
CHARTER

OUR MISSION

Promote the highest level of safety for the U.S. offshore oil and natural gas industry through effective leadership, communication, teamwork, utilization of disciplined management systems and independent third-party auditing and certification.

OUR OBJECTIVES

Achieve operational excellence by:

- Enhancing and continuously improving Industry's safety and environmental performance,
- Ensuring public confidence and trust in the oil and natural gas industry,
- Increasing public awareness of Industry's safety and environmental performance,
- Stimulating cooperation within Industry to share best practices and learn from each other, and
- Providing a platform for collaboration between Industry, the government, and other stakeholders.

OUR GUIDING PRINCIPLES

1. Industry leaders will demonstrate a visible commitment to safety,
2. Operators, contractors, and suppliers will work together to create a pervasive culture of safety,
3. Decision making at all levels will not compromise safety,
4. Safety processes, equipment, training, and technology will undergo ongoing examination and improvement,
5. Member companies will share learnings and apply API and other industry standards, and good practices, to promote continual improvement,
6. Open communication and appropriate transparency of safety information will be utilized to build mutual trust among stakeholders and promote collective improvement in industry performance,
7. Collaborative approaches will be utilized to drive safe and responsible operations, and
8. Everyone is responsible for safety and empowered to take action.

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OUR OPERATING BASIS

The Center for Offshore Safety will serve the U.S. offshore oil and natural gas industry with the purpose of adopting and promoting standards of excellence to ensure continuous improvement in safety and operational integrity offshore. The Center will be responsible for:

- Providing assistance to member companies during the start-up and implementation of the Center for Offshore Safety programs,
- Assuring that third-party certification program auditors meet the program's goals and objectives, that the certification program promotes a high level of safety and environmental performance, and that the program is complementary to, and not in conflict with, government regulations,
- Compiling and analyzing key industry leading and lagging safety and environmental metrics,
- Coordinating Center-sponsored functions designed to facilitate the sharing and learning process,
- Identifying and promoting opportunities for Industry to continuously improve,
- Interfacing with industry leaders to assure Industry (and if necessary individual member companies) management leadership and system deficiencies are recognized and addressed promptly, and
- Communicating with government and external stakeholders.

The Center will be led by an Executive Director who will be responsible for carrying out the mission and objectives of the Center. Industry may, on a periodic basis, assign staff professionals to the Center to complement the Center's existing technical staff.

MEMBERSHIP IN THE CENTER FOR OFFSHORE SAFETY

Membership is open to all companies that operate in the U.S. offshore oil and natural gas industry. Membership in the Center is mandatory for all API member companies that operate in the U.S. offshore oil and natural gas industry. Membership will also be encouraged for non-API member companies that operate in the U.S. offshore oil and natural gas industry.

Members of the Center for Offshore Safety will be expected to actively participate in Center programs and activities. Member companies who actively participate in Center programs and activities and demonstrate a commitment to the Center's mission of promoting the highest level of safety will be considered to be in "good standing" in the Center. Companies that fail to actively participate in Center programs and activities and fail to demonstrate a commitment to the Center's mission will be considered for suspension of membership. The Center's Executive Director is responsible for analyzing Member participation and providing recommendations to the Center's Governing Board regarding membership standing. Companies with membership under suspension will be granted the opportunity to again meet the requirements for membership in good standing.

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CENTER GOVERNANCE

The Center for Offshore Safety will be provided direction, leadership, and oversight by a Governing Board consisting of a maximum of 24 members, including the Executive Director. The Chairman of the Board will be nominated by the API Upstream Committee and approved by the API Executive Committee for a term of three (3) years. Producers/operators will occupy a maximum of 10 seats (to include the chair), drilling contractors will occupy a maximum of five (5) seats, and service/supply companies will occupy a maximum of five (5) seats on the Board. Balance between producer/operator members and the combined drilling contractor and service/supply companies should be maintained. The three (3) remaining Board seats will be occupied by representatives of industry associations to include the leading industry trade group that represents drilling contractors (i.e., the International Association of Drilling Contractors (IADC)) and other associations with a strong link to offshore operations as recommended by the remaining Board members.

