I. Background

The Bureau of Ocean Energy Management (BOEM) issues Notices to Lessees (NTL) as guidance documents in accordance with 30 CFR 550.103 to clarify and provide more detail about certain BOEM regulatory requirements, and to outline the information to be provided in various submittals. Under that authority, NTL No. 2016–N01, Requiring Additional Security, sets forth a policy on, and an interpretation of, regulatory requirements to provide a clear and consistent approach for complying with those requirements.

BOEM is issuing this NTL to clarify the procedures and criteria that BOEM Regional Directors use to determine if and when additional security, pursuant to 30 CFR 556.901(d)(4), may be required for Outer Continental Shelf (OCS) leases, pipeline rights-of-way (ROW), and rights-of-use and easement (RUE). The guidance and clarification of requirements described in this NTL apply to all BOEM regions. This NTL has also been reformatted, revised, and updated to include correct Bureau names, citations, and web addresses.

This NTL supersedes and replaces NTL No. 2008–N07, Supplemental Bond Procedures.

This NTL details several changes in policy that are within the scope of the existing regulations and the discretion vested in the BOEM Regional Directors. First, BOEM has determined that its previously utilized formulas for determining financial strength and reliability are outdated and no longer provide sufficient protection for liabilities incurred during OCS operations. Therefore, this NTL describes new criteria that will be used to determine the financial ability of a lessee, ROW holder, or RUE holder to carry out its obligations, and addresses the possibility of individually tailoring a plan to enable the lessee, ROW holder, or RUE holder to use one or more forms of security other than surety bonds and pledges of Treasury securities and/or to phase-in compliance with the additional security requirement pursuant to such a plan. In addition, the current self-insurance upper limit of 50% of a lessee’s net worth is being reduced and will range from 0% to no more than 10% of a lessee’s “tangible net worth” as defined in the NTL.

Second, this NTL discontinues two policies under NTL No. 2008–N07: (1) If BOEM determined that one or more co-lessees or co-owners had sufficient financial strength and reliability, it was not necessary to provide additional security; and (2) for the purpose of determining the requirement for additional security, BOEM excluded from its decommissioning liability calculation the full amount of the decommissioning liability on leases, ROWs, and RUEs for which there was at least one financially strong co-lessee or co-owner. Thus lessees will no longer be granted waivers from the additional security obligations, and BOEM is discontinuing the policy of considering the combined strength and reliability of co-lessees when determining a lessee’s additional security requirements. Now, when determining the amount of additional security that may be required, the Regional Director will consider whether each lessee, ROW holder, or RUE holder is capable of addressing the responsibility for 100 percent of the cost of decommissioning and other liability for every lease, ROW, and RUE in which the lessee, ROW holder, or RUE holder holds an ownership interest or for which they provide a guarantee. In order to meet all or a portion of the additional security required for any one lease, ROW, or RUE, BOEM will take into account enforceable agreements that lessees, ROW holders or RUE holders have made with their co-lessees or co-owners regarding the allocation of security obligations to such lease, ROW, or RUE.

II. Electronic Access


Authority: This document is published pursuant to the Outer Continental Shelf Lands Act of August 7, 1953; 43 U.S.C. 1331 et seq., as amended, and the implementing regulations at 30 CFR 550.103.

Date: July 12, 2016.

Abigail Ross Hopper, Director, Bureau of Ocean Energy Management.

[FR Doc. 2016–16846 Filed 7–15–16; 8:45 am]
BILLING CODE 4310–MR–P
SUMMARY: The Coast Guard will enforce Seattle’s Seafair Fleet Week Moving Vessels security zones from 10 a.m. on August 2, 2016, through 6 p.m. on August 8, 2016, from 10 a.m. on August 2, 2016, through 6 p.m. on August 8, 2016.

ACTION: Notice of enforcement of regulation.

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 165

[Docket No. USCG–2011–1126]

Security Zones; Seattle’s Seafair Fleet Week Moving Vessels, 2016, Puget Sound, WA

AGENCY: Coast Guard, DHS.

ACTION: Notice of enforcement of regulation.

SUMMARY: The Coast Guard will enforce Seattle’s Seafair Fleet Week Moving Vessels security zones from 10 a.m. on August 2, 2016, through 6 p.m. on August 8, 2016. These security zones are necessary to help ensure the security of the vessels from sabotage or other subversive acts during Seafair Fleet Week Parade of Ships. The designated participating vessels are: HMCS SASKATOON (MM 709) and USCGC ACTIVE (WMEC 618). During the enforcement period, no person or vessel may enter or remain in the security zones without the permission of the Captain of the Port, Puget Sound or his designated representative.

In accordance with the general regulations in 33 CFR part 165, subpart D, no person or vessel may enter or remain in the security zones without the permission of the Captain of the Port, Puget Sound or his designated representative. The COTP may be assisted by other federal, state or local agencies with the enforcement of the security zones.

The COTP has granted general permission for vessels to enter the outer 400 yards of the security zones as long as those vessels within the outer 400 yards of the security zones operate at the minimum speed necessary to maintain course unless required to maintain speed by the navigation rules.

DATES: The regulations in 33 CFR 165.1333 will be enforced from 10 a.m. on August 2, 2016 through 6 p.m. on August 8, 2016, unless canceled sooner by the Captain of the Port, Puget Sound or his designated representative.

FOR FURTHER INFORMATION CONTACT: If you have questions on this notice, call or email LT Kate Haseley, Sector Puget Sound Waterways Management, Coast Guard; telephone (206) 217–6051, email SectorPugetSoundWWM@uscg.mil.

SUPPLEMENTARY INFORMATION: The Coast Guard will enforce the security zones for Seattle’s Seafair Fleet Week Moving Vessels in 33 CFR 165.1333 from 10 a.m. on August 2, 2016, through 6 p.m. on August 8, 2016.

In accordance with the general regulations in 33 CFR part 165, subpart D, no person or vessel may enter or remain in the security zones without the permission of the Captain of the Port, Puget Sound or his designated representative. For the purposes of this rule, the following areas are security zones: All navigable waters within 500 yards of HMCS SASKATOON (MM 709) and USCGC ACTIVE (WMEC 618) while each such vessel is in the Sector Puget Sound COTP Zone.

The COTP has granted general permission for vessels to enter the outer 400 yards of the security zones as long as those vessels within the outer 400 yards of the security zones operate at the minimum speed necessary to maintain course unless required to maintain speed by the navigation rules. The COTP may be assisted by other federal, state or local agencies with the enforcement of the security zones.

All vessel operators who desire to enter the inner 100 yards of the security zones or transit the outer 400 yards at greater than minimum speed necessary to maintain course must obtain permission from the COTP or his designated representative by contacting the on-scene patrol craft on VHF 13 or Ch 16. Requests must include the reason why movement within this area is necessary. Vessel operators granted permission to enter the security zones will be escorted by the on-scene patrol craft until they are outside of the security zones.

This notice is issued under authority of 33 CFR 165.1333 and 5 U.S.C. 552(a). In addition to this notice of enforcement, the Coast Guard will provide the maritime community with advanced notification of the security zones via the Local Notice to Mariners and marine information broadcasts on the day of the event.