


## MEMORANDUM

Date: September, 08, 2016

To: Chad A. Lallemand, Desk Officer / Policy Analyst, Office of Information and Regulatory Affairs, Office of Management and Budget

From: Patricia Hu, Director   
Bureau of Transportation Statistics  
Office of the Assistant Secretary for Research and Technology  
U.S. Department of Transportation

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Subject: Request for Emergency Processing of Information Collection: Barrier Failure Reporting in Oil and Gas Operations on the Outer Continental Shelf

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### Summary

The Bureau of Transportation Statistics (BTS) Office of the Assistant Secretary for Research and Technology (OST-R), U.S. Department of Transportation seeks emergency clearance from the OMB to collect information from companies of the offshore oil and gas industry on failure types and modes of critical safety barriers for offshore well and production operations.

### Background

In August 2013, BTS and the Bureau of Safety and Environmental Enforcement (BSEE), within the U.S. Department of the Interior, signed an interagency agreement to develop and implement SafeOCS, a voluntary program for confidential reporting of ‘near misses’ occurring on the Outer Continental Shelf (OCS). The goal of the voluntary near miss reporting system is to provide BTS with essential information about accident precursors and other hazards associated with OCS oil and gas operations. Under the program, BTS will develop and publish aggregate reports that BSEE, the industry and all OCS stakeholders can use—in conjunction with incident reports and other sources of information—to reduce safety and environmental risks and continue building a more robust safety culture on the OCS.

In July 2016, new BSEE regulations became effective which require, in part, the reporting of well control barrier-related failure event and analysis information (see 81 FR 25887, Apr. 29, 2016). BSEE requested and BTS agreed to expand the scope of SafeOCS to include reports of equipment failure mandated by 30 CFR 250.730. The collection of this information has been previously approved by OMB (OMB Control Number 1014-0028, expiration 04/30/2019).

In addition, the BSEE final rule amending and updating oil and gas production safety system regulations requires, in part, the reporting of safety and pollution prevention equipment (SPPE) failure event and analysis information. This final rule was published in the Federal Register on September 7, 2016 and is effective 60 days thereafter. BSEE requested and BTS have agreed to expand the scope of SafeOCS to include reports of SPPE failure mandated by the forthcoming amendments to 30 CFR 250.803. The collection of this information has been previously approved by OMB (OMB Control Number 1014-0003, expiration 08/31/2019).

Both BTS and BSEE agree that reports of equipment failures are considered a type of precursor safety information and can be included in SafeOCS to provide a means of identifying industry-wide data trends on barrier failures or potential for barrier failures. BTS has entered into a memorandum of understanding (MOU) with BSEE describing the agencies' agreement to expand the scope of SafeOCS as summarized above. In accordance with the MOU, BTS will establish a data collection program to develop an industry-wide repository of barrier failure data; analyze and aggregate information collected under this program; and publish reports that will provide BSEE, the oil and gas industry, and all OCS stakeholders with essential information about failure types and modes of critical safety barriers for offshore operations.

The confidentiality of notices and reports submitted directly to BTS will be protected in accordance with the Confidential Information Protection and Statistical Efficiency Act of 2002 (CIPSEA) (44 U.S.C. § 3501 note). This data collection will provide parties in the oil and gas industry a trusted means to report sensitive proprietary and safety information related to equipment failures and to foster trust in the confidential collection, handling, and storage of the raw data.

Feedback from the industry during the data collection form drafting process indicates substantial reluctance to provide detailed barrier failure event information without the additional protections of CIPSEA. Reports submitted directly to BSEE use an abbreviated data collection form that includes only limited information related to barrier failure events. The use of the abbreviated form was necessitated by the industry's reluctance to provide additional information without CIPSEA data protections. Reports submitted directly to BTS will use a longer data collection form that includes additional essential detail about a barrier failure event such as equipment history information, certain important event data information, and root cause information.

In total, the longer form includes approximately 21 additional data fields over the abbreviated form. The additional detail included in the longer form is critical to comprehensively assess failures and determine appropriate exposure denominators for risk estimates, in service of BSEE's mission to promote safety and prevent environmental harm.

### **The Data Collection**

This information collection is limited to the establishment of BTS as an authorized repository for the previously approved information collections (OMB Control Number 1014-0028, expiration 04/30/2019, and OMB Control Number 1014-0003, expiration 08/31/2019) in order to ensure the confidentiality of submissions under CIPSEA.

BTS has entered into a memorandum of understanding (MOU) with BSEE to facilitate the collection of information from respondents identified in the BSEE notices for the above listed control numbers. The responsibility for establishing the actual scope and burden for this collection resides with BSEE. This BTS information collection request does not create any additional burden for respondents. For the purposes of this collection BTS has identified BSEE as the sole respondent reporting to BTS at the annual frequency of one.

### **Request for Emergency Clearance**

BTS requests emergency processing of this information collection because the use of normal clearance procedures is likely to result in the collection of only limited data on barrier failure events during the established PRA time periods. The use of normal clearance procedures will prevent collection of this data during the established PRA time periods, which will inhibit BSEE's ability to comprehensively assess barrier failures and risks, identify barrier failure trends, and identify causes of critical safety barrier failure events.

The BSEE Well Control Rule failure data collection for BOP equipment was substantially driven by an event of major national significance, which also captured international attention. One important element of this event was the failure of BOP equipment. The event resulted in the deaths of 11 people and the largest oil spill in US history. It is in the public interest to commence immediate collection of the additional information on equipment history and important event data to enable a better understanding of underlying root causes.

We have reviewed the requirements for emergency clearance outlined in 5 CFR 1320.13 and believe that the situation meets the criteria outlined therein.