Learning from the past. Focused on the future.

Kim Phillips
Senior Regulatory Officer
Offshore Petroleum Management Division
Natural Resources Canada
Atlantic Canada Energy Office
1801 Hollis Street, Suite 700
Halifax, NS B3J 3C8

September 20, 2017

Dear Ms. Phillips,

Re: Noia's Comments on the Proposed Policy Intent for Phase 2 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 2 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. As we have stated before, 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.

Our specific comments follow.

<u>Codes and Standards</u>

We believe that OHS regulations should avoid as much as possible the use of references to codes and standards.

Allowing the industry to utilize industry best practices which change and evolve over time with experience and technology advancement, is in the best interest of worker health and safety. Additionally, we believe that the regulations should consider the adoption of codes and standards that have been accepted by classification societies for foreign flagged vessels and installations which do not comply with Canadian or North American codes and standards.

Conformity

Phase 2 introduces the provision for the demonstration of conformity requiring that industry must be able to demonstrate that any deviation that differs from a stated code or standards show how the alternative approach conforms to the requirements of the stated code or standards. Noia believes that a collaborative approach be adopted to ensure this process is fully understood by the industry and regulator.

Maintenance and Inspection

Phase 2 policy intent outlines prescriptive requirements for equipment maintenance and inspection and frequently which limits equipment inspections and maintenance to the requirements as prescribed by the equipment manufacturer. During consultations, stakeholders have stated that the industry has advanced from simply adhering to strict prescriptive maintenance plans and has adopted the use of risk based principles for inspection and maintenance of all equipment and specifically for safety critical equipment. Noia, through its membership, is aware of issues related to the adherence to OEM inspection requirements and is therefore very supportive of a risk-based approach. We believe this approach should be fully considered and based on desired outcomes and good oilfield practice.

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,

Andrew Bell
Chair, Noia Board of Directors