the existing BSEE regulations incorporating the prior edition of that standard.

Before including your address, phone number, e-mail address, or other personal identifying information in your comment on this proposed rule, however, you should be aware that your entire comment—including your personal identifying information—may be made publicly available at any time. While you can ask us in your comment to withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so.

#### Procedures for Incorporation by Reference and Availability of Incorporated Documents for Public Viewing

BSEE frequently uses standards (*e.g.*, codes, specifications, recommended practices) developed through a consensus process, facilitated by standards development organizations and with input from the oil and gas industry, as a means of establishing requirements for activities on the OCS. BSEE may incorporate these standards into its regulations without republishing the standards in their entirety in the Code of Federal Regulations, a practice known as incorporation by reference. The legal effect of incorporation by reference is that the incorporated standards become regulatory requirements. This incorporated material, like any other properly issued regulation, has the force and effect of law, and BSEE holds operators, lessees and other regulated parties accountable for complying with the documents incorporated by reference in our regulations. We currently incorporate by reference over 100 consensus standards in BSEE's regulations governing offshore oil and gas operations (*see* 30 CFR 250.198).

Federal regulations at 1 CFR part 51 govern how BSEE and other Federal agencies incorporate various documents by reference. Agencies may only incorporate a document by reference by publishing the document title, edition, date, author, publisher, identification number, and other specified information in the *Federal Register*. The

Director of the *Federal Register* must approve each publication incorporated by reference in a final rule. Incorporation by reference of a document or publication is limited to the specific edition approved by the Director of the *Federal Register*.

When a copyrighted industry standard is incorporated by reference into our regulations, BSEE is obligated to observe and protect that copyright. We provide members of the public with website addresses where these standards may be accessed for viewing—sometimes for free and sometimes for a fee. The decision to charge a fee is made by each standards development organization. API provides free online public access to at least 160 technical and other key industry standards. Those standards represent almost one-third of all API standards and include all that are safety-related or are incorporated into Federal regulations. These standards are available for review online, while hard copies and printable versions will continue to be available for purchase through API. To review such standards online, go to the API publications website at: <http://publications.api.org>. You must then log-in or create a new account, accept API's "Terms and Conditions," click on the "Browse Documents" button, and then select the applicable category (*e.g.*, "Exploration and Production") for the standard(s) you wish to review.

For the convenience of the viewing public who may not wish to purchase or view the incorporated documents online, they may be inspected at BSEE's office at 45600 Woodland Road, Sterling, Virginia 20166 (phone: 703-787-1587).

Documents incorporated in the final rule will be made available to the public for viewing when requested. Additional information on where these documents can be inspected or purchased can be found at 30 CFR 250.198, *Documents incorporated by reference*.

Background Information for Proposed Incorporation by Reference of Seventh Edition of API Spec. 2C

As authorized by OCSLA, BSEE has promulgated regulations governing oil, gas and sulphur exploration, development, and production operations on the OCS (30 CFR part 250). On February 14, 2003, the Minerals Management Service (MMS), the predecessor to BSEE, incorporated the Fifth Edition of API Spec. 2C, “Specification for Offshore Cranes” (1995), into its regulations at §§ 250.108(c) and (d) and § 250.198(e), effective March 17, 2003 (68 FR 7421).<sup>1</sup> The purpose of that rule was to require lessees and operators to ensure the safe design, construction, and testing of all cranes mounted on any fixed platform that was installed on the OCS after the effective date of the final rule (March 17, 2003) and of all cranes manufactured after March 17, 2003, and subsequently mounted on any fixed platform (without regard to the platform’s installation date on the OCS).

On March 15, 2007, the MMS incorporated the Sixth Edition of API Spec. 2C (adopted by API in 2004) into the regulations at §§ 250.108(c) and (d) and § 250.198(e) in place of the Fifth Edition (72 FR 12088).<sup>2</sup> Thus, the regulations currently require that operators and lessees ensure that all cranes mounted on any fixed platform that was installed on the OCS after March 2003, as well as all cranes manufactured after March 2003 and subsequently mounted on any fixed platform (regardless of when the platform was installed on the OCS), meet the requirements of the Sixth Edition of API Spec. 2C.

In March 2012, API approved the Seventh Edition of API Spec. 2C (effective in October 2012), reorganizing the standard and providing improved design and

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<sup>1</sup> MMS proposed this regulation on July 19, 2001 (*see* 66 FR 37611).

