

Offshore regulatory arena a broad mix of local, global activity

THE OFFSHORE ARENA is an often confusing horizon of flag-states, coastal-states and global regulation. In the hierarchy, drilling rigs are sometimes a small part of the overall picture. IADC devotes considerable energy and diligence toward ensuring that the interests of offshore drilling contractors are well-remembered in the overall scheme.

And it's not as if mobile offshore drilling units don't already face their fair share of regulatory hurdles. Currently, for example, IADC's Jack-Up Rig Committee and its members are continuing to devote considerable effort toward the technical studies necessary to improve and supplement the guidance on jackup site assessment provided by the **Society of Naval Architects and Marine Engineers**.

"In IADC's view, the document was published before sufficient benchmarking had been undertaken as only a few, harsh environment cases were given detailed examination," explained **Alan Spackman**, Director-Offshore Technical and Regulatory Affairs. "The result is very conservative results for deepwater mild environment assessments."

Mr Spackman added that, while the guidance presents several levels of assessment, ranging from simple to complex, one of the document's shortcomings is that the simpler methodologies tend to be highly conservative. Also, there is too much conservatism in the spud-can "fixity" formulations, (how the spud-can is fixed relative to the seabed). Finally, the ultimate strength of non-tubular cords is under-predicted.

Led by industry executives such as **Rowan Companies' Danny McNease**, the Committee is undertaking a variety of projects to improve the document. Until the necessary studies are completed, IADC believes that the guidance should be used with caution, and in full recognition of its limitations. Operators who insist on blindly applying the guidance in its present form may be needlessly incurring added expense.

TRAINING

IADC continues its heavy involvement with the **International Maritime Organization**. IADC is an accredited observer at IMO, part of the United Nations.

Training is a major ongoing concern of the agency. At its November meeting, the IMO assembly is expected to adopt revised "Recommendations on Training of Personnel on Mobile Offshore Units (MOUs)". IADC helped develop these

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IADC Director-Offshore
Technical and Regulatory Affairs**



standards and is currently preparing additional guidance that rig owners may need, should IMO member states implement the new standards.

"The training recommendations are similar in format to the recent amendments to the International Convention on Standards of Training, Certification and Watchkeeping, now being implemented in the US and elsewhere," Mr Spackman noted. "While recognizing the need for training, they focus on the necessary outcomes—the knowledge, skills and abilities needed for personal survival by all persons working offshore."

These training recommendations address familiarization training for all personnel, survival skills, firefighting, first aid, and "social responsibilities". (Social responsibilities include personal hygiene, drug and alcohol abuse awareness; respect of privacy of person and property.) Also, modeled on STCW, professional competencies are defined for offshore installation managers, barge supervisors, ballast control operators, and maintenance supervisors.

IMO is still examining other issues that may prove critical to IADC members. In September, for example, IADC will attend a meeting of the Navigation Subcommittee to gain an exemption from standards that as presently proposed, would require the fitting of sophisticated navigational equipment on non-self-propelled MODUs. Without such an exemption, a non-self-propelled MODU would be required to carry a magnetic compass (and a spare), navigational charts, satellite navigation system, echo-sounding equipment, telephone for communication to the steering position, two 9-GHz radars, an electronic plotting aid, speed and distance log, automatic identification system, gyro compass with bearing repeater, rudder and propeller indicators, and an automatic tracking aid or other means to automatically plot the range and bearing of other ships, and a track or heading control system (autopilot).

Meanwhile, the question lingers of whether IMO's

Legal Committee will draft an international convention on mobile offshore craft, including MODUs. The proposal is the creature of the International Subcommittee on Offshore Units and Structures of the Comité Maritime International (CMI). CMI asked the Committee to expand its consideration of the matter to include fixed platforms as well.

At the 1998 IADC Annual Meeting, the IADC Board of Directors adopted a resolution that the proposed convention is unnecessary, redundant and detrimental to the continued efficient operation of the world's MODU fleet.

IADC and the countries with the largest MODU fleets (Panama and the US) argued that the issue should be removed from the Legal Committee's program. They were supported by Vanuatu, Mexico, Bahamas and Cyprus. However, some other countries still wish to continue, including Korea, Germany, Nigeria, Japan, Congo and the Netherlands.

Also, during its September Meeting the Legal Committee is also continuing its consideration of draft conventions on Wreck Removal and on Pollution from Ship's Bunkers. Both of these are likely to impact MODUs if they enter into force.

