



Response to the Public Consultation on improving offshore safety in Europe

General remarks

In December 2010, OGP, as well as a number of individual member companies, responded to the Communication from the Commission on 'Facing the challenge of the safety of offshore oil and gas activities'. A number of comments and suggestions made in the OGP submission remain very relevant to the questions asked by the Commission in the above-mentioned public consultation. The OGP response to the consultation consequently draws on the December 2010 OGP submission to the Commission Communication.

In addition, following the Macondo accident, OGP created the Global Industry Response Group (GIRG), which has been active since July 2010, and has focused on identifying lessons learned and potential improvements with respect to the safety of offshore oil and gas activities. More information on the GIRG is provided on page 5 in the section on transparency, sharing of information and state-of-the-art practices.

Authorisations Questions 1-3

The Hydrocarbons Licensing Directive 94/22 requires demonstration of technical and financial capability by the operator before a licence can be obtained.

In addition, the systems for licensing and permitting currently applied in the four Member States (UK, the Netherlands, Denmark and Italy) with notable offshore oil and gas activities, as well as in Norway¹, are sound and ensure application of state-of-the-art technology and procedures.² The regulatory regimes in place in these countries require the industry to provide credible safety cases, i.e. to prove on a case-by-case basis that risks are thoroughly assessed and minimised as far as is reasonably practicable and that operations are safe at each stage of exploration and production activities. 'State-of-the-art' practices are enshrined in the safety case approach applied today.

Moreover, operators bear full liability for both property and environmental damage in line with national law and the Environmental Liability Directive 2004/35.

OGP does therefore not recommend any changes to the authorisation conditions for offshore prospecting or exploration or production activities. OGP, however, does recognise that there may be concerns that not all EU Member States, particularly those that are only beginning to develop offshore oil and gas activities, have a system as solid as the safety case regime in place in European countries with a large experience in offshore oil and gas activities.

It is our view that the EU should work individually with the relevant Member States - with the help of other Member States and/or the industry, as appropriate - to bring standards up to those of the European countries with notable oil and gas production. In this context, the North Sea Offshore

¹ By substantial margins, Norway and the UK are the largest oil producers in Europe. Norway, the Netherlands and the UK are the largest gas producers.

² This is without prejudice to the regulatory systems applied in Ireland, Germany and Romania, which are not considered to have notable offshore oil and gas production or a long experience in offshore oil and gas production.

Authorities Forum (NSOAF) could serve as a model upon which a consultative and advisory body of national experts could be built.

Prevention of accidents

Questions 4-5

OGP first of all wishes to point out the good historical record of the industry in improving the prevention of accidents affecting the health and safety of workers. As the Commission Staff Working Document accompanying the Commission Communication recognises: “offshore oil and gas operations naturally entail risks. Yet, the European offshore industry boasts an improving safety record which is comparable e.g. to agriculture or the construction industry” and “continuous efforts to effectively manage the risks resulted in a significant reduction of the number of incidents.”³

The Commission recognises that the safety record of the European offshore industry is comparable to that of agriculture. Yet, much higher risks are encountered in the European offshore industry. This corroborates the conclusion that the network of international, EU and national rules together with the industry’s own discipline, have ensured the safety record described in the Staff Working Document. In several Member States the safety record of the offshore oil and gas industry is far superior to both the agricultural or construction industries⁴. The oil and gas industry is far from complacent however.

The good safety record of the industry is indeed the result of a proven, robust and tight network of EU and national rules as well as industry’s adherence to and adoption of evolving international standards.

At European level, the health and safety of workers are regulated by two Directives⁵ : a general Framework Directive and a sector-specific Directive which regulates the health and safety of workers in the mineral-extractive industries through drilling. At national level, the safety case approach, based on Directive 92/91, ensures the protection of the health and safety of workers.

OGP agrees with the approach suggested in the Communication that the Commission reviews the EU framework, building on the complete Deepwater Horizon investigation results before establishing the need, if any, to amend the Directive 92/91. OGP also supports the Communication’s recommendation to the Member State licensing authorities and operators to review and update the safety cases as necessary and to communicate on clearly defined upgrade programmes if any deficiencies are identified. In this respect we note the initiatives underway or recently concluded⁶.