<sup>2</sup> On April 28, 2010, MMS revised and reorganized § 250.198, and the provision incorporating API Spec. 2C, Sixth Edition, was moved to § 250.198(h)(69) (*see* 75 FR 22219).

construction criteria for new pedestal-mounted cranes (*i.e.*, those manufactured after October 2012). The most significant technical and engineering issues addressed by API in the Seventh Edition of API Spec. 2C include:

- Gross overload of cranes and supply boat entanglement issues (*i.e.*, while the Sixth Edition did not require manufacturers to address gross overload conditions, the Seventh Edition requires that manufacturers use a failure mode assessment to address gross overload conditions, such as supply boat entanglement, and provide the failure mode results to crane purchasers);
- Consideration of duty cycles in service life design<sup>3</sup> (*e.g.*, while the Sixth Edition did not specifically address duty cycles in the design of cranes, the Seventh Edition expressly includes consideration of duty cycles, or the magnitude of loads and/or frequency of use, in the design life of machinery and wire rope components of cranes);
- Wire rope design factors (*e.g.*, while the Sixth Edition included a fixed factor for design of running rigging, the Seventh Edition includes specific reeving efficiency calculations in running rigging design); and
- Structural crane design factors for all types of offshore pedestal-mounted cranes (*e.g.*, while the Sixth Edition used a fixed minimum onboard dynamic coefficient, the Seventh Edition uses a more precise sliding minimum onboard dynamic coefficient based on each crane's safe working load).
- Dual braking systems (while the Sixth Edition required only parking brake systems for crane hoist systems, the Seventh Edition requires that cranes have both "parking brake systems" (*i.e.*, disk or mechanical brakes that act directly on the wire

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<sup>3</sup> Offshore cranes can experience significantly different intensity and frequency of use depending on many factors, including the location of the platform and the environmental conditions under which the cranes will be used.

rope drum) and “dynamic brake systems” (e.g., brakes that use control fluid from a drive motor) for hoisting operations (i.e., raising or lowering loads)).

- Load moment indicator systems (i.e., the Seventh Edition adds a new provision — for intermediate, drilling and construction duty cranes—requiring load moment indicator systems that sense load and lifting conditions when the crane is in use, compare those conditions to the crane’s rated capacity, and alert the operator when the crane approaches an overload condition (e.g., the overturning moment)).

- Personnel capacity and Safe Working Load (SWL) calculations (i.e., the Seventh Edition provides more precise methods for calculating the SWL, and increases the capacity for safely hoisting personnel from 35 percent, under the Sixth Edition, to 50 percent of the SWL).

In addition, section 4 (“Documentation”) of the Seventh Edition of API Spec. 2C requires purchasers to supply certain information to manufacturers prior to purchasing a crane—and manufacturers to supply certain documentation to the purchaser—in order to ensure that cranes are designed and manufactured, in compliance with the Seventh Edition, to perform safely and properly under the conditions in which the cranes are expected to be used.

#### Discussion of Proposed Amendments

BSEE has reviewed the Seventh Edition of API Spec. 2C and determined that the revised edition should be incorporated into the regulations to ensure that lessees and operators are complying with the latest consensus industry practices and standards for cranes. If the Seventh Edition is incorporated into BSEE’s regulations, it will require the use of up-to-date industry standard technology, processes, and design criteria to ensure that fixed platform operators mount cranes designed to operate safely in difficult

offshore conditions. For example, the failure mode calculations and gross overload protection provisions in the Seventh Edition of API Spec. 2C would help reduce the potential risk of injury to personnel by, among other things:

- Addressing the possibility of supply boat entanglement;
- Improving crane operator safety in the event of an unbounded gross overload (*e.g.*, supply boat entanglement) without increasing the risk to other personnel from the crane dropping its load; and
- Using a higher factor of safety for the pedestal/slew bearing to ensure that the main crane structure and operator cabin remain attached to the platform during a catastrophic event.

