



European  
Commission

# Facing the Challenge of the Safety of Offshore Oil and Gas Activities

*[European Commission proposal  
for regulation of offshore safety  
and environmental protection]*

***“Improving offshore  
safety - beyond Macondo”***

***Finding Petroleum  
The Geological Society***

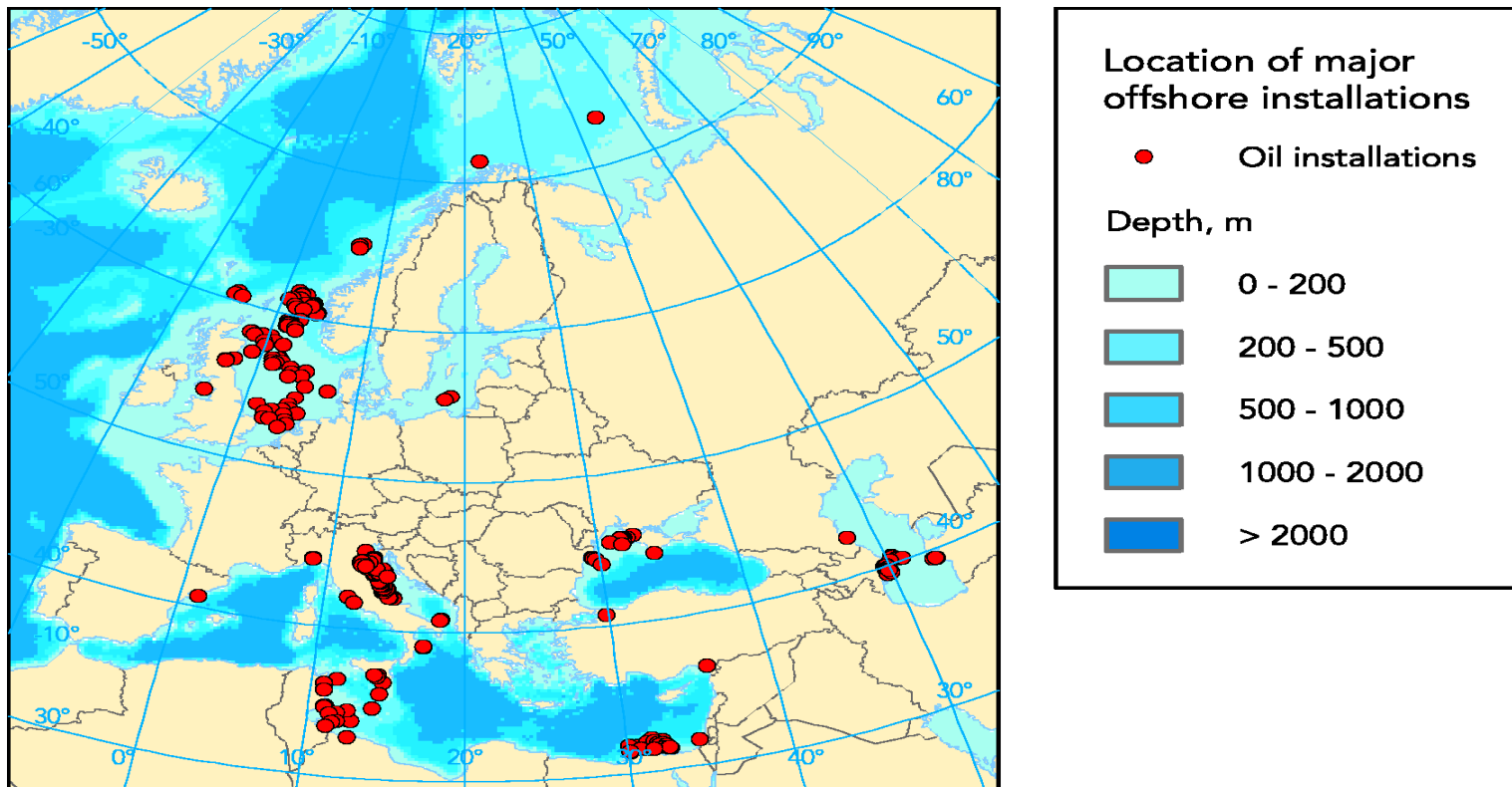
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# Offshore licensing in EU/EEA & adjoining states

