



Governance Principles and Operating Procedures

I. Official Designation

The official designation of this Council is the “Oil and Natural Gas Subsector Coordinating Council” (ONG SCC).

II. Mission and Purpose

In support of Presidential Policy Directive (PPD)-21, oil and natural gas owners and operators and the industry trade associations that represent them have continued to formalize coordination efforts under the ONG SCC. The ONG SCC provides a private forum for effective coordination of oil and natural gas security strategies and activities, policy, and communication across the sector to support the nation’s homeland security mission. The ONG SCC provides a venue for industry owners and operators to mutually plan, implement, and execute sufficient and appropriate sector-wide security programs, procedures and processes, exchange information, and assess accomplishments and progress toward continuous improvement in the protection of the sector’s critical infrastructure.

“SCCs serve as principal collaboration points between the government and private sector owners and operators for critical infrastructure security and resilience policy coordination and planning and a range of related sector-specific activities.”

(National Infrastructure Protection Plan, 2013)

Specific initiatives may include:

- 1) Communication and coordination with sector members and government counterparts;
- 2) Identification and prioritization of issues that require sector-wide input;
- 3) Implementation and evaluation of security and emergency preparedness and response programs, methodologies, procedures, and processes; and
- 4) Collaboration and engagement with SCCs representing other dependent and/or interdependent critical infrastructure sectors.

III. **Composition**

Membership

ONG SCC membership is open to trade associations that are based in the United States and represent an operational segment(s) of the oil and natural gas industry, to include:

- 1) Distribution;
- 2) Drilling;
- 3) Exploration and production;
- 4) Marketing;
- 5) Processing;
- 6) Refining;
- 7) Service and supply;
- 8) Transmission; and
- 9) Transportation (pipeline, marine, aviation, motor, and rail).

New Membership

New associations may become members of the ONG SCC upon approval by majority vote. Existing ONG SCC members may sponsor an association for membership. Absent such sponsorship, an association may nominate itself for membership by submitting a request to any ONG SCC member. The ONG SCC member receiving such a request must submit the new association's request to the ONG SCC for a majority vote.

Associate Membership

Associate Membership may be extended to trade associations, not based within the United States and with no government affiliation, whose member companies have interests in the security and resilience of the oil and gas sector. Associate Members shall enjoy the same privileges as members, but shall refrain from voting on matters involving policy issues solely applicable to the United States.

Sector Liaison Membership

Sector Liaison Membership may be extended to individuals affiliated with other critical infrastructure SCCs whose sector interests overlap with the security and resilience of the oil and natural gas subsector. Sector Liaison Members shall engage with the SCC as non-voting participants.

Subject Matter Experts

Subject matter experts are non-voting participants drawn from any organization from which the Council needs expertise. Member associations reserve the right to invite *ad hoc* membership to meet expertise requirements necessary to a specific purpose during a Council or working group meeting. Subject matter experts are not strictly limited to employees of the trade associations or association member companies (i.e. may invite expert consultants).

Sector Owner and Operator Trade Associations

The ONG SCC is comprised of sector owners and operators, by way of oil and natural gas industry trade associations and includes:

- 1) American Exploration & Production Council
- 2) American Fuel & Petrochemical Manufacturers
- 3) American Gas Association
- 4) American Petroleum Institute
- 5) American Public Gas Association
- 6) Association of Oil Pipe Lines
- 7) Energy Security Council
- 8) Gas Processors Association
- 9) Independent Petroleum Association of America
- 10) International Liquid Terminals Association
- 11) Interstate Natural Gas Association of America
- 12) National Association of Convenience Stores
- 13) National Ocean Industries Association
- 14) National Propane Gas Association
- 15) Offshore Marine Service Association
- 16) Offshore Operators Committee
- 17) Petroleum Marketers Association of America
- 18) Society of Independent Gas Marketers Association
- 19) Texas Oil & Gas Association
- 20) U.S. Oil & Gas Association
- 21) International Association of Drilling Contractors (IADC)

Associate Member Trade Associations

- 22) Canadian Association of Petroleum Producers
- 23) Canadian Energy Pipeline Association

Upon resignation of any voting ONG SCC member, the Chair shall inform the sponsoring association of the vacancy.

Expulsion and Reinstatement

Any member who is absent (“absent” means not present in person or via a telephone bridge) from two consecutive meetings in a calendar year shall be notified by the ONG SCC Secretariat of the fact, at which point the Member will be relegated to non-voting status. Upon a third successive absence from a meeting, the Member will be subject to immediate expulsion from membership in the ONG SCC; upon a motion to that effect made by a voting member and voted on by the full membership.