Similarly, the Seventh Edition's provision for dual braking systems would improve hoisting efficiency and decrease stress on the crane motor and, thus, help prevent both unintended load drops and motor malfunctions. In addition, the Load Moment Indicator System provision would improve safety by alerting the operator (*e.g.*, with bells, warning lights, buzzers) when a crane is approaching a critical overload condition, giving the operator a better chance to prevent the crane from overturning or causing other safety problems. Likewise, the Seventh Edition's improved method for calculating a crane's SWL justifies increasing the personnel capacity to 50 percent of the SWL, which, in turn, should reduce both the number of hoists needed to safely move the same number of people (as compared to the Sixth Edition) and the cumulative risk inherent in multiple hoists.

Therefore, BSEE is proposing to amend §§ 250.108 and 250.198(h)(69) to incorporate, and to require that lessees and operators ensure compliance with, the Seventh

Edition of API Spec. 2C for all cranes mounted after the effective date of the final rule on any fixed OCS platform without regard to when the platform was installed on the OCS.

Unlike the current regulations, compliance with the Seventh Edition of API Spec. 2C would not be tied to the date of manufacture of the crane or the date that the fixed platform was installed on the OCS. The original promulgation of § 250.108(c) and (d) in 2003 marked the first time that MMS required lessees and operators to ensure that the cranes on fixed platforms complied with the criteria of the version of API Spec. 2C then in effect (*i.e.*, the Fifth Edition). Accordingly, MMS initially made § 250.108(c) and (d) applicable only to cranes that were manufactured after the effective date of that final rule (March 17, 2003) and then mounted on any fixed platform (regardless of the platform's installation date), as well as to all cranes (regardless of their manufacture dates) mounted on any fixed platform that was installed on the OCS after March 17, 2003. Thus, lessees and operators could become familiar with, and plan for compliance with, the new regulatory requirement before mounting new cranes or installing new platforms.

In 2007, when MMS amended §§ 250.108(c) and (d) and 250.198 to require compliance with the Sixth Edition of API Spec. 2C in lieu of the Fifth Edition, MMS retained the original threshold applicability date (March 17, 2003) in § 250.108 for manufacture of cranes and for installation of platforms. There was no need at that time to change the threshold date because the criteria for design and manufacture of cranes in the Sixth Edition were very similar to those in the Fifth Edition, which had been in effect under § 250.108 since March 2003.

By contrast, the Seventh Edition of API Spec. 2C makes significant changes to the criteria in the Sixth Edition. These changes will result in improvements, as previously described, to safety and personnel protection on fixed platforms. Cranes that meet the

specifications of the Sixth Edition may not necessarily meet all of the specifications of the Seventh Edition and would not necessarily achieve the same level of safety afforded by cranes that meet the specifications of the Seventh Edition.

In light of those changes, and the fact that the industry has been required to comply with prior editions of API Spec. 2C for over 10 years, the original March 2003 threshold applicability date is no longer necessary or appropriate. Thus, we propose that operators and lessees ensure that all cranes that they mount on any fixed OCS platforms after the effective date of the new final rule comply with the criteria in the Seventh Edition of API Spec. 2C, without regard to the fixed platforms' installation dates or the cranes' manufacture dates. Because crane manufacturers and offshore lessees and operators have been familiar with, and voluntarily using, the Seventh Edition of API Spec. 2C since October 2012, this proposed requirement should not require significant changes in lessees' and operators' ordinary business practices. Moreover, the proposed rule would effectively eliminate a potential anomaly in the existing rules that arguably could be read to imply that cranes manufactured before March 2003 may continue to be mounted on platforms that were installed on the OCS before March 2003 without complying with any version of API Spec. 2C.

We also propose, in accordance with § 250.108(c) and (d) of the current regulations, to allow lessees and operators to continue to use cranes that comply with the Sixth Edition of API Spec. 2C if they mount (or mounted) a crane on a fixed platform between March 17, 2003, and the effective date of the new final rule and:

- the fixed platform was installed on the OCS between March 17, 2003, and the effective date of the final regulation; or

- the crane was manufactured after March 17, 2003, and before the effective date of the final rule.

However, because the Seventh Edition of API Spec. 2C has been in voluntary use by the industry since October 2012, we propose to amend § 250.108 to give lessees and operators the option of ensuring that any cranes mounted after October 2012 and before the effective date of the new final rule comply with the Seventh Edition of API Spec. 2C in lieu of the Sixth Edition. Currently, § 250.198(c) allows a lessee or operator to comply with a later edition of any incorporated standard, provided that the lessee or operator shows that the later edition is at least as protective as the incorporated standard and obtains prior written approval from BSEE. The proposed amendment to allow compliance with either the Sixth or Seventh Edition for cranes mounted between October 2012 and the effective date of the new final rule would simply eliminate the need for such a showing and for prior BSEE approval.

