9110-04-P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

[USCG-2011-1178]

National Preparedness for Response Exercise Program (PREP) Guidelines

AGENCY: Coast Guard, DHS.

ACTION: Notice of availability of updated PREP Guidelines.

SUMMARY: The U.S. Coast Guard (USCG) announces that the updated 2016 PREP Guidelines have been finalized and are now publicly available. The USCG is publishing this notice on behalf of the National Scheduling Coordination Committee (NSCC), which has been renamed and henceforth will be known as the PREP Compliance, Coordination, and Consistency Committee (PREP 4C). The PREP 4C is comprised of the same membership as was the NSCC, and includes representatives from the USCG under the Department of Homeland Security (DHS); the Environmental Protection Agency (EPA); the Pipeline and Hazardous Materials Safety Administration (PHMSA) under the Department of Transportation (DOT); and the Bureau of Safety and Environmental Enforcement (BSEE) under the Department of the Interior (DOI).

DATES: The 2016 PREP Guidelines document will become effective on [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: To view the 2016 PREP Guidelines as well as documents mentioned in this notice as being available in the docket, go to *http://www.regulations.gov*, type "USCG-2011-1178" and click "Search." Then click the "Open Docket Folder."

Additional relevant comments are available in related docket BSEE-2014-0003 and may be viewed online using the same procedure.

FOR FURTHER INFORMATION CONTACT:

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SUPPLEMENTARY INFORMATION:

I. Acronyms.

ACP	Area Contingency Plan
API	American Petroleum Institute
BSEE	Bureau of Safety and Environmental Enforcement
CFR	Code of Federal Regulations
COTP	Captain of the Port
DOI	Department of the Interior
DOT	Department of Transportation
EPA	Environmental Protection Agency
EVC	Equipment Preparedness Verification Capability
FE	Functional Exercise
FOSC	Federal On-Scene Coordinator
FR	Federal Register

FRP	Facility Response Plan
FSE	Full-Scale Exercise
GIUE	Government-Initiated Unannounced Exercise
GRP	Geographic Response Plan
GRS	Geographic Response Strategies
HSEEP	Homeland Security Exercise and Evaluation Program
IMT	Incident Management Team
NCP	National Oil and Hazardous Substances Pollution Contingency Plan
NIMS	National Incident Management System
NSCC	National Scheduling Coordination Committee
NSFCC	National Strike Force Coordination Center
NTL	Notice to Lessees
OCS	Outer Continental Shelf
OPA 90	Oil Pollution Act of 1990
OSPD	Oil Spill Preparedness Division
OSRO	Oil Spill Removal Organization
OSRP	Oil Spill Response Plan
PAV	Preparedness Assessment Visit
PHMSA	Pipeline and Hazardous Materials Safety Administration
PREP	Preparedness for Response Exercise Program
PREP 4C	PREP Compliance, Coordination, and Consistency Committee
QI	Qualified Individual
RRT	Regional Response Team

SSDI	Subsea Dispersant Injection
TTX	Tabletop Exercise
USCG	U.S. Coast Guard
VRP	Vessel Response Plan
WCD	Worst Case Discharge

II. Background.

On February 22, 2012, the USCG invited comments and suggestions for updating the PREP Guidelines (77 FR 10542). The PREP 4C received public comments in docket number USCG-2011-1178. After considering those comments, the PREP 4C issued a draft update to the PREP Guidelines. The PREP 4C also issued a notice (79 FR 16363, March 25, 2014) that announced the availability of the draft update to the PREP Guidelines, invited comment on the draft, and provided responses to the comments received in docket USCG-2011-1178. That second notice (79 FR 16363) was published as a BSEE-issued document in docket BSEE-2014-0003. The PREP 4C reviewed the comments received in docket BSEE-2014-0003, and on February 27, 2015, published a subsequent notice and request for further comment on the updated draft PREP Guidelines again in docket USCG-2011-1178 (80 FR 10704). The PREP 4C considered the comments received in docket USCG-2011-1178, and today announces the availability of an updated and final version of the 2016 PREP Guidelines. This notice also responds to the latest round of comments that was received in the USCG docket in response to the February 27, 2015 notice.

III. Summary of Comments and Changes.

When the USCG, on the behalf of the PREP 4C, requested public review of the second updated draft of the PREP Guidelines in its February 2015 notice at 80 FR 10704, the USCG received 77 comment submissions from government agencies, regulated communities, private industry, and non-governmental organizations. All of the comments received are posted on *http://www.regulations.gov*, under docket number USCG-2011-1178. This document summarizes and responds to those comments that were within the scope of the proposed update.

Since the February 27, 2015 publication of the updated draft PREP Guidelines and Federal Register notice (80 FR 10704), the NSCC has been reconstituted and renamed the PREP 4C. While the Committee is comprised of same membership agencies, it has adopted a new charter that established Committee Co-Chairs from the USCG and the EPA, and created a comprehensive oversight agenda for the administration of the PREP program. Published materials regarding the PREP 4C and the PREP program will be available online at the National Strike Force Coordination Center (NSFCC) Website.

The PREP 4C has incorporated numerous changes into the 2016 PREP Guidelines document as a result of public comments. In the following sections, we summarize the most recent comments received and the changes that the PREP 4C has made in promulgating the 2016 PREP Guidelines.

Two commenters requested a public meeting. The PREP 4C discussed this request, and given that there were three rounds of public comments in the Federal Register, it was determined that a public meeting was no longer necessary.

A. Summary of Changes.

Revised Formatting of the PREP Guidelines Document: The formatting of the PREP Guidelines has been updated to provide consistency and ease of use throughout the entire document.

