



Associated Petroleum Industries of PA

API-PA

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House Consumer Affairs Committee

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API History

- 1919: API founded as non-profit national trade association, New York City
 - Three initial priorities – taxes, statistics, and equipment and operational standards
- 1980s: API relocates to Washington, DC
 - Heightened interest in public policy issues



API Structure

Staff of 200 led by Board of Directors made up of member company CEO's

Over 450 member companies involved in all aspects of the oil and natural gas industry

Over 700 committees and task forces covering various advocacy and technical issues



Background on API Standards Program

The API Standardization Department was formed in 1923, and the first API standard was published the following year on drilling threads.

All industry segments now active in standardization:

- Exploration and Production
- Refining
- Marketing
- Pipeline Transportation



Standards Development Process

- API is accredited by the American National Standards Institute (ANSI)
 - Accreditation, Balance, Consensus, Due Process
 - Regular program audits (conducted by ANSI)
- Transparent process (anyone can comment on any document)
 - All comments must be considered

Standards Development Process

- Developed by consensus (does not mean unanimity)
- Committee balance between users, manufacturers/service-supply and general interest categories
- General interest category includes government, academia, and engineering consultants
- Standards developed using ANSI approved API Standards Development Procedures (available on-line at www.api.org)



Use of API Standards

- National Technology Transfer and Advancement Act
 - API standards are cited in regulations by the various agencies including the OSHA, EPA, DOT and BOEM per the NTTAA
 - NTTAA requires Federal Agencies to use voluntary consensus standards and encourages participation in the standards development process
 - 100 API standards are cited over 270 times in the U.S. Code of Federal Regulations



Use of API Standards

- “De facto” international standards
- Increased adoption by federal agencies – MMS, BLM and DOT
 - API does not promote adoption - prefer voluntary use
- Written for flexibility as performance based documents

In 2009, API published 70 new and revised standards.

In 2010, API plans to publish 60 new and revised standards.

Conclusions

- API standards represents industry's collective wisdom on operational practices, developed and refined over many years
- API standards are most widely cited here and around the world
- API standards process is open – see <http://www.api.org/Standards/standardsapplication> - so get involved!



API's Global Industry Services

1220 L Street, NW • Washington, DC 20005-41070 • www.api.org



Global Industry Services

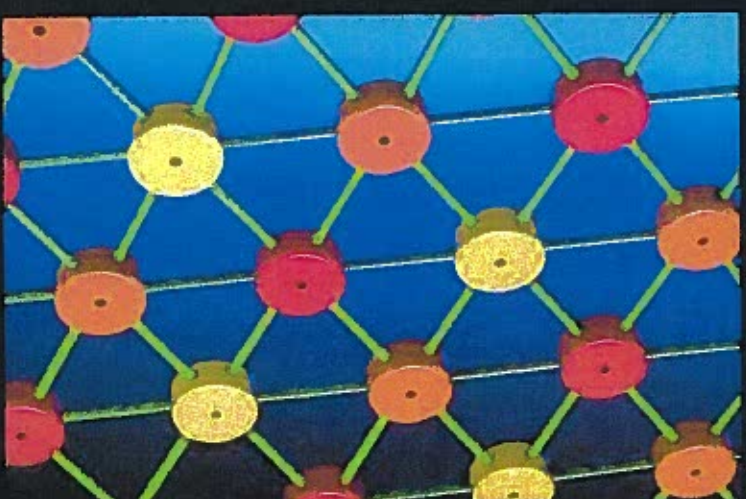
Dedicated to providing valuable, self-supporting products and services to the international oil and gas industry

- Certification
- Training
- Publications
- Statistics
- Events
- Web Services



Scope

- 44 Employees
- 130 Auditors
- Offices in Washington DC, Houston, Beijing, Dubai and Singapore
- 4800 Company Certifications; 600 Product Certifications; 40000 Personnel Certifications
- 550 Publications
- 100+ Events
- 8 Statistics Products