Finally, we propose to add a new definition to § 250.105 for “fixed platform,” solely as used in § 250.108. The Sixth Edition of API Spec. 2C used and defined the term “fixed platform” in virtually the same way as that term is currently defined in API Recommended Practice 2D, “Operation and Maintenance of Offshore Cranes” (Sixth Edition, May 2007) (API RP 2D), which is incorporated by reference in § 250.108(a). However, the Seventh Edition of API Spec. 2C largely replaced the term “fixed platform” with the term “bottom-supported structure,” which is defined in a way very similar to the definition of “fixed platform” in the Sixth Edition of API Spec. 2C. In fact, the Seventh Edition of API Spec. 2C frequently uses the terms “bottom-supported structure” and “fixed platform” interchangeably.

To avoid confusion, however, we propose to add to § 250.105 a definition of “fixed platform,” as used in § 250.108, that is consistent with the definition of “bottom-supported structure” in the Seventh Edition of API Spec. 2C, as well as with the definition of “fixed platform” in API RP 2D. In addition, the proposed new definition would be compatible with the definition of “fixed platform” in API RP 2A-WSD, “Recommended Practice for Planning, Designing, and Constructing Fixed Offshore Platforms—Working Stress Design” (Twenty-first Edition, reaffirmed October 2010) and with the definition of OCS “facility” in 30 CFR 250.105.

#### Consistency with United States Coast Guard (USCG) Proposed Rule

On May 13, 2013, the USCG proposed to incorporate the Seventh Edition of API Spec. 2C into USCG regulations at 46 CFR parts 107 through 109 for cranes installed on mobile offshore drilling units (MODUs), offshore supply vessels (OSVs), and floating OCS facilities (*see* 78 FR 27913). Because this BSEE-proposed rule would apply only to cranes mounted on offshore fixed platforms—which, as defined in proposed § 250.105, do not include MODUs, OSVs, or floating OCS facilities—there is no duplication between the USCG proposal and this proposed rule. Similarly, the USCG-proposed rule would not duplicate or conflict with the current BSEE requirements at § 250.108 because the existing BSEE requirements apply only to fixed platforms. In any case, the USCG proposal is essentially consistent with our proposed rule in that USCG would require offshore cranes used for OCS activities, and mounted after the effective date of USCG’s final rule, to comply with the Seventh Edition of API Spec. 2C.<sup>4</sup> In fact, USCG intends

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<sup>4</sup> The USCG also proposed to provide an option for compliance with “other equivalent standard[s] identified by [the] Commandant” in lieu of compliance with the Seventh Edition of API Spec. 2C (78 FR 27924). The existing BSEE regulations also provide a process for seeking BSEE’s approval to use alternate procedures or equipment under appropriate conditions (*see* 30 CFR 250.141).

that its proposed rule align with BSEE's requirements for cranes used on offshore fixed platforms (*see* 78 FR 27914).<sup>5</sup>

The USCG proposal would also incorporate, and require compliance with, the Sixth Edition of API RP 2D for operation and maintenance of cranes on MODUs, OSVs, and floating OCS facilities in 46 CFR parts 107 -109 (*see* 78 FR 27915). The existing BSEE regulations, at §§ 250.108(a) and 250.198(h)(48), already require that lessees and operators operate cranes on fixed platforms in accordance with the Sixth Edition of API RP 2D. We are aware, however, that API published a Seventh Edition of RP 2D in December 2014. We will evaluate that revised standard and consider whether it should be incorporated by reference in § 250.108(a) at a later date.

### **Request for Comments on Quality Control**

In addition to proposing to require lessees and operators to ensure that the cranes on their fixed platforms comply with the Seventh Edition of API Spec. 2C, we are considering whether there are ways to verify that new cranes have been fabricated pursuant to that API standard. For example, we are considering whether lessees and operators should ensure that cranes mounted on their fixed platforms in the future are constructed and marked in accordance with a quality management system such as API Specification Q1, "Specification for Quality Programs for the Petroleum, Petrochemical and Natural Gas Industry," Ninth Edition (2014) (API Spec. Q1). Accordingly, we request comments on whether API Spec. Q1, or any similar quality management systems

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<sup>5</sup> Although the Seventh Edition of API Spec. 2C has no size limitations on its applicability to cranes, USCG proposes to apply that standard (as well as the Sixth Edition of API RP 2D) only to cranes with a lifting capacity of 10,000 pounds or more (*see* 78 FR 27915.) There is no such size threshold in BSEE's current regulations at 30 CFR 250.108, and we do not propose to create one. In fact, § 250.108 is intended to include smaller cranes used for material handling purposes on fixed platforms.

