

Industry's Responsibility in Coping with New Oil Spill Risks.

Petroleum Association of Japan
22nd & 23rd February 2007



Oil Spill Response and East Asia Response Limited

A Question for Debate?

- ◆ "What really are the new oil spill risks and is it the oil industry's responsibility to make the entire contingency for them?"
- ◆ Increased awareness of the environment and high profile oil industry developments create a situation where it is easy to put blame on the oil industry and force them to make unnecessary and unrealistic contingencies for oil spills.



Environmental Awareness

- ◆ A major report on climate change says it is "very likely" that global warming is caused by human activity. The temperature could rise by up to 4 C by 2100 and sea levels could rise by up to 29 cm.
" dire warning over the impact of greenhouse gasses pouring into the atmosphere from burning fossil fuels, highest level for 650,000 years
UN Intergovernmental Panel on Climate Change.



Bad Oil?

- ◆ **“Exxon Valdez oil persists off Alaska”**
Web news 1st Feb 07.
“...small amounts of residual oil in Prince William Sound on about two-tenths of one per cent of the shore...”
- ◆ “The Petron/Solar 1 oil spill shows the failure of corporations to concretize their social responsibility and of government to perform its regulatory functions.”





Prestige Spain
77,000t

Erika,
France. 15,000t



Recreational Use.



Palm Island

- ◆ 120km shoreline
- ◆ 60 hotels
- ◆ 1000 waterfront homes
- ◆ 5000 other shoreline units including apartments, marinas, shops, restaurants etc.

Major Oil Industry Developments

- ◆ Sakhalin
- ◆ Kazhakstan
- ◆ West Africa deep water
- ◆ Arctic fields.
- ◆ Major pipeline developments in the Caspian, Georgia and Turkey etc.

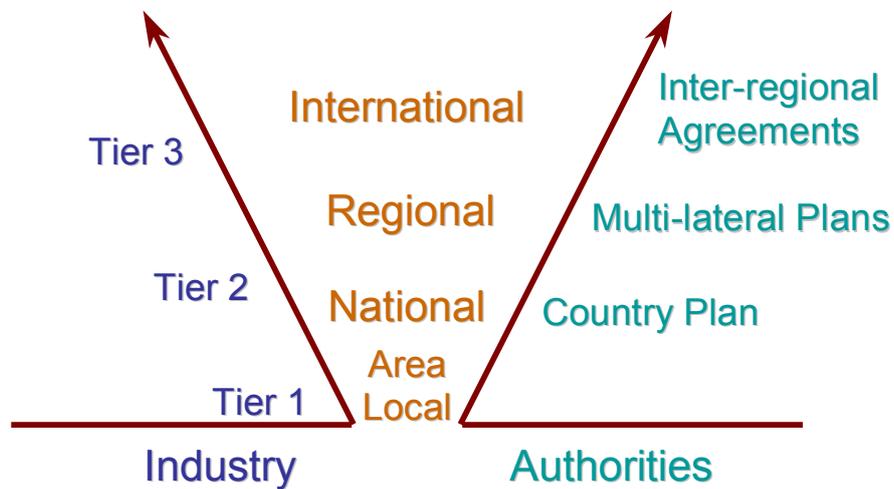


The Concept of Tiered Response

- ◆ Tier 1; arrangements at individual ports or oil handling facilities. Small spills.
- ◆ Tier 2; provides for pooling of resources, government and private, locally or wider geographic area. Local cooperatives.
- ◆ Tier 3; combines national or international response that cannot be dealt with under Tier 2. Cooperative arrangements avoid duplication of resources rarely used.



Global Response Framework



Source: IMO

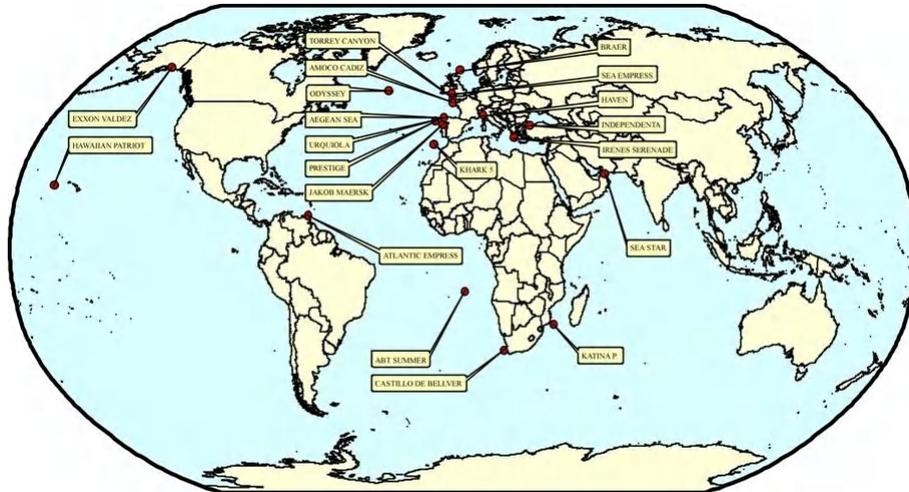


Pressure on the Oil Industry

- 💧 More equipment and stockpiles everywhere!
 - Middle East, North Africa, Sakhalin.
- 💧 Local production to pay for passing tanker pollution?
 - Oman, North Africa,
- 💧 Unrealistic expectations for response.
 - Russia, USA?



Location of Largest Tanker Spills



Courtesy ITOPF

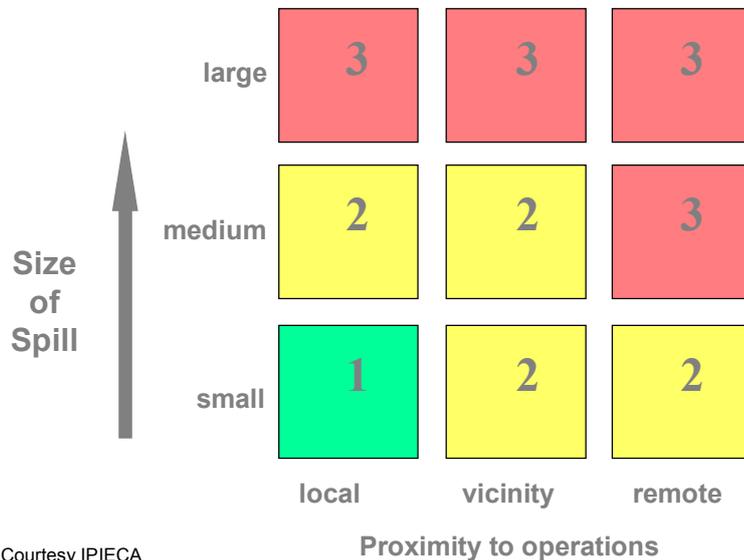


Effective Response

- Effective response requires;
 - Trained people.....
 - working to a well developed plan.....
 - that has been properly resourced.....
 - and regularly exercised.
- Industry and government working in partnership.



The Tiered Response Structure



Summary

- ◆ The concept of “new risks” is unfounded
- ◆ Setting up more stockpiles to mitigate the impact of spills is naïve.
- ◆ Governments are perhaps abdicating their responsibility by putting everything to the oil industry.
- ◆ Effective response is more than equipment.
- ◆ The Tiered response structure is valuable and needs to be retained and promoted.

