



OIL AND NATURAL GAS SUBSECTOR COORDINATING COUNCIL

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, formalize their 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) Liquid Natural Gas;
- 5) Marketing;
- 6) Processing;
- 7) Refining;
- 8) Service and supply;
- 9) Transmission; and
- 10) Transportation (pipeline, marine, aviation, motor, and rail).

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 are not eligible to vote on matters involving policy issues solely applicable to the United States.

Information Sharing and Analysis Center (ISAC) Membership

ISAC Membership may be extended to ISACs with interests in the security and resilience of the oil and natural gas subsector. ISAC Members shall engage with the SCC as non-voting participants.

New Membership

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.

Sector Liaison

Sector Liaison Membership may be extended to organizations 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 an ONG SCC industry-only 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 Marketers of America
- 8) Energy Security Council
- 9) GPA Midstream
- 10) Independent Petroleum Association of America
- 11) International Association of Drilling Contractors
- 12) International Liquid Terminals Association
- 13) Interstate Natural Gas Association of America
- 14) National Association of Convenience Stores
- 15) National Ocean Industries Association
- 16) National Propane Gas Association
- 17) Offshore Marine Service Association
- 18) Offshore Operators Committee
- 19) Society of Independent Gas Marketers of America
- 20) Texas Oil & Gas Association
- 21) U.S. Oil & Gas Association
- 22) Louisiana Mid-Continent Oil & Gas Association

Associate Member Trade Associations

- 23) Canadian Association of Petroleum Producers
- 24) Canadian Gas Association
- 25) Canadian Energy Pipeline Association

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

IV. Leadership

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 then will serve a second year in an ex officio, advisory capacity as Immediate Past Chair. The Chair will be followed by the Vice Chair ascending to the role of Chair. The Vice Chair is a three-year commitment as he/she ascends to chair the following year, and in the third year to the Immediate Past Chair. 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.

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, Vice Chair, and Immediate Past 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 via summaries in the ONG SCC newsletter or other email updates.

Should the Chair, Vice Chair, or Immediate Past Chair be unavailable to attend a meeting for the ONG SCC, the Chair may delegate an appropriate trade association member to attend on behalf of the ONG SCC.

Working Group Leads

The ONG SCC has sponsored several Working Groups, each with designated Working Group Leads to coordinate specific projects of interest to the ONG SCC. Working Group Leads will report to the ONG SCC leadership (Chair, Vice chair, Immediate Past Chair) and participate in monthly Working Group Lead meetings.

Executive Committee

Between meetings of the Council, the administrative business of the Council will be managed by an Executive Committee consisting of the Chair, Vice Chair, Immediate Past Chair, Secretariat, and Working Group Leads. Each member of the Executive Committee will have a vote in Executive Committee decisions. Any member of the Executive Committee may sign or otherwise transmit a document on behalf of the Council after obtaining authorization from the Executive Committee.

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, when available, virtual attendance. If possible, each matter presented for email vote will include a 10 calendar-day vote return period. It is understood certain issues may not allow for the 10 calendar-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.

Primary and Alternate Delegates

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

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

Both the primary and alternate delegates are representing the industry trade association. However, one of the delegates, primary or alternate, is required to be an employee of a member company for the industry trade association. The primary delegate will serve as the primary voting delegate. The alternate delegate will serve as a representative and will only have voting privileges if named the proxy.

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

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, irrespective of the number of representatives from 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.

Proxies

Each ONG SCC trade association member may designate a proxy voting delegate. If unable to serve as the primary voting delegate, the trade association primary delegate must clearly designate who holds the association's voting authority prior to the meeting. Such designation may be made in writing by letter or email to the Secretariat.

Voting Rights

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

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;
- 5) Each ONG SCC member discussion shall be honest, respectful, and forthright; and
- 6) Discussions' content must adhere to anti-trust laws.

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) Capturing concerns and action items during ONG SCC meetings
- 3) Support on monitoring and closure of issues and initiatives,
- 4) Administrative support; and
- 5) 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 or virtual, live Council meetings will occur a minimum of three times per year with additional scheduled meetings and/or conference calls, as needed. Electronic balloting, via email, is encouraged to allow for broad participation in any matter or issue requiring a vote by the ONG SCC.

Expulsion and Reinstatement

Any member who is absent (“absent” means not present in person or via a telephone bridge) from two consecutive industry-only 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.

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.