(such as those found in the International Standards Organization 9000 collection of standards), could help to ensure the overall reliability and safety of cranes.

## **Procedural Matters**

### **Regulatory Planning and Review (Executive Orders 12866 and 13563)**

Executive Order 12866 (E.O. 12866) provides that the Office of Management and Budget (OMB), Office of Information and Regulatory Affairs (OIRA), will review all significant rules. BSEE has determined that this proposed rule is not a significant regulatory action as defined by section 3(f) of E.O. 12866 because:

- It is not expected to have an annual effect on the economy of \$100 million or more;
- It would not adversely affect in a material way the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities;
- It would not create a serious inconsistency or otherwise interfere with an action taken or planned by another agency;
- It would not alter the budgetary impact of entitlements, grants, user fees, or loan programs, or the rights or obligations of their recipients; and
- It does not raise novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in E.O. 12866.

In particular, BSEE has determined that this proposed rule would not have a significant economic effect on the offshore oil and gas industry because BSEE includes existing industry standards in the baselines for economic analyses for regulations. OMB Circular A-4, which provides guidance to Federal agencies on the preparation of economic analyses under E.O. 12866, states that the economic baseline represents the agency's best assessment of what the world would be like absent the action. Thus, the

baseline should include all practices that already exist, and that would continue to exist, even if the new regulations were never imposed.

Since consensus industry standards represent generally accepted industry practices and expectations for use in operations, and are developed and written by industry experts and approved by the industry itself, we understand and expect that industry follows such standards (or similar best practices) to ensure safety and reliability of operations.

Therefore, BSEE includes relevant existing standards in the baseline when considering the potential economic impacts of its regulatory actions. Accordingly, because this proposed rule would simply incorporate the Seventh Edition of API Spec. 2C, which has been in effect since October 2012, BSEE has not prepared an economic analysis for, and OIRA has not reviewed, this proposed rule.

Executive Order 13563 (E.O. 13563) reaffirms the principles of E.O. 12866 while calling for improvements in the nation's regulatory system to promote predictability, to reduce uncertainty, and to use the best, most innovative, and least burdensome tools for achieving regulatory ends. In addition, E.O. 13563 directs agencies to consider regulatory approaches that reduce burdens and maintain flexibility and freedom of choice for the public where these approaches are relevant, feasible, and consistent with regulatory objectives. It also emphasizes that regulations must be based on the best available science and that the rulemaking process must allow for public participation and an open exchange of ideas. We developed this proposed rule in a manner consistent with these requirements.

### **Regulatory Flexibility Act**

BSEE certifies that this proposed rule would not have a significant economic effect on a substantial number of small entities under the Regulatory Flexibility Act (5 U.S.C.

601 *et seq.*). The changes that would be incorporated by this proposed rule could affect lessees and operators of leases on the OCS who install new fixed platforms or new cranes on existing fixed platforms. This could include about 130 active companies. Offshore lessees and operators fall under the Small Business Administration's North American Industry Classification System (NAICS) codes 211111 (Crude Petroleum and Natural Gas Extraction) and 213111 (Drilling Oil and Gas Wells). For these NAICS code classifications, a small company is one with fewer than 500 employees. Based on these criteria, an estimated 90 (or 69 percent) of the active lessee/operator companies are considered small. Thus, this proposed rule would affect a substantial number of small entities. However, because the proposed rule simply incorporates an existing standard that has been adopted and followed by industry voluntarily since 2012, it would not impose significant new costs or burdens on the offshore oil and gas industry. Accordingly, the changes in the proposed rule would not have a significant economic effect on a substantial number of small entities, and BSEE is not required by the Regulatory Flexibility Act to prepare an initial regulatory flexibility analysis for this proposed rule.