The Definition of an Oil Spill Removal Organization (OSRO): Numerous commenters suggested the need to clarify the different types of providers that should be considered OSROs for the purposes of PREP. The definition of an OSRO has been updated to include, and better describe, a broader range of response resources and services, including source control, all spill countermeasures, and supporting services that an OSRO may provide in order to adequately contain, secure, recover, or mitigate a discharge of oil. While the nature of OSROs has evolved over time, the OSRO definitions in the Code of Federal Regulations (CFR) have not changed and are different from agency to agency. For the purposes of the PREP Guidelines, the OSRO definition has been broadened to be more inclusive, to reflect that multiple response options are available, and to ensure that the needs of all involved in PREP are met. This definition is not intended to conflict with the regulations.

Plan Holder Exercises: Commenters indicated that the terms "internal" and "external" as used to describe different types of PREP exercises were confusing. The PREP 4C agrees. As a result, "internal" exercises, as described in the previous Guidelines, are now referred to as "plan holder" exercises. For the purpose of the Guidelines, plan holder exercises are conducted to evaluate the industry-specific oil spill response plans. This includes regulated vessels, pipelines, railcars, and facilities. Plan holder exercises may involve both internal and external entities, and may be initiated by

either the plan holder or by a government agency, but are all conducted as part of the plan holder's triennial exercise cycle to test the response plan and overall preparedness. The term "external" will no longer be used to describe a type of exercise under PREP. A table has been added to the PREP Guidelines (Appendix B) to further address the confusion between internal and external exercises. Further, this table is a crosswalk between PREP and the Homeland Security Exercise and Evaluation Program (HSEEP) and can be used as a Quick Reference Guide for the requirements for any particular type of PREP Exercise.

PREP versus Regulation Terminology: Commenter's noted some inconsistency with respect to terminology between the PREP Guidelines and the regulations. PREP4C has changed certain exercise-related terms in order to harmonize PREP with other national-level exercise programs. In particular, the term "Spill Management Team (SMT)" has been replaced by the term "Incident Management Team (IMT)." For example, an SMT tabletop exercise (SMT TTX) will now be called an IMT exercise. Much of the exercise terminology was updated to align with the HSEEP. This does not imply new or different requirements from the regulations, but rather provides a "synonym" that is consistent with nationwide exercise terminology.

Area-Level Exercises: Area-level exercises evaluate the components of an Area Contingency Plan (ACP). Additional HSEEP terminology is being adopted for Area-level exercises, and may also be used by industry plan holders at their discretion. Single functional tests, such as Area-level notification exercises and equipment deployments, will now be referred to as "drills." Area IMT exercises may be conducted as appropriate "discussion-based" exercises, which would include TTXs, workshops, and seminars.

Major Area-level exercises designed to test the ACP and the entire response community will now be conducted on a quadrennial cycle as "operations-based, functional or full-scale exercises (FE/FSEs)."

Planning for Area FE/FSEs: This revision of the Guidelines also changes the context and terminology that will be used to plan Area FE/FSEs. In the past, the planning for approximately one third of the Area FE/FSEs was led by the government partners in the Area Committee ("Government-led"), with a single industry plan holder as an exercise partner. Industry plan holders traditionally led the remaining two thirds of these exercises ("Industry-led"), with the Area Committee as an exercise partner. Under these revised Guidelines, those terms will no longer be used within the PREP system; the planning for all Area FE/FSEs should be a considered a joint and shared responsibility between the government members of the Area Committee and industry plan holders (and their contracted OSROs). Regardless of the division of labor that is enacted for planning any specific Area FE/FSE, a joint exercise design team composed of all the exercise planning partners should develop the FE/FSE scope, scenario, and objectives. The joint FE/FSE design team should be comprised of representatives from Federal Government agencies, state and local government agencies, the local response community, and an industry plan holder. If applicable, tribal entities will be invited to participate. The lead planning element, if one is designated, will coordinate the overall execution of the Area FE/FSE; however, it remains the ultimate responsibility of the Area Committee and the Area Committee Chair to ensure that the Area FE/FSE is completed in accordance with the PREP Guidelines and the quadrennial schedule. The lead planning partner and the Area Committee Chair will share the decision-making responsibility for the design of the

exercise, including the scope, scenario, and objectives. The goal of the PREP is to conduct an Area FE/FSE for each Area Contingency Plan during each quadrennial cycle.

The Guiding Principles Section of the Guidelines now includes additional information regarding the planning of Area FE/FSEs and also for evaluating incident-based Area exercise credit requests. In particular, Area FE/FSEs should involve a scenario that addresses the scope and complexity of, at a minimum, a complex Incident Command System (ICS) Type 3 Incident.

Shared Credit for OSRO Equipment Deployment Exercises: Additional information has been included in the Guiding Principles Section on sharing credit between plan holders for equipment deployment exercises conducted by OSROs. Due to the large number of plan holders participating in PREP, and the burden it would put on OSROs to conduct separate equipment deployment exercises on behalf of each plan, it has become an accepted practice for OSROs to conduct equipment deployment exercises on behalf of all their plan holders. In such circumstances, exercise credit can be extended to and shared amongst all the plan holders for the deployment of that specific OSRO equipment and personnel in a specific location (USCG Captain of the Port (COTP) zone, Regional Response Team (RRT) region, EPA ACP area, or EPA subarea), provided that each plan holder has contracted for the use of the equipment and personnel that was exercised. Where exercise credit is extended to all the plan holders who are clients for an OSRO's equipment deployment exercise, each type of response equipment being deployed in this manner should be exercised on an annual basis.

B. Summary of Select Comments and Responses.

General Comments

Aligning PREP Terminology and Processes with Other National Exercise Programs: Three commenters recommended aligning the PREP Guidelines with various elements of the HSEEP.

