

# Regulations affect contractors in Northwest Europe

**THERE ARE SEVERAL** issues and changes to regulations that affect drilling contractors and others operating in Northwest Europe. IADC works with governmental agencies throughout the region to develop legislation and guidelines beneficial to all stakeholders' especially drilling contractors.

**D o m i n i c Cattini**, IADC's Director, European Operations based in London, discusses several of the more important issues that affect drilling contractors in Northwest Europe, including one that could have an impact on contractors' operations elsewhere in the world.



Dominic Cattini

## UK SAFETY CASE

The UK safety case regulations have a significant impact on drilling contractors and other industry players in the region. The regulations are currently being revised and a consultative document is expected to be issued by July. The contract drilling industry has been very concerned for some time about the way these regulations are interpreted and applied by government inspectors.

The major issues of concern were voiced at a tripartite conference jointly arranged by the **UK Health and Safety Executive (HSE)**, IADC and the United Kingdom Offshore Operators Association (UKOOA). This conference, coinciding with the start of the legislative review process, provided a forum for drilling contractors and others to voice their concerns and criticisms about the existing safety case regime as a whole.

Drilling contractors provided government with a wealth of information about the strengths and weaknesses of the existing regulations and the regime and where improvements could be made. Since the conference in November 2003, IADC has reviewed and commented on two drafts of the revised safety case regulations.

The final draft of these regulations has gone to the Health and Safety Commission, the highest safety authority in the UK, for approval prior to its release for an industry-wide 90-day period consultation. IADC will respond to the request for comments.

Many of the major issues of concern that contractors had were taken into account during the draft review and comment process. Feedback from government indicates that the consultative document should be more acceptable to IADC's members. However, there are still a number of minor issues that IADC will need to address during the final consultation process.

The most significant issue is the notification of combined operations. IADC's concern is that it is unclear in the regulations which party has prime responsibility for producing, compiling and submitting a combined operations notice.

While IADC believes that some form of combined operations document is essential, clarity of this issue is also necessary as each party has very specific responsibilities in terms of their respective facilities. IADC also believes the primary responsibility lies with the operator of a production installation where combined production/drilling operations are proposed.

## WORKING TIME DIRECTIVE

The working time directive and its adoption into national legislation governs the number of permissible, working hours that a person can work per week over a specific reference period. It also identifies an equivalent number of hours of rest and also addresses paid annual leave. In the past the reference period for determining the maximum number of hours worked per week varied between 13 weeks in The Netherlands and 26 weeks in many other countries.

In August 2003, the UK adopted a 52 week reference period that provides more flexibility in scheduling work, rest/vacation and training rota's throughout the industry.

The major area of concern for all has been the lack of definition in terms of rest periods and paid annual vacation or

leave. The governmental agencies decided not to enter into areas of contractual sensitivity, especially where there were employer and employee negotiations in terms of paid annual leave. The other difficult area was rest periods because of the variety of working schedules the industry has adopted.

For example, in some parts of Europe it is one week on and one week off. In other parts the standard can vary from two weeks on, two weeks off, to two weeks on and four weeks off. Because of this, the rest period issue has become somewhat complicated, although most workers receive a minimum of 26 weeks rest per year.

A common industry view, supported by government is that the issue of rest and vacation leave is synonymous, with offshore workers taking vacation taken during their onshore rest period.

On 1 August 2003 member states were required to adopt into national legislation, the European Union "Horizontal Amending Directive" applying the Working Time Directive to previously excluded sectors of industry, which included the oil and gas sector. However, many jurisdictions in Europe have experi-

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enced difficulty in implementing this directive because of the way offshore work is undertaken.

A major review of the Directive's implementation was requested by the European Commission of all national governments in the member states. Detailed comments were submitted to the House of Lords in the United Kingdom, to the Ministry of Social Affairs in the Netherlands and the Ministry of Social Affairs in Denmark. Each government agency

has responded to the European Commission's request for comments. The result of the EU's deliberation of these comments was inconclusive and now the European Commission has launched a second consultation of the social partners on working time in an effort to resolve the impasse reached

It is hoped that this second round of consultation will provide the European Commission with sufficient clarity to make a decision. A particular issue under consideration is the ability for countries to retain the current "opt-out" from specific aspects of the Working Time Directive, namely maximum working time and working week.

The final decision will eliminate the confusion that has been taking place and generating bad feelings between employers, employees and trade unions.

Currently, the single most contentious issue is that of annual leave. The industry view is that annual leave is an integral part of the rest period onshore and it is not something additional to that.

While the trade unions have been fighting for an additional four weeks paid annual leave in addition to the 26 weeks rest period, industry believes that the paid annual leave is already part of the 26 weeks rest period.

## TRAINING

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Earlier this year, IADC was asked by the North Sea Offshore Authorities Forum to enhance their pan-European training matrix into a full harmonized competency training program for Northwest Europe.

The reason for this stemmed from the difficulty the various oil and gas industry associations in the region had in agreeing to harmonize their training programs.

