



OPS R&D Forum March 22, 2005

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- API History and Mission
- API Standards and Standards Committees
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- Conclusion



API History and Background

- 1919: API founded as national trade association for US oil and gas industry
 - Trade associations represent industry before government, develop standards and conduct research
- API is only US trade association representing all aspects of oil and gas industry
 - Exploration & Production, Refining, Marketing, Pipeline and Marine Transportation
- API now represents 400 member companies
 - API is privately funded through member dues and self-supporting programs like standards and certification

API Mission

- Influence public policy in support of strong U.S. oil and natural gas industry
- Engage in legislative and regulatory advocacy
- Provide industry forum to develop consensus policies
- Work collaboratively with gvt. Agencies and other associations
- Provide opportunity for standards development to improve industry competitiveness



API Standards

- API Standards add value:
 - Standards Improve Safe Operations
 - Standards Improve Equipment Interchangeability
 - Standards Reduce Compliance Costs
 - Standards Reduce Procurement Costs
- API has quantified the benefits of standardization in its paper "The Value of Standardization", available from API

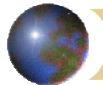


API Standards Committees

- API publishes 550 technical standards and publications :
 - Exploration and Production Standards Executive Committee on Standardization, or ECS
 - Refining Standards Committee on Refinery Equipment, or CRE
 - Measurement Standards Committee on Petroleum Measurement, or COPM
 - Pipeline General Committee on Pipeline
- Each committee provides policy oversight, resource coordination, and funded research
- Each committee also manages an international standards coordination program



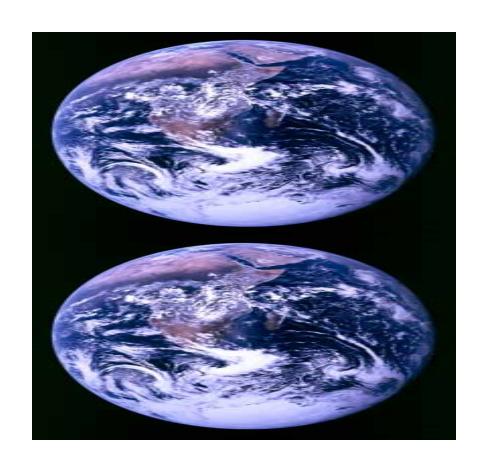
- This form is used for proposing new API Standards activities and funding requests (including research)
- Provides opportunity for working groups to justify work and request funding
- Focused on proper resource allocation
- Approved by parent committee then by oversight budget committee



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API's Involvement in International Standardization





An Industry in Transition

- Since 1924 API Standards have been "de facto" international standards
- In the 1970s the North Sea Discovery required different, more stringent requirements
- In the 1980s this trend accelerated with new frontier areas becoming available
- ISO/TC 67 reactivated in 1989, the US (ANSI) accepted secretariat:
 - ISO TC67: Materials, Equipment and Offshore Structures for Petroleum and Natural Gas Industries: Drilling, Production, Refining and Transport by Pipelines

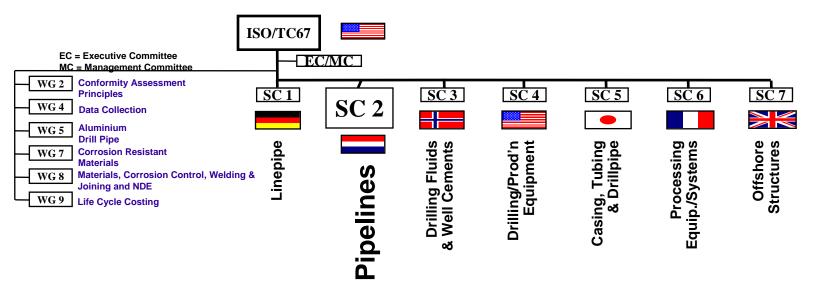


API's Involvement in International Standardization

- API canvassed industry and submitted approximately 70 API standards for the initial ISO TC 67 work program
- Standards were "fast tracked" or put on the work program to be revised in ISO system
- API then assumed the ISO TC 67 secretariat on behalf of ANSI in 1995
- API is also the US Technical Advisory Group (TAG)
 Administrator for ISO TC67 and its SC's



Structure of ISO TC 67



ISO TC67: Materials, Equipment and Offshore Structures for Petroleum and Natural Gas Industries: *Drilling, Production, Refining and Transport by Pipelines*

ISO TC67/SC2: Pipeline Transportation Systems for the Petroleum and Natural Gas Industries



Role of API as ISO TC67 Secretariat

- International
- Provide chair and secretary (= secretariat)
- Manage the work program of ISO TC67
- Maintain Policies and Procedures for ISO TC67
- Provide the administrative resources to progress the work program (databases, websites, etc.)



API's Role as US TAG Administrator to ISO TC67

- United States
- Maintains TAG rosters
- Distributor of ISO materials to relevant ANSI/US TAG's
- Coordinates US position on draft ISO standards and ISO plenary meetings (US delegation)
- Using approved ANSI/API standards procedures, coordinates US national adoption of ISO standards and API/ISO standards



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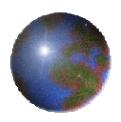
Conclusions:

- API continues to have the leadership role in oil and gas industry national and international standards development because standards add value and improve industry competitiveness
- API is involved in ISO both as secretariat to ISO TC67 and as US TAG Administrator to ISO TC67
- API websites:

www.api.org

http://committees.api.org/standards/index.html





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