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# **North Sea Safety Regulators** **responses to Macondo/Montara**

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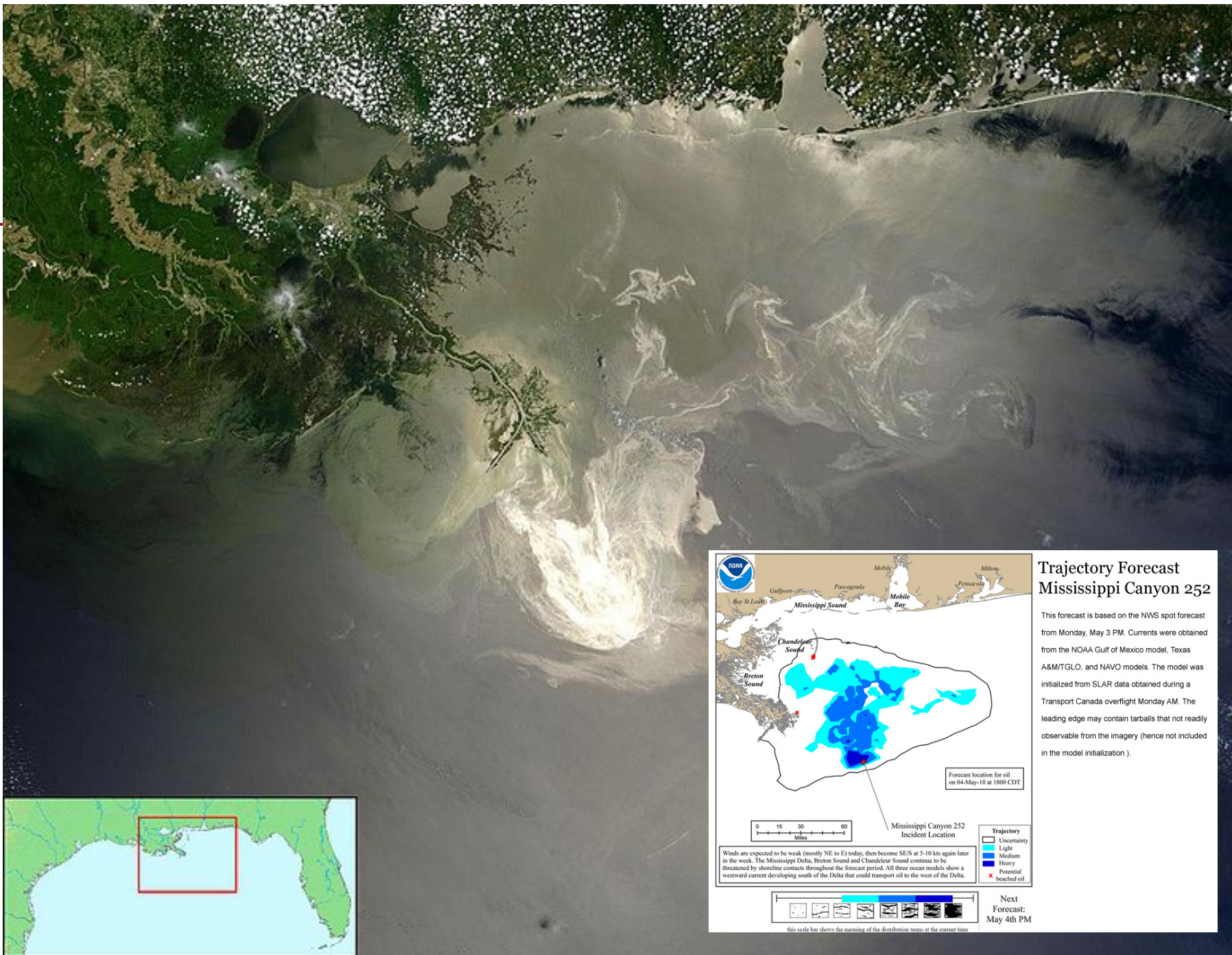
**UK Health & Safety Executive (HSE)**

