



Canada's Largest Offshore  
Industry Association

September 2, 2016

Cheryl McNeil  
FORRI Project Manager  
Natural Resources Canada  
580 Booth Street  
Ottawa, ON K1A 0E4

Dear Ms. McNeil:

**Re: Noia's Comments on the Frontier and Offshore Regulatory Renewal Initiative's (FORRI) Proposed Policy Intentions for Phase 2 of the Framework Regulations**

Thank you for the opportunity to provide comment on the Proposed Policy Intention Document for Phase 2 of the development of the Framework Regulations. Achievement of the objectives for Framework Regulations will only be possible through meaningful collaboration with stakeholders. As stated in our response to Phase 1, Noia strongly supports the FORRI objectives to reduce redundancy, bring standards up to date and the move to performance-based regulation and we are pleased to be a part of this process.

Performance-based regulation can provide industry with the flexibility to determine the most appropriate manner to meet or exceed the goals or outcomes and to adopt technology, standards, programs and procedures that best suit their specific business and operating demands as required over time. Given that this process will result in longstanding regulation, it is critical that it be written in a manner that will enable regulatory bodies and industry to readily adapt to change. Noia has seen the shortcomings of prescriptive regulations, particularly those that have not only become less relevant over time, but where delayed approvals have potentially resulted in decreased safety levels (i.e. Transitional OHS Regulations).

The FORRI objectives need to be met with a full understanding of the enforcement implications for the regulator and the compliance implications for investing companies. We believe in the importance of the regulatory process being competitive with appropriate jurisdictions while maintaining a balanced approach resulting in responsible development. With this in mind, we suggest that the development of guiding principles would be helpful in this process and should include: regulatory competitiveness (while maintaining responsible development), full transparency; balancing of risk and benefits; acknowledgement and understanding of implications, and a clear and practical pathway for compliance.

Newfoundland & Labrador Oil & Gas Industries Association

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As in our response to Phase 1, Noia suggests that future policy intent documents should clearly state at the beginning of each session how the policy intentions for the regulations contribute toward a more performance-based approach and demonstrate the differences between the new policy intent and the old regulatory approach and language for each appropriate element of regulation. Furthermore, we would like to see the limiting of prescriptive language during the current regulatory renewal process and a greater focus on constructive input from the industry on meeting objectives. This would enhance the consultation process and should result in a better regulatory framework.

Additionally, future policy intent sessions should include a summary of the feedback received from the previous consultation and how these responses may be considered the draft regulations. This will give stakeholders some assurance that the consultations will result in meaningful change toward a modern and efficient and competitive regulatory system. Without any indication of this, stakeholders will not be given an opportunity to see how the FORRI process is responding to stakeholder input until pre-publication in Spring 2018, a relatively short time before entry into force.

Lastly, given the importance of the petroleum industry to Canada and in particular to Newfoundland and Labrador both now and for decades to come, the regulatory environment needs to foster an internationally competitive oil and gas industry. Regulatory effectiveness is crucial for both increased and continued exploration and development, therefore it is ultimately important that regulation does not unnecessarily threaten or impede activity by adding unnecessary costs from delays, create uncertainties in obtaining approvals, result in duplication of compliance requirements and result in inefficient administration of the regulatory processes. Newfoundland and Labrador's offshore undiscovered resources in only 2 of 20 basins, now exceed 60 billion BOE and this already rivals other major offshore areas of the world. The exploration for, and the development of, these potential resources must take place within a regulatory context that recognizes and understands the global nature of the industry, its technologies and systems and its use of global best practices and standards.

Once again, we thank Natural Resources Canada and the FORRI team for the opportunity to provide feedback and we look forward to continued discussion on this important initiative. If you have any questions on this submission please let me know directly or contact Byron Sparkes, Noia's senior policy advisor. We look forward to our continued engagement with the FORRI team.

Sincerely,

A handwritten signature in black ink that reads "Robert Cadigan". The signature is written in a cursive, flowing style.

Robert Cadigan  
President and CEO