

BRIEF UPDATE

FROM THE HEALTH, SAFETY & ENVIRONMENT DIVISION



MACONDO RIPPLES..... New EU Oil and Gas Health and Safety Regulations

The ripple effect from the Macondo (Deep Water Horizon) spill has been felt by the oil and gas industry and regulators worldwide. Draft EU legislation is expected this autumn seeking to add to the regulatory regime on the oil and gas industry. A press release from the European Parliament gives us a flavour of what may be to come.

In the immediate wake of Macondo the UK resisted calls for a moratorium on deep water drilling. The UK already has one of the strongest regulatory systems for the oil and gas industry having evolved to meet challenges in the past (most notably Piper Alpha). It seems unlikely that there will be organic change to UK regulation, however, increased enforcement and adaptation of existing regulations is apparent through increased numbers of safety and environmental inspections; increased emphasis on oil spill planning for new wells; and technical guidance issued by the HSE.

Further responses by the UK include:

- Launching OSPRAG, a joint industry and government group to review the UK's ability to prevent and respond to oil spills
- New well capping technology
- A study by OSPRAG of the estimated costs of oil spill clean up in the UK
- Recent testing of the National Contingency Plan off the coast of Shetland

There is strong feeling that the appropriate response to Macondo should not be more regulation. Controversial European plans to crack down hard on oil companies have come under attack from the UK and other national governments.

Despite the importance of the issue the recent press release from the European Parliament's Industry, Research and Energy (IRE) Committee has gone largely unreported. The brief release outlines recommendations to the EU Parliament in response to Macondo. The IRE Committee recommends:

- Conditions for obtaining a drilling licence
- Protection of anonymous whistle-blowers
- Regular training programmes for employers and employees
- Responsibility based on the polluter pays principle
- That national contingency plans must be kept up to date with sufficient equipment to deal with worst case scenario spills

On a positive note the IRE Committee expresses doubts as to the value of having a European regulator in addition to national regulators.

The actual substance of the draft legislation remains to be seen. While this may be a taste of what is to come we await the Commission's draft legislation to see if the ripple does indeed become a wave. We will keep you informed.

In the meantime, if you would like further information on this or any other aspect of Health, Safety and Environmental law please contact any member of the P&W HSE team:

Rona Jamieson

RMJamieson@paul-williamsons.co.uk

+44 1224 618588



Lynne Moss

LMoss@paul-williamsons.co.uk

44 1224 618542



Diana Hall

DMHall@paul-williamsons.co.uk

+44 131 226 6180



Lynne Gray

LCGray@paul-williamsons.co.uk

+44 1224 618511