# North Sea Regulators responses to Macondo & Montara incidents

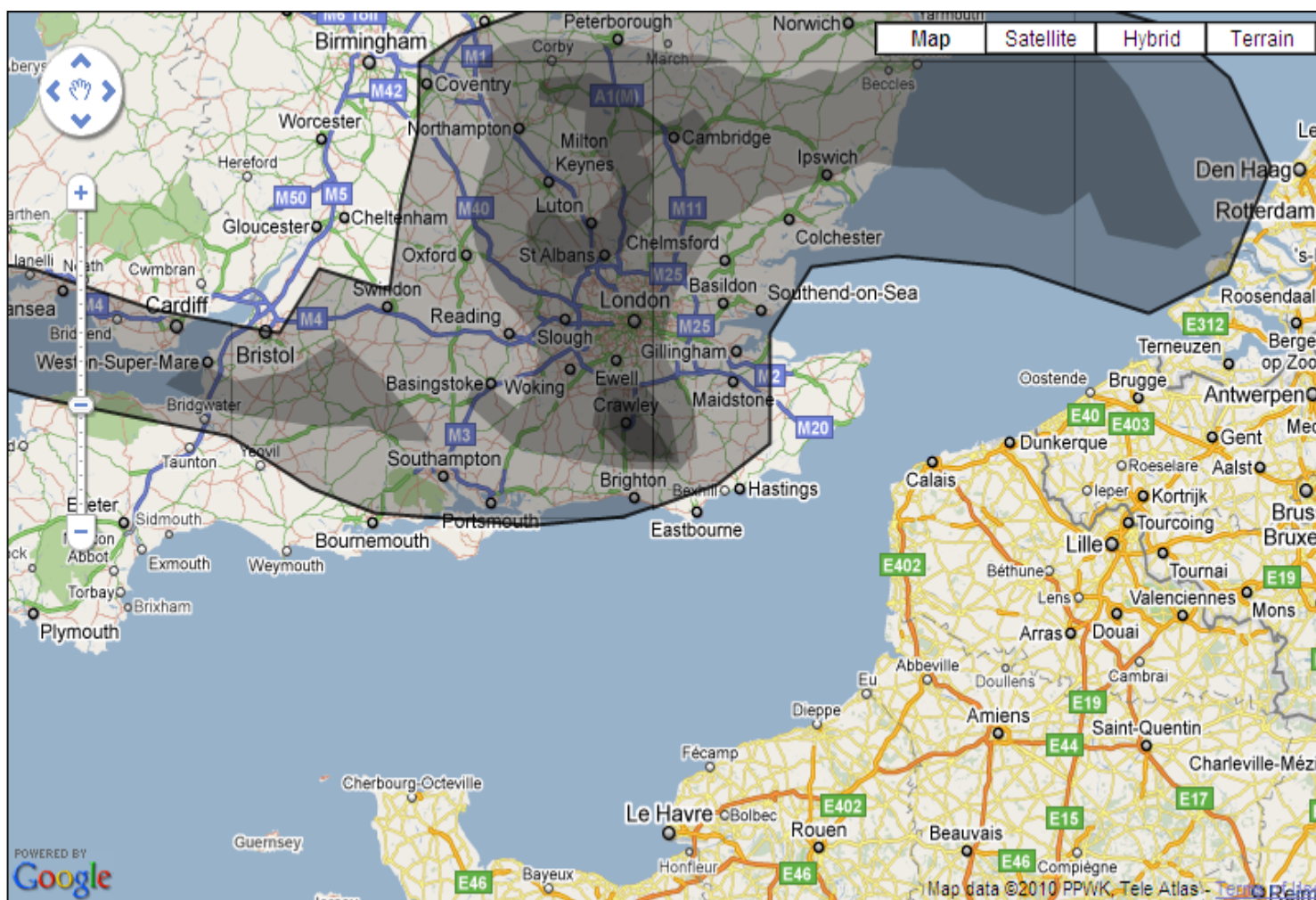
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- Introduction
- Summarise what regulators have done so far:
  - Political responses
  - Working with industry
  - Regulatory/supervision actions
  - Capturing lessons from GoM investigations
- Response of North Sea Offshore Authorities Forum (NSOAF)
- Regulatory authority priorities for the future
- Way forward







## Initial political reaction in North Sea

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- Montara – little notice apart from specialist press
- Macondo - first few days, interest was relatively narrow, BUT.....
- Media and political attention quickly developed:
  - Waking up of European public awareness of environmental oil spill consequences within the “enclosed” North Sea
  - Public/press realisation of deep water drilling by Norway and UK in the North Sea
  - In UK, focus on BP as a “British” company in USA
  - Growing sophistication of media stories, Greenpeace activities etc
  - Appreciation of financial and economic aspects - > moved to the financial pages!
  - Wide political interest aroused

# Regulatory response

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- General high demand for regulatory reassurance by Ministers/politicians
- In UK:
  - high level of questions raised in Parliament and by Ministers
  - a special “Select Committee” of MPs created to assess need for moratorium of deepwater drilling in UK
  - a formal independent review of UK’s offshore regulatory regime
- In NL & N
  - Similarly high interest from their Parliaments/Ministers/Media, but no political initiatives
- In DK
  - Political discussion, and Ministerial interest in DEA Review, but no call on specific action
  - n. DK initiatives: Minister was informed about authority’s result of review and assessment.

