

GIRG 19 –Is Asia Ready?

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ABSTRACT

The year 2010 witnessed one of the most significant spills in the history of the oil and gas industry. The Macondo incident resulted in loss of life, as well as economic and ecological impacts. Following the Macondo incident, the industry, government and the general public are now acutely sensitive to both small and large scale oil spill incidents. The very nature of the Macondo spill, including the scope, scale and the complexity of the response, has prompted the oil industry to enhance their current capability levels of oil spill preparedness and response.

The International Association of Oil and Gas Producers (OGP) established the Global Industry Response Group (GIRG) in July 2010 to identify, learn from and apply the lessons of Macondo and other similar spill incidents. Working closely with national and international regulators and industry associations, GIRG has developed several key recommendations, focusing on three core areas of Prevention, Intervention and Response, aimed at reducing the likelihood and consequence of a large scale incident. Within the context of Response, the recommendations have become known as the 'GIRG 19'.

This paper aims to present a detailed look into the current capabilities in the Asian region with respect to the GIRG 19. This paper will present existing capabilities, and highlight some of the issues and challenges that are unique to the region, which may delay full implementation of the GIRG recommendations.

Introduction

Recent incidents like the Montara and Macondo well blowouts in Australia and the US are stark reminders of the inherent risks associated with offshore operations. The consequences of these incidents have bought an increased focus and scrutiny from the regulator and other stakeholders primarily in terms of their risk and ability to manage associated events.

The International Association of Oil & Gas Producers (OGP) formed the Global Industry Response Group (GIRG) in July 2010. The main aim of the GIRG is to ensure that the lessons learned from recent blowout events with respect to the cause and response to the incident are applied around the world. To achieve this objective, three subgroups were formed on Well Design/Operating Procedures, Capping and Containment and Oil Spill Response. The Oil Spill Response subgroup of the GIRG (GIRG-OSR) has so far put forward 19 key recommendations addressing a number of response related issues, (GIRG-19) to be studied, developed and promoted internationally. The successful development and implementation of these recommendations is expected to further strengthen the response to any such oil spill incidents in the future.

The Asian region also had its fair share of oil spill incidents. And with the increasing demand for Oil and Gas in the region, the Exploration & Production (E&P) activities have shown a steep increase over the past years. According to the recent statistics published in the Upstream online, there are approximately 140 active rigs in the Asian region. This is nearly a 20 percent increase compared to last year. With

this growing activity, arguably the risk profile within the region also increases. As the GIRG-19 aims at promoting “good practices” related to spill response internationally, it is worth looking at the existing capabilities and some of the issues and challenges that are unique to this region which may delay the full implementation of the GIRG recommendations.

For the purpose of this paper the discussions will focus on issues concerning Dispersants, In-Situ burning (ISB), surveillance of oil spills and the importance of conducting effective exercises. It is suggested that these items clearly need a solid foundation in terms of oil spill preparedness. Any initiative without addressing these elementary issues would be like “storing water in a leaking container”.

Preparedness Policies in Asia

The Asian region has made notable progress over the past few decades in terms of promoting oil spill preparedness and response. Most of the countries in the region have been successful in developing a National Oil Spill Contingency Plan (NOSCP), designating a competent National Authority for implementing the plan and ratifying relevant international Conventions. The graph below gives an indication of the existing level of oil spill preparedness in the region.