Response: The PREP 4C has decided to adopt certain terminology from HSEEP in order to better align the two programs, especially where HSEEP terms are more reflective of the lexicon used today within the National Incident Management System (NIMS). In the previous revision of the Guidelines, the PREP 4C changed certain exercise-related terms. In particular, the term "Spill Management Team (SMT)" was replaced by the term "Incident Management Team (IMT)." The term "tabletop exercise (TTX)" was temporarily removed; however, in response to the public comments, the term has been reinstated in the Guidelines as a proper reference to a type of discussion-based exercise that is appropriate for IMT exercises. The 2016 PREP Guidelines incorporate a number of additional HSEEP terms and concepts with respect to the Area-level exercises. However, the PREP 4C did not believe it was within the scope of the existing PREP mandate to completely adopt the HSEEP exercise design and evaluation processes. While the PREP 4C would encourage plan holders to consider adopting various HSEEP best practices.

Differences in Terminology between PREP and Agency-specific OPA Implementing Regulations: Multiple comments noted some inconsistencies between terminology now being used in the 2016 PREP Guidelines and the regulations promulgated by different agencies that contain the requirement for exercising oil spill response plans.

Response: Exercise terminology that was updated to align with the HSEEP does not imply in any way new or different requirements than what is contained in regulations; rather, these terms should be viewed and treated as "synonyms" that have been adopted to ensure that the PREP program is consistent and easily compared to nationwide exercise terminology used in most other current programs. PREP 4C made every effort to ensure that terminology is as straightforward and transferable as is practical, and has developed a table in the PREP Guidelines (Appendix B) in order to provide a crosswalk and quick reference guide between the exercise types in PREP and HSEEP terminology.

Use of the Term "Containment": One commenter stated that the addition of source control and subsea containment equipment into the PREP Guidelines document requires the use of the word "containment" to be defined everywhere in the document as either subsea or surface.

Response: The PREP 4C acknowledges that the term "containment" can be used in the context of containing oil on the water's surface as well as containing oil under water. Wherever the word containment is used in the context of containing oil under the water's surface, the word "subsea" will precede the word "containment". Where the word "containment" is used by itself, it is presumed to be associated with efforts to contain oil on the water's surface.

Use of Electronic Messaging for Qualified Individual (QI) Notification Exercises: One commenter requested that electronic messaging be allowed as a primary means for notifying QIs of a spill.

Response: The PREP 4C has reviewed the language within the draft PREP Guidelines and determined that the language will remain the same. The PREP 4C determined that

verbal notification should remain the primary means of communication because it quickly confirms that the notification has been received and allows for immediate questions that may save time in emergencies. Electronic messaging is an acceptable alternative if voice is unavailable; however, confirmation of notification must be received.

Equipment Deployment Exercises and Lessons Learned Regarding Equipment Performance: One commenter noted a concern regarding the conditions under which equipment deployment exercises are conducted, as well as the lack of mechanisms in place to capture field deployment information. This commenter recommended that the USCG and BSEE develop a standard system to evaluate the performance of spill response equipment under a range of environmental conditions and capture that information in a lessons learned database.

Response: The primary purpose of the PREP Guidelines is to provide guidance to industry on oil spill response exercises as required by OPA 90. Collecting information concerning the performance of spill response equipment in a database is outside the scope of these Guidelines.

Dispersant-Related Objectives during PREP Exercises: One commenter requested that the Guidelines clarify what activities should be conducted by dispersant providers by using the term "dispersant service OSROs" in various places in the document, including in the objectives for IMT and equipment deployment exercises.

Two commenters submitted extensive recommendations to incorporate additional specific dispersant-related objectives in unannounced, deployment, and IMT exercises.

Response: The PREP 4C determined that the best way to provide clarity on this issue was to broaden the definition of OSRO to include all providers that offer any and all spill response resources designed to contain and secure a discharge, and recover or mitigate the impacts of the spilled oil through various countermeasures and supporting services, including mechanical recovery, *in-situ* burning, dispersants, bioremediation, salvage, source control, and other response services directly supporting the incident such as aerial surveillance and remote sensing. As such, the use of term OSRO in the Guidelines should be interpreted broadly to apply to providers that render any and all such services, unless it is specifically stated in the language of a particular section to be applicable to a smaller subset of such providers.

Both BSEE and USCG regulations have requirements concerning dispersant capabilities for many of their plan holders. In order to ensure both government and industry are prepared to use all available response countermeasures, the PREP 4C incorporated additional guidance regarding dispersants and *in-situ* burning into various exercise objectives, as applicable. In particular, BSEE had included in the previous version of the draft Guidelines an exercise objective for industry IMT exercises to prepare and submit usage plans for each chemical, biological, or *in-situ* burning countermeasure that is cited as a response strategy within oil spill response plans (OSRP) during the course of their exercise cycle. BSEE has now added to that objective a recommendation to prepare Daily Dispersant Application Plans using the template contained in American Petroleum Institute (API) Technical Report 1148, or an equivalently structured document, for surface-applied dispersants. BSEE has also added language to the IMT exercise objectives for offshore facilities that would involve the

submission of a subsea dispersant injection (SSDI) application request, a usage and monitoring plan, and an overall dispersant stockpile management plan. The USCG has also adopted language in their IMT exercise requirements for preparing usage plans for chemical, biological, or *in-situ* burning countermeasures.

Deployment of Dispersant Equipment: One commenter recommended clarifying the requirements for the deployment of dispersant equipment by including wording specific to deploying "dispersant capabilities" in the list of objectives for each of the various agency sections.

