

# IADC tackles multi-faceted European issues

**THE DEMANDS OF** European legislation and regulation are worked both by IADC's Government Affairs Department and its European office. At the national and EU level, IADC Senior Vice President **Brian T Petty**, works key issues, such as the Working Time Directive, EU Maritime Strategy and UK revenue and customs.

Meanwhile, London-based **Dominic Cattini**, Director-European Operations, is working a wide range of regulatory, HSE and training issues. (For a comprehensive report, see the July/August 2005 edition of DRILLING CONTRACTOR.)

## EU MARITIME STRATEGY

At its semi-annual meeting in Brussels, the OGP EU Strategy Committee resolved to oppose certain preliminary proposals of the European Commission in developing its "Strategy to Protect and Conserve the Marine Environment." Especially troubling is the possibility it could contain an unqualified zero oil discharge objective for offshore installations and, additionally, halt the use of certain drilling muds.

Current regulations are such that the use of oil-base drilling muds is restricted. Their release to the maritime environment is only authorized in certain circumstances. It is essential, particularly for directional drilling that is frequently used to avoid drilling in environmentally sensitive areas, that access to a full range of drilling muds remains possible.

OGP chairman **Stig Bergseth** of **Statoil** sent a letter to Commissioners pointing out that discussions in 2004 among DG Environment and stakeholders, including OGP, specifically excluded the zero discharge objectives.

## WORKING TIME DIRECTIVE

In the first reading of legislation revising the EU Working Time Directive, the newly organized European Parliament, as expected, voted to accept the recommendation of Socialist MEPs to eliminate the "opt out" provision utilized widely in the UK to increase working times beyond 48 hours weekly. Parliament also supported expanding the definition of "on call" time as "working time" to comply with inconsistent decisions in the European Court of Justice.

However, the European Commission takes a very different view of the "on call" issue and is pressing for a much more limited calculation, essentially con-



Brian T Petty



Dominic Cattini

sidering an employee on call when arrived at the staging area of his employment, not just sitting at home waiting for his employer's call.

EU employer groups led by UNICE are taking a very aggressive stance against the Parliamentary action. Parliament must come to terms with the Commission before any legislation can be enacted.

As for the "opt out", the UK is confident it can form a blocking minority to preserve it. Now comes the difficult work among EU member state senior trade and commerce officials to thrash out legislation leading to a second reading in Parliament late this fall.

UK DTI are expected to take a lead position in those talks, generally supporting the employers' arguments that eliminating the "opt out" and expanding the definition of "on call" time would be job killers.

The UK holds the EU Presidency for the second half of 2005. IADC has been working in London with DTI and in Brussels with OGP to make the case that such changes would severely constrict offshore operations, as would any changes in the annual reference period or settled understandings of what constitutes compensatory rest, also areas of remaining disagreement between the Parliament and Commission.

## UK REVENUE AND CUSTOMS

The UK government has completed the reorganization of its separate Inland Revenue and Customs authorities into a new agency, UK Revenue and Customs. Inland Revenue had an established Offshore Contractors Forum and invited

IADC to join to advise on tax matters and legislation affecting offshore E&P activity in the UKCS.

IADC formally accepted the invitation at June 2004's International Tax Seminar where officials of Inland Revenue presented their proposal to IADC's membership.

IADC addressed the Large Business Service (Oil and Gas) division of the new combined entity in May 2005 in London to provide an overview of IADC and its specific tax and customs interests in the UK. Senior officials of Revenue and Customs in turn participated in IADC's 2005 International Tax Seminar last June.

## HSE CASE GUIDELINE

A meeting with drilling contractors was held last May in Houston to achieve an agreement to produce a global HSE case guideline to become a harmonized standard for the companies to utilize if they desire or if they are required to produce a safety case. The document was renamed IADC Health, Safety and Environment Case Guideline and addresses global operations.

Subsequently, **Transocean** has undertaken a gap analysis to determine where the Northwest Europe HSE safety case guideline differs from HSE case guidelines embraced by oil companies. The reason for the gap analysis was to ensure that industry's guideline will be acceptable worldwide to regulators and oil companies that require HSE cases.

## COMPETENCY TRAINING

A meeting was held at the end of August to progress the competency training program to the next stage. The committee is working on the fourth revision of the program in an effort to align the program to IMO Resolution A891 and to gain wider acceptance to IADC membership outside Northwest Europe.

IADC is also working with the North Sea Offshore Authorities Forum to develop the program, and a European training working group of about 15 contractors is assisting in its development. IADC also has ongoing dialog with regulators to communicate the progress achieved and to discuss future work. ■