

# DRILL DOWN

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## MODU Certificate of Compliance: Option “B” – A Closer Look

### Introduction

A previous issue of the *Drill Down* explored the regulatory compliance options for foreign-flagged Mobile Offshore Drilling Units (MODUs) on the U.S. OCS (see *Drill Down Issue #3-MODU*). While these examination/ compliance options are mostly self-explanatory, Option “B” has some intricacies that we will further clarify in this issue.

### Option “B” Equivalencies

A Certificate of Compliance (COC), CG-3585, issued under the provisions of 33 CFR 143.207(b) (design & equipment) and/or 33 CFR 146.205(b) (operations), also known as Option “B”, allows for compliance with the standards of the MODU’s documenting nation, if the standards provide a level of safety generally equivalent to or greater than that provided under 46 CFR Parts 108 and 109. The Coast Guard has recognized the national standards of two Administrations as meeting Option B requirements: Panama and Marshall Islands.



### Panama

The Republic of Panama’s rules for existing MODUs, as listed in *Panama Technical Note 1/83*, were accepted as equivalent to those provided under 46 CFR 108 by Commandant (G-MVI-4) letter dated June 9, 1986. This equivalency was granted for existing

MODUs that could not comply with the IMO MODU Code (1979). Important factors regarding Panama’s equivalency:

- Applies only to MODUs built, under construction or contracted prior to April 5, 1982;
- The MODUs must hold a valid Panamanian MODU Safety Certificate issued under Technical Note 1/83;
- Exceptions are noted in Enclosure (1) to the acceptance letter and denote specific design & equipment requirements that must be complied with, in addition to *Tech Note 1-83*; and
- The equivalency only applies to 46 CFR Part 108 (design & equipment) and NOT to 46 CFR Part 109 for operational requirements; therefore, they must meet the requirements of 46 CFR 109 that were in effect according to the MODU build date.

Panama Technical Note 1/83 is broken down into three parts, as follows:

- **Part “A”**, which applies to all Panama flagged MODUs, provides Panama’s interpretation of certain sections of the 1979 MODU code;

- **Part “B”**, which applies to existing Panama flagged MODUs and elaborates on the general principles which shall be used to establish the suitability of an existing Panama MODU to conduct international operations; and
- **“Requirements for Existing Panamanian Flag MODUs for Issuance of a USCG Letter of Compliance under 33 CFR 143.207(b)”** that provides additional requirements for the USCG to issue the Letter of Compliance (superseded by a Certificate of Compliance that is currently issued).



### Marshall Islands

The *Republic of the Marshall Islands’ Mobile Offshore Drilling Units Standards*, Publication MI-293 (Rev. 8/00) was accepted as equivalent to both 46 CFR Parts 108 and 109 by Commandant (G-MOC) letter dated August 9, 2002. Like the earlier

equivalency granted to Panama, Option “B” for Marshall Islands flagged MODUs only applies to units that were constructed prior to the implementation of the IMO MODU Code (1979). Important factors regarding Marshall Islands’ equivalency:

- Applies to MODUs constructed before December 31, 1981, for Option “B”; Part I of MI-293 defines these MODUs as existing units.
- MODUs constructed on or after December 31, 1981 and issued a Marshall Islands MODU Safety Certificate under the provisions of MI-293 are considered to be in compliance with Option “C” and are issued a COC for the same.
- Units must also meet the requirements of Enclosure (1) to the acceptance letter, “Supplement for Marshall Islands Flagged MODUs”.
- Unlike Panama, the equivalency applies to 46 CFR 108 (design & equipment) and 46 CFR 109 (operations).
- *MI-293, Rev. 8/00* is the accepted publication; later revisions of the publication have not been reviewed or accepted by the Coast Guard.

Marshall Island-293 (Rev. 8/00) is broken down into six parts, as follows:

- Part I: General Requirements
- Part II: Definitions
- Part III: Applies to units meeting the 1989 MODU Code, as modified by the Interpretations of the MI administration in MI-293 and constructed on or after May 1, 1991. Compliant units are issued an International Mobile Drilling Unit Safety Certificate (1989).