Response: Specific guidance regarding the deployment of dispersant equipment is adequately articulated in the Guiding Principles Section and does not need to be repeated throughout each agency section of the Guidelines.

Dispersant Deployment Exercises: One commenter recommended that dispersant deployment exercises should include testing of flight tracking and recording systems, key communications equipment, and flow control and reporting systems, and that dosage charts should be verified. One commenter suggested that every dispersant aircraft should be deployed annually.

Response: The PREP 4C added language to the Guiding Principles regarding the deployment of dispersant equipment to include the testing of flight tracking and recording systems, key communications gear, and flow control and reporting systems. The PREP 4C believes that verifying dosage charts is beyond the scope of an equipment deployment exercise, and should be addressed through an OSRO's maintenance program and verified, if necessary, through audits conducted by the USCG during Preparedness Assessment Visits (PAVs) or by BSEE during Equipment Preparedness Verification Capability

(EVC) meetings. The PREP 4C also believes that requiring every dispersant aircraft to be deployed in an exercise annually is not in alignment with existing agency regulatory requirements or the overall PREP Guidelines regarding the deployment of equipment. PREP states that each *type* of dispersant system should be deployed in a triennial cycle, unless that equipment is being deployed by an OSRO on behalf of all plan holders for shared credit. In cases of shared credit deployment exercises, each *type* of dispersant application system would need to be deployed by an OSRO annually, but not each individual dispersant spraying or spotter aircraft.

Reducing the Frequency of Equipment Deployment Exercises for Facility-owned Equipment: One commenter suggested that facilities that have company-owned response equipment onsite that is operated by an OSRO be required to conduct only one equipment deployment exercise per year.

Response: The USCG, EPA, and other PREP 4C members disagree with this suggestion. Facility-owned equipment is stored at a single facility and is not used frequently for response or preparedness activities like other OSRO equipment; therefore, such equipment should be exercised twice annually to ensure its serviceability is properly maintained. It should be noted that EPA's requirement on plan holder equipment deployment frequency in Section 4 remains the same as USCG's.

Deployment Exercises for In-Situ *Burning Equipment:* One commenter indicated that a deployment exercise of *in-situ* burning equipment should not require Federal On-Scene Coordinator (FOSC) approval.

Response: The PREP 4C agrees. The requirement for FOSC approval has been removed and the language clarified to indicate that the burning of oil during an

equipment deployment exercise is not allowed. The deployment of *in-situ* burning equipment by itself that does not involve any discharge or burning of oil does not require any government approval in order to be conducted. The discharge of oil for the purposes of conducting *in-situ* burning research is not permitted and is outside of the scope of the PREP Guidelines.

Worst Case Discharge (WCD) Definition/Area Exercise Scenario Design: Several comments were submitted regarding the need to substitute a WCD with a near WCD that occurs in a high sensitivity environment.

Response: WCD is defined in the CWA, and further defined in each agency's regulations and cannot be changed by the PREP Guidelines. PREP 4C believes, however, that preparedness is a function of many variables besides spill volume. As such, PREP 4C believes that Area Committees should have flexibility when designing an Area FE/FSEs scope and scenario as long as the exercise tests the elements of the plan that would similarly be required in responding to a WCD, consistent with the guidance for ACPs as described in 40 CFR 300.210(c). Focusing on a complex ICS Type 3 or greater incident will ensure that the critical elements outlined by the National Oil and Hazardous Substances Pollution Contingency Plan (NCP) are considered and exercised.

Government-Initiated Unannounced Exercises (GIUEs): Multiple comments were received requesting clarification of the requirements for plan holder participation in GIUEs for multiple vessels or facilities covered under a single plan.

Response: The language in Section 2, Guiding Principles, has been updated to clarify guidance regarding participation in GIUEs for plan holders that have plans covering multiple vessels and facilities. A facility that has successfully completed a GIUE will not

be required to participate in another GIUE for at least 36 months; however, other facilities covered in the same plan are still subject to GIUES at any time. A vessel that has successfully completed a GIUE will not be required to participate in another GIUE in any COTP zone for 36 months. Other vessels under that same plan will not be required to complete another GIUE in that same COTP zone for 36 months. Other vessels in the same plan may be subject to a GIUE in another COTP zone at any time.

Frequency of GIUEs: One commenter suggested including a frequency for agencies to conduct GIUEs, stating that all agencies should have a minimum number of GIUEs that are to be conducted.

Response: The frequency or number of GIUEs conducted by each agency is outside the scope of the PREP Guidelines. It is up to each agency to determine its policy regarding GIUEs based upon available resources, as well as preparedness and compliance monitoring needs.

Publication of USCG GIUE Results: One commenter suggested that each USCG Sector should be required to publish their GIUE results and the findings from each exercise annually in a public venue. This would allow interested parties to verify that the required number of unannounced exercises were conducted, as well as ensure that lessons learned from each of those exercises are shared for the overall benefit of industry's continuous improvement process in oil spill response.

Response: USCG disagrees with publishing GIUE results because they are considered compliance monitoring activities. In discussions with PREP 4C, all agencies agreed to emphasize to their field personnel that each Area Committee should discuss

general GIUE trends within their area of responsibility to assess overall preparedness and share lessons learned.

Testing Geographic Response Plans (GRPs) during PREP Exercises: One commenter noted that GRPs and Geographic Response Strategies (GRSs), which have been incorporated into many ACPs, should be incorporated into PREP, tested during deployment exercises, and the resultant data collected to be used to improve the GRPs/GRSs.