Your comments are important. The Small Business and Agriculture Regulatory Enforcement Ombudsman and 10 Regional Fairness Boards were established to receive comments from small businesses about Federal agency enforcement actions. The Ombudsman will annually evaluate the enforcement activities and rate each agency's responsiveness to small business. If you wish to comment on the actions of BSEE, call 1-888-734-3247. You may comment to the Small Business Administration (SBA) without fear of retaliation. Allegations of discrimination/retaliation filed with the SBA will be investigated for appropriate action.

### **Small Business Regulatory Enforcement Fairness Act**

This proposed rule is not a major rule under the Small Business Regulatory Enforcement Fairness Act (5 U.S.C. 801 *et seq.*). This proposed rule would not:

- Have an annual effect on the economy of \$100 million or more;
- Cause a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies, or geographic regions; or
- Have significant adverse effects on competition, employment, investment, productivity, innovation, or the ability of U.S.-based enterprises to compete with foreign-based enterprises.

### **Unfunded Mandates Reform Act of 1995**

This proposed rule would not impose an unfunded mandate on State, local, or tribal governments or the private sector of more than \$100 million per year. This proposed rule would not have a significant or unique effect on State, local, or tribal governments or the private sector. Thus, a statement containing the information required by the Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1501, *et seq.*) is not required.

### **Takings Implication Assessment (Executive Order 12630)**

Under the criteria in Executive Order 12630, this proposed rule would not have significant takings implications. This proposed rule is not a governmental action capable of interference with constitutionally protected property rights. Thus, a Takings Implication Assessment is not required.

### **Federalism (Executive Order 13132)**

Under the criteria in Executive Order 13132, this proposed rule would not have federalism implications. This proposed rule would not substantially and directly affect the relationship between the Federal and State governments. To the extent that State and

local governments have a role in OCS activities, this proposed rule would not affect that role. Accordingly, a Federalism Assessment is not required.

#### **Civil Justice Reform (Executive Order 12988)**

This proposed rule complies with the requirements of Executive Order 12988 (E.O. 12988). Specifically, this rule:

- Would meet the criteria of section 3(a) of E.O. 12988 requiring that all proposed regulations be reviewed to eliminate drafting errors and ambiguity, be written to minimize litigation, and provide clear legal standards; and
- Would meet the criteria of section 3(b)(2) of E.O. 12988 requiring that all regulations be written in clear language and contain clear legal standards.

#### **Consultation with Indian Tribes (Executive Order 13175)**

We have evaluated this proposed rule under the Department's tribal consultation policy and under the criteria in Executive Order 13175 and have determined that it would have no substantial effects on federally recognized Indian tribes and that consultation under the department's policy is not required.

#### **Paperwork Reduction Act of 1995 (PRA)**

BSEE has determined that this proposed regulation does not contain new information collection requirements pursuant to the PRA (44 U.S.C. 3501 *et seq.*). Thus, we will not submit an information collection request to OMB.

#### **National Environmental Policy Act of 1969 (NEPA)**

This proposed rule meets the criteria set forth in 516 Departmental Manual (DM) 15.4C(1) for a categorical exclusion because it involves modification of existing regulations, the impacts of which would be limited to administrative, economic, or technological effects with minimal environmental impacts.

We also analyzed this proposed rule to determine if it meets any of the extraordinary circumstances set forth in 43 CFR 46.215, that would require an environmental assessment or an environmental impact statement for actions otherwise eligible for a categorical exclusion. We concluded that this rule does not meet any of the criteria for extraordinary circumstances.

### **Data Quality Act**

In developing this proposed rule, we did not conduct or use a study, experiment, or survey requiring peer review under the Data Quality Act (Pub. L. 106-554, App. C sec. 515, 114 Stat. 2763, 2763A-153-154).

### **Effects on the Nation's Energy Supply (Executive Order 13211)**

This proposed rule would not be a significant energy action under Executive Order 13211 because:

- It is not a significant regulatory action under E.O. 12866;
- It is not likely to have a significant adverse effect on the supply, distribution or use of energy; and
- It has not been designated as a significant energy action by the Administrator of OIRA.

Thus, a Statement of Energy Effects is not required.

### **Clarity of This Regulation (Executive Orders 12866 and 12988)**

We are required by Executive Orders 12866 and 12988, and by the Presidential Memorandum of June 1, 1998, to write all rules in plain language. This means that each rulemaking we publish must:

- Be logically organized;
- Use the active voice to address readers directly;

- Use clear language rather than jargon;
- Be divided into short sections and sentences; and
- Use lists and tables wherever possible.

