

REPORT ON THE OIL TANKER ACCIDENT AT
AHMEDPUR EAST BAHAWALPUR

Oil and Gas Regulatory Authority
54-Fazle Haq Road, Blue Area
Islamabad

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1. INTRODUCTION

1.1 Background:

An oil tanker lorry of Shell Pakistan Limited (SPL) met with accident near village Safeerwala, 6 km from Ahmedpur Sharqya, Bahawalpur on Sunday i.e. June 25th 2017 at 06:30 am. OGRA instantly took notice of the incident, and deputed a couple of Third Party Inspectors (TPIs) to visit the site and gather first-hand information regarding the accident and prepare an assessment report while taking into consideration the applicable Law, Rules and Regulations.

1.2 Accident Brief:

TPIs reported that tank lorry (TLJ 352) involved was carrying 50,000 liters of petrol and destined from Keamari Karachi to Vehari. The traffic upset led the lorry roll over to the left hand side of the road and resulted the product (Petrol) spill from tanker. This erupted a chaos and unfortunately, the area could not be cordoned off by the local administration/ motorway police. This resulted in people crowding to collect the spilled product in buckets/containers, without realizing the huge safety risk involved. Meanwhile, the tanker caught fire that resulted in a grave tragedy, causing 130 + death toll at the spot, while several got injured/burnt. The FIR of the accident was lodged in the sadar Ahmed Pur East Police Station under Section 322, 435, 279, 3371, 427, and 109 of Pakistan Penal Code (PPC). Based on the reports received from TPIs, following sections provides OGRA's assessment on the accident in view of the compliance of the applicable Rules/ Regulations. This report also includes OGRA's recommendation for future action plan.

2. ACCIDENT DESCRIPTION

The accident occurred in two stages:

- (i) Main accident i.e. roll over of the tanker off the road and subsequently resulted spillage of the Petrol. This is clearly attributed to the non-professional driving/ vehicle being lesser than required specs.

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- (ii) Outbreak of the fire i.e. petrol being highly volatile dangerous fluid, readily got ignited with huge flames. This is attributed to,
 - a. The lack/delayed response of the local administration/motorway police to cordon off the area, for restricting/avoiding the approach and gathering of the general public at site of the accident.
 - b. The lack of awareness to the general public for staying away from site of such accident/explosive materials, which can possibly cause explosion/fire, leading to a national tragedy.

Remarks on 2/above: Although the accident can cause spillage from safest vehicles, nevertheless same can be mitigated through safety standards/Regulations and this specific accident could have been avoided/or spill can be contained/minimized, if the lorry was compliant to the applicable safety Laws/Rules.

3. METHODOLOGY

The matter was examined in the light of the following:

- (i) Petroleum Rules 1937, Petroleum Act 1934, National Highway Safety Ordinance (NHSO) 2000; and OGRA notified technical standards for Road Transport Vehicle, Container, and Equipment for transportation of Petroleum, 2009.
- (ii) OMC's obligations with respect to complying its tank lorries to the Rules/Regulation governing safety of such transportation via road.
- (iii) The reports received from TPIs i.e. ENAR Petrotech and Imtech (Annexure I and II respectively).
- (iv) Correspondence with Chief Inspector Explosives (CIE) with respect to the status of the licence granted to the said tank lorry, as stipulated under the Petroleum Rules 1937 (Annexure III & IV).
- (v) Meeting held with the SPL senior management at OGRA office on June 29, 2017 with respect to SPL obligation for petroleum product transportation.
- (vi) SPL was later on advised vide letter # OGRA-23(466)/2017-Enforcement (Annexure V) to furnish a detailed report which they failed to produce.

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4. **KEY FINDINGS**

Following table gives comparison of the Rules/Obligations by the OMC with the actual findings at the time of accident:

Sr. No.	Obligation under the relevant Rules	Findings
Pakistan Petroleum Rules, 1937		
(i)	<p>As per requirements of the Petroleum Rules 1937 read with Petroleum Act 1934, the transportation of the petroleum product via road through tank lorries is a licensed activity and requires licence of CIE under Chapter (IV) of the above Rules. In this regard, rule 77 may be seen as under:</p> <p>"77. Approval of Vehicles for transport in Bulk necessary.-</p> <p>(1) Petroleum in bulk shall not be transported by land except under a licence granted under these Rules in vehicle of a type approved in writing by the Chief Inspector of Explosives.</p> <p>(2) All such vehicles other than those exclusively used for the transport of Petroleum shall have a stamped, embossed, painted or printed warning exhibiting in conspicuous characters the word "Petrol", "Motor Spirit", "Kerosene" or an equivalent warning of the nature of the contents.</p> <p>(3) Every such vehicle and its fittings shall be maintained in good condition."</p>	<p>The said tank lorry TLJ 352 was hired by the SPL from its haulier, Marwat Enterprises. The said tank lorry has been found to be non-compliant to the Pakistan Petroleum Rules 1937.</p>