Existing legislation and mechanisms to prevent accidents affecting the health and safety of workers also include EU Directives on product safety⁷ as well as some 5000⁸ technical standards e.g. from organisations such as the American Petroleum Institute (API), the European Committee for Standardisation (CEN), and the International Organisation for Standardisation (ISO), which are the subject of continual review to ensure further improvement.

With regards to product safety, the national regulatory authorities in some Member States already have sufficient powers to deal with any safety issues regarding equipment. Hence, any proposals for action or change need to be informed through close cooperation between the Commission, individual Member States/national regulators, the industry and, in this case, the relevant standardisation bodies.

The same applies to regulations and practices for well design and control. The results of the Global Industry Response Group (GIRG) created by OGP members following the Macondo accident, the US

³ COM (2010) 560 final, Commission Staff Working Document, p.9.

⁴ For example, the offshore oil and gas industry in the UK has a lower reportable non-fatal injury rate than the wholesale/retail and public administration sectors.

⁵ Framework Directive 89/391/EEC and Directive 92/91/EEC.

⁶ For example, Written Ministerial Statement of 4 April 2011 by UK Energy and Climate Change Minister announcing a Review of the UK Oil and Gas Regulatory Regime (following release of the investigation report by the US Presidential Commission).

⁷ Directive 2001/95 on general product safety; Directive 2006/42 on machinery; Directive 97/23 on the approximation of the laws of the Member States concerning pressure equipment; Directive 94/9/EC on equipment and protective systems intended for use in potentially explosive atmospheres (ATEX).

⁸ OGP report, Benchmarking on the use of internal technical specifications and external standards by some oil & gas companies, Report No. 450, February 2011.

Joint Industry Task Force and the API on well design and drilling standards will be communicated to ISO and play a central role in supporting and improving the industry's safety record.

A similar tight, robust and interlocking network of international, EU and national rules is in place to ensure the protection of the environment.

At EU level, offshore activities are covered by:

- The Strategic Environmental Assessment (SEA) Directive, which ensures that Member States carry out a screening procedure to determine whether future plans or programmes in the energy sector are likely to have significant environmental effects.
- The Environmental Impact Assessment (EIA) Directive, under which companies submit to the competent authorities environmental assessments and mitigation proposals for individual projects so that the environmental implications of decisions are taken into account before decisions are made. Project developers inform and consult the public when conducting Environmental Impact Assessments.
- The Industrial Emissions Directive, which regulates emissions to air from offshore installations.
- The Emissions Trading Directive, which regulates carbon dioxide emissions from offshore installations.
- The Marine Strategy Framework Directive, of which the implementation process is under way with several working groups working on the ways of identifying and quantifying through scientifically based criteria environmental pressures thereby evaluating and establishing a 'good environmental status'.
- The Habitats and Wild Birds Directive, which ensures the protection of sensitive species and habitats.
- The UN Convention on Environmental Impact Assessment in a Transboundary Context, or Espoo Convention, which lays down the general obligation of governments to notify and consult each other on all major projects under consideration that are likely to have a significant adverse environmental impact across borders.

Furthermore, offshore installations in the North-East Atlantic are covered by the pollution control measures of OSPAR related, for example, to the types of chemicals that can be used, discharges etc. Similar measures also exist in the Offshore Protocol of the Barcelona Convention, which, with the recent ratification by Syria, is just entering into force. Although Italy has not ratified the Protocol, its requirements are applied and enforced and complemented by national regulations. Tight control measures exist equally for the Baltic Sea, where offshore activities are limited at present, through the Helsinki Convention (HELCOM). The Black Sea Convention is active in the Black Sea region. In this context, OGP believes that there is value in encouraging the exchange of expertise between these conventions, or via a consultative body of experts building on the model of the NSOAF.

To conclude, in the domains of the prevention of health and safety of workers as well as in terms of the protection of the environment, European operations are subject to a process of continuous learning between regulators and the industry. OGP members accept the need to challenge the industry to do even better. This challenge, however, must be based on a thorough and accurate understanding of the current state of affairs in Europe. Any recommendations for change must be based on a clear identification of shortcomings in the way operations are regulated and must not be designed or implemented in a way which results in a reduction in safety standards in those Member States which already have fit-for-purpose offshore regulatory regimes.

