Resolution on EU action on oil exploration and extraction in Europe

2010/2873(RSP) - 07/10/2010 - Text adopted by Parliament, single reading

The European Parliament adopted 601 votes in favour, 23 against and 13 abstentions a resolution tabled by the Committee on the Environment, Public Health and Food Safety on EU action on oil exploration and extraction in Europe.

Expressing its solidarity with the victims of the Deepwater Horizon oil spill disaster, Parliament calls for technical advice and support to be provided by the EU in response to this disaster. It recognises the urgent need to adopt a common European, cross-border oil spill prevention and response system, and calls on the Commission to follow closely the results of the investigations by the US authorities into the human, natural and technological factors which led to the disaster in the Gulf of Mexico, so as to draw all the conclusions necessary to prevent the occurrence of such events on offshore oil platforms in EU maritime and coastal waters.

Members consider that the **current environmental liability legislation contains several important gaps** and they call therefore on the Commission to consider revising the content and extending the scope of current EU legislation (including the Environmental Liability Directive, the SEVESO II Directive and the measures comprising the Erika and Third Maritime Safety Packages) and/or introducing any necessary new legislation to take into account all risks of off-shore exploitation and **strengthen the rules governing liability in the event of oil accidents**. They want the Commission to develop rigorous EU-wide accident prevention policies for oil platforms, and to extend the scope of the SEVESO II Directive to oil rigs. Parliament makes a series of recommendations, asking the Commission to:

- review the EU's capacity for immediate response to accidents involving offshore installations and to develop a European action plan in cooperation with Member States. Special attention must be given to the Arctic zone, due to its fragility and its importance in mitigating climate change, and the Mediterranean, Baltic and North Sea area has to be taken into consideration;
- in particular to review the current legislation under which the holders of offshore oil exploitation licences can lease installations to third parties, in order to ensure that liability for damage to human life and the environment caused by accidents and disasters on offshore oil platforms may be more easily established in subsequent civil litigation;
- include compulsory financial security provisions under the Environmental Liability Directive, since there are no provisions for compensation in the event of an oil disaster;
- lower the damage threshold under the Environmental Liability Directive and to include damages caused to marine waters within its scope;
- make provision for specific mechanisms to compensate for any damage caused by third-country offshore oil operations that border the EU;
- examine the decommissioning of existing drilling infrastructure, taking due account of existing international and national regulations in this area, and to clarify, if necessary by way of legislation, the responsibility of operators for ensuring safe removal and liability for any environmental damage resulting from the decommissioning of offshore infrastructure and any environmental damage arising from an offshore installation or drilling site after it has been decommissioned;
- introduce a rigorous and mandatory framework for company disclosure regarding environmental, social and governance practices, and to consider measures to enhance the engagement of institutional investors with companies regarding the investment risks of poor environmental practices;

- in the review of the Environmental Impact Assessment Directive, to ensure that all seabed activities are subjected to a mandatory assessment, that the quality of EIAs is guaranteed and that hyper-hazardous activities such as seabed drilling are not permitted to proceed where an EIA indicates that risks cannot be satisfactorily mitigated.

Members believe that it is of the utmost importance that **the Commission examine all financial and liability questions** associated with offshore exploration in the EU with a view, if necessary, to the **introduction of compulsory EU-wide insurance or other appropriate instruments**, for example the establishment of a special European fund to be maintained by mandatory contributions from operators of offshore installations. Any such instrument must take full account of the responsibility of such operators, ensure that operators have sufficient insurance or other financial guarantees in place to secure restoration and compensation in relation to environmental damage caused, and provide for additional financial guarantees, for example in the form of funds, for restoration and compensation where operators' financial guarantees are not sufficient.

Parliament goes on to note that any legislative proposals must ensure a comprehensive legal framework which:

- prevents as far as possible potentially hazardous seabed activities from causing damage to the marine and coastal environments;
- guarantees that full liability rests with the polluter in relation to any damage caused by such activities, including damage to the terrestrial and marine environments and to the global climate;
- secures the protection of European biodiversity in marine and coastal environments;
- ensures that, before any economic activity is planned, independent experts conduct an environmental impact assessment

The resolution states that the mandate of the European Agency for Maritime Safety (EMSA) should be extended from vessels to offshore installations, and calls for the conferral of any such new tasks to be reflected in the EMSA's budget and staff numbers.

Lastly, Parliament calls on the Commission to publish an annual report prepared in cooperation with Member State authorities and independent experts that should assess the technical safety and security of installations and offshore oil platforms operating in EU maritime and coastal waters.

It should be noted that while the Environment Committee and many MEPs favoured a moratorium on any new deep-sea drilling in the EU, a majority (323 votes to 285) considered this a step too far.