



16711/OCS  
D8 OCS OCMI Policy Ltr  
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## MEMORANDUM

From:  J.D. REYNOLDS, CAPT  
D8 OCS OCMI

Reply to: S. Sutton  
Attn of: D8 OCS OCMI

To: Distribution

Subj: INTERIM COAST GUARD EIGHTH DISTRICT OUTER CONTINENTAL SHELF  
(OCS) RISK-BASED INSPECTION RESOURCE ALLOCATION METHODOLOGY

1. **PURPOSE:** This memorandum establishes an interim risk-based inspection resource allocation methodology for conducting inspections on in service Foreign Mobile Offshore Drilling Units (MODUs), Floating OCS Facilities (FOIs) and Fixed OCS Facilities (platforms) in the Eighth Coast Guard District. For the purpose of this instruction “in service” means the OCS unit is located at the lease block they intend to conduct production, drilling or well workover operations. This methodology considers different risk factors and assigns a risk score that determines inspection priority and scope. Inspectors have the authority to expand inspection scope should they find clear grounds<sup>1</sup> to do so. When expanding an abbreviated (TIER II or III) inspection clear grounds and expanded areas must be properly documented.
2. **DISCUSSION:** The risk-based inspection methodology enables the OCS OCMI to allocate limited resources more effectively. Each MODU, FOI and certain platforms will be assigned a risk factor to set inspection priority and scope. The unit’s inspection profile will be set by using a matrix that weighs various risk factors. A unit can be categorized into three different tiers. Tiers I, II & III represent 3 different inspection priorities and scopes ranging from a high priority, fully scoped inspection to a low priority, abbreviated inspection. Time saved from either abbreviating or deferring lower tier inspections will be redirected to increase the scope and/or frequency of higher tier inspections.
3. **ACTION:** This interim methodology will begin on August 1<sup>st</sup> until updated or superseded by a national program. The OCS scheduler will utilize three risk-based matrices for OCS units: MODUs (enclosure 1), FOIs (enclosure 2) and platforms (enclosure 3). Annually, the scheduler will identify the inspection window (within three months of a certificate and/or MTSA exam anniversary date) of every MODU, FOI and MTSA platform located in D8. Every two weeks, the scheduler will identify any OCS unit in its inspection window and any OCS unit (whether a MODU, FOI or platform) performing, or about to perform, drilling or well workover operations. The scheduler will score these OCS units using the applicable matrices and contact the unit owner/operator to proactively schedule

<sup>1</sup> For a definition of “clear grounds” applicable to this methodology see USCG Marine Safety Manual, Vol. II, Section D, Chapter I, paragraph C.3. For this methodology, the requirements of 33 CFR Subchapter N are used in lieu of relevant conventions.

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inspections. As collected data improves or risks are reevaluated, it may be necessary to update the matrices.

4. **DISCLAIMER**: While the guidance contained in this document may assist the industry, the public, the USCG, and other Federal and State regulators in applying statutory and regulatory requirements, this guidance is not a substitute for applicable legal requirements, nor is it in itself a rule. Thus, it is not intended to, nor does it, impose legally binding requirements on any party, including the USCG, other Federal agencies, the States, or the regulated community. The USCG reserves the right to modify or cancel this methodology.
5. **POINTS OF CONTACT**: Questions regarding this policy may be directed to Mr. Steve Sutton of the D8 OCS OCMI staff.

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- Encl: 1) Mobile Offshore Drilling Unit (MODU) Risk-based Inspection Matrix  
2) Floating OCS Facility (FOI) Risk-based Inspection Matrix  
3) Fixed OCS Facility (platform) Risk-based Inspection Matrix

Dist: Sector New Orleans  
MSU Morgan City  
MSU Houma  
Sector Houston/Galveston  
MSU Port Arthur  
MSU Texas City  
MSU Lake Charles  
Sector Corpus Christi  
Sector Mobile  
D8(dp)  
CG-5PC  
CG-CVC  
CG-MSC  
OCS OCNOE

**Enclosure (1)**

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This matrix is for and MODU that has an active rig on BSEE rigtrack or is in inspection window

**Step 1: Review MODU History for previous year. If any of the below are applicable go to Step 3. See the notes for upgrading or downgrading the tiers indicated based on OCMI discretion. If none of these apply go to Step 2.**

