

**BEFORE THE UNITED STATES COAST GUARD**

Operational Risk Assessment for Waterfront ) Docket No. USCG-2019-0444  
Facilities Handling Liquefied Natural Gas )  
as Fuel, and Updates to Industry Standards )

***COMMENTS ON OPERATIONAL RISK ASSESSMENTS FOR WATERFRONT  
FACILITIES HANDLING LIQUEFIED NATURAL GAS AS FUEL, AND UPDATES TO  
INDUSTRY STANDARDS***

**FILED BY  
CENTER FOR LIQUEFIED NATURAL GAS  
AMERICAN PETROLEUM INSTITUTE**

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On October 5, 2020, the United States Coast Guard (USCG) published a notice of proposed rulemaking on Operational Risk Assessments for Waterfront Facilities Handling Liquefied Natural Gas as Fuel, and Updates to Industry Standards incorporated by reference. The Center for Liquefied Natural Gas (CLNG) and the American Petroleum Institute (API) respectfully submit the following comments.<sup>1 2</sup>

**I. Introduction**

The U.S. LNG industry has one of the most exemplary safety records in the hazardous materials processing and transportation industries. From the liquefaction facility to the overseas power plant, LNG operators have spent decades working closely with regulators and first responders to maximize safety and security. Safety and security of LNG facilities both large and small is the number one concern of the U.S. LNG industry and CLNG and API appreciate the work the USCG does to ensure that regulations incorporate the most up-to-date and sound safety practices.

CLNG and API are appreciative for the opportunity to participate in the USCG's rulemaking process and support the proposed rule that would revise the USCG's existing regulations to allow

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<sup>1</sup> The Center for Liquefied Natural Gas (CLNG) advocates for public policies that advance the use of liquefied natural gas (LNG) in the United States, and its export internationally. A committee of the Natural Gas Supply Association (NGSA), CLNG represents the full LNG value chain, including large-scale LNG producers in the United States, shippers, and multinational developers, providing it with unique insight into the ways in which the vast potential of this abundant and versatile fuel can be fully realized.

<sup>2</sup> API represents all segments of America's oil and natural gas industry. Our almost 600 members produce, process and distribute most of the nation's energy. The industry supports more than ten million U.S. jobs and is backed by a growing grassroots movement of millions of Americans. API was formed in 1919 as a standards-setting organization. In our first 100 years, API has developed more than 700 standards to enhance operational and environmental safety, efficiency and sustainability.

waterfront facilities handling LNG as fuel to conduct an operational risk assessment (ORA) instead of a waterway suitability assessment (WSA) without first obtaining Captain of the Port approval. CLNG and API also support the proposed rule's effort to revise existing regulations to update incorporated technical standards to reflect the most recent published editions. However, CLNG and API respectfully request that the USCG proceed with caution and due diligence to ensure that standards are not in conflict with other regulatory bodies of jurisdiction that might still be using an older edition of the standard.

## II. Comments

### *a. Use of ORA provides safety benefits while reducing administrative burden.*

CLNG and API agree that the use of an ORA instead of a WSA would benefit waterfront facilities handling LNG as fuel. Allowing an ORA would integrate the benefits of risk-based principles over the more prescriptive regulations of a WSA. Utilizing a risk-based approach (like the ORA) effectively manages safety by allowing examination and devotion of resources on the areas of the system that pose the greatest risk to process safety, mechanical integrity, and product quality without compromising equipment care and personnel well-being. Risked-based approaches already govern facilities from paint manufacturers to pharmaceutical companies and promotes a nimble, pro-active, and safety-oriented culture.

Further, most waterfront facilities handling LNG as fuel are already requesting, receiving USCG approval and are using an ORA. This action taken by the USCG is codifying what the USCG and industry know to be the best safety management tool for an industry that holds safety and security as the number one concern. By approving the use of an ORA, the USCG is removing administrative burden and allowing a proven safety approach to be utilized.

### *b. Updating Consensus Standards incorporated by reference to reflect the most recent published editions could create conflicts with other jurisdictional authorities.*

This proposed rule seeks to revise existing regulations to update incorporated technical standards to reflect the most recent published editions. While CLNG and API agree that updating the incorporated technical standards to reflect the most recent editions makes good sense, CLNG and API also ask that the USCG perform due diligence when making these updates and ensure that standards are not in conflict with other jurisdictional authorities still utilizing older versions of the standards the USCG is seeking to update.

Depending on location and use, a waterfront facility handling LNG may be regulated by several federal agencies including FERC and PHMSA, and by state regulatory agencies. The USCG should ensure that the standards adopted through this proposed rule are clearly defined and adopted in a manner that is suited for use in a regulatory context where overlapping jurisdiction might occur. It is vital that all stakeholders, including the operators of waterfront facilities handling LNG and the agencies of jurisdiction personnel, have a clear understanding of which version of a standard is to be used and how that standard will be interpreted and enforced.

CLNG and API highlight a couple of examples of potential miss-alignment between the editions of the codes specified under this proposed rule's updates to 33 CFR 127 and what is currently required under 49 CFR 193.

- ASME B31.3:
  - This proposed rule seeks to update ASME B31.3 to the 2018 edition. ASME B31.3 1996 edition is referenced in NFPA 59A 2001 edition.
- NFPA 70:
  - The proposed rule seeks to update NFPA 70 to the 2017 edition. NFPA 70 1999 edition is reference in NFPA 59A 2001 edition. NFPA 70 2005 edition is referenced in NFPA 59A 2006 edition.

We highlight these examples because process piping and electrical codes (which ASME B31.3 and NFPA 70 deal with respectively) are critical to any design of waterfront facilities that handle LNG. However, we ask that the USGC look at the whole of this proposed rule to address all potential overlap of codes and regulations.

### III. Conclusion

CLNG and API commends the USCG's efforts to prioritize a risk-based approach to safety management by allowing waterfront facilities handling LNG as fuel to conduct an ORA and thank you for the opportunity to comment on the proposed rulemaking, and for your consideration of these comments. Further, we agree that updating existing regulations to incorporated technical standards to reflect the most recent published editions is good practice. We ask that the USCG attempt to ensure that standards are not in conflict with other regulatory bodies of jurisdiction.

Respectfully Submitted,



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