



Specialty Diving Services, Inc.

"A Full Service Marine Contractor"

March 16, 2015
USCG Headquarters
Vessel & Facility Operating Standards Division
Commandant (CG-OES-2)
Attn: Mr. Ken Smith, Project Manger

RE: Comments to Proposed Rulemaking, Commercial Diving Operations, RIN 1625-AA21
Docket # USCG-1998-3786

Mr. Smith,

Please find below our comments in regard to the above referenced after careful review;

1. Pg. 1, Summary, starting on line #6; Who does the USCG DHS propose to be their independent third party inspectors and what will their authority and jurisdiction for enforcing compliance?.
2. How is the independent 3rd party inspector compensated for their efforts? USCG, DHS, Branch of Federal Government?
3. Pg. 12. Starting in 8th line. "*this NPRM would augment Coast Guard enforcement activities through the use of TPO's to provide another method of improving regulatory compliance*" Please explain how the above referenced TPO's will augment compliance in the view of USCG? Ex; TPO would conduct an inspection and report its result to USCG for action or enforcement? Who audits the TPO's and determines if their implementation is accurate?
4. Pg. 14. Last para. which continues on to pg. 15 "*We propose requiring U.S. inspected vessels conducting commercial diving operations in any waters and foreign vessels conducting diving operations on the U.S. Outer continental shelf to meet the IMO's International Code of Safety for Diving Systems.... Cont. A diving system safety certificate would provide evidence of compliance. This certificate would be issued to a U.S. Vessel by a recognized classification society;...*" Is this a proposition applicable to vessels designated solely for commercial diving operations? How will be handled for the use of vessels of opportunity to support commercial diving operations? Also as an example barges are often used as the vessel to stage commercial diving ops, either moored or DP. Will a certificate be issued for a barge in this case? It seems more logical that the certificate will be issued to the CDO as the responsibility rests with them for compliance regardless of the vessel, as CDO's who strive consistently for compliance are

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more likely to meet the standard and are aware of requirements. A similar model currently in place in our view which can be reviewed for applicability and mechanics is ABS Certificate of issuance for UWILD to a CDO.

5. To make a few more points on this “*proposed diving system certification certificate*” This seems applicable for permanent dive systems installations aboard vessels. Some CDO’s work inshore, inland, etc. and as by the current language a certification is required if the vessel is USCG inspected in any waters. Therefore, a COI Vessel used to support dive ops would fall under this classification as well. The dive systems layout, and foot print to accommodate the vessel to meet the NPRM (ADCI standards) is the responsibility of the CDO after a dialogue with the ships Master, Not the vessel. What is the duration of the validity of the certificate? 5 years? Per year? Per Job? Is there a fee for this certificate? Does the TPO conduct this inspection? Is the CDO responsible for the TPO’s inspection cost?
6. Additionally on this item in 4 & 5 above. The NPRM currently would **NOT BE APPLICABLE TO** a Commercial diving operation from a U.S.COI vessel, or a vessel that is beyond state waters conducting salvage operations or commercial marine assistance. Firms conducting these operations are excluded from the proposed NPRM on pg. 10 bottom of last para. If this language is implemented it will unfairly leverage competent CDO’s as the resources required by who are compliant will far outweigh those who are not. How is it possible that an exclusion for these operations either salvage or in a commercial marine assistance category off a US COI vessel in any waters can possibly be exempt? The possibility of one operation working alongside another with 2 completely opposite sets of rules.
7. With regard to Question #1 we conduct no commercial diving work on SCUBA, therefore it’s a moot question to our organization. However the inclusion of this reference begs the question what is the applicability for SCUBA on working diving operations on the OCS? To include SCUBA in this proposal seems very counterproductive in regard to safety of any commercial diving operation on the OCS. It should be prohibited except in the case of emergency only.
8. With regard to Question #2 I believe the language proposed under the current NPRM (ADCI standard) regarding DMT on site for Saturation Diving Operations is accurate, as well as the elimination of a mandatory DMT for Surface supplied Diving operations on compressed air or gas mix breathing media, is not required.
9. With Regard to question #3 on pg. 21. Alternative approaches. We would be in favor of the first alternate if adopted. We would **not** be in favor for the second option. The drawback to the 2nd alternative would be the process would be too lengthy in duration to make the necessary changes to the system to implement safety features learned from “near misses” or similar incidents.
10. *Regarding Section IX. Regulatory Analysis. Specifically Table 3 Summary of the affected population, costs and benefits to the NPRM. ; Applicability Summary needs to be modified to include “**any waters** in which a USCG COI is required” to be consistent with the previous language included on pg. 14.*
11. *Affected Population: 87 owners or operators of commercial diving operations. We are in total disagreement with this impact statement. We feel the number of impacted CDO’s is far greater than the 87 and this sample size is insufficient in size to represent the group impacted. This sample group seems to be solely operators in the GOM (Gulf of Mexico) or immediate area. There are significant CDO’s on the West Coast, East Coast & Alaska which alone may exceed the 87 operator population to be impacted. We feel significant additional research into this is required prior to the generation of any cost benefit analysis. The figures represented skew the data and are not a true representation of the impacted*

market. Therefore, this portion of the NPRM in our view is inaccurate and unrepresentative of the market impacted. Resulting in supporting data based on this foundation is irrelevant and unrepresentative. To further this point I reached out the most prominent insurers for the commercial diving industry and based on their industry data there are 190 firms which fall into this impacted group. Their margin of error was +/- 8%. Regardless of this MOE, its apparent the data utilized to represent this position and its conclusions is insufficient.

12. In further to the above points, the reference on pg. 27, 2nd para, 2nd sentence, "This can occur when there are economic incentives lacking for industry to pursue that outcome and such market failures are the impetus for this proposed rule." This statement clearly states the NPRM is based on the impact of the 87 operators identified in Table 3. Pg. 26. Which is clearly not an accurate market sample quantity based on our research with insurers of commercial diving operations. We are not agreeing or disagreeing with the NPRM recommendations revising procedures, as most are clearly adoption of ADCI Standards of which we are a 20 year member in good standing. The sample data does not represent the cost benefit analysis and as such the NPRM needs to be revisited and evaluated when more data points can result in a more representative analysis. The ADCI represents a solid market portion of the impacted CDO's, however I would speculate that under the proposed NPRM as is currently drafted the market portion of the ADCI membership impacted firms will be less than 30%. . On pg. 28 Affected Population The CDO's who are ADC members are required to meet the standard, 75 firms is the quantity identified in the data base. Therefore the USCG estimate of 12 firms who are not ADCI members will be the resultant population the NPRM will impact. Once again we do not agree with the data or sample size. As it is currently written the NPRM is directed and the included data is to make 12 firms compliant. 12 firms is highly skeptical based on the simple insurance industry data we referenced in point 11 above.

Respectfully,

Nicholas Tanionos
President