Any member expelled from membership may petition for reinstatement at any point. A vote of the ONG SCC shall be taken at the next subsequent meeting, or by electronic ballot of all eligible members, at the discretion of the Chair and Vice Chair.

IV. Leadership

The ONG SCC will have an elected Chair and Vice Chair. Ideally, the Council leadership should consist of one cybersecurity expert and one physical security expert. The Chair

will lead Council meetings, work with the ONG SCC members to set the agenda, and provide meeting management. During Critical Infrastructure Partnership Advisory Council (CIPAC) joint meetings with the Energy Government Coordinating Council (GCC), he/she will capture concerns, action items or information, as well as monitor and assure initiatives or issues are brought to closure.

“CIPAC members include private sector critical infrastructure owners and operators or their representative trade or equivalent associations from the respective SCC, as well as representatives of Federal, State, local and tribal entities (including their representative trade or equivalent associations) that make up the corresponding GCC.”

(Critical Infrastructure Partnership Advisory Council Annual, 2010)

The Chair and Vice Chair are authorized to speak on behalf of the ONG SCC to convey the general sense of council considerations, including recognizing differences of opinion among members on issues when appropriate. Public or private statements from the Chair and Vice Chair are considered non-binding on the larger ONG SCC. The Chair and Vice Chair will keep council members apprised of meetings attended or communications made in their capacity as officers of the Council in the form of a monthly newsletter.

V. Voting Process

The ONG SCC members will make decisions through a consultative process, encouraging the exchange of information and points of view. Decisions will be made on a consensus basis. Where consensus is not possible, decisions may be made by a majority vote of those voting members participating in the meeting. With adequate notice, the ONG SCC members may make decisions by email, in which case decisions will require a majority of those responding within the allotted time period specified.

Voting will primarily occur at meetings via in-person or telephonic attendance. If possible, each matter presented for vote will include a 15-day vote return period. It is understood certain issues may not allow for the 15-day voting period. If one or more of the voting ONG SCC members is not in agreement with the proposed decision, clarification of the underlying reasons can be provided, in addition to an alternative solution. Dissenting members may file an official dissenting document for inclusion in any report or position paper.

Voting Participation

Each member trade association of the ONG SCC is entitled to a single vote in a meeting of the ONG SCC or a Working Group, without regard to the number of representatives of the member trade association attending. Voting members are entitled to vote in person or by electronic means. A record of decisions made and vote outcomes will be maintained by the Secretariat. Individual ONG SCC member voting records will not be kept on file. The majority outcome of the vote will determine the ONG SCC position.

Primary and Alternate Delegates

Each relevant trade association is entitled to two delegates on the Council:

- 1) One primary or voting delegate; and
- 2) One alternate delegate.

One of the delegates, primary or alternate, shall be an industry association member company employee. The alternate delegate is assigned by each trade association to represent the council member during his/her absence. The alternate delegate will have decision-making authority, as designated by the primary voting member.

The ONG SCC encourages members of trade associations to send a reasonable number of additional non-voting representatives to attend and observe Council meetings.

Proxies

Each ONG SCC trade association member has the flexibility to have other representation at meetings other than the official ONG SCC member alternates. If the ONG SCC trade association member decides to designate someone other than the primary or alternate delegate as the proxy for decision making, the ONG SCC trade association member must clearly designate who holds the representative's decision-making authority prior to the meeting. Such designation may be made in writing by letter or email contact to either the Chair or Vice Chair.

Voting Rights

Members of the ONG SCC who miss two consecutive regular meetings will be dropped to non-voting status. Voting rights will be reinstated upon attendance at two consecutive regular meetings.

Chair and Vice Chair Positions

The ONG SCC shall select a Chair and Vice Chair from the members of the Council by means of a majority vote. Owner/operator members of Charter member trade associations are eligible for consideration for leadership positions, and must be nominated by voting council members.

The Chair shall serve for a one year term and be followed by the Vice Chair ascending to the role of Chair. The Vice Chair is a two year commitment as he/she ascends to chair the following year. In the event either the Chair or Vice Chair is unable to fulfill their terms, the Council will seek a replacement nominee and submit the name(s) for a majority vote to complete the remainder of the term.