If you feel that we have not met these requirements, send us comments by one of the methods listed in the “ADDRESSES” section. To better help us revise the rule, your comments should be as specific as possible. For example, you should tell us the numbers of the sections or paragraphs that you find unclear, which sections or sentences are too long, and the sections where you feel lists or tables would be useful.

**List of Subjects in 30 CFR Part 250**

Continental shelf, Environmental impact statements, Environmental protection, Government contracts, Incorporation by reference, Investigations, Mineral royalties, Oil and gas development and production, Oil and gas exploration, Oil and gas reserves, Penalties, Pipelines, Reporting and recordkeeping requirements, Sulphur development and production, Sulphur exploration.

Dated: June 7, 2015.

Janice M. Schneider,  
Assistant Secretary  
Land and Minerals Management

For the reasons stated in the preamble, the Bureau of Safety and Environmental Enforcement (BSEE) proposes to amend 30 CFR Part 250 as follows:

**PART 250—OIL AND GAS AND SULPHUR OPERATIONS IN THE OUTER CONTINENTAL SHELF**

1. The authority citation for part 250 continues to read as follows:

**Authority:** 30 U.S.C. 1751, 31 U.S.C. 9701, 43 U.S.C. 1334.

2. Amend § 250.105 by adding, in alphabetical order, a definition of “Fixed platform,” to read as follows:

**§ 250.105 Definitions.**

\* \* \* \* \*

*Fixed platform*, as used in 30 CFR 250.108, means a bottom-supported stationary structure extending above the ocean surface, without significant movement in response to waves or currents in normal operating conditions, and installed for the purpose of exploration, development, or production of oil, gas or sulphur on the OCS. Examples of a *fixed platform* include gravity-based or jacket-and-pile supported platforms, jackup rigs (once in position and bottom-supported), and submersible bottom-supported rigs.

\* \* \* \* \*

3. Amend § 250.108 as follows:
  - a. Revise paragraphs (c) and (d);
  - b. Redesignate paragraphs (e) and (f) as paragraphs (f) and (g), respectively; and
  - c. Add new paragraph (e).

The revisions and additions read as follows:

**§ 250.108 What requirements must I follow for cranes and other material-handling equipment?**

\* \* \* \* \*

(c) If you installed a fixed platform after March 17, 2003, and before [EFFECTIVE DATE OF THE FINAL RULE]:

(1) All cranes mounted on the fixed platform on or after March 17, 2003, and before October 1, 2012, must meet the requirements of American Petroleum Institute Specification for Offshore Pedestal-mounted Cranes (API Spec. 2C), Sixth Edition (2004), as incorporated by reference in § 250.198(h)(69)(i); and

(2) All cranes mounted on the fixed platform on or after October 1, 2012, and before [EFFECTIVE DATE OF FINAL RULE], must meet either the requirements of API Spec. 2C, Sixth Edition, or API Spec. 2C, Seventh Edition (2012), as incorporated by reference in § 250.198(h)(69)(ii).

(d) If you installed a fixed platform before March 17, 2003, and mounted a crane on the fixed platform before [EFFECTIVE DATE OF FINAL RULE], and

(1) The crane was manufactured after March 17, 2003, and before October 1, 2012, the crane must meet the requirements of API Spec. 2C, Sixth Edition;

(2) The crane was manufactured on or after October 1, 2012, the crane must meet either the requirements of API Spec. 2C, Sixth Edition, or API Spec. 2C, Seventh Edition.

(e) If you mount a crane on a fixed platform after [EFFECTIVE DATE OF FINAL RULE], the crane must meet the requirements of API Spec. 2C, Seventh Edition.

\* \* \* \* \*

4. Amend § 250.198 by revising paragraph (h)(69) to read as follows:

**§ 250.198 Documents incorporated by reference.**

\* \* \* \* \*

(h) \* \* \*

(69) API Spec. 2C, Specification for Offshore Pedestal-mounted Cranes:

(i) Sixth Edition, March 2004, Effective Date: September 2004, API Stock No. G02C06; incorporated by reference at § 250.108(c) and (d);

(ii) Seventh Edition, March 2012, Effective Date: October 2012, API Product No. G02C07; incorporated by reference at § 250.108(c), (d) and (e);

\* \* \* \* \*

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