The imperative resulting from this is that any new measures taken must clearly build on this network of rules and avoid creating gaps that do not exist today. Gaps risk being created by shifting responsibilities, which may result in a loss of competence, or by splitting responsibilities, which can lead to ambiguity within national administrations about who is answerable and to what extent. This applies to both setting and enforcing regulation.

Verification of compliance and liability for damages

Questions 6-10

Compliance is an issue to which the industry devotes significant energy and resources and constantly strives to improve. Companies risk fines and suspensions or even loss of permits and licences, in

cases of non-compliance. Furthermore, it is important to recognise that the cost of damage to both people and the environment, of any incident, is a strong incentive for the industry to comply with the existing framework.

Supervision and verification of compliance is ensured by the competent authorities. Adaptations to permits are made as considered necessary by the competent authorities. With respect to inspections, OGP is of the view that the current system is working well. Any proposed changes to the control system should demonstrate precisely how they would ensure the necessary competence and coordination to the extremely rigorous and proven systems that are in place today.

The Environmental Liability Directive holds companies responsible for environmental damage to protected habitats and species. OGP recognises that the Commission may wish to review the scope of the existing environmental liability legislation to cover environmental damage to all marine waters.

In terms of the existing regulatory framework on compensation and remediation for both property and environmental damage, OGP would like to provide some information on an existing mechanism, currently in place in the North Sea: the Offshore Pollution Liability Association Limited (OPOL). OPOL⁹ was created by the UK Operators who agreed strict liability for pollution damage and the cost of remedial measures from their offshore facilities.

The limit for compensation (pollution damage and the cost of remedial measures) has been recently increased by OPOL following discussions with OSPRAG¹⁰, a UK working group created following the Gulf of Mexico accident and involving the industry, regulators and trade unions. The OPOL limit is US\$250 million per incident and US\$500 million in the annual aggregate, as of 1st October 2010. With the expected ability to implement a capping device (see p. 6 for more information), the new limit will be sufficient to cover third party costs associated with the majority of spill scenarios in the UK, with only a small number of higher risk wells having the potential to exceed the limit. Proposals are now being considered on how to ensure that in such cases adequate financial responsibility, relative to the identified exposures, is provided by the parties concerned and is independently verified.

OPOL covers quantifiable losses that result directly from a spillage of oil from offshore exploration and production facilities.

OGP also understands that the Commission may wish to review current liability limitation amounts to take into account the scale and consequences of the Macondo accident. OGP does, however, not support the establishment of a mandated industry-wide pre-loss mutual insurance fund or mandatory insurance. There are various ways for companies to meet their financial responsibilities and this choice should not be removed. It is also crucial that mechanisms to enable companies to insure their liabilities are carefully conceived in order to avoid pricing smaller companies out of the market place.

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

Questions 11-15

OGP considers that it is not in the industry's remit to judge what information would be most important to citizens. That said, OGP would like to point out that the SEA and EIA Directives, mentioned above, ensure that the public is informed and consulted by the project developer. Furthermore, the Espoo Convention, also mentioned above, requires Member States to share upfront information with each other in case of projects that are likely to have significant adverse environmental impact, and the impacting member state is subsequently involved in the decision-making.

OGP members will, in principle, agree to the disclosure of information that the national regulator considers fit for publication, as long as no commercially sensitive information is made public. Beyond information already published today, an exchange of information takes place in forums such as the NSOAF or the International Regulators Forum (IRF), which brings together regulators from all corners of the world.

⁹ For more information on OPOL, see www.opol.org.uk.

¹⁰ For more information on OSPRAG, see www.oilandgasuk.co.uk/knowledgecentre/OSPRAG/cfm.

With respect to the sharing of information within the industry and between companies, OGP since its creation in 1974 has been the place where operators have exchanged information and experience and established guidelines for the industry world-wide.

In the aftermath of the tragic incidents in the Gulf of Mexico on the Macondo prospect, Montara in Australia, and other similar incidents, OGP formed the GIRG in July 2010.

GIRG aims to ensure that the lessons learned from Macondo are applied around the world. To do that, part of GIRG's remit is to monitor and collate the outcomes of the official Macondo investigations. This process is helping to identify and answer other questions about Macondo and deepwater operations.

