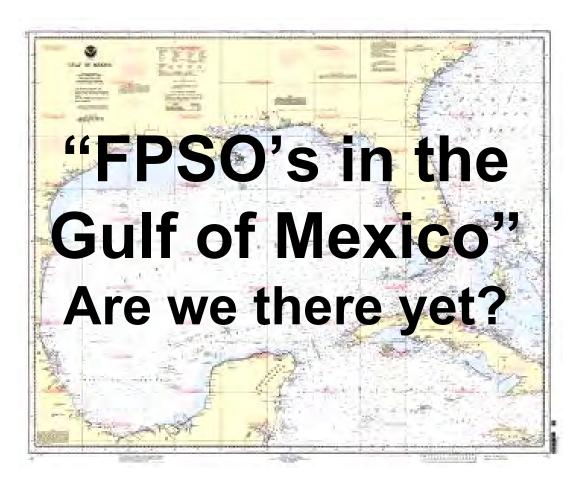


Commander Mark Prescott U.S. Coast Guard Chief, Vessel and Facilities Operating Standards Division





We are working with MMS
 We believe FPSOs can safely operate in the GOM
 We believe we can work with a company now



Working with MMS

Developing uniform policy
 Reducing redundancy
 Trying to merge philosophies
 Still lots to do



- We concur with the MMS Record of Decision
- We have seen the success worldwide
 It clearly is not that different from existing operations in the GoM



We can work with a company now

 Our Notice of Proposed Rulemaking for OCS Activities is the starting point
 Using the NPRM as a guide & working as team with MMS/CG/Operator



What have we done & What are we doing

Outreach Nailing some policy issues Working with MMS Reviewing existing standards



Outreach

Meeting with energy companies Visited FPSOs and Shuttle Tankers Held a public meeting for input



Jones Act applies to shuttle tankers

OPA 90 applies for storage of oil
 Adopting industry standards
 Need determination on FPSOs in No lightering zones



Design/Technology Pending Consideration

Allow for flexibility!

- Synthetic mooring lines, Aluminum quarters...
- ➤Transfer/Offloading methods
- ➤What about natural gas?





Areas for Further Review

➢ Pollution response ➤Manning/training >Assist vessels ➤Vapor collection Environmental conditions Use of industry standards



Summary

FPSO's/shuttle tankers can succeed in the GoM

➤We must ensure/consider Safety,

Security, & Environmental Protection

 We are confident that we can work with industry when projects go forward
 Continue to educate & engage with us!