

PUBLIC CONSULTATION - ITALY
Improving offshore safety, health and environment in Europe

Questions for the public

Authorisations

1. Which changes, if any, would you recommend to the authorisation conditions for offshore prospection or exploration or production activities? Please specify which authorisations your recommendations concern (all authorisations, those in a specific country, those authorising only a certain stage(s) such as prospection, exploration or production etc) (Please limit your response to maximum 1000 words).

The current authorization procedures for offshore prospection, exploration, and production activities are regulated by specific laws providing that the Ministry of Economic Development grants the authorizations upon applications by companies only after verification of environmental impact carried out by the competent Ministry of Environment. Considering the conflict between oil and gas activities and environmental interests it is desirable to have new procedures for authorizations on areas previously defined by an integrated procedures involving both competent authorities further to the release of validated and strategic environmental impact assessment.

2. European law¹ foresees that the competent national authorities shall ensure that authorisations are granted on the basis of selection criteria which consider, among other things, the financial and technical capability of the companies wishing to carry out offshore oil or gas operations.
 - a) What key elements² should this technical capacity requirement include in your view?
 - b) Similarly, what key elements should the financial capability requirement include in your view?

The current Italian law provides that authorizations are granted to companies with of adequate technical and financial capability. In particular the recently entered into force Decree of March 22, 2011 sets strict criteria that define specifications for the technical and financial capability. In particular we are enclosing the following:

- a) As far as the technical capacity statement is required relating to the organizational structure and resources used in activities.
- b) As far the financial capability the existing law provides that companies must have a paid-up capital of 10 million euro or in case of lower capital it must amount to at least €120,000 with a bank guarantee of €10 million.

Our recommendation for future adoptions is for Operator's activity assessment and relating growing skill levels (confirmed by expert authorities on the basis of carried out activities) compared to plan contingency.

3. How (such as through legislation or voluntary measures at international, EU or national levels or by industry) should the adoption of state-of-the-art authorisation practices be best achieved throughout the EU? Should neighbouring EU Member States be consulted on the award of authorisations?
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The EU should promote the establishment of a permanent consultative working group of national regulators. Such an advisory group, built on the basis of the already existing North Sea Offshore Authorities Forum (NSOAF), would allow Member States to better share and coordinate state of the art practices to protect occupational health and safety and the environment. As an alternative, the EU could promote, through the existing regional conventions, a Mediterranean Offshore Authorities Forum in order to gather the national competent authorities, including non-EU countries, at least at a regional level.

In this context, it will be useful the Italian Ministry of Economic Development initiative to organize a permanent confrontation between all the countries overlooking the Mediterranean Sea for offshore hydrocarbons exploration and production.

In order to realize this project EU countries could promote, through the existing regional conventions, a Mediterranean Offshore Authorities Forum in order to gather the national competent authorities, including non-EU countries.

Finally, we do not believe that neighbouring Member States should be consulted on the award of authorisations. Provided the authorisation processes of individual Member States are robust, the interests of neighbouring states should also be adequately managed. However, we consider important that, where it is not already provided for, neighbouring Member States be informed on the award of such authorisations, possibly through the advisory group mentioned in the previous paragraph.

Prevention of accidents

- 4 Please describe here any recommendations or changes (to the current regulatory framework or practices) - if any - that you consider important to improve the prevention of accidents affecting the health or safety of workers on offshore oil and gas installations in the EU:
- 5 Please describe here any recommendations or changes (to the current regulatory framework or practices) – if any – that you consider important in order to better prevent damage to the natural environment from accidents on offshore oil and gas installations:

The Directorate General for Mineral Resources has prepared a specific directive designed to guarantee safety and to prevent risks related to the possibility of eruptions during drilling in critical conditions also by formulating technical instructions for implementation of articles 66 and 67 of the off shore drilling directive.

Instructions in the directive make up the minimum requirements and further specific measures have to be adopted, where appropriate, in relation to articles 66 and 67 of legislative decree n. 624 of 1996 and legislative decree n.81 of 2008

The creation of a technical committee together with representatives of companies is welcomed in order to draft specific guidelines relative to the definition of a minimal set of “risk factors” to further improve the HSD. In the short run, however, operational indications are given for “risk assessment” as per article 66 of legislative decree n.624 of 1996.