GIRG is working in three areas:

- Prevention: improving well engineering design/equipment and developing better operating procedures to reduce the possibility of loss of well control.
- Intervention: helping to identify the best ways to handle deepwater uncontrolled hydrocarbon releases (from wells), with emphasis on local conditions and regional requirements.
- Response: ensuring that all the necessary equipment, expertise and resources are available if, despite improved prevention and intervention efforts, an oil spill still occurs.

The GIRG will also incorporate the results of the official investigations into the Gulf of Mexico accident into its studies, as well as the outcome of the work undertaken by API, the Joint Industry Task Force in the US, and the UK initiative OSPRAG (see below for more information). OGP will ensure that any relevant findings are consolidated and disseminated throughout the global members of the association.

OGP expects GIRG to report later this month and their reports should be taken to form a significant part of the global oil and gas industry's response to the challenges that it faces.

With regards to the means necessary to promote the use of state-of-the-art practices across all Member States in order to protect occupational health and safety and the environment, OGP believes that cooperation and exchange of information between the regulators would be very valuable. A consultative and advisory body of national experts, as stated above, could be established. The industry would be happy to participate in such a structure.

Emergency response and international activities

Questions 16-18

OGP supports the initiative to examine whether the effectiveness and efficiency of oil spill response capacity existing in Europe can be further enhanced. The following information on existing arrangements in this area may be useful in this context:

1. The Operators Co-operative Emergency Services (OCES) Agreement is the organisational framework under which oil and gas companies operating in the waters of the North Sea and adjacent waters of the North West European Continental Shelf co-operate and share resources in the event of an emergency situation.

Its members are the national oil industry associations of Denmark, Germany, Ireland, the Netherlands, Norway and the UK. The national associations have a declared policy of mutual support between members to promote and facilitate the sharing of resources. They are currently revising the necessary arrangements and procedures to ensure that support can be provided more effectively. These are described in the Mutual Aid and Emergency Assistance Code. This co-operation between associations and their members has been in place since the early days of the industry and is currently being amended to include the latest views. The arrangements have been developed in parallel with the expansion of the industry, and are designed to provide assistance to members and others in both real and potential emergencies.

2. The international oil and gas industry can call on its own organisation in the event of a spill. Oil Spill Response (OSR) is a cooperative that consists of 112 member companies. From bases in major producing areas around the world – including the UK – it is ready to respond to an emergency at any time. OSR provided equipment and expertise in the Gulf of Mexico. OSR also helps members to improve their readiness by providing training, response exercises and contingency planning.
3. The Global Response Network (GRN) is a collaboration of seven major oil industry-funded spill response organisations. Their mission is to harness cooperation and maximise the effectiveness of oil spill response services worldwide.

OGP would also wish to provide some information on contingency plans. The contingency plans are produced and submitted to national regulators in accordance with the Oil Pollution Preparedness, Response and Co-operation (OPRC) Convention of 1990. The OPRC convention provides an international framework for co-operation in combating and responding to major incidents or threats of oil pollution. The UK, Norway, The Netherlands and Italy have ratified the OPRC Convention. This ratification resulted in the production of National Contingency Plans which these countries have in place. Moreover, the countries developed regional agreements (e.g. the Bonn Agreement) and cross-border agreements, such as 'NorBrit' (Norway/UK) 'Mancheplan' (UK/France), 'DenGerNeth plan' (Denmark/Germany/ Netherlands).

We also mentioned above that OGP's GIRG is analysing the various regional needs around the globe and will propose solutions for development in 2011. Whilst this work is ongoing, OSPRAG is developing a capping device for use in all areas of the UK Continental Shelf including the area West of Shetland. It is envisaged that the device will be completed by summer 2011. Individual companies in the UK and Norway are also developing similar capping devices.

For information on OGP's position on the European Maritime Safety Agency (EMSA), please see the attached position paper.

With respect to companies' own standards, European companies with worldwide operations apply their own high standards of safety and accident prevention around the globe. However, it is important to note that host governments may require changes in line with natural, legal or other local circumstances.

For further information, please contact:

Annabel Holroyd
Deputy Director EU Affairs
OGP Europe
E-mail: Annabel.Holroyd@ogp.be
Tel: +32 2 566 9150

Annex



International Association of Oil & Gas Producers

May 2011

OGP Position Paper on the role of the European Maritime Safety Agency

General Remarks

OGP notes the European Commission's proposal for a Regulation amending the rules applying to the European Maritime Safety Agency (EMSA).