IADC was tasked with putting together a pan-European training program that also addressed the requirements of the **International Maritime Organization's** (IMO) Standards for Training, Competency and Watchkeeping (STCW) into the overall training program. This

would enable marine crew members who had undertaken STCW training courses to be given credit for such training and eliminate the need to undertake certain other training as required for people new to the offshore oil and gas sector.

IADC is currently working towards one training standard for the entire North Sea. This will avoid duplication of training effort and reduce unnecessary cost burdens associated with undertaking similar training courses when crossing borders, making it more beneficial and acceptable not only to industry but to governments as well.

The training program is currently under development and it is hoped that a final program will be available by the end of the year.

Certain milestones are to be met. IADC presented a concept to regulatory agencies on 8 June and an update on 30 June. There is another milestone in September with the final program to be completed by December.

The training program being developed by IADC is predominantly the same as undertaken by contractors in the various North Sea countries today. The IADC program is harmonizing five existing programs and incorporating the IMO STCW requirements for rig and marine crews.

IADC has developed a common functional matrix of crew members rationalizing the differing terminology used by many. This has been one of the major tasks of the program so far.

All personnel will undertake the same training as they are currently doing. IADC is building into its program the STCW training so that the marine crews used in moving drilling units from location to location can receive credit for the IMO training that they currently undertake.

The syllabus for the IADC offshore competency training program will draw on the various training guidelines currently in use such that there is no differentiation between the requirements.

The training program will be implemented primarily across the North Sea but interest has also been shown in it as far away as Canada and Australia, so although the program will begin in the North Sea region, it is likely to be adopted in a much broader area and possibly used globally.

IADC does not want to reinvent the wheel that IMO has already created but rather to build on what IMO has created for the various offshore regulatory agencies around the world. Each agency has specific requirements for training and competency.

IADC will build on those standards and the standards created by the industry, pulling them all together and making them work seamlessly.

While the training is initially directed to offshore operations, IADC's aspiration is to have one standard for offshore and one for onshore throughout Europe.

Most contractors apply the same principles of training. Courses in the North Sea are very similar if not identical, so there will be no cost burden or no additional training burden on the contractors. If anything, it will be less. The primary objective is to standardize the training across Europe and offshore.

The training program working group is made up of representatives from drilling contractors in Norway, the Netherlands, the UK and Denmark. Mr Cattini acts as the coordinator of that group, which includes **Noble Drilling** in the UK and

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the Netherlands; **Maersk Contractors** in Denmark and Norway; **Smedvig** in Norway; **Dolphin** in Norway; **Global-SantaFe** in the UK; and **Rowan Drilling** in the UK.

## HSE CASE GUIDELINES

The Northwest European Health, Safety and Environment Case Guideline has been adopted by every drilling contractor in the North Sea region. The first version of the document was launched in February 2003.

The second version was launched at the end of June 2004. This latest version reflects changes in legislation in Norway, Denmark and The Netherlands and a minor addition in relation to blowout control systems. The document was presented to European regulators at a meeting of IADC's European Working Group which coincided with the IADC World Drilling 2004 Conference in Dubrovnik, Croatia.

It has become apparent that enhancements to the document will need to be made over the next 6-12 months to incorporate a combined operations matrix of permitted operations to assist drilling contractors when entering into combined operations with other facilities.

If a drilling rig is located next to a production installation and drilling is undertaken while the production installation is still producing, then two distinct operations are taking place simultaneously.

The matrix of permitted operations identifies what operations can be safely undertaken simultaneously with others and what operations should be avoided.

This will be a major enhancement to the document, which has been brought about by a change in the UK safety case regulations.

One of the major changes proposed is the removal of a combined operations safety case so IADC will provide guidance to its members on this issue.

In the past, every drilling contractor had to provide a document to each regulatory agency for each of their rigs that describes the drilling unit, the management system employed on it, the safety features built into it and the activities that are performed on it and then undertake a risk analysis, to identify and ensure that all activities can be performed safely.

The IADC document is a pan-European document, which means that a drilling contractor only has to produce one document for a drilling rig to operate in any or all of five North West European countries (UK, Norway, Denmark, Germany and the Netherlands).

However, the document is even more widely accepted than Northwest Europe. IADC is aware that oil companies in Canada, Gulf of Mexico, Cuba, Angola and other parts of West Africa, as well as Australia are asking for the same type of document to be submitted in those regions.

IADC's aspiration is to make the Northwest European Health, Safety and Environment Case Guideline an international HSE case guideline with region specific annexes.

Presently, the guidelines apply only to offshore. When it is updated again with the combined operations matrix, IADC intends to produce a specific document addressing onshore operations.

IADC has made presentations to regulatory agencies in the five European countries mentioned as well as the Faeroes Islands.

These presentations have focused on the contents of the document, use and experience of developing safety cases based on the guidelines and preparing the regulators as to what to expect from IADC's membership. The presentations began in June 2003 and the final presentation was in the Faeroes in April 2004. ■