MEMORANDUM OF AGREEMENT
BETWEEN THE
BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT – U.S. DEPARTMENT OF THE INTERIOR
AND THE
U.S. COAST GUARD – U.S. DEPARTMENT OF HOMELAND SECURITY

BSEE/USCG MOA: **OCS-08** Effective Date: June 4, 2013

SUBJECT: MOBILE OFFSHORE DRILLING UNITS (MODUs)

A. PURPOSE

The purpose of this Memorandum of Agreement (MOA) is to identify responsibilities of the Bureau of Safety and Environmental Enforcement (BSEE) and the U.S. Coast Guard (USCG) (together, participating agencies) for regulation, inspection, and oversight of systems and sub-systems on mobile offshore drilling units (MODUs).

Implementation of this MOA will be in accordance with the Memorandum of Understanding (MOU) between the BSEE and the USCG, signed on 27 November 2012. The participating agencies will review their internal procedures and, where appropriate, revise them to accommodate the provisions of this MOA.

B. AUTHORITIES

The USCG enters this agreement under the authority of 14 USC (U.S. Code) §§ 93(a)(20) and 141. The USCG regulates offshore activities pursuant to the Outer Continental Shelf Lands Act (OCSLA), as amended, 43 USC §§ 1331 *et seq*., including §§ 1333, 1347, 1348, 1356; 33 USC § 2712(a)(5)(A) (the Oil Pollution Act of 1990), 33 USC §§2701 *et seq*.; Section 311 of the Federal Water Pollution Control Act, also known as the Clean Water Act, 33 USC §1321; and Executive Order 12777. Applicable USCG regulations are found under parts of Titles 33 (Navigation and Navigable Waters) and 46 (Shipping) of the Code of Federal Regulations (CFR), and the USCG exercises authority under the National Contingency Plan, 40 CFR Part 300.

The BSEE enters this agreement under the authority of OCSLA, 43 USC §§ 1331 *et seq*. Applicable BSEE regulations are found under parts of Title 30 (Mineral Resources) of the CFR.

C. Agency Responsibilities

MODUs fall under USCG authority for regulation of vessels, are inspected and certificated by the USCG under Title 46 of the U.S. Code, and are subject to USCG regulatory authorities under OCSLA for all matters relating to the promotion of safety of life and property (43 USC § 1333(d)), as well as for unregulated hazardous working conditions on the Outer Continental Shelf (OCS) (43 USC § 1347(c)). When a MODU is temporarily attached to the seabed, BSEE regulates well operations including drilling, completions, workover, production, and decommissioning. Where BSEE has specific regulations for MODU systems, or MODU operations, this MOA will serve as a formal agreement by the participating agencies concerning which agency has the lead for regulation, inspection, and oversight of systems on MODUs.

Annex 1 of this MOA lists the systems and sub-systems associated with MODUs and the applicable lead agency. The lead agency is responsible for coordinating with the other agency as appropriate.

D: Definitions

In accordance with 46 CFR 107.111, a MODU means a vessel, except a public vessel of the United States, capable of engaging in drilling operations for the exploration or exploitation of subsea resources that is:

(1) Seagoing and 300 or more gross tons and self-propelled by motor;
(2) Seagoing and 100 or more gross tons and non-self propelled; or
(3) More than 65 feet in length and propelled by steam.

In accordance with 30 CFR Part 250, BSEE regulates MODUs when permanently or temporarily attached to the seabed of the OCS and engaged in drilling or downhole operations, used for oil, gas or sulphur drilling, production, or related activities.

E. General Provision

Nothing in this MOA alters, amends, or affects in any way, the statutory authority of the BSEE or the USCG. This MOA cannot be used to obligate, commit or establish the basis for the transfer of funds. All provisions in this MOA are subject to the availability of personnel and funds.

This MOA is not intended to, nor does it, create any right, benefit, or trust responsibility, substantive or procedural, enforceable at law or equity by any person or party against the United States, its agencies, its officers, or any other person.

This MOA neither expands nor is in derogation of those powers and authorities vested in the participating agencies by applicable law.

F. Amendments to the MOA

This MOA may be amended by mutual agreement of the participating agencies as described in Section I. of the BSEE/USCG MOU dated 27 November 2012.

G. TERMINATION

This MOA may be terminated by either of the participating agencies after providing 30-days advance written notice to the other agency.

Mr. James Watson
Director
Bureau of Safety and Environmental Enforcement
U.S. Department of the Interior

Rear Admiral Joseph Servidio
Assistant Commandant for Prevention Policy
U.S. Coast Guard
U.S. Department of Homeland Security

ANNEX 1

MODU SYSTEM/SUB-SYSTEM RESPONSIBILITY MATRIX

This table lists the lead agency for regulatory oversight of systems and sub-systems associated with MODUs. Other agency roles are identified where applicable. The lead agency is responsible for coordinating with the other agency as appropriate.