The Commission's proposes that EMSA's current role with regard to offshore oil and gas be modified in two respects:

1. **Emergency response:** EMSA's response capabilities should be extended to cover response to pollution originating from offshore oil and gas exploration and production activities (Recital 8)
2. **Safety:** EMSA should assist the Commission in analysing "the safety of mobile offshore gas and oil installations" (Recital 8 and Article 2.d).

Furthermore, OGP takes note of the Opinion of the Committee on the Environment, Public Health and Food Safety by *Rapporteur* and Member of the European Parliament, Bart Staes, as well as of the Working Document by *Rapporteur* and Member of the European Parliament, Knut Fleckenstein. In these two documents, the European Parliament proposes that EMSA's current role be modified in the following two areas with respect to offshore oil and gas:

1. **Licensing:**
 - EMSA's role should be extended to assist the Commission and Member States in "developing requirements and guidance on the licensing of oil and gas exploration and production"¹¹ and "its potential to carry out an independent audit role with licensing"¹² should be examined.
 - EMSA's inspection functions should be extended.
2. **Pollution prevention and emergency response:**
 - EMSA's role should be extended to assist the Member States and the Commission in "preventing pollution from offshore oil and gas installations"¹³.
 - EMSA role should be extended to assist the Member States and the Commission "in detecting and cleaning up pollution caused to the marine environment by minor oil spills emanating from offshore oil and gas installations"¹⁴.

At present, the portfolio of EMSA is confined to maritime safety, pollution by ships and security on ships. Overall, OGP agrees with the Transport, Telecommunications and Energy Council that "the agency should focus primarily on its core business, which is maritime safety"¹⁵.

¹¹ Working Document from the Committee on Transport and Tourism (TRAN) on amending Regulation (EC) No 1406/2002 establishing a EMSA, 18 March 2011, p. 4. See also Opinion of the Committee on Environment, Public Health and Food Safety (ENVI) on amending Regulation (EC) No 1406/2002 establishing EMSA, 19 April 2011, p. 6.

¹² Working Document from TRAN, p. 4.

¹³ Working Document from TRAN, p. 4.

¹⁴ Opinion from ENVI, p. 9.

¹⁵ Transport, Telecommunications and Energy Council Conclusions, 31 March 2011

The key points of this paper are:

- EMSA does not have the required experience and capabilities to provide guidance to individual Member States and to have an oversight role with regards to licensing, which is effectively regulated by the competent authorities at national level. The system for licensing currently applied in the four Member States (UK, the Netherlands, Denmark and Italy) with notable offshore oil and gas activities, as well as in Norway, is sound.
- A consultative and advisory body of national experts, modelled on the North Sea Offshore Authorities Forum (NSOAF) and encompassing both EU and non EU countries is an efficient forum to ensure the dissemination of best practices with respect to areas such as offshore safety for offshore oil and gas activities.
- Any extension of the competences of EMSA to cover response to pollution incidents, other than operational discharges¹⁶, from offshore oil and gas activities should be based on a careful assessment of the existing national, EU and international regulatory framework as well as industry arrangements, combined with a thorough analysis of what value an extension of the role and competences of EMSA would add.
- Rather than fundamentally changing the scope and remit of EMSA, the EU could focus on strengthening the existing network of Regional Seas Conventions, to which non EU-Member States are also contracting parties.
- In any case, duplication of regulations and procedures should be avoided and a decision on the need for additional licensing and/or pollution prevention and emergency response should take the results of the currently on-going EU governments and industry post-Macondo initiatives into account.

Licensing

Licensing is addressed in the European Commission Communication on *Facing the challenge of the safety of offshore oil and gas activities*, issued in October 2010. In December 2010, the Transport, Telecommunications and Energy Council called on the Commission to “promote the application of state-of-the-art practices by Member States and the industry throughout the EU and in third countries in all aspects of offshore oil and gas operations, including licensing procedures”¹⁷. Over the past months, the Commission has been in contact with Member States/regulators, industry and the European Parliament¹⁸ to thoroughly analyse existing practices and identify any gaps in the current proven, robust and tight network of international, EU and national rules applicable to the offshore oil and gas industry. Commission proposals are expected for the summer of 2011. In order to avoid any regulatory duplication, any modifications to the current system for licensing procedures would most appropriately be addressed in these planned Commission proposals.

