

Global Industry Dispersants Information Paper

Background

Dispersants are often a key component of oil spill response strategies for offshore oil and gas to reduce risk from large offshore oil spills. They are an important response option because, when used appropriately and in the right conditions they can help mitigate impact to sensitive resources and reduce the overall environmental effects from offshore spills. The use of dispersants is often included in country national contingency plans and industry regulator-approved oil spill contingency plans.

Dispersants are subject to a number of legal requirements, including their registration by the manufacturer with relevant regulators. The registration of a dispersant governs whether it can be listed in an oil spill contingency plan and approved for use in any specific spill response. The manufacturer is responsible for registration of its products, and not all dispersants are registered in all countries.

The current owner of COREXIT™ products, which make up >45% of globally stockpiled dispersant and are the predominant US-stockpiled dispersants, issued a public statement in November 2022 announcing its intention to stop manufacturing all oil spill response products henceforth. The date to end ongoing support of the registrations necessary to use existing stockpiles has been proposed as July 1, 2023, although this has been extended on a temporary basis. This has the potential to create a significant negative impact to offshore oil and gas operations worldwide. These impacts stem primarily from limited worldwide registrations of alternative dispersants, the complicated and lengthy registration process for any new dispersant, and the heavy reliance on the products in the existing stockpiles.

The registration issue and recent challenges with global resupply of dispersants and certain components raise the following concerns:

- I. the adequacy of global dispersant stockpiles;
- II. the industry's ability to manufacture additional supply during an emergency; and
- III. industry's ability to rapidly replace dispersant inventories if stockpiles are depleted after a large incident.

Finally, access to much of the existing global stockpile of dispersant is subject to a requirement that the purchaser/user provide an indemnity to the manufacturer in the event of use during a spill. The terms of these indemnities are very broad and onerous for certain companies, which may preclude many from accessing much of the existing stockpiled dispersant held by OSROs and O&G Companies.

Industry Response

To resolve these issues around the stockpiling and use of dispersant, IOGP has established an Industry Task Force with the aim of developing a strategic approach to clearly define the problems that confront the industry and offer solutions to achieve adequacy of global dispersant stockpiles, rapid dispersant replacement capability, and accessibility to dispersants for all Industry participants.

The Global Industry Dispersants Task Force is comprised of representatives from IOGP member companies and relevant members of the IOGP Secretariat including a Project Co-ordinator. The Task Force will report to a Steering Committee and the work of the Task Force will be conducted in line with the [IOGP Competition Law Guidelines](#).

The range of issues encompasses legal, commercial and technical disciplines.

The following short, medium, and long-term issues are being examined by the Task Force:

- Resolve the product registration issue to have viability of the existing global stockpiles;
- Take steps to have adequate global dispersant stockpiles and rapid dispersant replacement capability;
- Achieve appropriate Global coverage of dispersants;
- Propose and pursue solutions to the issue of legal indemnities for the use of some dispersants, enabling wider dispersant use across the whole industry; and
- Achieve a sustainable business model for dispersant manufacturing.

Deliverables

- Resolution of the global use and registration of COREXIT™™ products.
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- An enduring vehicle to sustain adequacy of dispersant stockpiles and replacement capacity.
- A solution to the current requirements attached to legal indemnities for the use of some dispersants, which preclude many Companies from using some dispersants.
- A summary of dispersants approvals and available industry stockpiles in different countries.
- A summary of supply chain challenges with proposed solutions where necessary.
- Communication materials