

# ENOUGH IS ENOUGH

The Bulletin of  — The offshore energy branch of 

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**NOT FOR ME!**

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# 3:3 it's NOT FOR ME

Much has been written in the press about the current state of our industry and how it will affect you. To set the record straight we have produced this report. Regular readers of our publications know we have been warning of this for some considerable time, but now is not the time to look back, we need to decide what we will do going forward. Below we set out what is going on and we suggest some solutions. However, YOU need to decide how we deal with the current situation and we want to hear from you. Contact us at: [info@rmt.org.uk](mailto:info@rmt.org.uk)

## Crisis? What crisis?

We are being told the industry is not in crisis, we just need to work together to prepare ourselves for the future. Yes we've got a low oil price causing a few problems, but all we have to do is ensure we are in a position to sustain production and able to exploit those remaining reserves estimated at anything from 15 to 30 billion barrels of oil. So how are we going to achieve this?

Industry says the only way we can continue to produce is by forcing workers to move from current shift patterns of 2:2 or the more favourable 2:3 and instead work extended shift patterns of 3:3. Not only that, in some cases you will be forced to sacrifice any paid leave you may have! As the front cover of this special edition indicates, significant numbers of our members are already saying – **3:3 it's NOT FOR ME!**

However, the 3:3 drive will only affect those who remain in work during this 'non-crisis', mostly those involved on production installations in maintenance and engineering. This is down to the fact there is another approach being adopted by industry, mass redundancy, with drilling activity being slashed across the sector and thousands of drilling workers being dumped. This is despite being told by industry only a few short months ago that we had a skills shortage!

We believe industry actions are short sighted and will inevitably cost more. Any sense of engagement which is vital to improving behaviours and attitudes and in turn safety performance will be destroyed, as the operators drive through these 'slash and burn' measures. A negative impact on safety performance will inevitably have a detrimental impact on production performance. Costs will increase as operations suffer, and moreover the human cost in terms of accidents, injuries and fatalities, will cause untold grief for those affected and their families, as well as seriously damaging the reputation of operators. We can confidently make these claims because we've been here before. We've seen the result of the 'slash and burn' approach in years gone by where the fatality rate, serious injury rate, and hydrocarbon release rate have all increased as a consequence of short sighted cost cutting.

## Production efficiency

In discussions with industry we have repeatedly been told that production efficiency has dropped off while costs have increased and this cannot be allowed to continue. In response we have highlighted that offshore workers have not seen dramatic increases in pay and conditions, in fact pay has largely been in line with inflation or only slightly above. We have argued that in fact the big increases went to the senior

people, consultants, engineers and others along with inflated bonuses aimed at retaining these high end earners. Indeed the industry has created this competitive environment where they are paying well above the odds by picking from the same group, rather than investing in new people and keeping costs under control. In short industry leaders have failed to manage this and have taken the easy option of throwing money at people while oil prices were high, and now – **the offshore workforce is being asked to pay for that management failure.**

Production efficiency has dropped off because of a failure to invest in plant and equipment, as the drive to produce oil while the price was high became the imperative. As a consequence of this approach we have seen the widespread use of "Operational Risk Assessments" (ORA's) to maintain production while systems fail, generating extensive backlogs in maintenance. When eventually forced to shutdown to deal with an ever increasing catalogue of faults and repairs, the period of non-production has inevitably been longer and so production efficiency has suffered. The workforce haven't failed in this respect, they have been spectators watching this sorry tail unfold. Indeed only a few months ago the Step Change Elected Safety Reps group told industry leaders there was a continuing conflict between safety and production and that too many jobs were either not being done or were never completed. In short, industry leaders have failed to manage this, applying ORA's while oil prices were high and neglecting the plant and equipment and now - **the offshore workforce is being asked to pay for this management failure.**

## Health and Safety

The unions have worked hard with the industry to improve the safety performance of the sector and encouraged our members and workers generally to 'buy into' the idea of working collaboratively in a tripartite approach. During the last few years we have supported industry through difficult times such as the Macondo disaster and the development of new standards to ensure it doesn't happen here. We worked on the development of the historic and globally recognised "Piper 25" conference commemorating the 25th anniversary of what is still the world's worst ever offshore disaster. We supported the industry in resisting the imposition of EU Regulation and we were instrumental in securing the EU decision to change approach and apply a Directive instead. We are working with and supporting industry in trying to establish a stand alone regulatory body as the new "Competent Authority", part of the EU Directive requirements. We have supported Step Change in the development of the new "independent group" and agreed to sit on the board of that group.