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(ii)	<p>Apart from above, rule 63, 64, 65, 66, 67,68, 69, 70, 71, 72, 73, 74, 75, 76,78, 79, 80, 81, 82 of the said Rules define all the safety requirements from type of tanks to procedure of filling/decanting of tanks, transportation (Annexure-VI). In addition, Chapter (III) of the above Rules deals with the prevention of accident and prevention of escape of Petroleum (Annexure-VII).</p>	<p>Since the tank lorry was found to not have CIE license; therefore, it is regarded as non-complaint with the Rules.</p>
(iii)	<p>The reading of above Rules clearly depicts that these Rules are mandatory to be followed for all persons/companies involved in transportation of the petroleum product via roads through tank lorries.</p>	<p>As above.</p>
<p>OGRA ORDINANCE 2002 AND TECHNICAL STANDARDS</p>		
(iv)	<p>The transportation of petroleum products through tank lorries is not a regulated activity under the OGRA Ordinance, 2002 and OGRA does not grant any such licence to tank lorries. However, keeping in view the fact that accident can cause spillage from safest vehicles and the same can be mitigated through standards. OGRA, therefore, in the best interest of the general public, notified the technical standards/guide lines (for Road Transport Vehicle, Container, Equipment for transportation of Petroleum) to be followed by the Oil Marketing Companies</p>	<p>SPL had confirmed that all their own tank lorries meets the international technical standards. Whereas, tank lorries obtained/hired from contractor shall be upgraded to the level of standards of the vehicles own by the SPL.</p> <p>Pakistan is a net oil importer and the imported product (specifically Petrol) is transported from Karachi to the up country solely through tank lorries; and demand for the petrol has increased manifold. Therefore, companies have to outsource tank lorries via contractors to avoid any dry out/ supply disruption at the petrol pumps. However, the usage of such hired tank lorries is subject to the</p>

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	(OMCs) over and above mandatory requirement of the Petroleum Rules 1937. These standards were notified in October 2009.	<p>strict adherence of minimum safety standards, which include the compliance to the Petroleum Rules 1937.</p> <p>OGRA notified technical standards for Road Transport Vehicle, Container, and Equipment for transportation of Petroleum 2009 are latest international/stringent standards. Whereas, the said tank lorry was even not in compliance to the basic CIE requirement, therefore, it becomes evident that said tank lorry was also not in compliance to the above referred OGRA technical standards/Guidelines.</p>
National Highway Safety Ordinance (NHSO) 2000		
(v)	As per NHSO-2000 requirement, 50,000L tank lorry must have 5-6 Axle.	According to the ENAR Petrotech report, the tank lorry had 4 Axle; therefore, tank lorry was not compliant with the NHSO-2000.
Motor Vehicles Ordinance 1965 and M.V. Rules, 1969		
(vi)	The legal basis for motor vehicle fitness, examination and fitness certification exists in the Motor Vehicles Ordinance 1965, under Rule-35 of the M.V. Rules, 1969.	Although, SPL has provided a certificate of fitness by the Motor Vehicle Examiner issued under Quetta (Annexure-VIII). however, the same is fake as confirmed by the Chief Minister Investigation Team (CMIT), Punjab.

Emergency Response Plan and Pre-load Check List		
(vii)	Although the said tank lorry is hired by SPL through its contractor; however, it is SPL's obligation to maintain and monitor a pre-load check list which covers the main aspects with relation to documentation of the tank lorry including CIE licence, Fitness certificate etc.	SPL has failed to provide the pre load check list of their own company. Instead, they have submitted their haulier's i.e. Marwat Enterprises check list (Annexure-IX). If the same was in placed or exercised/monitored in actual, the said lorry could have been denied for loading the product by the SPL.
(viii)	Similar, it is SPL's obligation to have its own Emergency Response Plan (ERP) to respond quickly in such cases.	SPL has failed to provide its own ERP and submitted ERP of its haulier's i.e. Marwat Enterprises (Annexure-X). This shows SPL entire dependence on the ERP of its haulier, which is very casual attitude of the company of the caliber of SPL to handle the emergency at the time of spill etc., and the same is therefore, not acceptable

5. CONCLUSIONS

5.1 SPL OBLIGATIONS AS PER LICENCE CONDITIONS

In view of the foregoing, OGRA is of the considered opinion that SPL has failed to fulfill its legal responsibility under the OGRA Ordinance 2002 and the Pakistan Oil (Refining, Blending, Transportation, Storage and Marketing) Rules, 2016 and other applicable Law/Rules in field for transporting the petroleum products through tank lorries. Main identified factors listed as:

- (a) As per condition (i) of the licence granted to SPL by OGRA, the company must govern their operations under the OGRA Ordinance 2002 and the applicable Rules made thereunder. (Copy of the license is attached as Annexure-XI)

- (b) As per condition (ii) of the licence granted to SPL by OGRA, the company is in obligation for taking all applicable safety measures for transportation, storage, distribution and marketing of petroleum products.
- (c) SPL is in obligation to upgrade its infrastructure in line with OGRA's notified technical standards. In case of any non-compliance on part of the SPL, causing damage or loss of life and property, company is in obligation to provide compensation in accordance with the Rules/licence conditions.
- (d) Although, SPL outsourced this tank lorry via contractor, however, SPL being OGRA licensee, carries the sole responsibility associated with this accident.
- (e) In addition, as per condition (xvii) of the licence granted to OGRA by SPL, the company is in obligation to fulfill requirements of all other applicable Law, Rules and Regulation in field in the country.
- (f) Although SPL provided short preliminary report; however, failed to provide their detailed report within prescribed time advised by OGRA vide letter dated July 3, 2017 advised under section 30 of the OGRA ordinance.

5.2. PENALIZATION AND COMPENSATION

As per rule 69 of the Pakistan Oil (Refining, Blending, Transportation, Storage and Marketing) Rules, 2016, as reproduced below:

"69. **Penalty.** - (1) Subject to sub-rule (2), a person, who contravenes any provisions of the Ordinance, these rules, terms and conditions of the licence, or the decisions of the Authority, shall be punishable with fine which may extend to ten million rupees and in case of a continuing contravention with a further fine which may extend to one million rupees for every day during which such contravention continues."



In the light of the above, the Authority in exercise of the powers has decided to impose penalty of Rs. 10 Million on SPL, which shall be deposited by the company within 03 working days of receipt of this order.

SPL shall pay the compensation @ Rs. 1.0 Million/deceased and Rs. 0.5 Million/injured.

SPL shall comply with the above decision, failing which the Authority would be constrained to initiate proceeding against the company to impose further penalty or any other strict action under the law/Rules interalia including suspension of marketing activity.

6. RECOMMENDATIONS/ FUTURE ROADMAP.

Keeping in view of the above, following recommendations are made in order in order to avoid any repetition of such incidents. These are:

All tank lorries for transporting petroleum products to be manufactured in line with applicable safety Laws/Rules and Regulations. In this regard, Oil Companies Advisory Committee (OCAC) shall short list/approve the manufacturing companies based on the best international practices and no vehicles made by the companies other than those shortlisted/approved by the OCAC be put in oil transport service.

- (i) The tank lorry to be used/added in the fleet of any OMC, if the same is certified by OCAC's approved TPIs.

Remark: OCAC to put up recommendations on above to the Authority in this regard for approval.


- (ii) Each OMC to strictly monitor/ensure the pre load check list including all safety requirements under the Petroleum Rules 1937 and any other safety regulation in force.
- (iii) OMCs to ensure that each tank lorry operating in the business of transporting petroleum products is manufactured in the light of relevant OGRA's notified


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technical standards and the applicable Rules interalia including Petroleum Rules, 1937.

- (iv) Each OMC to ensure the proper training / certification of tank lorries' drivers to handle emergencies and spills. In addition, Medical Fitness of the drivers/attendants be carried out on regular intervals in particular checking use of intoxicant and only medically fit drivers be allowed to drive the vehicles.
- (v) Each OMC to furnish a time line action plan for conversion of tank lorries of their contactor/hauler to the applicable safety Laws/Rules and Regulations as explained above, in the shortest possible time and till then minimum safety measures to be ensured.
- (vi) OCAC to ensure an aggressive awareness campaign on regular basis in the Print and Electronic media for the potential danger to the public life and property.
- (vii) National Highway Authority to ensure the checking/monitoring of NHSO-2000.
- (viii) Local/motor way Police to revisit their plans for effective patrolling and quick response to containing spills and keeping the general public/mob away from the site of such accidents to avoid loss to the life and property. Civil Defense Department of the provincial Governments may consider inclusion of regular drills to respond on similar emergencies.
- (ix) Motor Vehicle Examiner to revisit their SOP and ensure that tank lorries are in compliance with all the applicable Safety Laws/Rules and Regulations, prior to granting fitness certificate the subject tank lorries..
- (x) OGRA to take stringent measures to ensure implementation of the OGRA notified technical standards for Road Transport Vehicle, Container, and Equipment for transportation of Petroleum 2009 through TPIs or on its own.


Dr. Abdullah Malik
Member (Oil)
July 6, 2017


Uzma Adil Khan
Chairperson
July 6, 2017


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Member (Finance)
July 6, 2017

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