However, OGP offers the following considerations on the proposed modifications to the role and competencies of EMSA:

OGP believes that licensing is regulated effectively by the competent authorities at national level, in full accordance with the EU Hydrocarbons Licensing Directive 94/22 and in line with the mandate of the UN Convention on the Law of the Sea. The systems for licensing currently applied in the four Member States (UK, the Netherlands, Denmark and Italy) with notable offshore oil and gas activities, as well as in Norway¹⁹, are sound.²⁰ The regulatory regimes in place in these countries require the industry to provide credible safety cases, i.e. to prove on a case-by-case basis that risks are

¹⁶ Operational discharges are regulated by the competent authorities nationally and internationally.

¹⁷ Transport, Telecommunications and Energy Council Conclusions, 3 December 2010.

¹⁸ The European Parliament is working on a report to this Communication.

¹⁹ By substantial margins, Norway and the UK are the largest oil producers in Europe. Norway, the Netherlands and the UK are the largest gas producers.

²⁰ This is without prejudice to the regulatory systems applied in Ireland, Germany and Romania, which are not considered to have notable offshore oil and gas production or a long experience in offshore oil and gas production.

thoroughly assessed and minimised as far as is reasonably practicable and that operations are safe at each stage of exploration and production activities. The application of 'state-of-the-art' technology and procedures are enshrined in the safety case approach applied today.

The robust safety case approach ascertains the case-by-case adaptability required to achieve highest standards and best performance. The adoption of one-size-fits-all, prescriptive and, therefore static, harmonised requirements or guidance on licensing should surely be ruled out. Following the Gulf of Mexico accident, the need to avoid a prescriptive approach was confirmed by the completion of a regulatory review in the UK by Parliament's Energy and Climate Change Committee²¹. This upheld the importance of the goal setting safety case regime.

OGP understands that there may be concerns that not all EU Member States, particularly those that are only beginning to develop offshore oil and gas activities, have a system as solid as the safety case regime in place in European countries with a long history and large experience in offshore oil and gas activities. We do not, however, consider that EMSA has the required experience and capabilities to provide guidance to individual Member States and to have an oversight role with regards to licensing, which is already regulated effectively by the competent authorities at national level.

It is our view that the EU should work individually with the relevant Member States - with the help of other Member States and/or the industry, as appropriate - to bring standards up to those of the European countries with notable offshore oil and gas production and to facilitate the exchange of experiences in terms of licensing between different national regulators. In this context, the NSOAF may serve as a model upon which a consultative and advisory body of national experts could be built. The industry would be pleased to participate in such a forum.

With respect to inspections, OGP is of the view that the current system of inspection by the competent authorities at national level is working well. Any proposed changes to the control system should demonstrate precisely how they would enhance and continue to ensure the necessary competence and coordination to the extremely rigorous and proven systems that are in place today. Again, exchange of best practices between regulators in this area could be beneficial.

Close cooperation among the Commission, Member States/national regulators and the industry will be of utmost importance for the further stability of the robust existing regulatory regime and to ensure a dissemination of best practices in licensing, auditing and inspection procedures across Europe.

Pollution prevention and emergency response

An interlocking network of conventions and protocols is in place in Europe, which cover pollution prevention from offshore installations. The conventions are applicable to both EU and non-EU countries, and are thus very valuable. Any activity by EMSA should respect these.

Offshore installations in Europe are covered by pollution control measures of various Regional Seas Conventions. In the North-East Atlantic, comprehensive coverage is achieved by the pollution control measures of OSPAR related to 'normal operations' from exploration to decommissioning, for example, to the types of chemicals that can be used, discharges etc. Similar measures also exist in the Offshore Protocol of the Barcelona Convention, which, with the recent ratification by Syria, is just entering into force. Although Italy has not ratified the Protocol, its requirements are applied and enforced and complemented by national regulations. Tight control measures exist equally for the Baltic Sea, where offshore activities are limited at present, through the Helsinki Convention (HELCOM). The Black Sea Convention is active in the Black Sea region. Contrary to EMSA, these conventions have the benefit of involving non-EFTA²² countries. OGP believes that the EU should be strongly involved in the existing framework of regional conventions. There is, furthermore, value in encouraging the exchange of expertise between these conventions, or via a consultative body of experts, on the model of the NSOAF.