Response: The PREP 4C agrees that the targeted testing of certain GRPs and GRSs is a desirable preparedness activity that could improve the quality of the strategies contained within an ACP. The PREP Guidelines cover the testing of response strategies in Section 2, Guiding Principles, Area FE/FSE Exercises. The PREP 4C encourages Area Committees and FOSCs to consider exercising and evaluating GRPs as part of the Area exercise cycle, subject to their discretion and available funding.

Appendix A. Core Components for Exercising Response Plans: One commenter indicated that Appendix A was out of date and needed significant updates.

Response: The PREP 4C reviewed the content and organization of Appendix A and made a number of adjustments to the Appendix. Language was inserted into the Guiding Principles Section that strengthens the connection between the plan holder exercise cycles and Area exercise cycles, and the need to exercise each Core Component as appropriate. Appendix A was retitled as "Core Components for Exercising Response Plans" to place more emphasis on using the Appendix as a tool for designing and evaluating exercises, in addition to serving as a compliance measure for a plan holder's or Area Committee's execution of their exercise cycles. The "Source Control" Core

Component was revised to include well control activities. The "Recovery" Core Component was retitled "Mitigation," and the supporting language was broadened to clarify that mitigation may include the use of various spill countermeasures, including, but not limited to, dispersants, *in-situ* burning, and bioremediation, in addition to mechanical oil recovery.

USCG-Regulated Facilities/Vessels Comments

GIUEs: Federal versus State/Local Requirements: Several commenters noted that many local/state governments retain their own exercise and resource requirements and that these local/state mandates need to be considered in the PREP Guidelines.

Response: The USCG disagrees that state and local requirements be incorporated into the PREP Guidelines; however the USCG does agree that coordination among local, state, and federal stakeholders is optimal to minimize burden on industry. A state's right to administer its own regulatory program within the confines of federal and state laws must be respected. As such, programs can coexist as distinct programs with separate, different standards. It is vitally important not to blend the two programs and blur the lines between state and federal jurisdictions. In the spirit of minimizing impacts to industry and promoting overall government efficiency, USCG-specific instruction/guidance on conducting GIUEs does indeed promote coordination with EPA, and state and local agencies. Conducting a "joint" exercise may reduce the burden on the regulated plan holder, but various regulatory participants (USCG, EPA, state, etc.) may have distinctly different objectives and standards unique to their respective regulations.

Scope/Emphasis of GIUEs: One commenter suggested that USCG GIUEs should focus more on the aspects of a plan holder's preparedness than on the arrival and deployment times of response equipment.

Response: In general terms, the USCG agrees. The PREP Guidelines have been synchronized with new USCG GIUE policy. Language in Section 2 for USCG and EPA GIUEs stresses multiple components for successful completion of GIUE, not just arrival and deployment of equipment, particularly for inland plan holders.

Fleet Limits for GIUEs: There were several comments regarding the burden/expense of vessel GIUEs and the need to identify fleet limits (if all vessels fall under the same plan).

Response: The USCG acknowledges the concerns expressed regarding the burden posed by vessel GIUEs. The PREP Guidelines have been updated to include language clarifying GUIE limits. Each Vessel Response Plan (VRP) (which may include multiple vessels), is restricted to one GIUE per 36 months per COTP zone. A vessel that successfully completes a GIUE may not be targeted for a GIUE anywhere for 36 months. Other vessels falling under the same VRP are eligible for a GIUE in other COTP zones, provided the plan number has not otherwise been subject to a GIUE within the last 36 months.

Vessel Response Plan Exercise Frequencies and Economic Burden: Many comments were focused on the economic impacts of conducting numerous exercises (including GIUEs, equipment deployment, and remote assessment and consultation exercises).

Response: The USCG acknowledges the concerns expressed regarding the economic burden posed by VRP exercise frequencies. As the PREP Guidelines are implementing

guidance for existing regulatory requirements, an economic analysis is not required for the Guidelines. The PREP guidelines do not add to the economic burden of complying with the existing regulations and may, in fact, provide some economic relief through reasonable accommodations that still meet the intent of the regulations. Specific examples include:

Remote Assessment and Consultation Exercises. The frequency of remote assessment and consultation exercises is significantly reduced in PREP, from quarterly to annually per vessel when the vessel operates in U.S. waters. The economic burden of this exercise on vessel stakeholders is correspondingly reduced. Annual per vessel credit is appropriate for remote assessment and consultation exercises to ensure that each vessel in the fleet would have the opportunity to simulate initiation of a remote assessment and consultation assessment each year.

Equipment Deployment Exercises. Credit for equipment deployment exercises for salvage and marine firefighting services may be claimed for real world operations, when documented as outlined in Chapter 3. This also applies to traditional oil spill recovery and storage equipment. Granting credit to world events and operations in lieu of conducting traditional exercises optimizes resources and time. This practice allows the resource provider to realize income from the practical use of the equipment on an actual project while simultaneously meeting equipment deployment exercise requirements for their vessel owner or operator clients.

Government-Initiated Unannounced Exercises. The PREP guidelines clarify vessel GIUE target selection and eligibility criteria. PREP articulates that the regulatory GIUE limitation of 1 GIUE per 36 months applies to a VRP (and the entire fleet of vessels

covered under it) vice an individual vessel. More specifically, if a unique vessel is subject to a GIUE, the entire fleet of vessels covered under the same VRP is exempt from GIUEs for 36 months in the COTP Zone in which it was conducted. It is important to note that the 36 month GIUE limitations described above are based on successful completion of GIUEs only. If a GIUE is deemed unsuccessful, the 36 month exemption period does not apply.

EPA-Regulated Facilities Comments

Scope of Emergency Procedures Exercise: One commenter indicated that the scope of an emergency procedures exercise is not defined in the Guidelines.

