



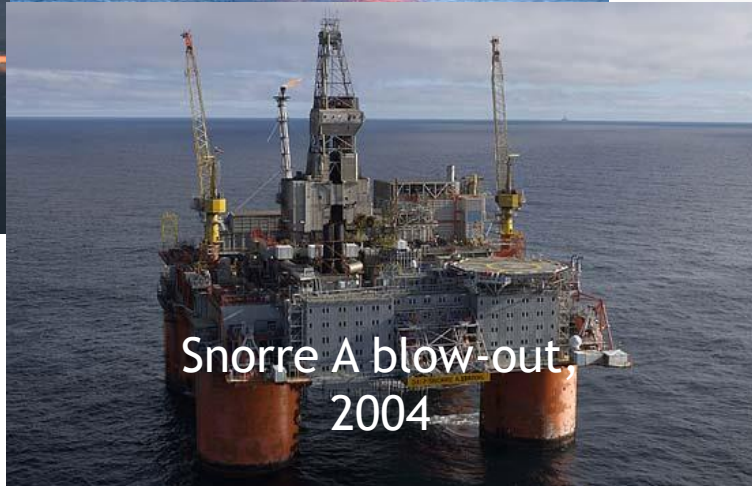
The encounter of different risk regulatory regimes

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Backdrop



Introduction

The regulatory regime of the petroleum sector

The interface between the regimes



The regulatory regime of the maritime sector



Methods

- Strategic sample of official documents (research reports, articles, brochures and governmental reports)
- 17 in-depth interviews
- Analysis of 33 focus group interviews (Engen-committee, 2013)

Characteristics of the regulatory regimes

| Regulatory regime of the petroleum industry | Regulatory regime of the maritime industry |
|---|--|
| <p>The regulator: The Norwegian Petroleum Safety Authority</p> <p>Subordinated to the Ministry of Labor and Social Affairs</p> | <p>The Regulator: The Norwegian Maritime Directorate</p> <p>Subordinated to the Ministry of Trade, Industry and Fisheries and the Ministry of Climate and Environment</p> |
| <ul style="list-style-type: none"> - Safety control based on a maritime model for technology judgment involving DNV - The Norwegian Petroleum Directorate, 1972 - The first Petroleum Activity Act in Norway - 1985 - The Norwegian Petroleum Safety Authority (PSA) 2004 | <ul style="list-style-type: none"> - Maritime regulation dates back to 1774 (Lloyds Register of Shipping) - DNV (Det Norske Veritas) 1864 - 1906, The Seaworthiness Act - The Ship Safety & Security Act, 2007 |
| <ul style="list-style-type: none"> - Enforced self-regulation - Tripartite collaboration - Functional / goal-based demands - National standards - Internal control principles | <ul style="list-style-type: none"> - Command- and control - Top down - Prescriptive demands - International standards - Prequalification, certification and classification - Non-flexible |



Harmonizing between the sectors

- The first attempt of coordinating maritime and shelf regulations dates back to 1980s
- The Acknowledgement of Compliance (AoC) was made mandatory in 2004
- AoC: acknowledgement from the PSA that a mobile facility`s technical conditions and the applicants organization and management systems are assessed in conformity with relevant requirements of the Norwegian Shelf rules
 - “The issue was to make room for a maritime regime within the shelf regulation, and the PSA and the NMD had different regulations, different regulatory arrangements, from internal control to classification, and we could never agree”.

Harmonizing between the shelves

- Reduce the costs of transferring the facilities between the shelves
- A comparison study (the Smedvig-report) of the Norwegian and the British shelf regulations was conducted in 2002
 - The AoC focus on “exemptions”
 - The Safety Case focus on “compliance”
 - The Safety Case has a higher degree of detailed descriptions while the AoC to a larger extent refers to supporting documentation
- A full harmonization of the regulations are not a realistic alternative, and the AoC became the chosen harmonizing solution

The relationship between the regimes I

- General rule: maritime regulation is applicable when the facility is moving (maritime activity) and the petroleum regulation applies when conducting petroleum activity
- The Petroleum Activity Act and the Ship Safety & Security Act may still overlap in some areas when mobile facilities registered in Norway are at the Norwegian Shelf in order to conduct petroleum activity
- Depending on how the regulations define the vessel in question and its activities

The relationship between the regimes II

- The maritime regime and the petroleum regime are inherently different - or not?
 - The PSA was reluctant to abandon their principles of no pre-qualification and the maritime sector wanted increased predictability through certification
 - The introduction of the AoC as a Norwegian “Safety Case” may represent a move towards the maritime sectors philosophy of pre-qualification, challenging the internal control philosophy of the PSA
 - The Ship Safety & Security Act indicates a change in the maritime regime towards a more goal-oriented regime
- The issue is not to choose between the regimes but how to get the balance right.





Thank you for your attention

