

on industry's extensive comments on the proposed rule (attached) and our engagement over the last year, we believe that DOI had begun to understand the importance of collaborating with industry to gather needed information on our operations in order to promulgate feasible and effective regulations. Industry remains concerned with DOI's ongoing GOM air quality study, particularly with the assumptions made in air quality modelling. Based on our current understanding, we believe the modelling should better reflect actual conditions rather than attempting to depict a worst case scenario. Our efforts to evaluate the work have been hampered by a lack of information. While some information has been made available, still more is required to make a full evaluation. Our recent comments on the Draft GOM Multi-sale Supplement Environmental Impact Statement (attached) detail our current concerns in this area.

Going forward, industry urges DOI to follow an approach similar to that employed in working through the issues associated with the financial assurance NTL (as detailed above). Specifically, we believe the following course of action could be appropriate:

- Create an industry workgroup to provide input on changes to the assumptions and inputs to the modeling study.
 - DOI should discontinue the use of its preliminary air quality modeling study results, including their use in NEPA documents.
 - DOI should finish its air quality study and use it as input to a revised rulemaking.
 - If appropriate based on study results, DOI should restart the rulemaking process with an advance notice of proposed rulemaking (ANPR).
6. Review Offshore Well Control Regulations. The Final Well Control Rule is greatly improved from the proposed rule, but numerous concerns still remain. Seven industry trade associations have been working to outline our concerns with the regulation and its implementation and will be sending a separate letter to DOI that will provide specific details. As a preview, we wish to highlight four major concerns, in no particular order: Industry remains concerned with the drilling margin requirements in the final well control rule and suggest deleting the new regulatory text and reverting to the previous requirements. That risk-based approach to managing drilling margin in combination with existing regulatory oversight has been demonstrated to safely and economically drill wells; the requirements that exceed the provisions of API Standard 53 (API 53), Blowout Prevention Equipment Systems for Drilling Wells are unnecessary, will not improve safety and will increase risks to operations, which is why, we recommend using the requirements in API 53 as the primary best practice; rulemaking on Real-Time Monitoring is premature, we suggest deleting those requirements; and, we do not see the need for BSEE to require certification by BSEE-approved verification organizations (BAVOs). Certification can be done by third party organizations; they do not need to be approved by BSEE.
7. Review Arctic Drilling and Operations Regulations. API and our industry partners continue to believe that access to Alaska offshore oil and natural gas resources under balanced and science-based regulations is essential to the nation's long term economic and energy security. We encourage DOI to embrace the finding in the 2015 National Petroleum Council "Arctic Potential" report. Specifically, that nearly a century of oil and natural gas exploration and production activity in the region demonstrates that development of the Alaska OCS can take place in a safe and environmentally responsible

manner while protecting habitat, wildlife, communities, and subsistence lifestyles. The 2016 Arctic rules package imposes prescriptive requirements based on the premise that a catastrophic spill is inevitable and that one particular combination of technologies and methods should be applied to operations in all locations. Industry's specific concerns are detailed in comments submitted to the agencies during the rulemaking process (attached), and we are prepared to discuss these concerns with the DOI as part of the review directed under the SO.

We appreciate the actions of this Administration to eliminate unnecessary burden and to restore certainty and predictability into the offshore permitting and regulatory regimes. We look forward to continued engagement with the Department and you on these important issues to assure that the energy that is fundamental to our society can be developed and delivered safely.

Thank you again for your consideration of these comments.

Sincerely,

A handwritten signature in black ink, appearing to be "S. J. ...", written over a light gray background.

Group Director
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American Petroleum Institute

CC:

Counselor to the Secretary for Energy Policy Vincent DiVito
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