Area	Inspection Type	Area	Inspection Type
COC/COI Initial	Tier 1	MODU involved in investigation as defined in 33 CFR 140.201	Tier 1
Previous CoC Renew was a Tier 2 or 3 Inspection	Tier 1	MODU placed under an operational control (Code 30 or 34)	Tier 2 <sup>1</sup>
BSEE: <b>Operator</b> Under directed performance improvement plan	Tier 1	New MODU owner and/or operator since last inspection.	Tier 2
Rig: Drilling under APD; no CG inspection since previous APD/APM	Tier 1	Rig: Well Workover under APM: no CG inspection since previous APD/APM	Tier 2 <sup>1</sup>
<sup>1</sup> May be upgraded by OCMI			

**Enclosure (1)**

JUN 2 2016

**This matrix is for and MODU that has an active rig on BSEE rigtrack or is in inspection window**

**Step 2: Score the MODU using the following criteria. See the notes for upgrading or downgrading a Tier based on OCMI discretion. When completed go to Step 3 on Score Sheet tab.**

Area	Points	Area	Points
No deficiencies issued on last exam	0	Regulatory scheme: IMO MODU Code 2009	0
Coast Guard deficiencies: required correction prior to an operation but not linked to failure of SEMS, Company QA (Code 17)	1 each	Regulatory scheme: IMO MODU Code 1989	1
BSEE PINCs/INCs: <b>MODU</b> issued Facility or Component Shut in	2 each <sup>1</sup>	Regulatory scheme: IMO MODU Code 1979	2
BSEE Accident Investigation since last CG inspection	3 each <sup>1</sup>	Regulatory scheme: NVIC 4-78	3
<sup>1</sup> May be upgraded to higher TIER by OCMI			

**Enclosure (1)**

JUN 2 2016

**This matrix is for and MODU that has an active rig on BSEE rigtrack or is in inspection window**

**Step 3:** Based on the score use this chart to determine the minimum functions to be performed at each Tier.

Tiers	# Points	Type of Inspection	Focus Areas
Tier 1	9 and over	Fully Scoped	All MODU Code/CFR requirements
Tier 2	5-8	Medium Scope	On site vessel documentation verification
			On site mariner credential verification
			On site inspection of Lifesaving systems including drills
			On site inspection of firefighting systems including drills
			On site Spot check of vessel's condition
Tier 3	0-4	Abbreviated	On site verification of fire and abandon drills
			5 areas from MODU Job Aid (Lead Inspectors Choice)
			Vessel documentation may be submitted remotely
			Mariner credential verification may be submitted remotely
			Documentation of quarterly drills may be submitted remotely
			No onsite verification of drills required
			3 areas from MODU Job Aid (Lead Inspectors Choice)
On site observation of vessel's condition prior to endorsing COC			

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Enclosure (2)

This matrix is for and FOI that has an active rig on BSEE rigtrack or is in inspection window

Step 1: Review FOI History for past year. If any of the below are applicable go to Step 3. See the notes for upgrading or downgrading the tiers indicated based on OCMI discretion. If none of these apply go to Step 2.

Area	Inspection Type	Area	Inspection Type
COI Initial or Renewal	Tier 1	COI Periodic (always year 3)	Tier 2
BSEE: Operator Under directed performance improvement plan	Tier 1	FOI placed under an operational control (Code 30 or 34)	Tier 2 <sup>1</sup>
Rig: Drilling under APD; no CG inspection since previous APD/APM	Tier 1	New FOI owner and/or operator since last inspection.	Tier 2
FOI involved in investigation as defined in 33 CFR 140.201 since last CG inspection	Tier 1	Rig: Well Workover under APM: no CG inspection since previous APD/APM	Tier 2 <sup>1</sup>

<sup>1</sup> May be upgraded by OCMI

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 Enclosure (2)

This matrix is for and FOI that has an active rig on BSEE rigtrack or is in inspection window

Step 2: Score the FOI using the following criteria. See the notes for upgrading or downgrading a Tier based on OCMI discretion. When completed go to Step 3.

