Interspill 2022 Submission - *Future Oil Spill Response*

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‘Long’ submission

Background

- Countries pollution requirements stemming from the agreement to OPRC 90 (and own experience).
- Key tenets:
  - plans, procedures, national and regional systems for preparedness & response, international cooperation, resources, testing & readiness, HNS protocol
- Domestic translation / implementation of the convention through their own means
  - law, decree, operating condition on companies or operational entities (ports/port facilities)

Differences in approach

- Shipping (bunker fuel; crude & refined products); Upstream / mid stream petroleum
- Obligations on industry / spiller / risk creator
- Domestic reflection –
  - think how this plays out in your part of the world and see if the key issues and problems I’ve identified are similar for you
    - Shipping spills in open waters – emergency service organisations (Coast Guard or maritime authorities) with OSROs
    - Petroleum companies in open waters – petroleum companies combined with OSROs, directed by/working with Coast Guard or maritime authorities
    - Closer to the coastline - states / territories / provinces ‘owning’ shoreline response; petroleum companies combined with OSROs, directed by/working with Coast Guard or maritime authorities
    - Other combinations – ports, port facilitates, other government agencies all have legal obligations to clean up oil pollution regardless of the responsible party.

Success factors

- There are a decreased number of large and very large oil spills; and decreased consequences of spills that do occur.

- Prevention has been very successful
  - Engineering controls – Eg double hulls, multiple barriers
  - Process factors – Eg compulsory pilotage areas, task planning to reduce risks to ALARP (or similar)
  - People factors – Eg minimum manning / watch levels

- Capacity building has worked well
  - global, national & regional OSROs, industry measures;
  - specialised and generalised government capacity (maritime agencies government capability & capacity building)

- Regulatory environment jumps up after each major incident, post incident response has been strong.
  - This drives all parties involved in oil spill to upgrade their capabilities
  - To consider how existing capabilities can meet or exceed the ‘newly’ identified need after the incident

    - greater / newer integrative upgrading of capabilities,

- Innovative nature of ‘response’ industry shows the highly adaptive nature of the industry.

(Time/space dependant – presentation may include the follow change factors:

- The world is moving away from hydrocarbons – however this transition will happen over decades not years (best guess – 20/30 years - 2050?)
- There may very well/will likely be a ‘residual risk’ where hydrocarbons are still produced and transported, even in a world of net ‘zero’’ carbon emissions.

- Funding structures are based on hydrocarbon transportation/production – is this sustainable as production rates drop, but the risk – in terms of consequences – still exist.
- Mutual aid/shared resourcing models work through aggregation of resources to provide scale. How sustainable is this in the face of industry consolidation and change?)

What’s the problem?

- The further ‘away’ we get from the large events:

    - the fewer numbers of ‘response hardened’ oil spill response operational and IMT trained people we have as they shift on/move to other areas; and
    - government (& companies) are dis-investing in Oil Spill Response as a stand-alone discipline; (spill investment ‘lull’ 10+ years post-Macondo & Montara), and rolling this function up into all-hazards response. Oil Spill Response SMEs shrink further.

- For oil and gas operators, we see planning standards and structures progressing down a focussed ‘worse case’ aspect where:

    - ‘tier three’ resourcing is assumed more broadly as kicking in immediately without adequacy of resourcing around tier one and two;
    - Smaller complicating factor spills (based on location / type/ sensitivity impact / source) being ‘lost’ in the race to focus on the very large worse case scenarios; and
    - the preparedness measurements (KPIs/metrics) adopted to demonstrate ‘response readiness’ are mis-aligned with response outputs.

What can / should we do?

- Define specific aspects of the problems that can be picked off–

    - Creeping human resourcing capability gap
    - Tiered preparedness as a planning and logistics concepts has been useful, but ought not be a surrogate for strong local, regional and national resourcing.
    - Get back to ‘response’ alignment with the preparedness KPIs

- Implement regional/country specific hybrid government / industry response models, where -
    - the responsible party maintains the obligations for funding spill response (preparedness & response aspects) from all relevant streams (shipping & O&G).
    - Establish ‘centres of excellence’ (‘COE’), where oil spill response subject matter expertise is maintained, curated and built upon.
        - COE’s also present as logical hub for equipment stockpiles, (particularly for field/hydrocarbon specific equipment), training centres and the

'vertical integration' of oil spill response – from IMT to tactical/field operations.
        - This can be distinct from petroleum company source control, crisis management, and the 'spiller'.
    - Merge inputs and the outputs, so that resourcing/funding between government and industry are combined, and the scale of the regional outputs are greater. This allows for enhanced scales of economy where most budgets are trending downwards.

- Accept that there probably exists a 'tier/level four' event.
    - This is one which the consequences/characteristics are so great, global industry & government resources will need to be brought to bear to affect the response.
    - The community accepts (demands?) that government leadership is demonstrated in these types of spills.

Conclusion

- Does the current situation present an opportunity for industry to lead?
- By leaning into government regulators and agencies – before the next Black Swan- can we establish an enhanced response model before it is needed, while the O&G industry shifts.