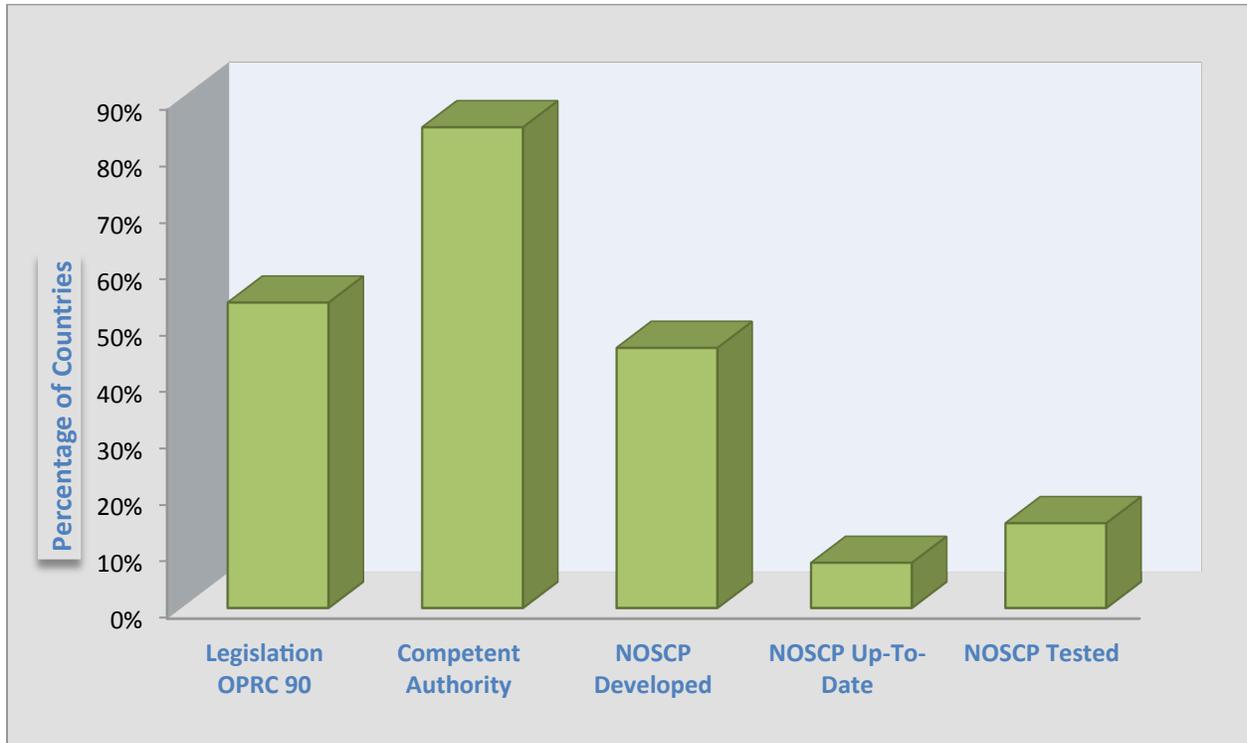


Figure 1: Oil Spill Preparedness Indicators of Countries in Asia*

***Note:** The countries from the Asian region that were studied for the development of data presented in this paper are listed in the Appendix Section

Mostly, the region has a wealth of policies and regulatory framework with regards to oil spill preparedness and response. Unfortunately most of these plans are not kept current or not tested to ensure its effectiveness in the event of an emergency. Transparency is another issue, for most of these countries, even though there are policies and a plan, they are not publicly available. This lack of transparency and accessibility of information can be a matter of confusion and frustration while working on any preparedness projects in the region. A successful conclusion for the GIRG-19 is feasible in the region only if these issues are addressed, alternatives are worked out with relevant stakeholders and proper implementation is facilitated.

Dispersants

One of the key recommendations made in the GIRG-19 is to increase awareness to reinforce the effectiveness and value of the use of surface, aerial and subsea dispersants among key stakeholders and the importance of having quick decision making protocols to approve their use in the event of an incident. This is one of the recommendations by GIRG-OSR, which might require a lot more effort than initially intended, for a successful implementation in the Asian region.

The use of dispersants as an effective response option has been advocated in the region for more than twenty years. Through the engagement work carried by various groups we have seen positive steps in getting many countries to accept dispersants as a response tool, however a closer look reveals a much less than perfect picture.

