



ISO/TC 28 Petroleum products and lubricants

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To: P-members
O-members
L-members

Dear Members,

Please find attached a Dutch position paper on ISO/TC 28's future in international petroleum measurement standardization following the API/EI agreement on joint development and maintenance.

Yours sincerely

Paula Watkins

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Secretary to ISO/TC 28

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Both the petroleum industry and equipment manufacturers operate in a global market. Global trade is expanding in the energy sector (Russia, China etc) and harmonisation within Europe is progressing at ever-increasing pace.

Individual business transactions are greatly advanced through the application (for each scope) of single, unique and dedicated standards that are accepted everywhere. Standards that are not universally accepted inadvertently lead to a proliferation of competing standards, thus obstructing international trade.

Key stakeholders controlling the acceptance of a petroleum measurement standard are (petroleum products and equipment) market parties and (fiscal) regulators. Quality, practicality and the level of influence over its content or existence drive the universal acceptance of a standard. This aspect as well as the general shortage of experts in the area of metering technology demand participation on as wide a scale as can be achieved.

The ISO organisation is specifically designed to provide an open platform on which worldwide expertise can be mobilised for the development of standards. In-built checks and balances through the international balloting process aim to ensure optimal quality and acceptance of its documents. While assuring open participation and international ballot, ISO procedures allow co-development of standards, even where other SDOs¹ take the lead. Once an internationally reviewed standard is agreed, back-adoption particularly by the lead-SDO drives its universal acceptance. One of the overall aims of having an ISO standard is back adoption by API (or ASTM/API) and the EI as identical documents. Only by back-adoption, such as more explicitly done by BSI, can you make sure that only one standard is available and is being revised at any point in time.

At the moment the international petroleum measurement standardization field faces the challenge for cooperation of all SDO's to support the market need of one world standard. The Netherlands appreciates the initiative of API and EI to work more closely together to speed up the process of developing internationally accepted measurement standards. The Netherlands feels though that the current proposals can still be improved.

The arguments that favour ISO/TC 28 input of expertise into, and parallel publication of, petroleum measurement standards resulting from the API/EI joint development and maintenance agreement, dubbed the "Phoenix Agreement" are:

- i. that all experts should give their input only once,
- ii. the different drivers from the markets (practical use in the USA, metrological, safety and regulatory aspects in Europe, industry investment and trade with Russia and China, natural gas orientation in Japan, general and increasing global market), are all resolved through an internationally accepted process,
- iii. the link and input that ISO can provide with the world's national metrological institutes (e.g. NIST, NPL, PTB and NMi) and the OIML, and
- iv. the (new) all-parties-concerned principle as opposed to the historical national petroleum measurement users basis of API and EI.

If the above cited agreement covers the modalities of eventually processing API/EI co-developed standards in ISO through ISO/TC 28, then ISO/TC 28 P-membership should be adequately consulted in advance of the coming plenary of ISO/TC 28 in 2006.

Therefore, the Netherlands proposes that the principles used as the basis of the existing API - ISO/TC 67 cooperation be considered. The Netherlands requests openness and well-prepared decision-making, as well as soon distribution of the announced API - EI internal guidances of cooperation.

In the enclosures to this document we give the background on our proposal and, for those interested in more detail, a detailed process by which the three SDO's (API, EI and ISO/TC 28) can cooperate, while addressing the concerns that exist with the time consumed by the ISO balloting process.

¹ For explanation of all abbreviations used, see at the end of enclosure 2

Enclosure 1 to the Dutch position paper

Proposal background

Introduction

At the 2001 plenary meeting of ISO/TC 28 an ad-hoc task group (TG) was given the task to examine petroleum measurement optimisation within ISO/TC 28. At an open TG meeting in March 2005, better ways of working between API and EI were discussed. This resulted in a draft cooperation on petroleum measurement standards between API and the EI, the so-called Phoenix Agreement. After March 2005 the members of ISO/TC 28 have not been informed of the TG progress. However, ISO/TC 28 P-membership and the TC 28 SC's should be adequately consulted in advance of the coming plenary meeting in 2006.

The Netherlands considers it is required that each organizations' expert has the possibility to propose new work, to judge each others' proposals and to contribute to the technical work. We acknowledge that API succeeds in bringing many experts around the table. However, we state that parallel development with ISO/TC 28, for instance to check sufficient cover is provided for specific requirements that may exist in various regions, is necessary for future acceptance in wider world markets. For this we need a serious debate on the conditions and the leadership within the ISO/TC 28 petroleum measurement SC's for conclusion at the 2006 plenary meeting.

Process

When API/EI co-development work is intended to be used as an input for DIS balloting in ISO, then P members of ISO/TC 28 should have the opportunity to contribute in the co-development phase. This will enable a smooth DIS/FDIS process. We should in any event try to avoid a leap frog, or "out-of synch" between API/EI and ISO standards. The following considerations by ISO/TC 28 can be made:

- 1) The proposed Phoenix agreement was initiated during a discussion of a ISO/TC 28-mandated TG to address issues including the claimed lengthy ISO standards development process.
- 2) A majority of international petroleum industry outside of the US would be penalized by the remoteness of the API/EI (limited) development and publications, and subsequently does not necessarily agree with the methodology outlined in the Phoenix Agreement.
- 3) A much simpler alternative to the Phoenix Agreement would be:
 - a) recognizing that expertise in the petroleum measurement sector lies in three different groups: API, EI and OTHER (which includes SDO's such as ISO, ASTM, and CEN),
 - b) recognizing the declining resources available from industry in the SDO's including ISO/TC 28 and its SC's,
 - c) allowing API/EI to inject their documents into ISO/TC 28 work programme, by simple ISO/TC 28 resolution, directly at ISO/DIS-ballot stage, which would ensure international review and therefore,
 - d) the comments would then be considered by the API/EI-lead joint working group before submitting for API COPM, EI and ISO final ballot (in the later case FDIS or direct to publication if 100% DIS approval was achieved), and
 - e) the end result is that only 1 International Standard is published, at a standards development speed largely controlled by the API/EI working group (one primary argument of EI during the March 2005 meeting was the lengthy ISO process!!)
 - f) API/EI and ISO publish identical content documents at the same time.