²¹ The UK Department for Energy and Climate Change is now carrying out a full review by independent experts.

²² EFTA: European Free Trade Association States; Norway and Iceland are represented in EMSA.

In addition, contingency plans for offshore installations are produced and submitted to national regulators in accordance with the Oil Pollution Preparedness, Response and Co-operation (OPRC) Convention of 1990. The OPRC convention provides an international framework for co-operation in combating and responding to major incidents or threats of oil pollution. The UK, Norway, The Netherlands and Italy have ratified the OPRC Convention. This ratification resulted in the production of National Contingency Plans which these countries have in place.

A number of countries developed regional agreements (e.g. the Bonn Agreement) and cross-border agreements, such as 'NorBrit' (Norway/UK) 'Mancheplan' (UK/France), 'DenGerNeth plan' (Denmark/Germany/ Netherlands).

Furthermore, the International Petroleum Industry Environmental Conservation Association (IPIECA) has a joint 'Global Initiative' programme in the Mediterranean, with IMO's regional activity hub (REMPEC²³) based in Malta. The centre for this activity is the Mediterranean Oil Industry Group (MOIG) based in Tunis. It carries out regional training and contingency planning activities on a small scale, in many cases with the assistance of commercial service providers, helping North African countries – which are not part of the EU – implement national contingency planning.

There should be careful consideration of how the Commission's proposal, that Stand-by Oil Spill Response Vessels under contract by EMSA intervene in the case of oil pollution caused by offshore installations, would fit with established response mechanisms such as:

- The Operators Co-operative Emergency Services (OCES) Agreement, which is the organisational framework under which oil and gas companies operating in the waters of the North Sea and adjacent waters of the North West European Continental Shelf co-operate and share resources in the event of an emergency situation. Its members are the national oil industry associations of Denmark, Germany, Ireland, the Netherlands, Norway and the UK. The national associations have a declared policy of mutual support between members to promote and facilitate the sharing of resources. They are currently revising the necessary arrangements and procedures to ensure that support can be provided more effectively. These are described in the Mutual Aid and Emergency Assistance Code. This co-operation has been in place since the early days of the industry and is currently being amended to include the latest views. The arrangements have been developed in parallel with the expansion of the industry, and are designed to provide mutual assistance to members and others in both real and potential emergencies.
- Oil Spill Response (OSR), which is a cooperative that consists of 112 member companies. From bases in major producing areas around the world – including the UK – it is ready to respond to an emergency at any time. OSR provided equipment and expertise in the Gulf of Mexico. OSR also helps members to improve their readiness by providing training, response exercises and contingency planning.
- The Global Response Network (GRN), which is a collaboration of seven major oil industry-funded spill response organisations. Their mission is to harness cooperation and maximise the effectiveness of oil spill response services worldwide.
- The Norwegian Clean Seas Association for Operating Companies (NOFO), which develops and maintains oil spill preparedness on the Norwegian Continental Shelf in order to combat oil pollution on behalf of 25 operating oil companies. This includes response in open seas as well as in coastal waters and along shorelines. NOFO is a dedicated, non-profit 24/365, oil spill response organization with 20 full-time employees, 50 duty/reinforcement personnel from operating oil companies and 80 persons assigned to 5 bases.

Finally, following the Macondo accident, OGP created the Global Industry Response Group (GIRG), which is currently analysing the various regional needs around the globe, including

²³ REMPEC, the Regional Marine Pollution Emergency Response Centre for the Mediterranean Sea assists the Mediterranean coastal States in ratifying, transposing, implementing and enforcing international maritime conventions related to the prevention of, preparedness for and response to marine pollution from ships.

capping/containment of wells and oil spill response. GIRG will propose solutions for development in 2011.

Whilst this work is on-going, the UK Oil Spill Prevention and Response Advisory Group (OSPRAG) is developing a capping device for use in all areas of the UK Continental Shelf, including the area West of Shetland. It is envisaged that the device will be completed by summer 2011. Individual companies in the UK and Norway are also developing similar capping devices.

For further information, please contact:

Annabel Holroyd
Deputy Director EU Affairs
OGP Europe
E-mail: Annabel.Holroyd@ogp.be
Tel: +32 2 566 9150