



LEGISLATURE REMEDIES TAX PROBLEM

The 80th session of the Texas Legislature passed a bill correcting tax problems created for many land drillers in the previous session. Gov. **Rick Perry** signed the new legislation into law on 15 June. It permits onshore drilling companies headquartered in Texas a choice for assessing their rigs for tax purposes.

In the last session, the Legislature radically altered the ad valorem tax scheme by requiring such assessments to be levied at the "principal place of business" of Texas-based companies, instead of at the site where rigs were located on "tax day." The result was that many companies faced significantly higher levies, with rigs deemed located in high-tax headquarters jurisdictions such as Harris County (Houston), rather than in counties where they were actually working. The new law gives rig owners a choice. They can claim valuation of their entire fleet where their headquarters are located, or opt for paying ad valorem taxes in individual counties where the equipment is located on 1 January.

WORLD BANK POLICY CHANGE

IADC has joined the US National Association of Manufacturers, Chamber of Commerce and National Foreign Trade Council to object to a proposal by the World Bank to ease government procurement standards for its country clients in the developing world. For IADC members operating in many areas of Africa, Latin America and Asia where the World Bank wields consider-

able leverage, the Bank has suggested that those governments can use a lesser standard of transparency and bidding for government contracts, including with state-owned oil companies. The opportunity for mischief and corruption would certainly increase if the standards were dropped to "country systems," which often lack adequate advertising, requirements for public bid openings, and international arbitration options, in contrast with established OECD-sanctioned best-practice contract standards.

OSHA MAY UPDATE PPE STANDARDS

OSHA has issued a Notice of Proposed Rulemaking that will update its standards for personal protective equipment (PPE). OSHA is proposing to revise the PPE sections of its general industry, shipyard employment, longshoring and marine terminals standards regarding the use of eye and face protective devices, head protection and foot protection.

Existing references to specific consensus standards would be replaced with performance language requiring PPE to be constructed in accordance with good design standards. The proposed revision includes guidance for determining what is a good design standard. In addition, OSHA is proposing to add non-mandatory appendices that list standards constituting good design standards. IADC is planning on commenting to the docket on this proposed rule change. If you have comments, please contact **Joe Hurt** at 1/713-292-1945.