Self-Supporting and Independent

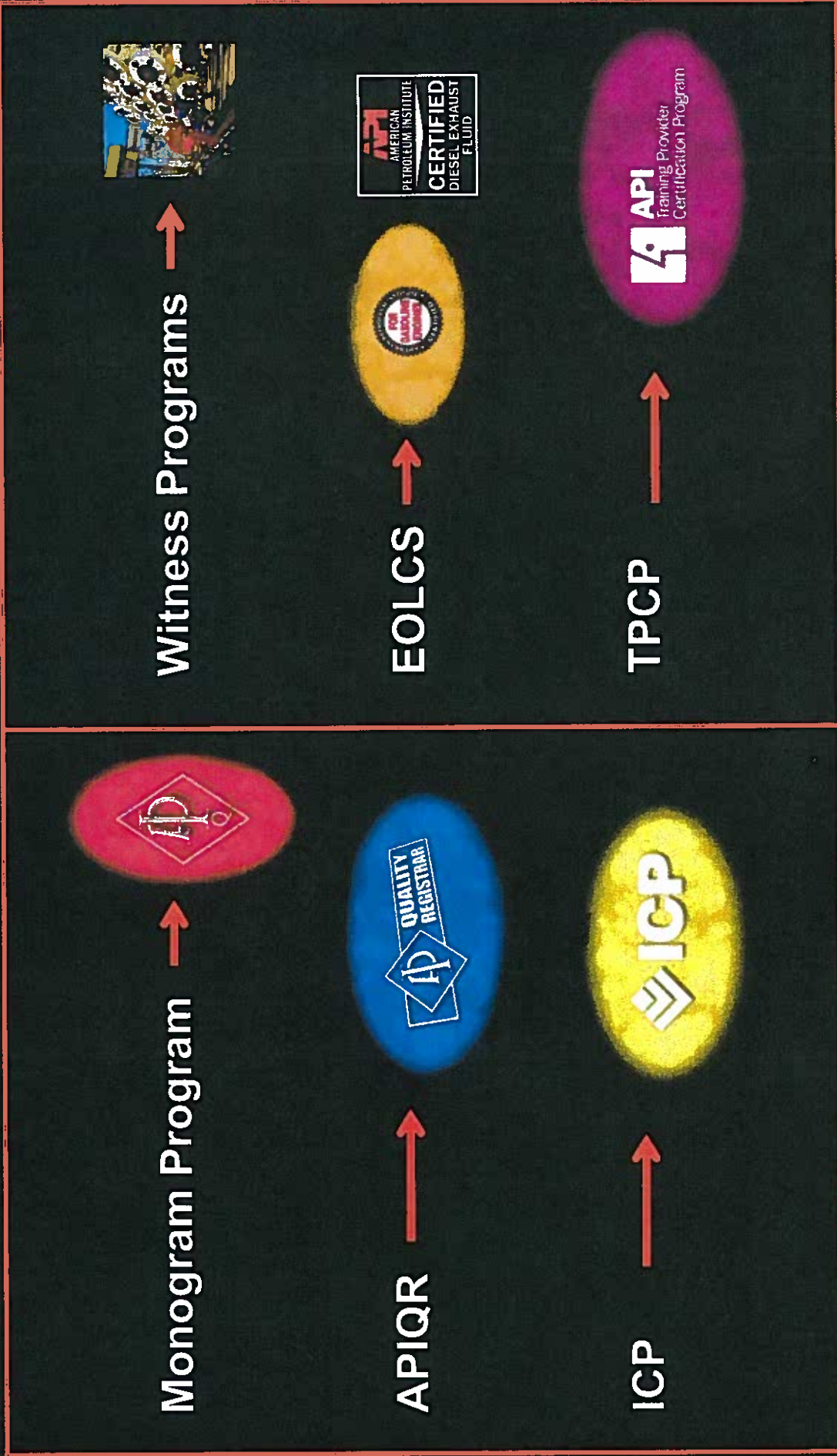
- **Founded in NYC in 1919 with standards and certification in mind, with API's initial priorities being:**
 - Equipment standards development
 - API Monogram Program
 - Collecting industry statistics
 - Did not move to Washington DC until 1969
- **GIS Certification Operations**
 - Audited every 6 months by the ANSI-ASQ National Accreditation Board (ANAB)
 - Audit verifies that operations are consistently managed in an independent fashion with impartial, objective certification decisions, personnel and operations
- **API's certification programs are completely self-supporting and separate from API's advocacy efforts**
 - All programs do not rely on any API member dues
 - No employees of API's GIS department work for API's advocacy group, lobbies or advocates for API, its members or the oil industry

Self-Supporting and Independent

- **An example - API has 3500 licensees under the API Monogram Program:**
 - The program is not financially reliant on 1, 2 or a small number of influential/important/large licensees
 - Largest volume client holds 40+ facility certifications (<1% of total)
 - No company or group of companies has any undue influence on API's certification operations or decision-making
- **API's programs certify and are inclusive of members and non-members**
 - Oil companies
 - Manufacturers
 - Service suppliers
 - Uses the same policies, procedures and program requirements for both API members and non-members



