



October 3, 2024

TO: API 5CT, API 5L and API 7-1 Monogram Licensees and Applicants

FROM: API Monogram Program

Organizations Licensed to one or more of the following products/activities listed below need to be aware that licensing of these products will soon change:

- API 5CT Pipe Threader
- API 5L Threader of Pipe
- API 5L Threader of Couplings
- API 7-1 Threading for Rotary Shouldered Connections

The Monogram Program has undertaken a project to reassign all Threader/Threading Licensed activities from the product specifications where they are currently listed in the Monogram program, to the relevant specifications that contain all the applicable threading requirements—either API Specification 5B (for current 5L and 5CT Threaders) or API Specification 7-2 (for current 7-1 Threading).

This migration of threaders/threading from existing licenses will be made by API beginning January 2025. API expects this process will take several weeks to complete because of the number of Licenses impacted.

Unless otherwise notified, API will update all affected Licenses based on current Licensing information for your organization. **No additional paperwork is required at this time.** However, with these pending changes, this is an opportune time for your organization to evaluate its need to maintain threader or threading as a Licensed activity under the scope of the organization's License(s). If your organization determines that it no longer requires a Monogram License for threader or threading, please notify API immediately and the product will be removed from any existing Licenses. A new API 5B or API 7-2 License will not be issued in that case. Send your notification to www.api.org/ContactMonogram.

If an organization currently has threader under **either** or **both** API 5L and API 5CT, only one API 5B License and License number will be re-issued for thread since both API 5CT and API 5L threads are based on API 5B requirements.

If an organization's License(s) for API 5CT, API 5L and/or API 7-1 also include other products in addition to threaders/threading, then those Licenses and associated License numbers will be reissued with threading removed and will remain current for the remaining products until the specified expiration date. The removal of threaders/threading from a License does not impact the application of program requirements to all other products still retained under the scope of the affected license(s).

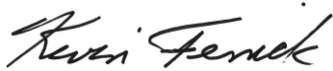
For organizations performing threading, this change is intended to have no impact on operations. This action brings threader and threading activities into alignment with the other API specifications in the Monogram Program that licenses products only to the specification where the requirements are found.

Included with the notification is a list of questions and answers below that should address most situations. If not, or you need additional information, please send your questions to www.api.org/ContactMonogram

For any questions or concerns related to this notification, please contact us at api.org/ContactMonogram.

Thank you for your continued participation in the API Monogram Program and your dedication to quality.

Sincerely,



Kevin Ferrick
Senior Director, API Monogram/APIQR
KF:kp

Questions & Answers on Threading Licensing

- 1. A facility has a 7-1 license now and the only product is “Threading for Rotary Shouldered Connectors”. When the change occurs that removes this product from 7-1 and moves it to 7-2, will the facility need to pay for another license.**

Answer: No. For a licensee that only has threading in the 7-1 license scope, a new 7-2 license will be issued to the licensee and simultaneously the 7-1 license will be withdrawn and will no longer be valid. This is a one-for-one swap with no net change in cost for licensing. The cost of the new license will be the same as the cost of the old license and invoices will be issued in December of each year, as before.

- 2. When a facility gets a new 7-2 or 5B license issued to it because of removal of threading from an existing license, will the effective date of the new license be reset?**

Answer: Yes. A new 7-2 license will be issued to the facility with an effective date based on the day of issue. However, the expiration date will be the same date as the existing license from which the threading is being removed.

- 3. If a facility is currently 5L licensed for “Threader of Couplings” only and wants to add “Manufacturer of Line Pipe Couplings” to the scope of its 5L license, does this mean when API removes “Threader” from the 5L license and issues a new 5B license, two licenses will be needed?**

Answer: Yes. If coupling or any other 5L product is added to an existing 5L license, that product will remain in the 5L license and Thread will then be in the scope of the newly issued 5B license. In this scenario, two separate licenses must be maintained.

- 4. Does a company need to fill out any paperwork to have the new licenses issued with Threader or Threading moved to 5B or 7-2?**

Answer: No. API will issue the new license(s) based on the information in the current licenses.

- 5. A facility has an API 5CT Monogram License with three products: “Couplings”, “Casing and Tubing-Threaded and Coupled”, and “Threader” and only threads its own products (couplings). Does the facility need a new API 5B License for Thread when Threader is removed from API 5CT?**

Answer (1): No, if only the entire product (Couplings, Casing or Tubing) needs to be Monogrammed and the threads themselves do not. There is no requirement to have a threading license just to apply threads to a company’s products.

Answer (2): -Yes, if the threads themselves need to be Monogrammed, in addition to the required 5CT markings/Monogram on the product.

6. A facility has an API 5CT License for “Casing and Tubing-Plain End” as well as “Casing and Tubing-Threaded and Coupled”. The company makes the tubing itself, but it does not have threading capability, so the tubes are sent to a local threader to apply the threads when required by customers. Does the facility need to have “Threader” in its scope and therefore need one of the new API 5B Licenses?

Answer: No. The licensed facility would be required to prove that the threads have been verified as conforming to API 5CT and/or API 5B, but that would not make that company a threader and it would not be eligible for API 5B Licensing because it does not have threading capability.

Does the local company that puts the threads on a company’s tubular products need to have a new API 5B License for “Thread” when that product is removed from API 5CT?

Answer (1): No, if the threads do not need to be Monogrammed.

Answer (2): Yes, if the threads themselves need to be Monogrammed, in addition to the required 5CT markings/Monogram on the product.

