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Working Party on Regulatory Cooperation and
Standardization Policies

Seventeenth session
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Item 6 (b) of the provisional agenda

REGULATORY COOPERATION

Proposal on a sectoral project on the pipeline safety

Note by the secretariat

At its sixteenth session, the Working Party invited both interested UNECE member States and industries to contribute to further discussion on the drafting of a regulatory framework on safety of pipelines, taking into account the results of the discussions on draft guidelines on safety of pipelines in the framework of the UNECE environmental programme. The Working Party further requested the secretariat to look into the feasibility of intra-sectoral activities relating to safety of pipelines.

This document contains an update on a proposal for the sectoral activity/project of the Working Party in the area of safety of pipelines. The Working Party may wish to consider this draft proposal for approval.

I. GENERAL SITUATION IN THE AREA OF STANDARDS AND REGULATIONS IN THE FORMER UNION OF SOVIET SOCIALIST REPUBLICS

1. The current situation in the region of the former Union of Soviet Socialist Republics (Eastern Europe, Caucasus and Central Asia (EECCA)) shows that the EECCA countries are now actively reforming their regulatory systems for products, by moving from old mandatory standards to a system of voluntary standards and mandatory safety technical regulations.
2. If in the past these countries were using the same Soviet standards, now they are beginning to either draw up their own standards and regulations or are looking for examples to be taken as a basis for such work. Many of these countries expressed their interest in taking EU directives (The EU “new Approach”) as a basis for their new technical regulations. The ambitions for new regulatory development differ from country to country, from projects for a few dozen in Ukraine and Moldova to about 200 in the Russian Federation according to the latest revised Russian governmental programme on the preparation of technical regulations.
3. Parallel to these developments, a regulatory convergence dialogue is being held in the framework of regional groupings: the Commonwealth of Independent States (CIS) (12 member States) and the Eurasian Economic Community (EurAsEC) (6 States which are also members of the CIS).
4. The priority list for the development of harmonized regional standards of the CIS Inter-State Standardization Council includes 29 items and the priority list of EurAsEC member States includes 28 items. Although 19 items in the CIS and EurAsEC lists are identical, none of those common regulations has yet been elaborated. Moreover, it should be noted that most of these 19 common items related to matters addressed in the EU “New Approach” directives.
5. The problem of a lack of a regulatory dialogue between different economic groupings in the CIS region was raised at the June 2006 International Forum on “Common Regulatory Language for Global Trade” and in a letter on this subject from the UNECE Executive Secretary sent in October 2006 to the Russian Prime Minister. As a result of the follow-up contacts in 2006-2007 with the Russian regulatory authorities, it was agreed to organize an in-depth discussion on practical problems faced by the Russian regulatory sector during the November 2007 session of the Working Party.

II. BACKGROUND ON THE PROPOSALS ON SAFETY OF PIPELINES

6. In October 2005, the Working Party on Regulatory Cooperation and Standardization Policies (WP.6) considered a proposal, which it received from the Russian Union of Oil and Gas Constructors (document TRADE/WP.6/2005/5/Add.1). It concerns preparing a regional technical regulation (safety and other mandatory regulatory requirements) on pipelines to be applied in project design, construction, testing, use of materials, operation, maintenance, conservation and utilization of pipelines for oil and gas industry products.

7. The Working Party noted that such a project could contribute to regional trade and integration and invited potential partners to inform the secretariat about their interest in it. In January 2006, this project was also presented at the meeting of another UNECE group of experts (Working Party on Gas), which expressed its interest, in principle, in this project and delegates were invited to inform the secretariat about their interest in joining this project.

8. The proposal was further discussed at the sixteenth session of WP.6 in June 2006 and was presented at a number of meetings and conferences in the CIS and other regions.

9. As of November 2006, an interest was expressed by a number of oil and gas companies for a dialogue on the safety of pipelines from the CIS region and from Europe, governmental agencies from Belarus, Croatia, Moldova, The former Yugoslav Republic of Macedonia, Russia, Kazakhstan, Ukraine, as well as from the secretariat of the ISO (International Organization for Standardization) and of the CIS Inter-Parliamentary Assembly.