In April, IMO's Design and Equipment Subcommittee is set to begin reviewing problems associated with in-service testing of lifesaving equipment, notably lifeboats. The investigation began at the request of Australia, which noted a number of injuries and lives lost during lifeboat testing. This is a problem long recognized by MODU owners, who are often asked to perform such tests while offshore, as opposed to the more sheltered conditions enjoyed by most ships while testing.

"One of the underlying problems," Mr Spackman explained, "is that while the primary purpose of the equipment remains lifesaving, its principal use has become in-service testing. Unfortunately, ensuring that the required in-service tests can be conducted safely and efficiently has often been overlooked in the design of the equipment. Compounding the problem is a lack of uniformity in the testing requirements among administrations, and in some cases, a lack of definition of the critical components requiring testing. This is clearly an area where improvements can be made—particularly if we reexamine some traditional practices for boats that were developed 100 years ago.

The very means of testing lifeboats and the design of the equipment itself can combine to create an unsafe situation. Typically, the boat is overloaded. The overload can range from 110% to 200%. Because the boats are designed to be released from the mother vessel from within, rather than remotely, a human being must be aboard the overloaded boat to conduct the test.

"The safety considerations of putting such a person into an overloaded boat in order to manually release the boat from its falls while offshore have never been fully considered," Mr Spackman said.

Other issues being carried on the work programs of the various IMO Committees and Subcommittees that will impact drilling contractors include prevention of pollution from offshore oil and gas activities, prohibition of certain anti-fouling paints, revision of MARPOL Annex IV (sewage), ballast water management, application of MARPOL to FPSOs and FSUs, prohibition on the use of asbestos, disposal of offshore platforms, and the influence of fatigue on safety.

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North Sea: Safety, training, and enhancing competitiveness

IADC'S WORK IN the European offshore focuses on efforts to enhance and harmonize safety and training initiatives throughout the region, as well as enhancing the competitiveness of the North Sea oilfield-service industry. In



Dennis Krahn

these pursuits, IADC works closely with regional associations of operators and service firms. Also on IADC's front burner is ensuring that the North Sea regulatory climate is conducive to effi-

cient drilling operations and sound business practices. This, along with critical safety concerns, is central to one current issue—the **UK Health & Safety Executive's** effort to develop an equitable system of charging for its services.

The HSE is scrambling to find new revenue sources, following the government's decision to cease funding the agency on 1 Oct, a deadline approaching as inexorably and with as much potential devastation as Earth-bound asteroids in popular science-fiction cinema. Industry believes HSE's proposed solution to its funding dilemma—charging fees for safety-case inspections to operators and contractors responsible for offshore installations—is a wrongheaded approach that could ultimately weaken safety offshore.

The upshot of such a move would be to place HSE in a supplier relationship to the firms whose safety performance it is charged with critically monitoring.

Remarked **Transocean Offshore** Vice President **Adrian Rose**, "We firmly believe that the independence of the HSE will be compromised. We need to fight this one at the highest levels."

Operators agree with this assessment. Noted UKOOA Director **John Wils**, "Such a system will compromise the professional relationships that we have developed between HSE and the industry. We'll be quibbling over manhours and charges, rather than improving safety."

IADC recently joined in a response generated by UKOOA, as well as producing its own reply. First, IADC believes that charging fees for safety-case inspections will damage the fragile contractor-regulator relationship. From a fairness standpoint, because HSE will serve as the only supplier of the service—inspection of offshore installations—it holds a monopoly from which industry has little or no recourse.

Practically speaking, charging fees will financially hamstring an already struggling industry. HSE suggests an excessive fee of £116 (\$165) per hour, which works out to £928 (\$1,531) per 8-hour day. For 3 examples cited by HSE, working the arithmetic produces the following charges:

- New mobile installation, semisubmersible: 32 days to inspect, costing £29,696 (\$48,998);
- Existing mobile installation, jackup: 26 days and £24,128 (\$39,811);
- Existing mobile installation, semisubmersible: 20 days and £18,560 (\$30,624).

"One alternative, explained **Dennis Krahn**, IADC Director-European Offshore Affairs, "would be to include an opt-out clause from the safety-case regime. This could be accomplished if MODUs obtain valid ISM Code certifications."

IADC in its comments posed such a question to the HSE: "In 2002, would a self-propelled MODU with a valid ISM code (Document of Compliance and Safety Management Certificate) be permitted to work in UK waters without having to obtain acceptance of a Safety Case? If the answer is 'no', we would like to know the justification for the denial."

The **International Maritime Organization** will require all self-propelled MODUs to hold such certification by July 2002.

