



UKCS WORKING TIME APPEAL DROPPED

In the wake of a decision by a Scottish Court that UK working time regulations apply to the entire UK continental shelf, the offshore joint industry employers group decided not to appeal the decision. Proceedings on the merits of whether they are fully compliant with the EU Working Time Directive, a position disputed by the trade unions, will be expedited. The employers, including IADC, had petitioned the court to find that UK implementing regulations as written applied only within 12 miles offshore. While a decision was pending, the employers hoped to come to terms with the unions on the substance of their dispute. Since that didn't come to pass, the employers stood down on any further jurisdictional appeal to move on to litigating on the merits of the related cases in Scottish labor tribunals.

A complicating factor still to be resolved is the "Jaeger" case ruling several years ago by the European Court of Justice that suggests that "working time" includes on-call time, which could be defined as virtually all time away from the workplace. That perverse interpretation is opposed by all European industrial associations but can only be settled through remedial EU legislation, which hasn't yet been agreed among the Member States.

US HOUSE TARGETS INDUSTRY INCENTIVES

The US House of Representatives, now controlled by the Democrats, voted to rescind most elements of the 2005 Energy Security Act, which provide tax incentives and other stimuli to the domestic oil and gas industry. Most of those measures

benefit onshore independents, including a long-sought feature to expense geological and geophysical costs. In addition, the House bill, HR 6, would punish offshore operators in the Gulf of Mexico who didn't pay certain royalties on deepwater production for leases acquired in the late 1990s, notwithstanding the fact the MMS contracts didn't provide for the additional royalties. HR 6 would force the operators to renegotiate those lease terms or they would be barred from future deepwater lease bidding. The House measure now goes to the Senate, where it stands little chance of enactment in its entirety.

US TWIC RULES RELEASED

The Transportation Security Administration (TSA) and the US Coast Guard are scheduled to publish a Final Rule for phase one of the Transportation Worker Identification Credential (TWIC) program in the 25 January 2007 Federal Register. The TWIC is mandated by the Maritime Transportation Security Act of 2002, with additional requirements in the SAFE Port Act of 2006. This initial phase of the program addresses issuance of the card and provides a phased-in approach to mandating its use at covered vessels and facilities. The rule is a significant improvement over the proposed rule, published in May 2006. Under the rule, requirements for facilities and OCS facilities to limit unescorted access to secure areas to persons holding valid TWIC cards will be phased in based on port-area risk assessments. Notifications for port areas will be announced by the USCG in the Federal Register. ♠

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