Certification Programs



Monogram Program

Licensing and certification for
manufacturers of oil & gas industry
equipment and materials

- 1924
- Upstream standards
- Downstream standards
- Supply-chain standards
- 3700 licensed manufacturers

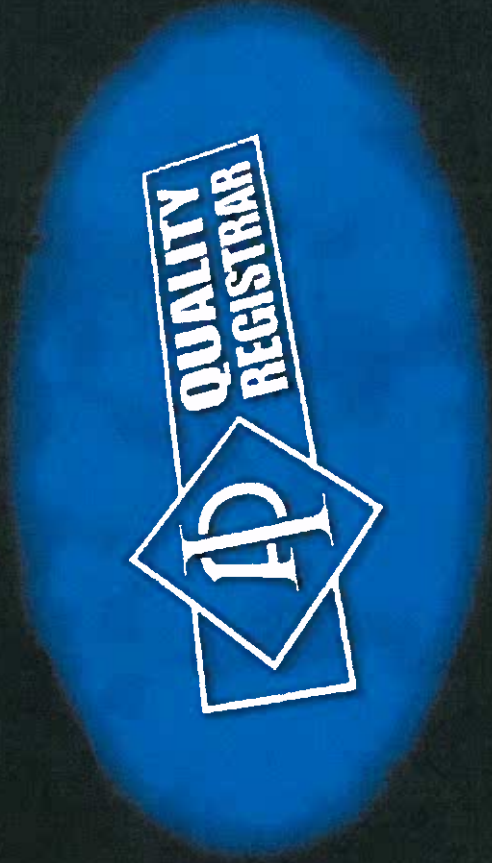




APIQR

Certification of company management systems for the oil and gas industry

- Quality: API Spec Q1, ISO 9001 and TS 29001
- Environment: ISO 14001
- Health and Safety: OHSAS 18001
- ANAB-accredited
- 1100 certified



