



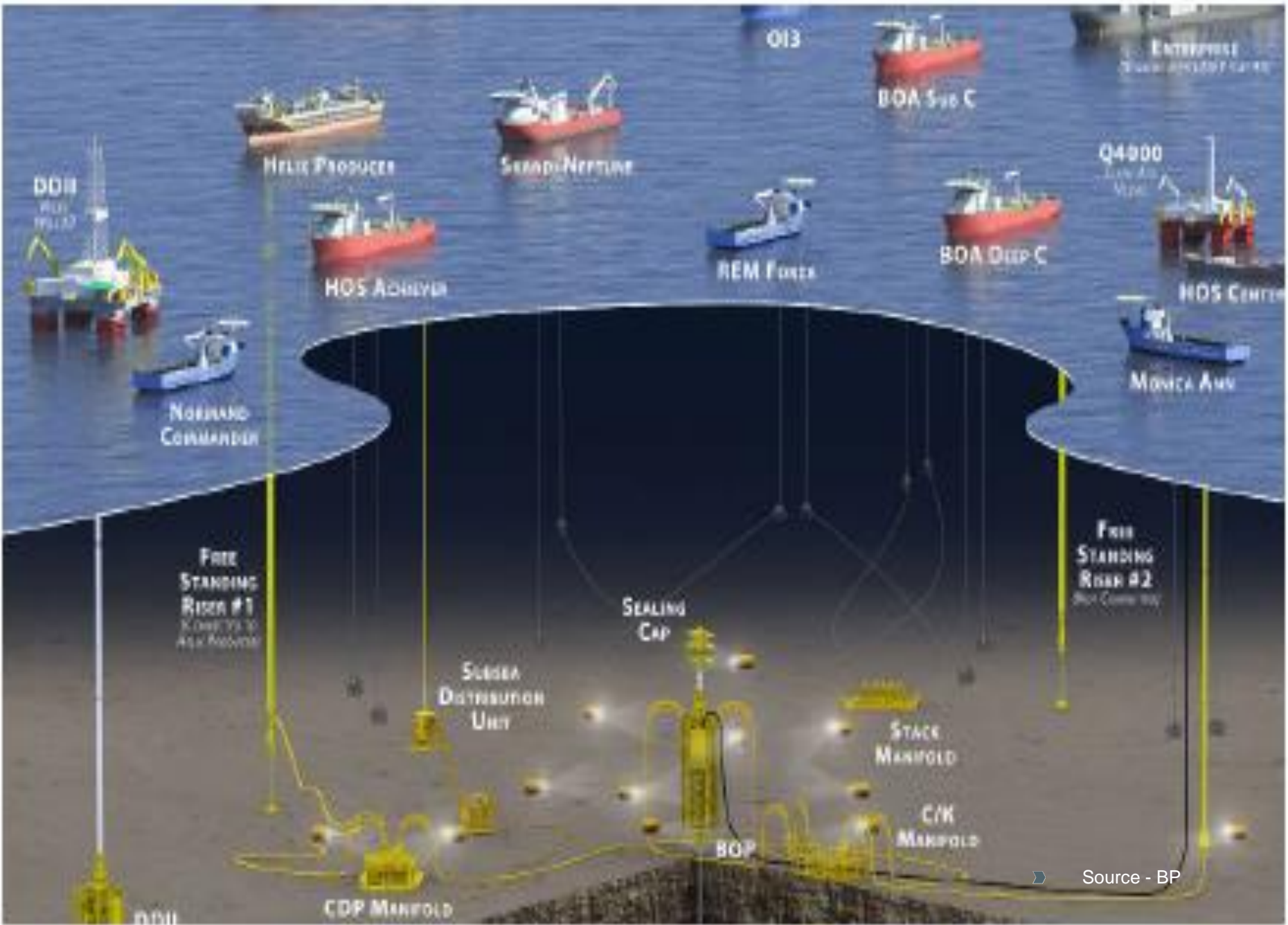
Developments in Tier 2 Mutual Aid
Mumbai - 2014