A process of how an API/EI working group can be assisted by either experts or comments from the international community is given in a separate document to this request.

Request

We request formal reporting of the ad-hoc task group members to ISO/TC 28 outlining the optimum provisions to sustain ISO/TC 28/SC's work. A report shall be available several months before the April 2006 ISO/TC 28 meeting in France. The report shall indicate what is needed to streamline ISO/TC 28 processes in order to make cooperation with API and EI feasible for the development of globally accepted standards, including their back-adoption by API and EI. (See enclosure 2 for proposed details)

Enclosure 2 to the Dutch Position paper

Detailed future ISO/TC 28 (petroleum measurement) input processes

The following ideas are based on other (discussion on) agreements from ISO with Standards Developing Organizations (SDO's) such as IEEE and ASTM, but also API for ISO/TC 67/SC 4. Therefore, the process seems feasible for the petroleum measurement field under ISO/TC 28 in relation to the actually developed agreement between API and EI.

Proposed process of ISO/TC 28 petroleum measurement experts' contribution

New project acceptance criteria within ISO/TC 28/SC's should be characterized by three conditions:

- 1) **acceptance of the proposal from a market/global relevance point of view.** Nothing new here!
- 2) **identification of the SDO(s) best suited to lead the work** (from a resource and expertise point of view).

Note 2.1 - the proposer (i.e. an ISO P-member body) can certainly indicate a preference as to where the work should be developed, i.e. API, EI or ISO.

Note 2.2 - the possibility to propose new work remains open to all of the SDO's included in the 3 groupings referred to earlier (i.e. API via ANSI).

- 3) **nomination of individual experts** (obligatory for SDO(s) accepting the responsibility of leading the project).

Note 3.1 - this requirement is in-line with the current ISO Directives Part 1

Note 3.2 - as such, participation and nomination of an expert at the very least (or even an alternative project leader) would be an obligation to ISO P-members if they have voted positively on the NWIP, but rejected the proposed delegation. This means that the NWI proposal lists API or EI as delegated developers and if the ISO member rejects this, he is then obliged to contribute by nominating an expert, preferably a project leader, who will participate to the work being developed within the ISO committee structure.

Note 3.3 – Experts nominated by P-members to participate in the assigned SDO's delegated WG or a joint WG supported by one SDO will be accepted in these Working Groups.

Note 3.4 - active participation = nomination of an expert.

Note 3.5 - passive participation means voting (with or without comments) on the proposed drafts at the DIS and FDIS stages.

Practical application

At the onset of a project (i.e.: circulation of a NWI proposal by the ISO/TC 28/SC Secretariat), a modified ISO Form could be envisaged, which would question the P-members on the three conditions above:

- Do you accept the NWIP (this is already included in the Form 4 and 5)?
- Do you agree to the proposed leadership for the work (which SDO(s) will be leading and ultimately responsible for progressing the work (to be added to the Form 4 and 5)?
- Do you wish to actively participate in the work by nominating an expert?

Passive participation

All three concerned SDO's will have an equal opportunity to return proprietary comments on the DIS with these comments being taken into consideration by the WG, revising and progressing the subsequent drafts as necessary.

The three concerned SDO groups will also have an equal opportunity to participate to the formal approval stage (FDIS or equivalent), at which time they are free to accept or reject the final document, subsequently adopting (or not) the deliverable.

Publication stage

The primary aim is to publish single, consensus-based, harmonized and relevant International Standards in as short a time as possible.

The Netherlands understands that API is also proposing an ISO/API Editorial Service Agreement, whereby API agrees to abide to the ISO Directives, Parts 1 and 2, agreed protocols, and STD template for ISO/TC 67 standards, facilitating subsequent US-national and API-industrial adoption of the ISO publication. This process should also be made suitable for the API, EI, ISO/TC 28 relationship.

Abbreviations used

ANSI: American National Standardization Institute, member of ISO for the USA

ASTM: ASTM International, originally known as the American Society for Testing and Materials

API: American Petroleum Institute

BSI: British Standardization Institute; member of ISO for the UK

CEN: European Committee for Standardization

COPM: Committee on Petroleum Measurement Standards, API's main Technical Committee

DIS: Draft International Standard, ISO's enquiry stage, usually consisting of a five months' ballot

EI: Energy Institute (formerly the Institute of Petroleum, IP)

FDIS: Final Draft International Standard, ISO's formalization step, usually consisting of a two months' ballot

ISO: International Organization for Standardization, a network of the national standards institutes

ISO/TC 28: ISO's Technical Committee for petroleum products and lubricants

ISO/TC 67: ISO's Technical Committee for materials and equipment for the petroleum, petrochemical and natural gas industries

NWI: New Work Item, new standard document that is initiated in one of the SDO's

P-member: national standardization institute participating in the technical work under an ISO Technical Committee

SC: Subcommittee

SDO: Standards Developing Organization

TG: ISO/TC 28's ad-hoc task group on restructuring of the petroleum measurement subcommittees

WG: working group