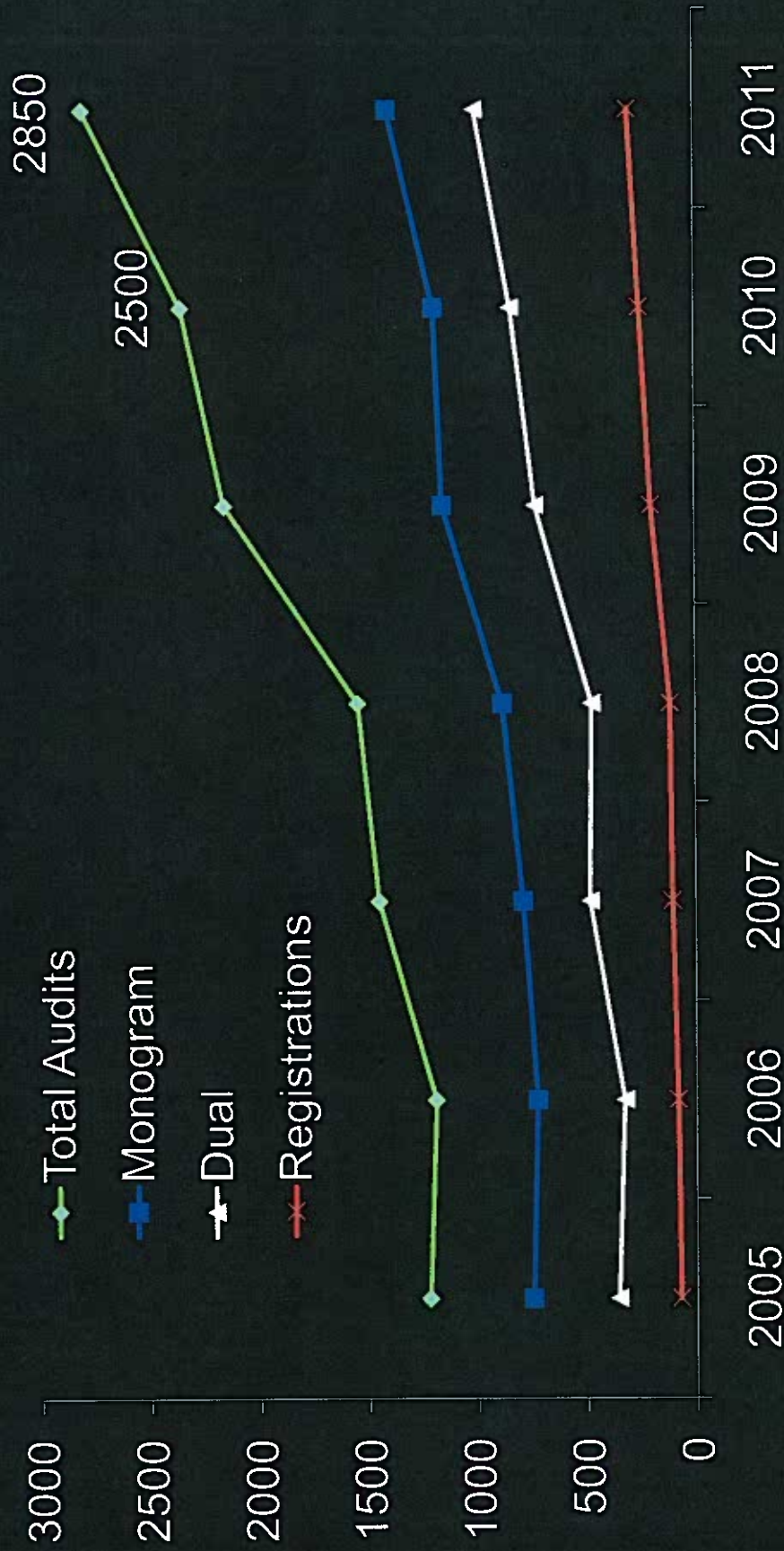
TPCP

Certification for oil & gas industry training schools

- General Assessment Criteria “TM-1” and “TM-1E”
- Industry standards, government regulations, standard supplementals (e.g., API T2 offshore safety and API 2D crane safety)
- Being utilized by API’s Downstream Segment for quality control of training schools



2010 - 2011 Audits



ICP - Certification for Industry Personnel

Largest programs are:

- API 510 - Pressure Vessel Inspectors
- API 570 - Piping Inspectors
- API 653 - Aboveground Storage Tank Inspectors

Other certification exams include:

- API 936 - Refractory Quality Control
- API 2015 - Tank Entry Supervisors
- API 571 – Damage Mechanisms
- API 580 – Risk Based Inspection
- UT Shear Wave Operators - Sizing
- UT Shear Wave Operators - Detection
- API 577 - Welding and Metallurgy

Most exams are:

- 8-hour 150 question, open and closed book



12000 API-certified
inspectors holding over
26,000 certifications



API-U

Continuing Education for Oil & Gas Professionals

- Launched in December 2009
- 140 e-Learning Courses
- Over 30 Instructor-Led Courses
- Executive Education through Collaboration with SMU Cox School of Business
 - Leadership Skills for Managers
 - Financial Skills for Managers
 - Seminar for Senior Executives

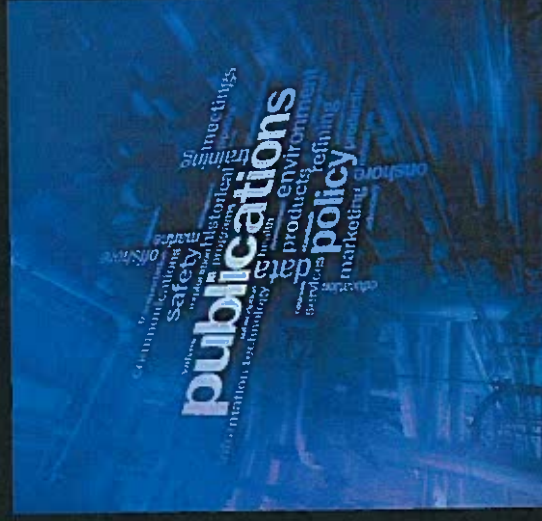




Publications

- Distributes more than 200,000 publications each year
- Over 500 technical publications, standards and electronic and on-line products
- Helps users:
 - improve the efficiency and cost-effectiveness of their operations
 - comply with legislative and regulatory requirements
 - safeguard health, ensure safety, and protect the environment
- October 2010, now free read-only access to over 160 safety and government-cited standards at

www.api.org



API Statistics

- Basic Petroleum Data Book
- Imports and Exports of Crude and Petroleum Products
- Inventories on Liquefied Natural and Refinery Gases
- Sales of Liquefied Natural and Refinery Gases
- Joint Association Survey on Drilling Costs (JAS)
- Quarterly Well Completion Report
- Monthly Statistical Report
- Weekly Statistical Bulletin
 - Tracks weekly refinery operations and inventories for products accounting for more than 80% of refinery products