Area	Points	Area	Points
Classification Society: Conditions of class issued & not past due in last year	-2 (in addition to 1 for class)	BSEE PINCs/INCs: <b>Operator or FOI Rig</b> issued Facility or Component Shut in	2 each <sup>1</sup>
Classification Society	-1	Coast Guard deficiencies: required correction prior to an operation but not linked to failure of SEMS, Company QA (Code 17)	1 each
BSEE Accident Investigation since last CG inspection	3 each <sup>2</sup>		

<sup>1</sup> May be upgraded to higher TIER by OCMI



**This matrix is for and FOI that has an active rig on BSEE rigtrack or is in inspection window**

**Step 3:** Based on the score use this chart to determine the minimum functions to be performed at each Tier.

Tiers	# Points	Type of Inspection	Focus Areas
Tier 1	9 and over	Fully Scoped	All DBA or CFR requirements
Tier 2	5-8	Medium Scope	On site vessel documentation verification
			On site mariner credential verification
			On site inspection of Lifesaving systems including drills
			On site inspection of firefighting systems including drills
			On site Spot check of vessel's condition
Tier 3	0-4	Abbreviated	On site verification of fire and abandon drills
			5 Areas from FOI job aid (inspectors choice)
			Vessel documentation may be submitted remotely
			Mariner credential verification may be submitted remotely
			Documentation of quarterly drills may be submitted remotely
			No onsite verification of drills required
			3 Areas for FOI job aid (inspectors choice)
On site observation of vessel's condition prior to endorsing COI			



**Enclosure (3)**

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**This matrix is for and platform that has an active rig<sup>1</sup> on BSEE rigtrack or MTSA Platform**

**Step 1:** Review Platform History **for previous year**. If any of the below are applicable go to Step 3. See the notes for upgrading or downgrading the tiers indicated based on OCMI discretion. If none of these apply go to Step 2.

Area	Inspection Type	Area	Inspection Type
Initial Platform Exam			Tier 1
Platform involved in investigation as defined in 33 CFR 140.201 since last CG inspection	Tier 1	Platform placed under an operational control (Code 30 or 34)	Tier 2 <sup>2</sup>
BSEE: Operator Under directed performance improvement plan	Tier 1	New platform owner and/or operator since last CG inspection.	Tier 2
Rig: Drilling under APD; no CG inspection since previous APD/APM	Tier 1 <sup>1</sup>	Rig: Well Workover under APM: no CG inspection since previous APD/APM	Tier 2 <sup>2</sup>
<sup>1</sup> When scheduling an exam on a platform with an active rig, inquire BSEE about joint inspection <sup>2</sup> May be upgraded by OCMI			

Enclosure (3)

JUN 2 2016

This matrix is for and platform that has an active rig<sup>1</sup> on BSEE rigtrack or MTSA Platform

**Step 2: Score the platform using the following criteria. See the notes for upgrading or downgrading a Tier based on OCMI discretion. When completed go to Step 3.**

Area	Points	Area	Points
BSEE PINCs/INCs: <b>Operator</b> or <b>Platform Rig</b> issued Facility or Component Shut in	2 each <sup>2</sup>	Coast Guard deficiencies: required correction prior to an operation but not linked to failure of SEMS, Company QA (Code 17)	1 each
BSEE Accident Investigation since last CG inspection	3 each <sup>2</sup>	MTSA annual Exam: not Tier 1 or Tier 2	Tier 3

<sup>1</sup> When scheduling an exam on a platform with an active rig, inquire BSEE about joint inspection

<sup>2</sup>May be upgraded by OCMI

**Enclosure (3)**

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**This matrix is for and platform that has an active rig on BSEE rigtrack or MTSA Platform**

**Step 3:** Based on the score use this chart to determine the minimum functions to be performed at each Tier.

Tiers	# Points	Type of Inspection	Focus Areas
Tier 1	9+	Fully Scoped	All CFR requirements, includes all Tier 2 items
Tier 2	5-8	Medium Scope	On site platform documentation verification
			On site inspection of Lifesaving systems including drills
			On site inspection of firefighting systems including drills
			On site Spot check of platform's condition
			On site verification of fire and abandon drills
Tier 3	0-4	Abbreviated	5 Areas from platform job aid (inspectors choice)
			Platform documentation may be submitted remotely
			Documentation of drills may be submitted remotely
			No onsite verification of drills required
			3 Areas for Platform job aid (inspectors choice)
			On site observation of Platform's condition