How Does Mutual Aid Differ From Cooperative Arrangements

- ▶ Mutual organisations have members who usually do not contribute to the capital of the company by direct investment
 - e.g. Each member allows its assets to be used by the other members in the form of ‘aid’ or ‘assistance’
- ▶ Cooperatives include non-profit community organizations and businesses that are owned and managed by the people who use its services
 - e.g. OSRL is a cooperative organization, owned by and funded by its members

Why Might Mutual Aid Be Required – The Oil Spill Context

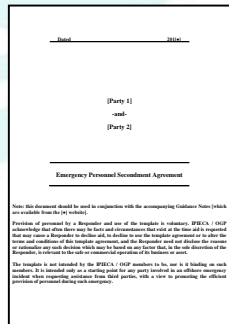
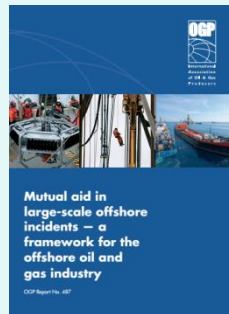
- ▶ Oil spill incidents are complex and have wide-ranging implications
- ▶ No spill scenario is ever the same
- ▶ Therefore, no single oil or shipping company, port operator or terminal has the resources to effectively deal with all oil spill eventualities
- ▶ Implementing such capability in-house would be impossible for most and impractical and costly for some
- ▶ Other cooperative or commercial arrangements may not exist or be suitable
- ▶ Mutual Aid may be a way of enhancing other arrangements