7. A company has three facilities and all three are Licensed under API 5CT. Two facilities make plain-end tubing only. The third facility makes plain-end and threaded tubing. Occasionally, one of the plain-end facilities will send product to the one with threading capabilities and ask it to apply threads to the plain-end tubing. Do either of the plain-end facilities need to have “Thread” in their API 5B scope for those occasions where they need to have the other location apply threads to the plain-end tube?

Answer: No. The plain-end facilities would not meet the requirements for a “Threader” or be eligible for an API 5B Thread License because they do not apply the threads to the product.

Does the facility with the threading capability need to have “Thread” in their scope, and therefore will need to get the new API 5B License when “Threader” is removed from API 5CT license?

Answer (1): No, if the threads do not need to be Monogrammed. Even if the body of the tube is marked according to API 5CT regardless of whether the Monogram is applied (or not), there is no requirement to have a thread license just to apply threads.

Answer (2): Yes, if the threads themselves need to be Monogrammed in addition to the required 5CT markings/Monogram on the body of the tube.

8. A facility has an API 7-1 License for all the products listed including “Threading for Rotary Shouldered Connections”. It only applies API 7-2 threads to its own products. Does the facility need to have “Threading” in the scope and need the new API 7-2 License when “Threading for Rotary Shouldered Connections” is removed from API 7-1?

Answer (1): No, if the threads do not need to be Monogrammed. Even if the entire product is Monogrammed as an API 7-1 Product, there is no requirement to have a threading license just to apply threads to a facility’s own products.

Answer (2): Yes, if the threads themselves need to be Monogrammed as API 7-2 threads, in addition to the required 7-1 markings/Monogram on the product.

9. A facility has a 7-1 License for all the products listed including Threading for Rotary Shouldered Connections. The facility threads its own products and offers threading to the requirements of API 7-2 as a service to other companies for that company's products. Does the facility need to have "Threading" in the scope and need the new API 7-2 License when "Threading for Rotary Shouldered Connections" is removed from API 7-1?

Answer (1): No, if the threads do not need to be Monogrammed. There is no requirement to have a threading license just to apply threads, regardless of the threading requirements that are used on the product.

Answer (2): Yes, if the threads themselves need to be Monogrammed as API 7-2 threads, in addition to the required 7-1 markings/Monogram on the product.

10. There is a facility that provides threading services only and currently has three Licenses (5CT, 5L and 7-1) for threader or threading as the only product for each License. Therefore, the facility only threads other company's products and is often asked to apply the Monogram to the threads. Will the facility still need to maintain three new Licenses when threader or threading is removed from the current Licenses?

Answer: No. The facility only needs to maintain two new Licenses, an API 5B [which applies to both 5CT and 5L products] and an API 7-2 License [which applies to 7-1 products] depending on the requirements that must be satisfied.

11. There is a licensed facility that manufactures API 5CT products that require an API 5B thread. The facility outsources the threading to a supplier that performs all threading on these products. The supplier does not have a Monogram License for any product. Does the supplier need to meet the minimum facility requirements for threaders, as defined in API 5CT?

Answer: Yes. If the threaded product is marked/Monogrammed as an API 5CT product, the threader must meet the minimum facility requirements defined in API 5CT and the licensee providing these products must be able to provide evidence of conformity to how the provider of Threading meets the 5CT threader requirements during its API audits.

12. There is a facility that provides threading services only and currently has an API 7-1 License for "Threading for Rotary Shouldered Connections". Threading is applied to 100s of products annually, with the threads conforming to API 7-2 requirements. However, the licensee has never been asked to Monogram those threads. Is that facility required to have a new API 7-2 License when "Threading for Rotary Shouldered Connections" is removed from API 7-1 and that License is no longer valid.

Answer: The API Monogram Program is a voluntary licensing program and therefore, an API Monogram License is not required for simply making products or meeting the requirements of the specification. However, an API Monogram License is required for application of the Monogram in conformance with program rules. Additionally, without maintaining a License, a facility would not be audited by API or be listed on the API composite list.

13. A facility manufactures a tubular product that is Monogrammed and requires API 5B or API 7-2 threads. Is the facility required to Monogram the threads as well?

Answer: No. API Monogram Program rules do not require that the threads be Monogrammed separately. Applying the API Monogram Mark to the overall product is a warranty from the manufacturer that the entire product meets the requirement of the Standard, including any required threads. However, a customer may require that the threads separately be Monogrammed in addition to Monogramming the product.

14. Will these changes require additional audit time or changes to the way these requirements are audited?

Answer: There should be little to no impact on a QMS and how threading requirements are maintained therein. As a result, there will be no change in the way the threading requirements are audited, although in some instances the audit time may be impacted slightly because API's formula for determining audit time considers the number of Licenses. The thread requirements themselves will be audited as specified in API 5B or 7-2. Any requirements that apply to the threader in accordance with the product specification (such as 5CT Threader) will remain in effect and must be satisfied if applicable. One possible change would be updating any internal references that exist to a specific license number that may apply in procedures or work instructions. All such internal references will need to be made to the new 5B and/or 7-2 license number assigned to the facility in accordance with these changes.

15. Will these changes affect the cost of my license?

Answer: Threads/threading is a product. License fees are based on a per license basis regardless of the number of products listed on that license. As long as at least one other product remains on the license, removal of a single product does not impact the cost for that license. However, addition or removal of Licenses will impact the facility's overall costs.

16. Will these changes occur at the same time for all licensees?

Answer: No. Given the number of licenses impacted by this change, these changes need to take place in stages.