

MAJOR ISSUES THE REGULATORY ACTION SUBCOMMITTEE IS ADDRESSING:

1. National Board:
 - Maintaining verbal and email networking with Chuck Withers and George Bynog.
 - Reviewed NB draft form R-5 for Fitness For Service that will be part of NBIC to document FFS analysis. Made improvement suggestions.
 - Still encouraging NB involvement in the development of the new API / ASME Joint Inspection Code
2. California:
 - Petroleum Safety Orders changes potential approval by end of July. Includes update or inclusion of key API Inspection codes, RBI, and FFS.
 - Chevron completed RBI variance process; helped address concerns raised by operators union.
 - First RBI User Group meeting held through WSPA hosted by Shell Martinez Refinery and Chevron Richmond Refinery. Twice a year forums envisioned.
 - Jim Riley (Chevron) to speak about RBI in May at California Boiler Inspector Assoc. Conference (the other speaker is Don Tanner from National Board)
3. Alaska
 - Tank regulation allowing RBI going towards final approval into State Code. Each RBI must be individually accepted by jurisdiction based on RP 580, 581. Maximum interval will be 30 years. Similar service will not be allowed.

MAJOR CONCERNS OR OPPORTUNITIES OF SUBCOMMITTEE AND PROPOSED REMEDIES:

1. Updating acceptance Matrix with change of member companies and personnel.
2. Stay engaged with California to ensure success either in the variance process or SAFETY ORDERS Modifications
3. Continue talks with NB for Joint Inspection Code development Explore potential for a API member to be on the NB advisory committee (would require NB committee vote).
4. Continue involvement with the API / ASME Joint Inspection Code development
5. Create a Model Template too communicate with states for the acceptance of RBI / FFS etc. Specifically the audit tool and the list of qualification requirements.

Report to API Regulatory Action Committee
and to
Subcommittee on Pressure Vessels and Tanks
By J. Phillip Smith
April 30, 2006
Dallas, Texas

New Jersey – The New Jersey tank regulations predate API 653 and as a result they contain some requirements that are different from API 653 and are not enforced. The New Jersey Environmental Protection Agency has started a review of the tank regulations. The NJ EPA is collecting information from tank owner/operators that operate in New Jersey on operating, inspection and repair practices. I don't have a date on when a draft of the revised regs may be expected.

E50.01 Tanks – the next meeting is October 25, 2006 in Atlanta

1. Standard Guide for Environmentally Sound Underground Storage Tank Systems – This document was reviewed by the E50.01 at the Feb. 8, 2006 meeting in Phoenix. Changes that were discussed were made and the document has been sent to ballot by E50.01. I am expecting several comments which we will review at our meeting in Atlanta. This document has been in preparation for several years. In order to get this document ready for ballot several significant changes were suggested by Tim Smith, US EPA, Mark Malander, ExxonMobil and me. I'll send a copy to Prentiss Searles, at API.
2. Possible Future Items
 - a. Standard Guide for Hydrotesting of Aboveground Storage Tanks
 - b. Standard guide for Tank Farm Lighting Requirements to meet 40 CFR 112 – SPCC July 2002 Revisions.
 - c. Standard Guide for Tank Farm Fencing Requirements to meet 40 CFR 112 – SPCC July 2002 Revisions

No one has stepped forward to prepare these documents so they are in the possible future activity category now. I have been developing background information.

E50.04 Remediation

1. Standard Guide – Investigation of Petroleum Underground Storage Tank Equipment Problems and Releases – API provided several pages of negative comments on this document. This document was carefully reviewed at the 2/8/06 meeting in Phoenix. Significant changes were suggested. The task group chair has revised the document and sent it to me for review. I'll review it, and suggest any revisions. The plan is to send this document for vote of E50.04 and E50.01 this summer. The comments will be reviewed at the Atlanta meeting. I'll send a copy of this document to Prentiss Searles at API after I've reviewed it. I have reviewed the information on this document and contacted the state jurisdictions. I've made several changes resulting there from.

ASME – Pressure Technology Sectoral Advisory Committee

The next meeting is scheduled for June 27, 2006 in Washington D.C.