Safety systems and equipments

Before any new drilling activity begins in Italy, all systems with shear rams

must be tested. The test can be made at the manufacturer's facilities, but it must be repeated also on site.

Safety systems and equipments must be certified by the manufacturer or by any other specialized entity within a five-year period.

Electronic registration of drilling data

The operator has to keep a secure digital record of all data concerning drilling; these data must be accessible and available for any following check by the authority.

Further safety requirements for deep water operations (more than 200 meter depth):

Accelerated certification of equipment: Shear rams safety devices must have been certified by the manufacturer or any other specialized entity less than two years before.

Operational control: Operations are to be carried out under supervision of the responsible executive official (as foreseen for simultaneous operations).

- 6 Please describe here any recommendations you would like to make on how to improve compliance of the offshore oil and gas industry with applicable offshore safety legislation and other regulatory measures in the EU. (Please limit your response to maximum 1000 words)
- 7 In your view, which are the key measures to supervise and verify compliance of the industry with offshore health, safety and environmental rules and who should do the supervision and verification? (Please limit your response to maximum 1000 words)

The current Italian law with the legislative decree n. 624/1996 puts into effect the UE Directive 92/91/CEE on the health and safety of workers. However in the goal-setting regime proposed in points 5 and 6 the operators will have the responsibility to establish "ad hoc" systems in order to guarantee that risks are adequately assessed and managed, to ensure compliance with the goals set by legislation and to monitor/verify implementation of the management system. Such a system should be based on a strong, documented and measurable internal assurance process and take into consideration the establishment of an Independent (second or third party) Verification Party appointed to verify compliance of the activities with the goals.

Also considering the need of a general improvement of levels of safety standards determinations, in Italian context determinations have been taken as already listed in above paragraphs number 4 and 5.

- 8 In your view, which are the key measures to supervise and verify compliance of the industry with offshore health, safety and environmental rules and who should do the supervision and verification? (Please limit your response to maximum 1000 words)

Ferma restando la normativa ... che prevede la presenza di un organismo di vigilanza adeguatamente formato che provvede ai controlli di sicurezza si riterrebbe opportuno promuovere a livello europeo

Without prejudice to the legislation that requires the presence of a supervisory body which provides trained security controls, we believe that homogeneous criteria should be promoted to improve technical-psychological professional training of special staff or personnel operating on offshore platforms and related checking during the activities to improve further safety levels.

- 9 In your view, should the existing environmental liability legislation (Directive 2004/35/EC) be extended to cover environmental damage to all marine waters under the jurisdiction of the EU Member States? (Please limit your response to maximum 1000 words)
- 10 In your view, is the current legislative framework sufficient for treating compensation or remedial claims for traditional damage caused by accidents on offshore installations? If not, how would you recommend improving it? (Please limit your response to maximum 1000 words)

The current legislation provides for damage compensation on the basis of liability of uniquely identifiable responsible operator.

- 11 In your view what would be the best way(s) to make sure that the costs for remedying and compensating for the environmental damages of an oil spill are paid even if those costs exceed the financial capacity of the responsible party? (Please limit your response to maximum 1000 words)

In our opinion a financial covering should be forecasted by means of direct and indirect warranties or by joining a guarantee fund among the operators for their presence on oil rigs and for financial managing of the related emergency, as well as local fund establishing (for example in Mediterranean Sea) on the pattern of IOPC fund, for reclamation of concerned marine zones.

Transparency, sharing of information and state-of-the-art practices

- 12 What information on offshore oil and gas activities do you consider most important to make available to citizens and how? (Please limit your response to maximum 1000 words)
- 13 What is the most relevant information on offshore oil and gas activities that the offshore companies should in your view share with each other and/or with the regulators in order to improve offshore safety across the EU? How should it best be shared?

We believe it should be necessary to promote operators agreements to share emergency's operating technologies in deep waters by means of special financial programme in EU activity plans.

- 14 What information should the national regulators share with each other and how to improve offshore safety across the EU? (Please limit your response to maximum 1000 words)
- 15 Which means, if any, would you recommend using to promote, across the EU, the use of state of the art practices to protect occupational health and safety during offshore oil and gas operations? (Please limit your response to maximum 1000 words)
- 16 Which means, if any, would you recommend using to promote, across the EU, the use of state of the art practices to protect the environment against accidents caused by offshore oil and gas operations? (Please limit your response to maximum 1000 words)