10. Certain work on the guidelines for good practices on pipelines has already been done under the UNECE Environment Division. This is a project within the framework of the UNECE Conference of the Parties to the Convention on the Transboundary Effects of Industrial Accidents and the Meeting of the Parties to the Convention on the Protection and Use of Transboundary Watercourses and International Lakes. These guidelines were finalized in autumn 2006. There is no duplication with the proposals discussed at WP.6 as the above-mentioned guidelines are of a very general nature and make no reference to technical requirements, standards or other normative setting documents.

III. CURRENT WORK ON TECHNICAL REGULATIONS IN THE OIL AND GAS SECTOR IN THE RUSSIAN FEDERATION

11. At present the work is carried out on two levels: industry and governmental. On an industry level, the leading oil and gas companies established an Inter-industry Council for Standardization in Oil and Gas Industries.

12. This Council is working under the umbrella of the Russian Union of Industrialists and Entrepreneurs (RSPP). Within the Council, the standardization committees "TC-type" (ISO Technical Committee) were established with a view to agreeing on a common position in ISO. A number of national TCs, which have no counterpart at the international level, were also established (one of them on transportation of oil and gas).

13. The scope of problems faced by Russian industry can be seen from the example of the tube industry, which is rather quickly adapting to requirements from its western clients (many companies are working on ISO and American Petroleum Institute (API) standards). At the same time the stock of old GOST standards for metallurgical industry (still used) is about 2,000 items and for the tube industry about 700. And within the tube industry the companies established a group on technical regulations to arrive on a common position vis-à-vis governmental proposals in this area.

14. At present, the Inter-Industry Council is working on identifying the standardization the priorities of its members. Owing to different interests of companies the work is going rather slow and, in certain areas, there are even cases of break-out groups of companies which are trying to organize parallel work (to that run by the Council). Such a group for example, was established on the development of standards for exploitation of marine oil fields (under the umbrella of the Association of Russian Oil and Gas Field Services Providers - "Soyuzneftegazservice"). According to available information, the more substantive work proceeds in the Council.

15. On a governmental level, in spite of ambitious plans (programme of 181 regulations), at present only one regulation (on vehicle construction; based on UNECE regulations) has been adopted. Companies are complaining that governmental agencies try to introduce old instructions into new regulations to be prepared. Moreover, there are in several areas conflicting technical regulations on the same subject, with each of them pursued by a particular group of companies.

16. In the area of pipelines, according to available information, there are two technical-regulation projects. According to consultations held with some experts working on these drafts, there is a general understanding that such regulations shall take on board suggestions from all interested clients including from other countries (for example, Kazakhstan also foresees the preparation of a technical regulation on pipelines). At the same time, to the best of the secretariat's knowledge, no such coordinated work exists in practice.

17. In the letter to the UNECE (sent in July 2006) the Russian Federal Service on Ecological, Technological and Nuclear Supervision ("ROSTEHNADZOR") pointed to the problems concerning lack of coordination of mandatory requirements on industrial and ecological safety and differences in the State approaches to safety regulations. "ROSTEHNADZOR" finds it timely and useful to prepare a model of a regional technical regulation in the sphere of oil and gas pipeline safety. It advocates the involvement in such a regional project of main companies, operators and independent experts.

18. It is clear that both CIS companies and regulators prefer to see that the "rules of the game" are clearly formulated and put on the paper to avoid any misunderstanding and abuse.

19. The above issues were discussed at the meetings of the Team of Specialists on Standardization And Regulatory Techniques ("START" Team) of WP.6 in November 2006 and March 2007. During the November 2006 meeting a proposal was tabled by the World Youth Bank suggesting to include in any forthcoming UNECE initiative in this area also representatives from civil society and consideration of aspects of territorial security.

20. In June 2007, ROSTEHNADZOR informed the secretariat that in May 2007 a meeting on the safety of pipelines was held in the city of Ufa in Russia. Russian authorities responsible for the safety of pipelines and their counterparts from some CIS countries participated in this meeting where information on the ongoing work at UNECE (WP.6) was provided by ROSTEHNADZOR. Regulators from Moldova and Kyrgyzstan present at that meeting expressed their interest in the debate and work done at UNECE on the safety of pipelines. Other CIS countries' regulatory authorities were invited to join this work.

21. Discussions on the safety of pipelines will be continued at the seventeenth session.

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