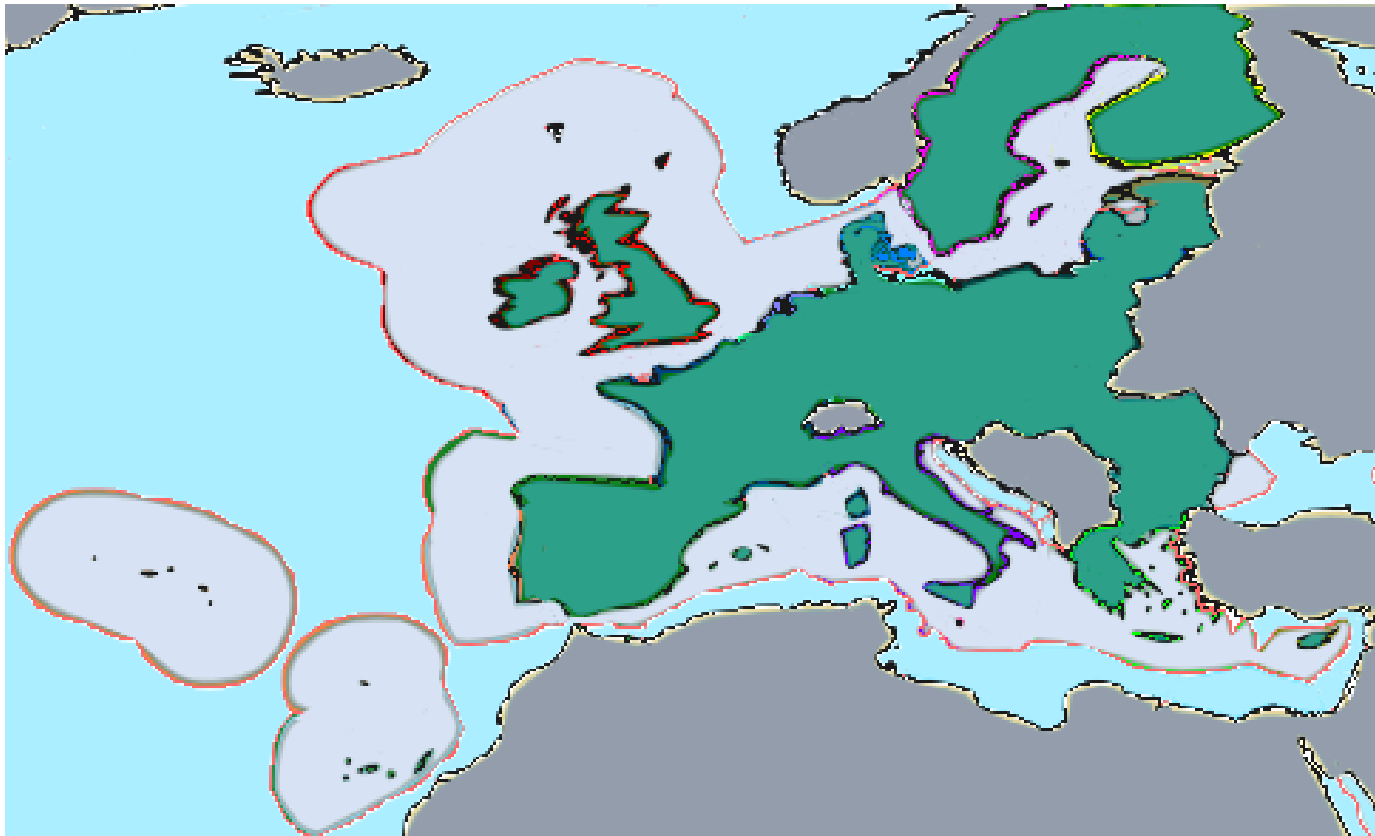


# Problem definition

- 1. Likelihood of an EU major incident is significant (and can be reduced)**  
*Precursor reports UK & Norway;  
frequency analysis of incidents*
- 2. Full-scale consequences of an EU major incident not acceptable**  
*Gaps in EU legislation; maritime response model*
- 3. Provisions for financial liability/recovery are incomplete**  
*Scale of costs and damages seen in GOM*