It can be observed that there is still a reluctance to consider the use of dispersants as a response option. Mechanical Recovery is still the preferred option for many countries. For example, in Indonesia “all other methods must be exhausted before dispersant can be considered” as stipulated in the Section 4.3.5 of the “*General Guidelines on Combating Oil Spills in Waters*” (BPMIGAS – PSC Contractors). This is a major issue as a successful dispersant operation requires a timely response. The table below gives a glimpse of the existing dispersant policies in some of the countries in Asia.

Table 1: Summary of Dispersant Policies for Selected Countries in Asia

COUNTRY	DISPERSANTS ALLOWED?	DISPERSANTS POLICY?	FIRST OPTION?
Brunei	Yes	Yes	Yes
Cambodia	Yes	No	No
China	Yes	No	No
Hong Kong	Yes	Yes	No
India	Yes	Yes	No
Indonesia	Yes	Yes	No
Malaysia	Yes	No	No
Philippines	Yes	Yes	No
Singapore	Yes	Yes	Yes
Thailand	Yes	Yes	No
Vietnam	Yes	No	No

It can be seen that there are inconsistencies in approach towards dispersants; for example, two countries that allow dispersants as a first strategy explicitly are Singapore and Brunei. Both these countries share a common sea boundary with Malaysia. However, in Malaysia, the approval for dispersant application is comparatively stringent and mechanical recovery is the preferred option for response. All 3 countries are members of the ASEAN-OSPAR (Association of South East Asian Nations – Project on Oil Spill Preparedness and Response in the ASEAN Seas Area) project with the intention to provide mutual assistance in the event of any incident and a consensus among the members are essential to tackle major events amicably in a region where transboundary pollution is a reality.

Another issue is that only locally manufactured dispersants are approved within certain countries. More and more countries are now revising their approved dispersant lists and removing international brands (e.g. the Philippines). While this is done with the intention to protect the local trade interests, it also raises concerns

regarding the effectiveness of these dispersants. Also, questions must be asked as to whether or not these local companies can produce sufficient quantities of dispersant to supply a major well control incident like Macondo. These issues might have an implication on GIRG-OSR’s plan for the stockpiling and cataloguing the supply chain for dispersants, if countries don’t approve the dispersant chosen to stockpile. The table below shows some of the countries with approved dispersant list in Asia compared against dispersants commonly used worldwide such as Corexit EC9527 and 9500.

Table 2: Comparison of Dispersants Used for selected countries in Asia

COUNTRY	Approved Dispersant List?	Corexit 9527?	Corexit 9500?
Brunei	Yes	Yes	Yes
Cambodia	Yes	No	No
China	Yes	No	No
India	Yes	No	No
Indonesia	Yes	Yes	No
Philippines	Yes	No	No
Singapore	Yes	Yes	Yes
Thailand	Yes	Yes	Yes
Vietnam	Yes	No	No

In-Situ Burning

The Macondo incident is a clear demonstration of the use of In-Situ Burning as a successful response option. While In-Situ burning is not really a new strategy the technology can be considered to be still in its early stage. In Asia, there is not any documented evidence of using this technology as a response option for oil spill incidents. With the region known for giving priority for Mechanical Containment and Recovery as a the response option, a hesitance from the government and regulators for including In-Situ burning can be very well be anticipated. A review of National Oil Spill Contingency Plans from the region reveals that In-Situ burning is not listed as a

response option. This is of course no different to many other countries, but still needs to be recognized, otherwise this tool cannot be used.

Surveillance of Oil Spills

Post Macondo, government and industry have placed significant importance on the surveillance and monitoring of oil spills. The GIRG recommends developing recommended practices for the surveillance and tracking of oil spills teaming up a number of industry experts. But the question to ask is whether this is enough to bring Asia at par with other regions in terms of technology and capability for oil spill surveillance.