Taking all of this into consideration our members are understandably angry about the unilateral imposition of changes which they have serious concerns about. We reproduce below an extract of a letter issued to employees of BIS Salamis working 2:2 and 2:3 shift rotations for Marathon Oil in the Brae Field. This will give you a feel for what is likely to be coming your way sometime very soon;

*We have been advised by Marathon that they intend to implement a change to the current offshore working rotations*

*applying on their assets, and we have been advised that we require to implement these changes. In particular, we are advised that it is intended that those assigned to Marathon Brae Field assets will be required to move to a 21 day work cycle IE. 21 days offshore followed by 21 days field break.*

*We have also been required to review the practice of those who work offshore taking holidays during periods of offshore working, rather than field break. Marathon have advised that in order to maintain efficiencies on their Brae Field assets employees will be required to work annual offshore rotation each year, meaning that holidays would require to be taken during field break only.*

BIS Salamis are calling this “consultation”, but it is clear this is a done deal! Marathon are dictating what will happen and it's the exact same ‘done deal’ as Apache have applied to all contractors and staff on the Forties and Beryl Fields, 3:3 from April/May, like it or not! So much for the ‘new era’ of a tripartite approach and collaborative working! The industry has very quickly reverted to its old ways and are driving the changes through irrespective of any concerns about extended working hours with increased workloads and the impact of this on workers health and safety and the safety of operations. Not only this, they are telling concerned workers that the HSE have no issues with these changes, despite the existence of an HSE commissioned survey from 2010 which seriously questions the adoption of 3:3 shift patterns. And finally they are increasing working hours and workloads by reducing staff numbers, when extensive backlogs of maintenance already exist!

For the drilling teams 3:3 isn't an issue, simply trying to remain in employment will be the priority. The true picture isn't completely clear yet but we know that several production platforms are stopping all drilling operations and that a number of mobile drilling rigs have had their contracts terminated early. Estimates for the numbers anticipated to be heading for the dole queues vary between 2 - 3 thousand with the full picture probably not being available until April. What we do know thus far is that employees with; KCA Deutag, Archer, Transocean, EnSCO, Maersk and several other drilling contractors all see redundancy looming large.

Now this may not have health and safety implications immediately, but as and when drilling activity resumes so the problems will begin. The industry has spent £millions developing and sustaining levels of competency in the drilling sector which has seen a significant improvement from the dark days of the late 90's and early 2000 period where the fatality rate was around 2-3 drilling workers every year. Those ‘dark days’ happened after a significant downturn in the sector when we had an influx of ‘green hands’, but despite having that experience industry is about to make the same mistake again.

### Industrial relations

Now isn't the time to criticise other unions about the effectiveness of the arrangements they have with employers. We need all the trade unions to pull together, not only that we need the Norwegian, Dutch and Danish trade unions to work with us, as well as organisations like the International Transport Federation (ITF) and Industriall. However, it must be said we are at a ‘tipping point’ here; there can be no sense negotiating with employers when the terms and conditions

agreed with them, like paid leave provisions, can be ignored. The oil companies are tearing up the existing arrangements, so it may be time for the trade unions to consider a different, more collective approach, with the real paymasters.

### Managing for the future

RMT has called for tax breaks for the industry, but tax breaks on their own will not stop what is going on. We don't want money put into oil company pockets, what we want is TAX INCENTIVES from Government to target certain operations which can sustain jobs and the production of oil and gas.

- we want tax incentives for maintenance programmes to eliminate maintenance backlogs thereby keeping infrastructure fit for purpose;
- we want tax incentives targeting oil exploration to find new oil, keeping drilling operations working and retaining competent staff;
- we want tax incentives for development and competency training programmes, to retain and enhance the skills of workers who remain at risk of redundancy;
- we want tax incentives which promote employee friendly policies during this difficult period such as - flexible working, job sharing, temporary secondment exercises and other initiatives.

Additionally we want to see the following;

- the industry to adopt common standards across the sector and eliminate the excessive cost of differing training schemes, these should be Step Change standards on competency, control of work and every other aspect of operations
- joint venture working to eliminate excessive periods of stand-by, allowing workers to move between employers while retaining service to the “joint venture” entity
- the utilisation of experienced technicians in operations and well control onshore, to enable them to develop their skills and knowledge base while reducing the cost of expensive ‘consultants’

But most importantly of all; we want a halt to the attack on offshore workers terms and conditions of employment. The offshore workforce didn't get us into this mess, therefore – **the offshore workforce should not be paying for the negligence of industry managers and the UK Government's failure to apply a fiscal regime which sustains the exploitation and production of our natural resources while supporting thousands of jobs.**

**Our members are saying – 3:3 it's not for me – and union officers will use media, politics and every means available to fight these attacks. The question is though – WHAT ARE YOU GOING TO DO?**

**Will you roll over and accept longer hours and less leave for the same or less pay, or will you stand and fight? If you don't make a stand against these changes NOW, the 3:3 and many other changes will be driven through and will be with you FOREVER! There will be no going back when the oil price goes up, and it will. So when huge profits return, don't think for a minute you will get a share!**

**RMT can and will support you, whatever you decide. But be aware; time is not on your side and we must fight now if we are going to fight!**