# Regulatory response

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- In general, North Sea national regulators had to rapidly reassess whether their existing regimes in the North Sea were robust
- Compared and contrasted North Sea –v- Gulf of Mexico:
  - Mature, goal setting safety regime, built on lessons from Alexander Kielland, Piper Alpha etc
  - Established Safety Case or equivalent regime within European offshore legislation
  - Safety culture/work force involvement in North Sea

# Examples of initial responses by regulators

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- Subsequently, measured approaches by North Sea regulators. For example:-
- NL wrote to all operators, and initiated a self assessment of drilling operations by operators against the initial Salazar Recommendations from U.S.
- N engaged with industry to get industry action on improvement measures.
  - PSA in-house project on industry causes and areas of improvement, with an interim report in June 2011.
  - Seminar arranged 23 September 2011 where all stakeholders participated.
- UK reinforced existing approach, plus:
  - Increased well control assessment during MODU offshore inspections
  - Increased “peer review” of well integrity decisions, particularly deepwater wells (>300 metres)
  - Increased liaison and joint inspections with offshore environmental regulator
  - Fully involved in OSPRAG
  - Feedback to UK tri-partite Oil Industry Advisory Committee (OIAC)
- DK undertook inspection campaign on BOPs, particularly 3<sup>rd</sup> party maintenance
  - Also discussion in DK tri-partite forum (Trade Unions, Industry and Authorities).



# Regulators response (continued)

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- North Sea regulators also worked closely with industry – previous presentation highlighted NOGEPa, OLF and OSPRAG initiatives, all fully supported by their national regulators
  - ...but expected that developed guidelines and actions etc would be implemented!
  - ...and will be monitoring outputs!
- Established mechanisms to analyse reports arising from the U.S. (and Montara) to learn lessons – e.g. UK Deepwater Horizon Internal Review Group, Norway PSA Project Team, Denmark DEA review of reports and subsequent assessment of regulations and enforcement.

# Safety regulator coordination with environmental regulators

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- Macondo stimulated improved coordination between safety and environmental regulators – few North Sea countries have joint regulators or regulatory systems
  - UK increased liaison and improved Memorandum of Understanding between HSE & DECC
  - NL initiated a steering committee for improving the emergency response (by both industry and government) - SSM/Maritime Authorities/Industry
  - DK: Close cooperation between safety authorities (DEA), environment authorities (DEPA) and maritime authorities has been in place long before Macondo. Follow-up on Macondo a joint initiative.

# North Sea Offshore Authorities Forum (NSOAF)

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## NSOAF AIMS AND OBJECTIVES

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- Founded in 1989, NSOAF members are :-
  - Denmark
  - Faroe Islands
  - Germany
  - Ireland
  - Netherlands
  - Norway
  - Sweden
  - United Kingdom
- Exchange information, examples of best practice and lessons learnt from incidents
- Develop common positions and joint initiatives
- Reduce the difficulties due to differences in regulatory regimes and requirements

- Regional forum for sharing responses to Macondo
- Used Wells Working Group to take forward issues:-
  - Cross checked NOIA/ regulator initiatives against failures identified in U.S. reports
  - Identified issues which lacked or needed more attention
  - Concluded regulatory regimes are fundamentally sound
  - Main outstanding concerns:
    - Human Barriers (values/beliefs/competency)
    - Organisational Barriers (safety culture/supervision/competency assurance)
  - Proposed multinational audit in North Sea on blowout prevention focussing on Human and Organisational factors



# NSOAF and the European Commission

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- Deepwater Horizon initiated significant ramping up of European Commission interest in offshore matters
- Key areas being
  - Relative comfort in North Sea regulation, but concern about Mediterranean and Black Sea
  - Liability issues
  - Adequacy of cross-Europe oil spill response
  - Transparency /openness issues
- European Commission communication in October 2010 set out their views on way forward
- NSOAF working with the European Commission as it develops proposals for strengthening offshore oil & gas regulatory regimes set out in European law – more later from Jan Panek.

# What are the North Sea regulators priorities for the future?

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- Things are now different! More challenging environment (for regulators and industry alike), especially deep water
- Real need to learn from Macondo/ Montara – still awaiting CSB report (key for “why” rather than “how”)
- Ensuring industry continue to take forward and implement improvements
- Human and organisational factors in drilling
- Improving coordination of safety and environmental issues
- Improved consistency of regulation within the North Sea by continuing regional cooperation between regulators
- Respond to drives for greater transparency

# North Sea “pillars” for acceptable regulation of offshore safety standards

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1. The legislative and standards framework
  - Those who create the risk must manage them
2. Strong and competent regulator
  - Constructively, and robustly challenges the risk creators
  - Targeted, proportionate, consistent and transparent approach
3. A committed industry
  - Understands and buys into the regulatory framework
  - Delivers obligations effectively and consistent
  - Creates a safety culture
  - Engages with those exposed to risk – the workforce

# Way forward

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- We must all learn the lessons from Macondo and Montara
- Multiple barriers breached = change any feelings of invulnerability -> “chronic unease”
- “Most of the mistakes and oversights at Macondo can be traced back to a single overarching failure – a failure of management.”
- Concentrate on all three “pillars” together:
  - Framework of legislation and standards
  - Strong, competent, effective regulators
  - Commitment of industry and its workforce.