There is a serious lack of trained aerial observers or dedicated aircrafts for aerial surveillance unlike the UKCS (UK Continental Shelf) in the Europe region or the GI-WACAF (Global Initiative West and Central Africa) for African Region.

Recently in a capability assessment workshop conducted for a major oil company in the region, the significance of monitoring oil spills in the event of an incident was discussed. While assessing the resources available to carry out this option, it was pointed out that no helicopter or aircrafts were available for this purpose. The reason for this particular predicament, as explained by the representatives from the government who attended the workshop was that all the aerial operations in country are controlled by the military due to national security reasons and most of the areas are designated no fly zones.

Effective Exercises

While all the regions unanimously agree on the importance of having planned exercises for systematically testing the response capabilities, in reality, the execution of this is sporadic. The major obstacle in this regard is the trans-boundary movement of people and equipment. For any exercise, that involves the trans-boundary movement of equipment and people, the Customs and Immigrations rules as well as the associated fiscal policies and practices (taxes) and insurance requirements of each country has often proved to be a major hurdle. Experience has shown that, even in the event of emergencies, it is often extremely difficult to bypass these controls. In some cases, nationalistic governments may even tighten controls over the import of emergency response resources, if they feel they want to be seen to be in control of the situation.

In one of the recent oil spill incident that was attended by the author's company a set of equipment package for carrying out the response operation was sourced from overseas as it was not available locally. The decision to bring the equipment was taken after consultation with relevant stakeholders and approving authorities. But still the equipment package that arrived was held by the immigration authorities for two weeks prior to clearance. This happened in one of the country in the region where there were provisions under the existing regulatory framework for expediting the customs clearance in the event of an environmental emergency. But the

bottle neck was that no approving authority was identified for implementing this and sorting out this issue took two weeks.

The Way Forward

The Asian region presents its own unique set of issues and challenges for the implementation of GIRG-OSR recommendations. While the tireless efforts by the various international bodies, oil spill response organizations, governments and the Oil & Gas Industry over the past decades has brought definite improvement in terms of oil spill response capability in the region, still the preparedness levels are arguably less mature compared to other parts of the world. And this is one region where the Oil & Gas industry needs to step up and play a major role in bringing the recommendations by GIRG-OSR to a fruitful conclusion.

Also, one has to understand the need for tackling the root causes. No amount of promoting “Recommended Practices” or advocating “Good Practice and Guidelines” can make the level of response readiness the Oil & Gas industry aspire to achieve, a reality, if the fundamental problems are going to be ignored. This includes the issues of weak regulatory framework, lack of robust contingency plans and the lack of supporting mechanism (e.g. equipment, technical knowledge, and trained personnel) available in the region to sustain a higher level of preparedness. The IPIECA, IMO and industry’s Global Initiative (GI) partnership is a good example of how advocacy and facilitation can bring about marked improvement in preparedness levels. There is a

need for the industry to invest in a strong advocacy program for Asia to bring up the region's response and preparedness levels in par with the rest of the world.

Conclusion

The GIRG -19 recommendations are a welcome initiative to further enhance the global preparedness and response for an oil spill incident. But it seems that Asia needs to be preparing for the GIRG now. Nevertheless, it is the opportune moment to make the necessary changes as the recent oil spill incidents have managed to capture the governments and policy maker's attention with respect to oil spill preparedness. By addressing the fundamental issues and strengthening the basic blocks of preparedness through a strong advocacy program the preparedness capability in the region can be strengthened. The introduction of GIRG-OSR, will definitely be a common platform for the industry, government, oil spill response organizations and the various stakeholders to come together and tackle these issues in a 'truly global' way.

Appendix -1

Countries from the region that were studied for the development of data presented in this paper;

1. Bangladesh
2. Brunei
3. Cambodia
4. China
5. India
6. Indonesia
7. Malaysia
8. Pakistan
9. Philippines
10. Singapore
11. Sri Lanka
12. Thailand
13. Vietnam

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