Industry has several other serious concerns. For example, HSE regularly makes ad hoc inspections. Will industry have to foot the bill for these? Also, third-party contractors appointed by the operator are subject to inspection and investigation too. The only place HSE has to charge is the installation. Will

drilling contractors be able to easily recoup these charges from operators?

HARMONIZING TRAINING

The IADC North Sea Chapter and E&P Forum have reached broad agreement with the **North Sea Offshore Authorities Forum**, the organization of regulators in the North Sea, on a paper detailing how personnel in drilling and service companies can move around the North Sea without repeating basic safety training.

Exulted **Diamond Offshore's William Serle**, who led the IADC effort, "We got the result we wanted at last!"

Important contributions were also made by **Bob Kyle**, **Marathon/E & P Forum**, and **Tom Brighton**, **OPITO**. Serle commented, The North Sea Chapter honored Mr Kyle by inviting him to be a top table guest at the annual Safety Awards Ceremony and Dinner.

The result was a long time coming but valuable lessons were learned along the way, Mr Krahn said. "The North Sea forged a trail to the European Union to get this result, proving that it is possible to resolve conflicts in national legislation at the EU level," he added. "These lessons may become invaluable as the regulators seek to harmonize the varying safety case requirements of the North Sea countries."

The reach of the North Sea Chapter's efforts on this issue are noteworthy. This effort resulted in the **BEST Programme**, a NSC guidance document that gives a framework for maintaining emergency response competence by

holding varied weekly drills. The competencies outlined in this document formed the backbone of IADC's submission to the IMO, which resulted in an NSC Circular and modification to the STCW Code, 1995, for personnel working on MOUs.

LOGIC

Members of the IADC North Sea Chapter and UK trade associations have been asked to fund a new group called **LOGIC**—"Leading Oil & Gas Industry Competitiveness", an initiative aimed at strengthening the UK offshore industry internationally.

"LOGIC is a linchpin of the government/industry cooperative search to find a way to make the UK oil and gas industry more competitive," Mr Krahn explained.

LOGIC, conceived by a subgroup of the **Oil & Gas Industry Task Force**, is intended to develop means for all sized companies to learn to better manage the oil & gas industry supply chain. The UK auto industry, explained Mr Krahn, revitalized itself through such an approach. Their experience provided the conceptual model for the task Force. A new consultancy will be funded to provide non-profit assistance. Moreover, it is proposed that **CRINE Network** and **First Point Assessment**, 2 bodies concerned with portions of the supply chain, be brought under the same banner. Several prominent contractors have been active in this initiative, including **Mike Salter**, **Abbott Group/KCA**; **Adrian Rose**, **Transocean**; and **Bob MacChesney**, **Sedco Forex**.

Included are provisions for a venture capital fund to promote new technology, a group to promote research projects, an environment group, a group on skills and training, and one devoted to regulations and licensing.

Industry has generally been very impressed with the new government's cooperativeness, Mr Krahn said. Favorable responses include liberalization of licensing so that half of all unleased acreage would be exposed every 2 years and more favorable treatment of capital gains taxes.

The web site is www.dti.gov.uk/ogitf.

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IADC trainers hold crane workshop



Crane simulation: Experimenting with a crane simulator was an important part of the IADC-organized crane workshop held during June.

CRANES ARE AN integral fixture aboard offshore rigs, but until recently, the industry had done little to advance training for operators of these powerful pieces of equipment. Fresh from developing specific job requirements for every other rig position—called **Knowledge, Skills and Abilities (KSA)**—the IADC Training Committee turned its attention to crane-operator training and certification.

"Historically, this has been an area where any incidents have occurred and, unfortunately, some of these have been very serious," said Training Committee Chairman **Scot Rudolph of Transocean**. "The Committee recognized this need early in the development of the KSAs and began to investigate training-related solutions."

The committee soon found that incident statistics from the North Sea echoed those in the US, indicating the problem is likely of global scope

The result was an IADC-organized Crane workshop at **Texas A&M University's Center for Marine Safety and Training** in Galveston during June. **Digitran** supplied a crane simulator for the workshop. Nearly 60 drilling professionals attended the event, which explored crane operator KSA, certification and the desirability of securing a crane simulator for industrywide use.

In the autumn, Mr Rudolph will step down as Training Committee Chairman after an eventful 2 years in the leadership post. Mr Rudolph was the driving force behind the formation of the committee. Vice Chairman **Allen Kelly, Diamond Offshore**, will succeed Mr Rudolph. The new Vice Chairman will be **Tom Clark, R&B Falcon**.