Item	System	Sub-System	Lead Agency	Other Agency Role(s) and Comments
1	**Structural Integrity**			
1.a		Structural integrity, modifications for construction and repair requirements	USCG	
1.b		Design environmental conditions	USCG	
1.c		Risers (drilling and pipeline)	BSEE	Some pipeline risers may be subject to jurisdiction of the Pipeline and Hazardous Materials Safety Administration (PHMSA).
2	**Floating Stability**		USCG	
3	**Station Keeping**			EDS is addressed under item 22.i.
3.a		Foundations, supporting mat, spud cans or footings	USCG	
3.b		Mooring and anchoring equipment	USCG	
3.c		Dynamic positioning	USCG	
3.d		Mooring analysis & anchoring plan	BSEE	
4	**Drilling, Completion, Well Servicing & Workover Systems**			
4.a		Drilling systems	BSEE	
4.b		Blowout prevention equipment and control systems.	BSEE	
4.c		Riser and guideline tensioning systems	BSEE	
4.d		Motion compensating systems	BSEE	
4.e		Atmospheric vessels and piping	BSEE	

Item	System	Sub-System	Lead Agency	Other Agency Role(s) and Comments
4.f		Lifting and hoisting systems	BSEE	For marine cranes and lifting systems see item 16.
4.g		Cementing systems	BSEE	
4.h		Circulating systems	BSEE	
4.i		Bulk drilling material storage and handling systems	BSEE	
4.j		Drilling Floor Electrical Equipment	BSEE	
5	**Pipeline Operations and Components**		BSEE	Certain pipelines are subject to the BSEE MOU(s) with PHMSA.
6	**Lightering Equipment & Procedures**		USCG	
7	**Marine Engineering Systems**		USCG	
8	**Lifts, Elevators and Personnel Transfer**		USCG	
9	**Aircraft Landing and Refueling**	Decks, fuel handling, and storage	USCG	
10	**Fire Protection**			
10.a		Structural fire protection for accommodations	USCG	
10.b		Fire suppression systems	USCG	
10.c		Firefighting water pumps, piping, hose reels and monitor equipment	USCG	
10.d		Fixed fire extinguishing equipment	USCG	
10.e		Portable and semi-portable extinguishers	USCG	
10.f		Fire and smoke detection	USCG	
10.g		Gas detection systems approval	USCG	
10.h		Gas detection in drilling fluid handling areas	BSEE	NOTE: Drilling fluid handling areas include the drill floor, the drilling mud pump area, and the mud pit area.

11	**Electrical Design & Equipment**		USCG	For electrical equipment on the drill floor, see item 4j.
12	**Hazardous Areas**			
12.a		Hazardous area classification & equipment approval	USCG	
12.b		Hazardous area equipment in the drilling fluid handling areas	BSEE	NOTE: Drilling fluid handling areas include the drill floor, the drilling mud pump area, and the mud pit area.
13	**Aids to Navigation**		USCG	
14	**Communications**		USCG	
15	**Pollution Prevention**			
15.a		Prevention of unauthorized discharges to marine environment	USCG	The USCG enforces the International Convention for the Prevention of Pollution from Ships (MARPOL 73/78) , as implemented in the Act to Prevent Pollution from Ships (APPS) e.g. (oil, garbage, etc)
15.b		Petroleum and other product transfers to and from a vessel (includes transfer of produced hydrocarbons)	USCG	
15.c		Pollution associated with exploration, development, production, and transportation of oil and gas and sulphur.	BSEE	
16	**Marine Cranes and Material Handling Equipment**		USCG	For cranes and lifting systems associated with drilling see item 4.f.
17	**Ventilation in non-Hazardous Locations**		USCG	For ventilation associated with hazardous areas see item 12.
18	**Life Saving Equipment**		USCG	
19	**Workplace Safety and Health**		USCG	
20	**Living Quarters and Accommodation Spaces**		USCG	Includes permanent and temporary units design & arrangement.
21	**General Arrangements**		USCG	Includes means of escape.
22	**Operational Requirements**			
22.a		Structural inspection requirements	USCG	
22.b		Manning/ credentialing of USCG credentialed personnel	USCG	

22.c		Training of USCG credentialed personnel	USCG	
22.d		Training of drilling personnel	BSEE	
22.e		Emergency evacuation plans	USCG	
22.f		For floating drilling units: Contingency plan for moving off location in an emergency situation	BSEE	
22.g		Drills - fire, abandon, and lifeboat	USCG	
22.h		Well control drills	BSEE	
22.i		Testing of Emergency Disconnect Systems and disconnect functions of BOP	BSEE	
22.j		Inspection and testing of all drilling equipment	BSEE	
22.k		Inspection and testing of marine and lifesaving equipment	USCG	
22.l		Riveting, welding and burning	USCG	
22.m		Diving operations & equipment	USCG	
22.n		H_2S contingency plan (including equipment, control, and detection systems)	BSEE	
22.o		Safety and Environmental Management System (SEMS), per 30 CFR 250 Subchapter S	BSEE	Applies to facilities under BSEE jurisdiction, including MODUs when attached to the seabed.
22.p		Safety Management System (SMS), per 33 CFR 96	USCG	Applies to MODUs that are subject to the International Safety Management (ISM) Code.
22.q		Production test flow-back system (if installed)	BSEE	Any equipment, pressure vessels, and piping systems for processing hydrocarbons from a well must meet the requirements of 30 CFR 250 Subpart H.