A. PDC

Talks continue between the EU and the US DOC on:

- a. Mutual acceptance of material specifications.
- b. Welder qualification.
- c. NDT inspector qualification.

B. EU Comparative Study on Pressure Equipment Standards

ASME has reviewed the EU study and prepared a response. I have copies of this response which I will attach here and distribute at the 4/31/06 RAC meeting and which I will attach to the PV&T meeting notes. I will provide several copies for PV&T members and for SCI members.

C. API Issues

PT-STAC Charter is: To assist the US Government in the development of positions for use as a basis for negotiations with the European Community, and other regional technical and trade entities, on matters relating to pressure equipment.

ASME requests feedback regarding what are the key issues of importance to API that relate to trade and commerce that need to be addressed by PT-STAC and the US-DOC as well as your thoughts on the value of PT-STAC. In addition, Gerry Eisenberg, the ASME staff person who works with PT-STAC is asking Bob Straetz, US-DOC, to provide feedback regarding the value PT-STAC brings to the US-DOC, including issues that need to be addressed in support of the US-DOC mission.

At the April 2005 meeting in New Orleans I provided copies of the EU study of post construction issues in various countries. I have nothing further on this at this time

Respectfully

Phil

J. Phillip Smith, P.E.

**Status of Regulatory Action Program Metrics
Priority I States and Provinces**

| STATE | API 570, Piping, Acceptable | API 653, Tanks, Acceptable | API 510, PV's, Acceptable | Condition-Based Inspection Acceptable | API 579, FFS, Permitted for PV's | API 580, RBI, Permitted for PV's | API 510 Exam Offered | NB Registration Required | Boiler Internal Inspection Interval (Yrs) | Industry Representative on State Board | Regulatory Action Team Established | Lead Companies for Regulatory Issues |
|--------------|-----------------------------|----------------------------|---------------------------|---------------------------------------|----------------------------------|----------------------------------|----------------------|--------------------------|---|--|------------------------------------|--------------------------------------|
| Alaska | Yes | Yes | NO | Yes | NO | NO | Yes | NO | 1 | No Board | Yes | Phillips |
| Alberta | Yes | | Yes | | | | | | | | | Shell Canada/Chevron |
| California | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 1 to 3 | No Board | Yes | Chevron |
| Illinois | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 1 to 2 | Yes | Yes | B P |
| Indiana | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 1 to 3 | Yes | Yes | B P |
| Kansas | Yes | Yes | Yes | Yes | Yes | Yes | NO | Yes | 1 to 2 | No Board | Yes | Frontier (Ed Burnett)? |
| Louisiana | Yes | Yes | Yes | Yes | Yes | Yes | Yes | NO | 1 to 5 | No Board | Yes | ExxonMobil |
| Michigan | Yes | Yes | Yes | Yes | Yes | Yes | NO | Yes(1) | 1 | Yes | Yes | Dow |
| Montana | Yes | Yes | Yes | Yes | Yes | Yes | NO | NO | 1 | No Board | Yes | ExxonMobil |
| New Jersey | Yes | Yes | Yes | Yes | Yes | Yes | NO | Yes | 1 to 5 | Yes | Yes | DuPont |
| Ohio | Yes | Yes | Yes | Yes | Yes | Yes | NO | Yes | 1 to 2 | NO | Yes | BP Amoco |
| Oklahoma | Yes | Yes | Yes | Yes | Yes | Yes | Yes | NO | 1 to 2 | No Board | Yes | Phillips/Conoco |
| Pennsylvania | Yes | Yes | NO | Yes | NO | NO | Yes | Yes | 1 to 2 | Yes | Yes | TOSCO |
| Texas | Yes | Yes | Yes | Yes | Yes | Yes | Yes | NO | 1 to 4 | Yes | Yes | ExxonMobil |
| Utah | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 1 | Yes | Yes | Chevron |
| Virginia | Yes | Yes | Yes (2) | Yes | NO | NO | NO | Yes | 1 | NO | Yes | B P |
| Washington | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 1 to 4 | Yes | Yes | Equilon |