

SEPTEMBER 18-24, 2015

OPINION

The U.S. oil and gas industry needs to get serious about safety: 3 lessons from the global energy industry



BY IAN
THREADGOLD
Guest Contributor

The fatality rate in the U.S. oil and gas industry between 2003 and 2013 was six times higher than the rate

for U.S. workers in all other industries. This is not just because of the nature of work being done in the oil field. Compared to the rest of the world, U.S. oil and gas workers are much more likely to die in workplace accidents.

In 2013, the U.S. oil and gas industry fatality rate was 19 per 100,000 full-time equivalent workers. In the same year, the global oil and gas industry fatality rate was 4.3 per 100,000 full-time workers. Therefore, the U.S. oil and gas industry fatality rate was about four and a half times higher than the global fatality rate. Three valuable lessons can be learned from analyzing these alarming statistics and the information behind them.

1. COMPLIANCE VS. BEST PRACTICE

The U.S. oil and gas industry tends, on average, to work more to regulatory compliance and domestic standards, for example, with OSHA regulations in work onshore. In the offshore sector, the Bureau of Safety and Environmental Enforcement enforces the Safety and Environmental Management System regulations, which are based on American Petroleum Institute Recommended Practice 75. However, internationally, the industry tends on average to work more to the higher level of global industry best practices,

19

U.S. deaths per 100,000 full-time equivalent workers in 2013

4.3

Global deaths per 100,000 full-time equivalent workers in 2013

which sometimes exceed local regulatory requirements.

2. COMPANY SIZE DOES MATTER

The U.S. oil and gas industry is comprised of more smaller and mid-sized companies than others around the world. This includes a broad range of companies from international majors working in the U.S., all the way down to small independent operators. It also includes a similar range of large to small contractor companies working for the operators, some of which provide services globally but many of the small ones only work domestically. One reason for the difference in fatality rates is that the U.S. oil and gas industry, with its smaller average company size, in general puts less emphasis on safety than the larger companies that dominate the global industry.

There are some bright spots in how the U.S. oil and gas industry is addressing safety, such as the National STEPS Network in the onshore U.S. and the Center for Offshore Safety for the Gulf of Mexico, but again the participants in these organi-

zations appear to be more from the larger companies.

3. ABSENT BEST PRACTICES

Several key safety management processes are frequently not seen in the U.S., but are more visible and widely adopted globally. These best practices include comprehensive corporate level health, safety and environmental management systems developed by both the oil and gas company operator and the contractor. This includes the operator having a rigorous process for managing contractors. A bridging or interface document is needed that links the operator and contractor management systems, and clearly defines which company's procedures and processes take precedence, to address each particular hazard found in the joint operation.

A robust contract should be in place between the operator and contractor, which includes detailed occupational health and safety, and environmental requirements. Each contractor should have a project specific safety plan or safety case for each project it works on.

So, the key to reducing the U.S. fatality rate is for small and mid-sized domestic oil and gas companies and contractors to work beyond just regulatory compliance with their safety management systems and more widely adopt the global best practice processes stated previously. If they do, fewer U.S. oil and gas workers will be injured or killed in the future.

Ian Threadgold is an associate consultant in safety management at Houston-based Accumyn Consulting.