

**INDUSTRY EFFORTS TO INFORM CONTRACTORS ON OPERATOR QUALIFICATION
REGULATION**
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Industry has been aware and concerned about contractor issues since the negotiated rulemaking. There has been recognition by industry that the operator qualification regulation presents unique concerns with regards to contractors. For that reason, most operators have approached compliance with this regulation differently than other regulatory changes.

As a tool to assist in compliance, several consortium organizations have developed to address the operator qualification regulation. A primary purpose of most of the consortiums has been to develop a more practical way for contractors to comply with operators programs. The “portability” of qualifications was identified as a key component of a practical solution to the contractors’ dilemma. Most, if not all, of these consortiums have had contractors as members. Contractors were involved in the development of the programs, assessments, and training materials, although we recognize that a number of contractors feel they were left out of the development process.

Industry has communicated with contractors regarding the regulatory requirements and individual operator requirements through various means.

Industry associations have sponsored numerous conferences, seminars and workshops on the operator qualification regulation. Contractors were specifically targeted as an audience for these meetings. Locations were throughout the country – for example: Phoenix, AZ; Las Vegas, NV; Minnetonka, MN; Houston, TX; Baton Rouge, LA; Nashville, TN; Lexington, KY; Orlando, FL and other locations. OPS was involved in developing materials presented at several of these events. Associations also hosted numerous audio conferences to discuss the regulation and its requirements. Contractors were encouraged to participate in those conferences. These efforts were to help contractors understand the requirements and how the regulation could impact the contractors business. I have included materials furnished at several of the conferences in the documents that accompany this presentation.

Industry hosted 31 regional contractor meetings from the summer of 2001 through early 2002. Invitations to these meetings were sent from operators to contractors in the vicinity of the meeting location. There was no fee for a contractor to attend these meetings. Attendance at the meetings ranged from approximately 20 individuals to over 400 with an excess of 1600 individuals in total attendance. A copy of the meeting locations and dates are included in the additional documentation material.

One industry group included representatives of The Pipeline Contractors Association and the Rocky Mountain Contractors Association (now known as the American Pipeline Contractors Association) in the development of their common OQ plan and covered task list. The plan and task list was adopted almost unanimously amongst the group members.

Several industry association leaders met with Washington D.C. union representatives in the summer of 2002 to discuss the union leaderships’ concerns about the OQ regulation.

One group of operators worked together in sending letters to contractors regarding the operator qualification regulation. 70,000 letters were sent to contractors in this effort. Approximately 5700 contractors received letters from more than one operator. A list of those contractors is included in the additional documentation material.

At least one consortium has developed a “contractors roundtable” for contractors to provide feedback on the qualification process and materials. The response of contractors to these meetings has been positive. These meetings are continuing with one taking place this week.

We cannot overlook the efforts individual companies have taken to inform contractors about the OQ regulation. Individual pipeline operators have sent thousands of letters. Other pipeline operators chose to call each one of their contractors to inform them of the regulatory requirements and acceptable methods of qualification under the operators programs. Considerable effort and resources have been spent by pipeline operators to communicate with contractors about the OQ regulation. Today, pipeline operators continue to encourage contractors to be involved in OQ programs.