INTERNATIONAL ASSOCIATION OF DRILLING CONTRACTORS

M E M O R A N D U M

TO: Distribution

FROM: Alan Spackman, Vice President Offshore Division

SUBJECT: Report on the 34th meeting of the Contracting Parties to the Convention on the Prevention of Marine Pollution by Dumping of Wastes and other Matter 1972 and 7th meeting of the Contracting Parties to the 1996 Protocol to the Convention on the Prevention of Marine Pollution by Dumping of Wastes and other Matter 1972

DATE: 5 March 2013

The 34th meeting of the Contracting Parties to the Convention on the Prevention of Marine Pollution by Dumping of Wastes and other Matter 1972 and 7th meeting of the Contracting Parties to the 1996 Protocol to the Convention on the Prevention of Marine Pollution by Dumping of Wastes and other Matter 1972 (LC 34) was held from 29 October to 2 November 2012, under the Chairmanship of Ms. Chen Yue (China). The session was attended by delegations from 40 Contracting Parties to either the London Convention, or to the London Protocol, 5 non-Contracting States, two Associate Member of IMO, and two inter-governmental organizations, and six non-governmental organizations. The International Association of Drilling Contractors was not represented at this meeting.

Issues addressed during the session that may be of interest to offshore exploration and production industries included:

CO_2 sequestration Guidelines

The Members established an intersessional correspondence group, under the leadership of Canada[1], to further consider the draft "Development and implementation of arrangements or agreements for the export of CO_2 streams for storage in sub-seabed geological formations." The original draft of the Guidelines was developed by the LP Scientific Group at its May 2012 on the basis of a submission by Canada.

The Meeting noted the lack of information regarding direct experience in implementing the 2007 CO_2 Sequestration Guidelines, and expressed concern that it was unclear if these Guidelines are indeed used, and if so, if they are effective.

The adopted the 2012 CO_2 Sequestration Guidelines superseding the 2007 Guidelines.

Experiences with CO_2 Sequestration Technologies and their Applications

The delegation of the United Kingdom informed the Meeting of its Governments commitments to encouraging the development of full scale Carbon Capture and Storage (CCS) in the power sector. The Government's strategy was set out in a CCS Roadmap published in April 2012 which includes:

- A CCS Commercialization Programme that would provide up to £1 billion of capital grant with the aim of enabling commercial investment in CCS power stations in the 2020's aimed at driving down costs by supporting practical experience in the design, construction and operation of commercial scale CCS;
- A £125 million, 4-year, coordinated R&D and innovation programme;
- Reforms to the electricity market aimed at encouraging investment in low-carbon generation, including CCS, through a Feed-in-Tariff Contract for Difference;

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1 Ms. Anne Daniel, can be contacted at: anne.daniel@justice.gc.ca

- Intervention to address key barriers to the deployment of CCS including work to support the CCS supply chain, develop transport and storage networks, prepare for the deployment of CCS on industrial applications and ensure the right regulatory framework is in place; and
- International engagement focused on sharing knowledge generated through the programme and learning from other projects around the world to help accelerate cost reduction.

Compliance issues

The Members, in noting a reporting rate of less than 50 per cent, opined that such a rate is not acceptable and encouraged all Parties to work to improve this situation.

Thirty-two Parties had not reported in the past five years (2006-2010), compared with 34 non-reporting Contracting Parties, measured over the period 2005-2009. This total therefore remains fairly constant, pointing to systemic reporting problems amongst many administrations.

Preparation of a London Protocol Manual

The Meetings approved the Manual entitled "The London Protocol – What is it and How to Implement it" and instructed the Secretariat to publish the Manual in the IMO working languages following a technical edit by early 2013.

Riverine and sub-sea disposal of mine tailings and associated wastes

The Meetings received a presentation from their consultant on the "Report on riverine and sub-sea disposal of tailings and associated wastes from mining operations". The main findings of the report indicate that:

- Riverine disposal of mine tailings is a technique that has been practiced throughout mining history. This disposal method is generally no longer practiced because of the detrimental environmental consequences to riverine and estuarine environments. There are four mines operating in Indonesia and Papua New Guinea that still use this method;
- Marine disposal of mine tailings, via a pipeline, is no longer practiced along shorelines in shallow water. Current marine disposal discharges are in deep water at final deposition in depths of 30 m to 300 m in Norway and over 1,000 m in Turkey, Indonesia, and Papua New Guinea. The intent is to discharge the mine tailings in deep stratified waters such that the mine tailings flow as a dense coherent slurry to a deposition site on the bottom, essentially trapped below the biologically productive, oxygenated zone (*i.e.* to ensure not mixing with the surface layer);
- The concept and practice of such disposal are that the tailings will smother everything in the footprint on the sea bottom, destroying habitat, impacting species abundance and diversity, and resulting in increased risks of bioaccumulation of heavy metals in aquatic organisms with potential human health risks from fish consumption;
- The rationale for choosing such disposal is based upon economics and technical feasibility factors and will differ depending upon mine location (*e.g.* topography), distance to potential disposal/storage areas, properties of the mine tailings, and economics; ,
- In Indonesia and Papua New Guinea, it is argued that the creation of mine tailings storage facilities (*i.e.* a dam) in the mountainous terrain is not technically feasible because they are located in very active earthquake prone areas which could create a safety hazard to downstream communities; long-term maintenance is an issue especially after mine closure; the rainfall is up to 3 m/year making water management in tailings storage facilities extremely difficult; and the terrain is unstable for construction of safe mine tailing storage dams; and
- In Norway, it is argued that suitable land for disposal of mine tailings near the fjords is not available.

The Meetings noted that in every case of marine or riverine disposal, governments have issued permits to the mining operations after considering the alternatives through an environmental impact assessment (or an equivalent). These permit decisions, and the permit renewals have not been without controversy, as interest groups have argued against marine and riverine disposal.

A number of mining companies, federal and local governments, and environmental interest groups have prepared codes/principles/best practices on best environmental practices (BMP) for the management of mine tailings or mining operations. There are no guidelines for marine disposal of mine

tailings in place at this time by any country or international organization. Papua New Guinea has draft guidelines under review and the European Commission has developed broad guidelines for management of mine tailings (primarily on-land).

Election of the Chairman and Vice-Chairmen

The Meeting elected Mrs. Sue Milburn-Hopwood (Canada) as Chairman, Capt. Ibraheem Olugbade (Nigeria) as First Vice-Chairman, and Dr. Gi-Hoon Hong (Republic of Korea) as Second Vice-Chairman for the intersessional period and for the 35th Consultative Meeting. The Meeting also unanimously elected the same officers for the intersessional period and for the 8th Meeting of Contracting Parties.

Arrangements and dates for future meetings.

The 35th Consultative Meeting and 8th Meeting of the Contracting Parties will be held 14 to 18 October 2013. It was agreed that the agenda for this meeting should include:

- Collaboration with UNEP-GPA – marine and riverine and pipeline mine tailings;
- CO_2 sequestration in sub-seabed geological formations; and
- Coastal management and prevention of marine pollution.

The 36th session of the LC Scientific Group and 7th session of the LP Scientific Group will be held from 27 to 31 May 2012 in Buenos Aires, Argentina.

The complete report of the Meeting, including its annexes, is available on the IMO portion of the IADC Website at: http://www.iadc.org/committees/offshore/IMO.html.

Please feel free to contact me by phone (+1 713 292 1945) or e-mail (alan.spackman@iadc.org) with any questions you may have regarding this report.