Response: This exercise is optional for EPA-regulated facilities. The scope and objectives of an emergency procedures exercise have not changed and are outlined in Section 4 of the PREP Guidelines.

Frequency of Equipment Deployment Exercises: One commenter indicated that the frequencies for equipment deployment exercises for EPA Facility Response Plan (FRP) facilities need clarification.

Response: Frequencies for equipment deployment exercises are either annual or semi-annual based on ownership of the response equipment, and are clearly specified in Section 4 of the PREP Guidelines; this requirement has not changed.

DOT -Regulated Facilities Comments

Inclusion of Guidance for Railcars in the PREP Guidelines: One commenter submitted several comments regarding the inclusion of new exercise and training guidance for railroads having railcars with capacities of 3,500 gallons or more.

Response: The inclusion of railcar-specific exercise guidance will not be addressed in the PREP Guidelines until new requirements have been promulgated in the CFR by PHMSA. PHMSA may address the inclusion of railcars in a future update of the PREP Guidelines. However, railroads may voluntarily use the PREP Guidelines described for PHMSA-regulated facilities. In anticipation of new requirements for railcars, Section 5 of the PREP Guidelines has been broadened to allow for the inclusion of other DOT/PHMSA-regulated facilities.

BSEE-Regulated Offshore Facilities Comments

Platforms for Drilling Relief Wells during PREP Exercises: Five commenters stated that during exercises, certain elements such as a drilling rig for implementing a relief well are assessed and documented regarding their availability, but are not actually contracted and mobilized.

Response: BSEE agrees that in many exercises, the contracting and deployment of resources are simulated based on an assessment of their current availability. BSEE does not anticipate conducting any PREP exercises where a drilling platform necessary for a relief well would actually be expected to be contracted and mobilized for the purposes of successfully completing the exercise.

Exercising Source Control and Subsea Containment Capabilities: Two commenters stated that exercising well control scenarios is currently not required under BSEE regulations.

Response: BSEE disagrees. As outlined in Notice to Lessees (NTL) 2010-N10 and NTL 2012-N06, 30 CFR part 254 requires a plan holder to describe in its plan, and then exercise, how it will respond to a WCD, including any equipment necessary to contain and recover the discharge. BSEE interprets this regulatory language to be inclusive of any resources necessary to contain and secure the source of a potential or actual discharge, which could include the use of well control capabilities such as capping stacks, cap and flow equipment, subsea containment devices, and other supporting equipment. As the specific actions for controlling and securing the source of the discharge through well control are not expressly delineated in the current regulations, BSEE will work to clarify expectations and requirements in the regulations in a future proposed rulemaking. In the interim, BSEE requires under 30 CFR part 254 that source control and subsea containment capabilities be available, and these capabilities must be included in a plan holder's exercise program.

Source Control and Subsea Containment Equipment Providers: One commenter stated that entities that provide source control equipment should not be considered OSROs, as they often do not own the equipment or provide the people who might operate the equipment.

Response: BSEE disagrees. The definition of an OSRO is very broad and may include many types of organizations, to include any entity that offers response resources necessary to abate, contain, mitigate, and/or recover any oil that may be discharged.

OSROs may also include entities that provide various technologies, services, or equipment that support source control or spill response countermeasures. Therefore, for the purposes of PREP, BSEE considers organizations that provide source control equipment, personnel, and critical support services that may be necessary to secure a potential threat or actual discharge of oil into the water to meet the definition of an OSRO. Companies that manufacture, but do not operate their equipment during a spill, are not typically considered OSROs.

Deployment Exercises for Source Control, Subsea Containment, and Supporting Equipment: One commenter requested that BSEE clarify that the guidance regarding equipment deployment exercises in Section 6.3 and 6.4 does not apply to source control and subsea containment equipment.

Response: The commenter is correct; the guidance on equipment deployment exercises in Section 6.3 and 6.4 does not apply to source control and subsea containment equipment. Section 6.5 was purposely added to the PREP Guidelines to specifically address source control and subsea containment equipment and prevent confusion with respect to the applicability of requirements within Section 6.3 and 6.4.

Advance Planning for Source Control-related Deployment Exercises: One commenter suggested that BSEE consult with industry during the advance planning of any source control and subsea containment equipment deployment exercises in order to capture past lessons learned and maximize the safety of all exercise participants.

Response: BSEE agrees that collaboration with industry to jointly plan for deployment exercises involving source control equipment is an effective way to capture past lessons learned and maximize safety, as long as such collaboration is compatible

with the objectives of the particular equipment deployment exercise. BSEE has added language to Section 6.5 that encourages agency personnel to conduct advance planning with industry whenever possible in preparing for these exercises.

Shared Credit for Source Control and Subsea Containment Deployment Exercises: One commenter suggested that all plan holders who contract for the services of a source control provider should share in the credit for any equipment deployment exercises involving that provider's source control equipment.

Response: As there is no frequency requirement for plan holders to conduct equipment deployment exercises for source control and subsea containment equipment, shared credit is not necessary for these exercises at this time. However, if any frequency for such equipment deployment exercises were to be established in the regulations in the future, BSEE agrees that credit for any such equipment deployment exercises should be shared amongst all the plan holders that contract for that provider's services. BSEE will consider any source control and subsea containment deployment exercises that have been completed by a contracted provider in the past when evaluating the need for a GIUE involving a different plan holder but involving the same provider or equipment.

Frequency of Source Control and Subsea Containment Exercises: Numerous commenters raised concerns regarding the frequency of deployment exercises for source control and subsea containment equipment, and offered suggestions on potential deployment requirements and verification practices. One commenter felt it was essential to test the full range of source control and subsea containment equipment, including all necessary supporting logistical arrangements, once every triennial cycle. Another commenter supported a much more limited deployment and testing regime of this

equipment and recommended an interval of once every nine years. Five commenters stated that frequent deployment of capping stacks in exercises could damage the equipment and result in plan holders not having source control equipment coverage while repairs are made.