# Exclusive economic zones in the EU



# Case for EU action

- **No case for non-action:**
  - Accident frequency and costs surprisingly high
  - Industry and MS action uneven
  - EU voice in global efforts (G20, ....)
- **Subsidiarity vs. European interest:**
  - Health & safety of workers
  - Protection of wider communities and the environment: cross-border impacts of spills
  - Deepening of single market: consolidation of product stds
  - Security of energy supplies



# Objectives of EU action

<i>Problem part</i>	<i>General objectives</i>	<i>Specific objectives</i>
<b>1. Risks can be lowered (i.e. too high to accept)</b>	<b>1. To prevent a major incident from occurring</b>	<i>1. Attain best industry practices; feed raising of global standards</i>
		<i>2. Implement best regulatory practices throughout the EU</i>
<b>2. Response measures need improvement</b>	<b>2. To deal with a major emergency should preventive measures fail</b>	<i>3. Implement better emergency preparedness and response in all EU offshore regions</i>
<b>3. Liability provisions incomplete</b>		<i>4. Improve and clarify existing EU liability and compensation provisions</i>

# Measures to implement objectives

Black measures considered separately, red measures not taken further

<i>Specific objectives</i>	<i>Measures Considered (incl. suggestions from stakeholders)</i>
<i>1. Attain best industry practices; feed raise in global standards</i>	<p><i>Establishing a goal-setting (“major hazard report”) regime</i></p> <p><i>Extending EU standards overseas</i></p> <p><i>Establishing a dynamic best practice model for industry</i></p>
<i>2. Implement best regulatory practices throughout the EU</i>	<p><i>Verifying technical capacity during licensing</i></p> <p><i>Establishing an inspections and penalties regime</i></p> <p><i>Establishing EU-wide cooperation for offshore regulators</i></p> <p><i>Ensuring information sharing &amp; transparency at EU level</i></p> <p><i>Establishing EU regulatory body</i></p> <p><i>Achieving consistency of product safety standards across EU</i></p>
<i>3. Implement measures for better emergency preparedness and response in all EU offshore regions</i>	<p><i>Ensuring cross border availability of compatible assets</i></p> <p><i>Ensuring effective response to major offshore incidents</i></p> <p><i>Establishing EU intervention response capacity</i></p> <p><i>Ensuring financial capacity of operators to cover liability</i></p>
<i>4. Improve and clarify existing EU liability and compensation provisions</i>	<p><i>Clarifying scope for environmental liability</i></p> <p><i>Establishing compensation regimes for traditional damage</i></p>

# Key points of Legislative Proposal

- General measures to prevent major accident
- Risk-based planning and operations
- Best practices by operators and regulators
- Transparency/sharing of information
- Co-ordination and co-operation amongst regulators, and with non-EU countries
- Emergency preparedness and response
- Technical annexes for detailed provisions





# Legal instrument: Regulation *raison d'etre*

- Counter the fragmented and uneven application of existing law (Directives).
- Act swiftly and directly on industry – highest priority as the risks are in the industry.
- Limit impact only to MS with offshore licensing.
- Level up all MS to the sum total of best EU practices (no MS has achieved it, but UK, NL and DK closest).
- But Commission continuing to engage on the legal form



MS can set stricter requirements in national legislation (art. 192.1/193 TFEU)

# Legal instrument: Regulation

## *Reaction of stakeholders*

- Most MS opposed to the form of the instrument (except DE, SE) on grounds of unwarranted disruption of national regimes
- BUT all MS in Council supportive and constructive towards principle and substance of the COM proposals
- NGO's strongly in favour
- Industry and offshore TU's strongly against EU regulation
- EP? (Previous opinion – ITRE/Vicky Ford/2011 – supportive of EU intervention)



## EU Offshore Authorities Group - purpose

**First** EU-wide forum for regulators, builds on NSOAF and IRF

**Advisory** role

Identification and exchange of **best practices** for:

*Major Hazard prevention*

*Emergency preparedness*

**Disseminating lessons learned**

From accident investigations

*Facilitating rapid information*

*exchange between national*

*authorities & the Commission*

Identification and exchange of best practices for

**competent authorities:**

*Verifying compliance*

*Execution of projects*

*Auditing and enforcement*

**Comment** on new (national) legislation and EU or international proposals for oil and gas industry





Thank  
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for  
your  
attention

[http://ec.europa.eu/energy/oil/offshore/standards\\_en.htm](http://ec.europa.eu/energy/oil/offshore/standards_en.htm)