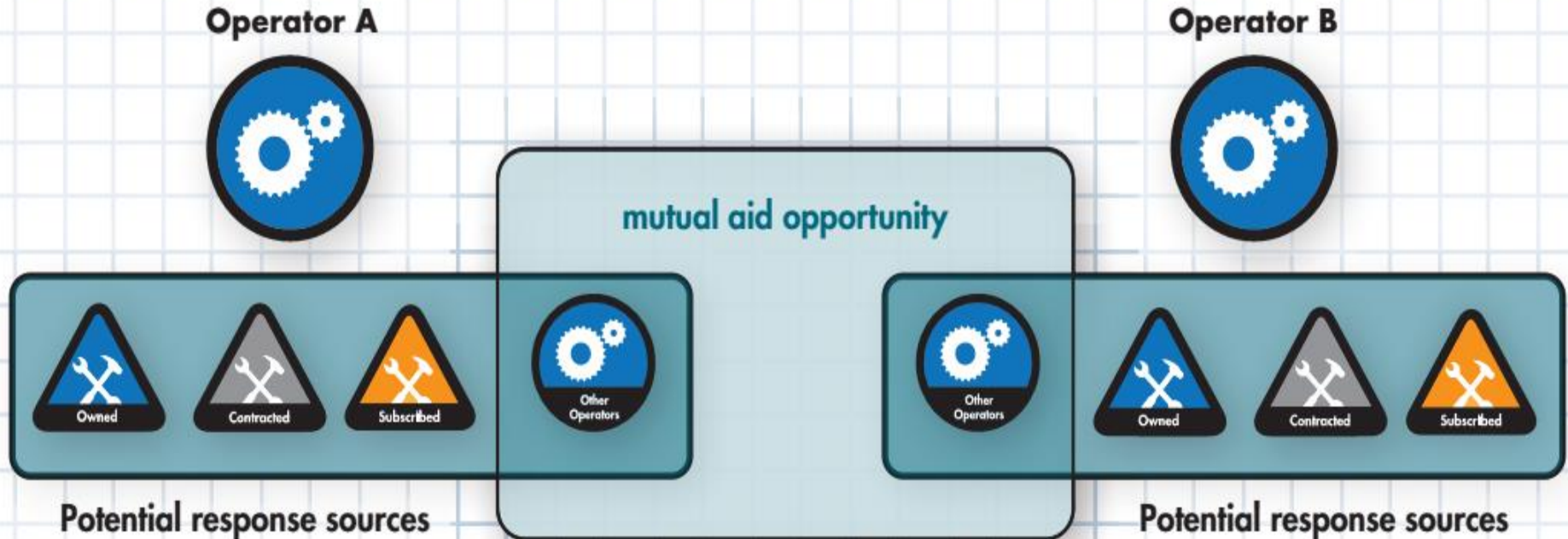
Source - BP

Developments in Mutual Aid

- ▶ April 2012 - OGP Mutual aid white paper
 - **Mutual Aid - a global framework for offshore oil and gas development**
- ▶ July 2013 – OGP published a new guidance to help companies aid one another in case of a major offshore incident
 - **Report No 487 – Mutual aid in large-scale offshore incidents – a framework for the oil and gas industry**
- ▶ March 2014 - IPIECA / OGP are scheduled to publish;
 - **A template Emergency Personnel Secondment Agreement (EPSA)**
 - **Including an EPSA guidance document**