Response: BSEE is required to verify the ability and preparedness of plan holders to implement their source control plans (as outlined in their Oil Spill Response Plans or referenced Regional Containment Demonstrations). BSEE recognizes industry's many concerns regarding the costs, safety concerns, and operational disruptions that may accompany the deployment of this equipment. BSEE also appreciates the many suggestions that were offered by commenters for possible deployment frequencies and verification best practices. As the current regulations in 30 CFR Part 254 do not establish a required interval for the deployment of this type of equipment, the PREP Guidelines cannot provide any additional guidance on a specific interval requirement at this time. In the absence of any defined scope and frequency interval in the regulations, BSEE will continue to conduct deployments of source control capabilities at the discretion of the BSEE Oil Spill Preparedness Division (OSPD) Chief, in consultation with the appropriate BSEE Regional Director, as needed to assess and verify the overall preparedness of a plan holder, or group of plan holders, to operate in an Outer Continental Shelf (OCS) Region. As the scope and cost of such deployment exercises can be quite large, BSEE does not intend to require plan holders or providers of source control, subsea containment, and supporting equipment to conduct deployment exercises at the same semi-annual or annual frequency as required for other spill response equipment. BSEE

will continue to evaluate the information that was submitted to the docket as BSEE prepares to update its regulations in 30 CFR Part 254.

Operational Risk during Deployment Exercises: Five commenters stated that source control and subsea containment equipment should be removed from the equipment deployment section of the Guidelines due to the perceived increased risk that any such deployment operations might entail.

Response: BSEE disagrees. As with the deployment of any substantial and complex piece of response equipment, safety risks are present, but can be effectively addressed through proper attention to, and implementation of, safe working practices and operational risk management throughout the exercise.

Deployment Exercises for Subsea Dispersant Injection (SSDI) Equipment: One commenter stated that if SSDI equipment in an OSRP were to be used in conjunction with the deployment of source control and subsea containment operations, SSDI should be included in Section 6.5 of the Guidelines regarding source control and subsea containment deployment exercises. The commenter also stated that a requirement to develop dispersant stockpile management plans should be added to the contents of Regional Containment Demonstration Plans.

Response: BSEE agrees in part. The deployment of SSDI equipment will occur in close proximity to the deployment of source control and subsea containment equipment, and will involve many similar logistical and operational challenges. As such, BSEE will treat the deployment exercises of these two types of equipment in a similar manner. BSEE will not require plan holders to exercise their SSDI equipment at the same frequency intervals as other spill countermeasures that are designed for removing or

mitigating oil at the water's surface. Plan holders will only be required to exercise SSDI equipment upon receiving direction from the Chief of OSPD, or the Chief's designated representative. However, plan holders should carefully describe how SSDI capabilities will be used in their OSRPs. Plan holder exercises and training, BSEE equipment verifications, and GIUEs should also reflect this information. Completing SSDI usage requests and plans, as well as completing dispersant stockpile management plans (as appropriate), were also added in response to comments as possible exercise objectives in Section 6.2, which provides guidance on BSEE-required IMT exercises. While BSEE acknowledges the value of adding information that addresses the management of dispersant stockpiles in the Regional Containment Demonstration Plans, the content of the Regional Containment Demonstrations is outside of the scope of the PREP Guidelines document.

GIUEs Involving Source Control, Subsea Containment, and Supporting Equipment: One commenter stated that source control and subsea containment equipment should be excluded from deployment during a GIUE. Five commenters raised concerns regarding cost, high risks, and substantial time burdens associated with unannounced exercises of this equipment, and questioned their utility to demonstrate real readiness. In particular, these commenters raised concerns regarding the cost and impacts to industry operations if source control and subsea containment equipment must be recalled from active commercial service and deployed in a GIUE. One commenter further elaborated on the potential for disruption and the expected challenges of obtaining the necessary equipment during a non-emergency GIUE due to the mutual aid nature of the arrangements made for equipment through their source control provider that is likely to remain in active service

until an emergency occurs. The commenters further stated that they, in collaboration with other plan holders, USCG, and BSEE, conduct annual IMT exercises and training with their source control provider to ensure that they are ready to implement source control activities during an incident, which should obviate the need to conduct any GIUEs involving source control capabilities. One commenter stated that logistical systems supporting source control operations should be deployed and exercised triennially in a GIUE. Five commenters stated that quarterly material inspections and testing of capping stacks is adequate to ensure the preparedness of a plan holder and source control provider, and that deployments of the capping stack and other source control equipment in an unannounced exercise are unnecessary. Five commenters suggested that BSEE coordinate with the plan holder to observe source control equipment that is in daily operational use in normal drilling operations to verify its material condition, availability, and operational readiness, rather than requiring the equipment to be deployed in an exercise. Five commenters stated that during a GIUE targeting the deployment of source control or subsea containment equipment, the plan holder or service provider should be able to provide documentation of past operational use in lieu of conducting an actual deployment of the equipment.

