

BENEFITS OF USING API STANDARDS

MAXIMIZE SAFETY AND ENVIRONMENTAL PROTECTION

Regulators and companies that use API standards minimize safety and environmental hazards through the use of equipment built to API specifications and operated according to API recommended practices. Because API standards development is ANSI-accredited, policymakers and companies can trust that API standards meet the industry's stringent performance criteria, with appropriate margins for safety and environmental protection.

- Real World Example: To enhance safety and environmental protection, numerous countries encourage natural gas and oil operators to use API standards in areas in which national standards do not exist. India's Ministry of Petroleum and Natural Gas has recommended that exploration and production companies meet the guidelines laid out in 20 API standards on preventative inspections and high-quality equipment.

STREAMLINE COSTS AND REDUCE COMPLEXITY

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- Real World Example: The Norwegian Petroleum Directorate, Norway's oil and gas regulator, streamlined and reduced its regulations from 1,200 pages to just 300 pages through use of referenced international standards, including API standards. This consolidated regulatory framework has proved much less a burden for regulators to enforce and maintain.
- Real World Example: The Indonesian Ministry of Energy and Mineral Resources relied on 140 API standards to create a broad oil and gas regulation concerning safety inspections. This regulation provides guidance for the country's energy industry while relieving Indonesian regulators of the time and cost burden of developing regulations from scratch.

BOOST NATIONAL COMPETITIVENESS

Because API standards are global in scope and are already deployed by many regulators and operators around the world, adoption of API standards can help nations better integrate with the global economy. Regulators can assist their natural gas and oil operators and suppliers by reducing the costs and frictions of working with different suppliers in different countries. This allows for streamlined supply chains and operations and can therefore boost the competitiveness of a nation's energy sector on the global stage.

Moreover, using API standards helps policymakers ensure that technical regulation complies with global trade rules. The World Trade Organization (WTO) Agreement on Technical Barriers to Trade requires that WTO members use international standards as a basis for technical regulation. This is also the case for most bilateral and multilateral free trade agreements.

- Real World Example: A study by the German National Standards Body estimates that standardization drives 1% of global GDP. This means that the natural gas and oil industry reduces costs due to harmonized standards in the sector worldwide, thereby allowing companies to invest in Research and Development and spur the creation of new technologies.

PARTICIPATION IN THE API STANDARDS PROCESS

WHY SHOULD I PARTICIPATE IN THE API STANDARDS DEVELOPMENT PROCESS?

- API's Standards Committees are made up of subcommittees and task groups comprised of industry experts who develop API standards. These groups identify the need, then develop, approve, and revise standards and other technical publications.
- The API standards program is global, with API standards used in worldwide operations and supporting the production of quality equipment, training, and safety programs. Global participation helps to enhance standards alignment and usability throughout the industry.
- Standards enhance the safety of industry operations, assure quality, increase industry efficiency, and improve environmental performance.
- API has been developing standards since 1924 and now maintains over 700 standards that are used throughout the oil and gas supply chain – upstream, midstream, and downstream. The work helps the industry innovate through a performance-based standards approach and manufacture superior products consistently, provide critical services, ensure fairness in the marketplace for businesses and consumers alike, and promote the acceptance of products and practices globally.

WHAT ARE THE BENEFITS OF PARTICIPATING IN THE API STANDARDS DEVELOPMENT PROCESS?

- There are both tangible and intangible benefits that come from an organization participating in the standards development process.
- Benefits such as improved reliability, safety, quality and environmental performance can help position an organization at the forefront of an ever-changing and growing industry.
- Participation can also help ensure equipment interchangeability, demonstrating an organization can meet the needs of a global industry.
- The oil and natural gas industry is becoming more and more standardized. While it is difficult to put a dollar figure on the value of standardization work, a number of studies show the magnitude and benefits of industry participation.

- According to a study from the U.S. Department of Commerce, one petrochemical manufacturer reduced costs by \$2.5 million in one year by implementing an industry-developed risk-based inspection methodology for process equipment.
- There are additional examples similar to this. See companion API report for relevant studies and data.
- In many committees, different stakeholders participate in the process, including regulators, NGO's, and academia. Participation alongside these representatives can help an organization build a network with relevant stakeholders.

WHO CAN PARTICIPATE IN THE API STANDARDS COMMITTEES, SUBCOMMITTEES AND TASK GROUPS?

- The standards-writing subcommittees and task groups are open to representatives of groups that are materially affected by the standards. These include oil and gas companies, manufacturers and suppliers, contractors and consultants, and representatives of government agencies and academia.
- Participants must have subject matter expertise in the standards topic and management support to participate in the process.
- Subject matter experts from around the world can participate in the standards-writing groups and we encourage this to help enhance in the use and applicability of standards globally.

WHAT DOES PARTICIPATION IN THE API STANDARDS COMMITTEES, SUBCOMMITTEES AND TASK GROUPS ENTAIL?

- Depending on the topic and technical work for a document, groups generally meet most frequently via conference call and hold a certain number of in-person meetings a year. This does not usually exceed 4 a year, although work groups may meet more frequently as needed to advance their work.
- As part of the transparent process, API publishes draft documents on our website for interested parties to comment.

LEARN MORE AT
www.api.org/GetStandards

Contact us at Compass@api.org
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