- Part IV: Applies to units meeting the 1979 MODU Code, as modified by the interpretations of the MI Administration in MI-293 and constructed on or after December 31, 1981 and prior to May 1, 1991. Compliant units are issued an International Mobile Offshore Drilling Unit Safety Certificate (1979).
- Part V: Applies to units not meeting the 1979 or 1989 MODU Codes, but do comply with the national requirements as outlined in this part. These units that are constructed prior to December 31, 1981 are issued a MI National Mobile Offshore Drilling Unit Document of Compliance.
- Part VI: Applies to all MI MODUs, regardless of which previous part applies. It lists the additional requirements for the issuance of the USCG Letter of Compliance (superseded by the Certificate of Compliance that is currently issued).

### Conclusion

Although these two equivalencies were accepted 16 years apart, it is extremely important to note that both standards are only accepted for MODUs that were pre-existing, or under construction, prior to the implementation of the IMO MODU Code (1979), with implementation dates set by the respective Administration. All MODUs, including those flagged by Panama and Marshall Islands that were built after the dates listed in the approval letters, will be examined and have a COC issued as either Option “A” or Option “C” (see *Drill Down Issue #3-MODU* for further explanation of these two options).

### Panama Reference Table:

Panama Technical Note 1/83		International Convention/ USCG Regulation
Part B	5.1	International Convention on Load Lines
	6.2 (Self-Propelled Only)	SOLAS 74
	9.2 – 9.3	SOLAS 74
	1	1979 MODU Code
	7.2.1 – 7.2.3	1979 MODU Code
	7.5	1979 MODU Code
	8.5	1979 MODU Code
	9.6	1979 MODU Code
	10	1979 MODU Code
Additional USCG Requirements	12.1	1979 MODU Code
	4	33 CFR 146.205 46 CFR 108.301
	5	46 CFR 108.170 - .177
	6	46 CFR 108.123 & .127
	7	46 CFR 108.486 thru .496 & .653
	8	SOLAS 74 or 46 CFR 160.035
	9	Lifeboats: 46 CFR 108.503 or SOLAS 74; Liferafts: 46 CFR 108.505 or SOLAS 74
11	46 CFR 108.505 & 33 CFR 144.30	

### International Conventions Referenced

Both Panama and Marshall Islands at different times refer out to International Conventions and U.S. Coast Guard regulations.

### Reference Tables

The tables attached to this *Drill Down* show parts of the national standards and the Conventions that apply to MODUs examined under Option “B” for both Panama (bottom left) and Marshall Islands (below).

### Marshall Islands Reference Table:

Marshall Islands Publication 293 (Rev. 8/00)	International Convention/ USCG Regulation	
Part III	H	74 SOLAS
	M	74 SOLAS
	N (Non-Self-Propelled Only)	74 SOLAS
Part IV	H	74 SOLAS
	I	74 SOLAS & 1989 MODU Code
	M	74 SOLAS
	N	74 SOLAS
Part V	C.2	1979 MODU Code
	C.3	International Convention on Load Lines
	D.1 (Self-Propelled)	74 SOLAS
	E.1	1979 MODU Code
	E.3	1979 MODU Code
	F.1	1979 MODU Code
	F.7	1979 MODU Code
	G.3	74 SOLAS & 1989 MODU Code
	G.4	1979 MODU Code
	G.7	1979 MODU Code
	J	1979 MODU Code
	L	74 SOLAS
	M	74 SOLAS
Part VI (All MODUs)	A.2	NVIC 3-88, CH-1
	A.3	1979 or 1989 MODU Code
	A.4	MARPOL & International Convention on Load Lines
	A.5	1979 or 1989 MODU Code
	A.6	1989 MODU Code
	A.7	33 CFR Parts 130 & 135 & 40 CFR 125.120
	A.8	33 CFR Part 142
	A.9	33 CFR 146.120
	B.1	33 CFR Subchapter N
	B.2	33 CFR Subchapter O
	B.3	33 CFR Part 164
	B.4	46 CFR 61.10 & MOC Policy Letter 01/03
	B.5	46 CFR 108.503
B.6	46 CFR 109.301	
B.7	46 CFR 109.223	
B.8	46 CFR 108.209 or .210 & 46 CFR 108.707 & .709	
B.9	46 CFR 111.60 & .105	