Response: BSEE fully acknowledges industry's concerns regarding the complexity, operational impacts, and costs associated with a GIUE of any source control and subsea containment equipment, and will factor these concerns into any decisions requiring such exercises. BSEE will also evaluate the potential for costs and disruptions to mutual aid sources of equipment when considering the possibility of designing, holding, and evaluating any GIUE that would involve the deployment of such equipment. BSEE will

also evaluate a plan holder's and their source control providers' exercise, training, and maintenance programs in their assessment of the plan holder's overall preparedness when determining the need to hold a GIUE involving source control capabilities. BSEE agrees that plan holder-initiated exercises and training, whether announced or unannounced, are critical parts of plan holder preparedness. However, BSEE also believes that GIUEs serve as an important added incentive for plan holders to maintain their readiness. The GIUE is an important evaluation and compliance tool used by BSEE in exercising its oversight responsibilities that is not always adequately replicated by agency participation in plan holder-initiated exercises and training. BSEE believes that the logistical systems that support source control and subsea containment operations are candidates to be part of the potential scope and exercise objectives for a GIUE. BSEE has added language to that effect in the subsection providing guidance on BSEE GIUEs. BSEE does not, however, set or implement regular frequency intervals for deploying or exercising the specific capabilities, whether spill response, source control, or supporting logistical systems, for any specific plan holder, OSRO, or support service provider through its execution of GIUEs. The inspection and testing of source control equipment conducted under 30 CFR part 250 have a different focus and purpose from GIUEs and equipment deployment exercises conducted under 30 CFR part 254 and PREP. BSEE acknowledges that these activities may be synergistic in ensuring overall preparedness; however, they are not redundant to the point of making one or the other unnecessary. The inspection and testing of capping stacks is an important part of the overall process of ensuring and maintaining the functionality and proper operating condition of source control capabilities; PREP exercises, on the other hand, often focus on an operator's ability to

mobilize and deploy the equipment, and on the proficiencies of response personnel who must operate the equipment in emergency conditions. BSEE will certainly consider the overall performance of these tests and inspections when considering whether there is a need to hold a deployment exercise, whether announced or a GIUE, of a capping stack or other significant source control equipment. BSEE acknowledges the potential utility of conducting checks of equipment while it is in actual operational use as a form of verifying material readiness, and may elect to pursue this means in certain circumstances. However, checks performed in this manner may not always satisfy BSEE compliance and exercise objectives or requirements for evaluating certain aspects of a plan holder's and their source control providers' overall readiness. BSEE disagrees with the suggested practice of providing documentation of past operational use as the default means of meeting GIUE deployment exercise expectations and objectives; however, it is left to the discretion of the BSEE officials conducting the GIUE to determine what level of actual deployment operations will be required to test spill response preparedness and what items may be satisfied through the presentation of documentation. Decisions regarding focus, scope, and means of compliance for any BSEE-initiated GIUE objectives that will test spill response preparedness, including those involving source control and subsea containment equipment, is at the discretion of the BSEE OSPD Office Chief and the Chief's designated Section personnel conducting the GIUE. BSEE does not intend to routinely conduct GIUEs that include the deployment of source control, subsea containment, and supporting equipment as part of the scope of a GIUE; however, BSEE has the authority and retains the prerogative to require GIUEs that have the deployment of source control, subsea containment, and/or supporting equipment as an element of that

exercise, or to require deployment exercises of this equipment that are coordinated in advance but have some elements and objectives that will remain undisclosed until the commencement of the exercise. As organizations that provide source control, subsea containment, and supporting equipment and services cover multiple plan holders, if any deployment exercise is successfully conducted by such a service provider, BSEE will honor credit for that deployment exercise to all plan holders who contract with the provider for that equipment. This extension of credit does not extend to IMT exercises where the management and oversight of source control activities must be exercised to ensure proper integration with other surface response activities and the overall management of the incident. These IMT exercises must include interaction between officials from a plan holder's specific organization and its IMT, including those officials who would manage source control and subsea containment activities, and therefore should be conducted separately and singularly for each OSRP.

Frequency of GIUEs Conducted by BSEE: Five commenters requested that BSEE clarify language regarding the frequency of GIUEs, and specifically requested that the word "generally" be removed regarding the applicability of a GIUE to any facility. One commenter stated that each BSEE OSPD Section should set a minimum number of GIUEs that will be conducted in each OCS Region, and those numbers and exercise results should be published annually.

Response: BSEE agrees with the requested clarification of removing the word "generally", and has made the requested change. BSEE disagrees that the Bureau should be bound to a fixed number of GIUEs for any given year. BSEE will use a number of factors that vary from year to year in determining the need to conduct GIUEs and will use

risk-based decision-making tools whenever possible. The current language in the revised Guidelines has been retained to indicate that the number of GIUEs conducted by BSEE will be determined by the BSEE OSPD Chief, and does not make any reference to a specific minimum number that must be conducted in a given year. In order to maintain maximum flexibility in conducting GIUEs as preparedness needs dictate, BSEE does not intend to publish any information in advance regarding the number of GIUEs being planned during a calendar year. BSEE does publish the number of GIUEs that were conducted each year in its Annual Report, which is available for public viewing on the BSEE Website. BSEE does not publish the specific results of each GIUE in the report.

Dispersant Application Requests and Usage Plans: Two commenters stated that IMTs should be proficient in preparing request forms and application plans for the use of aerial dispersants to the FOSC/RRT, and that the Daily Aerial/Vessel Dispersant Application Plan, as outlined in API Technical Report 1148, is an acceptable template that would provide for a consistent methodology for such plans.

Response: BSEE agrees, and has inserted language in their IMT exercise guidance recommending that IMTs use the API Technical Report in preparing the requests and usage plans.

IV. Public Availability of 2016 PREP Guidelines.

The PREP 4C has finalized the 2016 PREP Guidelines which will be publicly

available on a new NSFCC/PREP4C Website and can also be found at *https://Homeport.uscg.mil/exercises*. The USCG is releasing the 2016 PREP Guidelines on behalf of the PREP 4C.

Dated: April 5, 2016.

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