



Canada's Largest Offshore
Industry Association

September 16, 2016

Kim Phillips
Project Manager, OHS Initiative
kim.phillips@canada.ca

Dear Ms. Phillips:

Re: Noia's Comments on the Proposed Policy Intent for Phase 1 of the Atlantic OHS Regulations of the Atlantic Offshore Occupational Health and Safety Initiative

Thank you for the opportunity to provide comment on the Proposed Policy Intention Document for Phase 1 of the OHS Regulations. Achievement of the objective to develop a new and modern comprehensive regulation will only be possible through meaningful collaboration with stakeholders. Noia strongly supports this objective and we are pleased to be a part of this process.

Noia believes that where reasonable, performance-based regulation needs to be part of new modern OHS regulations. This 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 Noia has seen the shortcomings of the highly prescriptive and outdated transitional regulations that resulted in uncertainties and delayed approvals. Given this, we believe the OHS objective needs 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 strong OHS regulations but also in the importance of regulatory efficiency and being competitive with appropriate jurisdictions while maintaining the highest levels of health and safety standards.

We note that during the policy intent consultation for Phase 1 held in St. John's, there was considerable concern by stakeholders with international experience about the introduction of new regulations which were highly prescriptive in nature. Further, they did not appear to have been drafted with the benefit of a working knowledge of the current and modern health and safety standards, or of the procedures and practices employed by international oil and gas exploration and development service providers. Many of the proposed regulations will make compliance extremely difficult given the globally recognized systems and standards they currently employ on their vessels and installations. Noia shares this concern and noted that there was only one reference to performance-based requirements while there were numerous new or increased requirements.

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 transitional regulations which will be replaced, or each appropriate element of the policy intent. Furthermore, we would like to see the limiting of prescriptive language during the current policy intent process and a greater focus on constructive dialogue with the industry on meeting the OHS objectives. This would enhance the consultation process and should result in modern OHS regulations.

Additionally, future policy intent sessions should include a summary of the feedback received from the previous consultation and how these responses will be considered the draft regulations. This will give stakeholders some assurance that the consultations will result in meaningful change toward modern and efficient OHS regulations. Without any indication of this, stakeholders will not be given an opportunity to see how the process is responding to stakeholder input until Spring 2018.

Lastly, given the importance of the petroleum industry to Canada and in particular to Newfoundland and Labrador both now and for decades to come, OHS regulations need to not only result in the highest standard of health and safety but also 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 or unintentionally threaten or impede activity by adding unnecessary costs from delays, create uncertainties in obtaining approvals, and/or result in inefficient administration of the regulations. Newfoundland and Labrador's offshore undiscovered resources in only two 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 OHS 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 in this process.

Sincerely,

A handwritten signature in black ink that reads "Robert Cadigan". The signature is written in a cursive style with a long, sweeping underline.

Robert Cadigan
President and CEO

Cc:

Honourable Siobhan Coady, Minister of Natural Resources, Government of Newfoundland and Labrador
Honourable James Gordon Carr, Minister of Natural Resources, Government of Canada
Honourable Eddie Joyce, Minister of Service NL, Government of Newfoundland and Labrador