The Governing Board members are appointed for a two (2) year term with staggered expiration dates. Member Companies will be nominated for Board seats nearing expiration by the Membership and the Center's Governing Board will vote to determine nominees that will be presented to the API Upstream Committee for approval. All Board nominations must be submitted to the API Upstream Committee for consideration and approval. The API Upstream Committee has sole and final authority to select the Center's Governing Board members. Also, the API Upstream Committee will have the authority to replace Board members who are not performing or supporting the general interest of the Center for Offshore Safety.

With the exception of the Center's Governing Board Chairperson, the Center for Offshore Safety Governing Board positions are appointed to Member Companies and not individuals, allowing the Member Companies to rotate individuals. The intent is for the Board position term to remain unchanged in this situation. Member Companies are encouraged to select representatives that are senior-level leaders.

The Center for Offshore Safety Board will also utilize a non-voting External Stakeholder Group (ESG) to provide perspective and insight on keys issues being addressed by Industry. The External Stakeholder Group will include representation from government agencies and entities, academia, national laboratories and other external groups with relevant involvement as appropriate. Participants on the External Stakeholder Group will be invited to meet with the Board at least twice per year, and will be encouraged to attend other Center-sponsored events as appropriate.

Membership and make-up of the External Stakeholder Group will be managed by the Governing Board.

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API OVERSIGHT AND INTERFACING

The API Upstream Committee will serve as the sponsor for the Center for Offshore Safety. The Upstream Committee will nominate the Governing Board chair for subsequent approval by the API Executive Committee and will approve all Governing Board members. The Executive Director of the Center will report to the Governing Board. The Upstream Committee chair is responsible for approving minor changes to the Center for Offshore Safety charter or requesting approval from the Executive Committee for major charter revisions.

The Center for Offshore Safety will report out at least twice per year to the API Upstream Committee, providing an update on the Center's programs and activities. The Center will, on an annual basis, provide the Upstream Committee and the API Executive Committee with a review of industry safety and environmental performance data shared with the Center including recommendations for continuously improving industry performance and reducing risk. The Center will treat individual Member company data as private and confidential. Individual Member company data will be aggregated with other Member companies' data and shown in an aggregated form.

The API Executive Committee will, on an annual basis, review and endorse the Center's annual plans for facilitating continual improvement in industry safety and environmental performance.

To assure the maintenance of a strong link to the API Standards Program, the Center for Offshore Safety will periodically interface with the Chairpersons of the API Committee on Standardization of Oilfield Equipment and Materials, and the API Drilling and Production Operations Subcommittee.

The API GIS Committee will provide operational and revenue administrative oversight for the Center for Offshore Safety. The Center for Offshore Safety will follow and utilize API's current internal policies and procedures.

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GOVERNING BOARD RESPONSIBILITIES

1. Interface with API Upstream Committee on:
 - Mission, goals, objectives and operations of the Center for Offshore Safety
 - Recommendations for introducing and/or modifying industry standards
 - Program development and execution
 - Recommendations tied to continuously improving industry performance and reducing risk
2. Interface with the API Global Industry Services Committee on program implementation and operations.
3. Seek out perspectives from external stakeholders and support the Center, if necessary, with external communications and public relations.
4. Promote transparency to enhance the reputation and credibility of Industry while also assuring confidentiality of proprietary and/or private information is protected.
5. Serve as a sounding board for Center member companies.
6. Determine criteria for participation for both API members and non-API members.
7. Provide the Center support and leadership on:
 - Establishment of mission, goals, and objectives
 - Long-term strategies to assure sustainability and continuous improvement
 - Direction and pace of program administration
 - Resolution of issues and conflicts
 - Addressing resource requirements
 - Balancing the sharing of best practices and maintaining competitive advantages
8. Review the Center's program to assure agreed to Center objectives and guiding principles are met.
9. Assure sufficient management controls are in place to:
 - Manage change processes
 - Identify potential program failures
10. Establish:
 - Minimum standards of participation for member companies
 - Processes for communication and sharing of data with appropriate protections for confidential data
11. Endorse processes for:
 - Approving third-party certification processes
 - Recognizing Center member companies for outstanding participation
 - Encouraging and supporting member companies working to meet Center standards of participation
 - Suspension of Center member companies
12. Sponsor industry forums and meetings with external stakeholders