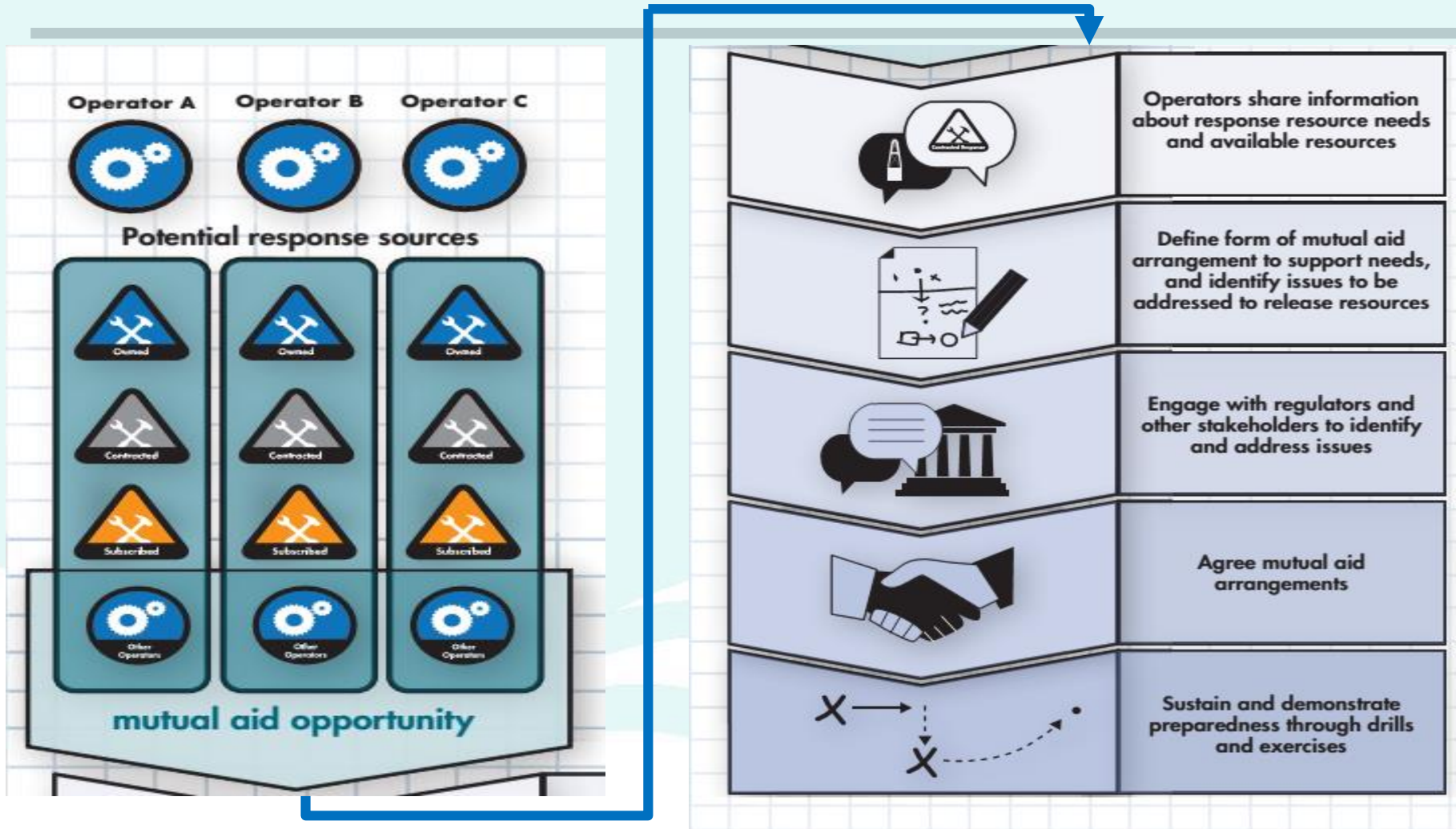
Mutual Aid Examples



► Mutual aid opportunity between operators

► Source - OGP

Mutual Aid Examples



➤ Development of mutual aid arrangements

➤ Source - OGP

What are the Benefits of Mutual Aid

- ▶ Potential access to a wide range of resources and expertise at no or limited cost
- ▶ Reduces burden on each operator to maintain resources and expertise for all types and sizes of incidents
- ▶ Cost effective solution to Tier 2 capability
- ▶ Operators are more likely to share and learn from each others experiences
- ▶ Enhances industry's overall capability
- ▶ Can enhance stakeholder perception and receptiveness to industry developments

What are the Potential Limitations and Challenges

- Most arrangements are non-binding (voluntary)
- Requesting party bares the burden of mobilization
- The readiness of resources might be unknown
- The competence of personnel might be unknown
- Lack of familiarity (e.g. IMS)
- Compatibility issues of equipment
- Keeping inventories up-to-date
- Understanding total capability available
- Legislative restrictions
- Contractual and legal issues

Guiding Principles of Mutual Aid

- ▶ Operators should endeavour to cooperate to provide aid in response to a large scale incident
- ▶ Provision of aid is voluntary and subject to the Assisting Operator's determination of resource availability and its assessment of risk
- ▶ Planning and cooperation in advance of an incident facilitates the provision of aid

Guiding Principles of Mutual Aid – Assisting Operator (AO)

- ▶ When AO is delivering aid consideration should be given to:
 - ▶ Health, safety, security and environmental risk for both the AO and released contracted resources;
 - ▶ the impact of providing aid on AO operations e.g., they may be disrupted; and
 - ▶ Incident Operator's ability to both indemnify and provide any reasonably required assurances.
- ▶ AO may refuse, limit or suspend aid if it is facing its own emergency or if providing aid would create an emergency for itself.
- ▶ AO will cooperate in establishing and maintaining a process to facilitate mutual aid in response to a major incident.

Guiding Principles of Mutual Aid – Incident Operator (IO)

- ▶ When requesting aid, the Incident Operator should:
 - ▶ be as specific as possible about the resources it needs
 - ▶ only request resources (including appropriate contingency) when there is no suitable and readily available alternative from its own owned, contracted or subscribed resources, or from market sources
 - ▶ indemnify and provide any reasonably required assurances to the Assisting Operator and contractors for liabilities and costs associated with provision of aid
 - ▶ release personnel and return or replace equipment as soon as possible, equipment should be in a condition equal to or better than when received

Recent Developments in OSRL

- ▶ AMOSC-OSRL Resources and Alliance Agreement
 - Further strengthened through joint activities
- ▶ MOU signed with PIMMAG
 - A mutual aid organization
 - Signed 2014
- ▶ MOU signed with OSCT
 - A commercial OSR company
 - Signed 2014



Oil Spill Response



Questions
Thank you