Assistant Chair Positions

"The Sector Council will also annually elect two Assistant Chairs, drawn from staff of the member associations. One Assistant Chair will be drawn from an upstream association and the other Assistant Chair will be drawn from a downstream association, so long as at least one nominee is available from each community. (If the relevant community cannot produce an eligible nominee in a given year, the Council should be given adequate notice to seek out an additional candidate.)

Either Assistant Chair may preside over meetings of the Council in the absence of the Chair, Vice Chair and Immediate Past Chair.

Between meetings of the Council, the administrative business of the Council will be managed by an Executive Committee consisting of the Chair, the Vice Chair, the Immediate Past Chair, and the two Assistant Chairs, each of whom will be eligible to vote in those decisions.

Any member of the Executive Committee may sign or otherwise transmit a document on behalf of the Council after obtaining authorization from the Council.

VI. Working Groups

Working groups will be established when substantial investigation, research or development of issues or process is required, which cannot be achieved at a regular ONG SCC meeting. All working group products are expressly for the purpose of advising and informing council members on various issues, directions, and processes.

Principles of Participation

- 1) ONG SCC members must be working towards the same goal and purpose of improving the nation's oil and gas sector's security;
- 2) ONG SCC members are expected to regularly participate in ONG SCC meetings and appropriate working groups;
- 3) ONG SCC member discussions and deliberations must recognize and take advantage of each member's strengths, skills, and perspective;
- 4) The result of ONG SCC member discussions and deliberations must be a coherent voice made up of each member's contributions; and
- 5) Each ONG SCC member discussion shall be honest, respectful, and forthright.

Establishing Working Groups

The ONG SCC may establish working groups:

- 1) To conduct substantial investigation, research and/or development when required, which cannot be achieved by a regular session of the Council;
- 2) Which consist of a representation with a minimum of one vested ONG SCC member trade association;
- 3) With a specific and clear charge, timeline, and deliverable(s) as part of initiating the working group;
- 4) Will develop their own governance in accordance with Council guidelines;
- 5) Which provide monthly updates to the Council;
- 6) By identifying a working group Chair who is an ONG SCC member; and
- 7) Supported by the Secretariat as desired.

VII. Relationship to Transportation SCC

TSA (Transportation Security Administration) is designated as the Sector-Specific Agency for the Transportation Systems Sector, including the pipeline system mode. Due to the dual coverage of pipelines under the NIPP within both the Energy and Transportation Sectors, a standing Pipeline Working Group has been established as a working group under the ONG SCC. The Pipeline Working Group under the ONG SCC also serves as the Pipeline SCC for the Transportation Sector.

VIII. Support

Secretariat

The Secretariat will provide meeting and organizational support to include:

- 1) Coordination for agenda development;
- 2) Support on monitoring and closure of issues and initiatives,
- 3) Administrative support; and
- 4) Logistics (travel, meeting room facility, etc.).

Meeting Support

The Secretariat will:

- 1) Maintain the calendar for ONG SCC meetings;
- 2) Canvass the Council prior to scheduling a meeting for available dates, priorities, and agenda topics;
- 3) In coordination with the ONG SCC Chair, provide to all members a clear and set agenda with documents and preparatory materials prior to meetings, and, if possible, no later than one week before the meeting;
- 4) Compile the action items of each meeting, including a roster of attendees, and send to meeting participants within two weeks of the meeting;
- 5) Develop processes to identify and develop issues to support the ONG SCC meetings;
- 6) Maintain and track work products and their status;
- 7) Maintain rosters of SCC and working group participants;
- 8) Maintain appropriate records of Council meetings and related activities; and
- 9) Provide other support as needed.

Please Note: The ONG SCC may utilize outside facilitation services as needed.

IX. Meeting Structure

Number and Frequency of Meetings

In-person, live Council meetings will occur a minimum of three times per year with additional scheduled meetings and/or conference calls, as needed. Telephonic meetings are permissible. Electronic balloting, via email, is encouraged to allow for broad participation in any matter or issue requiring a vote by the ONG SCC.

X. Disclaimer

Nothing in this Governance Document may be construed as a contract obligating a trade association member, associate member, or alternate member to specific performance. Additionally, members, associate members, alternates or trade associations may unilaterally or with others act on their own accord on any issue or subject, including but not limited to communication with any Federal, State, or local agency or other entity. Moreover, nothing in this document or by virtue of participation in the ONG SCC binds any person or trade association in any manner, including but not limited to continued participation in the ONG SCC.