

Safety of offshore oil and gas operations

2011/0309(COD) - 21/05/2013 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 572 votes to 103 with 13 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council on safety of offshore oil and gas prospecting, exploration and production activities.

Parliament adopted its position in first reading following the ordinary legislative procedure. The amendments adopted in plenary are the result of a compromise between Parliament and Council. They amend the Commission's proposal as follows:

Legal form: the proposed Regulation is replaced with a Directive **of the European Parliament and of the Council** on safety of offshore oil and gas operations and amending Directive 2004/35/EC. This Directive establishes minimum requirements for preventing major accidents and limiting the consequences of major accidents in offshore oil and gas operations.

Prevention of major accidents: Member States shall ensure that operators take adequate measures to prevent major accidents on offshore oil and gas operations. In case of a major accident, operators must ensure they have access to **sufficient physical, human and financial resources** to prevent major accidents and limit the consequences of such accidents.

Financial capacity of an applicant: decisions on licences to carry out operations must take into account the financial capability of the applicant for a licence, including any **financial security**, to cover liabilities potentially deriving from the offshore oil and gas operations in question. This includes **liability** for potential economic damages where such liability is provided for by national law.

The licensing authority must not grant a license unless it is satisfied that the applicant has provided evidence that adequate provision has been or will be made to cover liabilities potentially deriving from its offshore oil and gas operations.

Independence of authorities: Members consider that it is crucial it is to ensure the independence of the authorities responsible for assessing the safety and environmental risks of operations, from those competent for issuing the drilling authorisations.

Documents to be submitted for undertaking operations: according to the amended text, the operator or the owner of a non-production installation must submit to the competent authority a copy of the **corporate major accident prevention policy**, the company safety and **environmental management system applicable to the installation**, a **report on major hazards** before the planned commencement of the operations.

Workers' representatives must be consulted at the relevant stages in the preparation of the report on major hazards.

Internal and external emergency response plans: operators must prepare internal emergency response plans taking into account the major accident risk assessment undertaken during preparation of the most recent report on major hazards. This shall include an **analysis of the oil spill response effectiveness**.

Member States shall prepare external emergency response plans covering all offshore oil and gas installations or connected infrastructure and potentially affected areas within their jurisdiction. They shall specify the role and financial obligation of licensees and operators in the external emergency response and include reference to such information in the external emergency response plans.

Independent verification: the operator or the owner of a non-production installation must submit to the competent authority a description of the scheme of independent verification. Operators and owners of installations must respond to and take appropriate action based on the advice of the independent verifier.

Public participation: the text provides that the drilling of an exploration well from a non-production installation shall not be commenced unless the relevant authorities of the Member State have previously ensured that early and effective public participation on the possible effects of planned offshore operations.

Implications of the European Maritime Security Agency (EMSA): the Agency should assist Member States at their request in: (i) detecting and monitoring the extent of an oil or gas spill; (ii) the preparation and execution of external emergency response plans, especially when there are transboundary impacts beyond offshore waters of Member States.

Cooperation between Member States: competent authorities must regularly exchange knowledge, information and experience with other competent authorities inter alia through **the European Union Offshore Oil and Gas Authorities Group (EUOAG)**, and engage in consultations with industry, other stakeholders and the Commission.

Cross-border effects: in the event of a major accident, the competent authority of the Member State in whose waters the accident has occurred shall, without delay, notify the Commission, other concerned Member States and their competent authorities and the public concerned about the accident and the steps being taken to limit the effects on the environment and human health. It shall submit, before the start of the operation, useful information to the Member States likely to be affected.

Trans boundary effects: where a Member State considers that a major hazard relating to offshore oil and gas operations that are to take place under its jurisdiction is likely to have significant effects on the environment in another Member State, it shall, prior to the commencement of operations, forward the relevant information to the potentially affected Member State and shall endeavour, jointly with that Member State, to adopt measures to prevent damage.

Coordinated approach at international level: the Commission should: (i) encourage cooperation with third countries that undertake offshore oil and gas operations in the same marine regions as Member States; (ii) facilitate the exchange of information in order to promote preventive measures and regional emergency response plans; (iii) promote high safety standards for offshore oil and gas operations at international level in relevant global and regional fora.

Arctic: bearing in mind that Arctic waters play an important role in mitigating climate change, Member States who are members of the Arctic Council are encouraged to actively **promote the highest standards with regard to environmental safety** in this vulnerable and unique ecosystem, such as through the creation of international instruments on prevention, preparedness and response to Arctic marine oil pollution.

Application and transposition: landlocked Member States will not have to transpose the majority of provisions of the Directive. However, where a company that is active, itself or through subsidiaries, in offshore oil and gas operations outside the Union is registered in a landlocked Member State, that Member State should request that company to provide a report on accidents occurring in such operations, which can be shared at Union level.

