

July 11, 2018

Ms. Cheryl McNeil
FORRI Project Manager
Offshore Petroleum Management Division
Natural Resources Canada
580 Booth Street, 17th floor
Ottawa, Ontario K1A 0E4

Dear Ms. McNeil:

Re: CAPP response – Federal Offshore Regulatory Renewal Initiative Framework Regulations

The Canadian Association of Petroleum Producers (CAPP) is pleased to have this opportunity to provide comments on the Proposed Policy Intent for the Federal Offshore Regulatory Renewal Initiative (FORRI) Framework Regulations released on May 7th, 2018. CAPP members are committed to the safe and responsible exploration, development and production of Canada's petroleum resources and our comments, provided in this letter and in the attached table, are founded upon our collective operating experience in Canada and around the world.

Although a number of our comments outlined in Phase 1, 2 and 3 submissions have been addressed, CAPP believes it is imperative to continue to discuss the following important aspects of the development of the Framework Regulations to ensure that the regulation and the regulatory processes that support the administration and implementation of these regulations provide the best possible system for the future regulation of the areas under their jurisdiction.

Performance Based Regulation

It is imperative that longstanding regulation, such as the Framework Regulations, be written to permit regulatory bodies and industry to readily adapt to change. Prescriptive regulation limits industry's capacity to adopt best practices, advance technology and be innovative when it comes to ensuring the safety and wellbeing of personnel, environmental protection and responsible resource development. For example, section 6.7 (3) Passive Fire Protection as written is prescriptive and does not accommodate for advancements without triggering the Regulatory Query (RQ) process. Given that the new Framework Regulations are a longstanding regulation, performance based language must be considered.

Also, the regulations developed through the new Framework Regulations will apply to all frontier offshore and onshore oil and gas areas in Canada included under the *Canada Oil and Gas*

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Operations Act (COGOA) and the Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act and the Canada-Newfoundland Atlantic Accord Implementation Act. To avoid confusion, we recommend that any additional onshore requirements be removed and reflected in a separate section outlining these onshore obligations.

Policy Overlap between FORRI & OHS

In our review of the both Occupational Health and Safety (OHS) policy intent and the policy intent for the Framework Regulations CAPP has observed a significant number of areas that should be reviewed for unnecessary duplication and redundancy as this overlap could result in misinterpretation and incorrect application of the regulations.

CAPP agrees with the intent and purpose of the proposed changes to the Management System (MS) requirements intended to elevate the importance of safety and environmental performance. CAPP believes that intent has introduced significant and unnecessary prescription in regards to management systems and recommends that the duplication and overlap in the following areas not be introduced to regulation: management systems, quality assurance program, asset integrity, operations manual, safety plan and environmental protection plan.

If the objective is to modernize and move to a performance based regulatory regime, management system content must be focused and concise and not overly detailed and prescriptive. CAPP suggests a meeting be held with both the FORRI and OHS Technical working groups to discuss the areas of overlap prior to the regulations being published in *Canada Gazette I*. Attached is a comparison of potential overlap between the FORRI and OHS Policy Intent Documents (PID).

Codes, Standards and Prescription

The FORRI must strive to make minimal references to codes and standards in the Framework Regulations. This approach will allow industry to propose standards for meeting the performance requirements of the Framework Regulations. CAPP believe that the Framework Regulations should minimize the use of prescriptive codes and standards and permit the adoption of codes and standards that have been accepted by Flag states and classification societies, this is particularly true for foreign flagged vessels and installations which were not designed or constructed to the Canadian or North American codes and standards that have been written in policy intent.

Conclusion

CAPP's attached detailed comments and previous submissions identify those sections of the new Framework Regulations that require additional review and clarification.

We look forward to continued engagement with Natural Resources Canada, the Provinces of Newfoundland and Labrador and Nova Scotia and members of the Project Team as the new Framework Regulations continue to be developed.

If you have any questions please do not hesitate to contact me at 709 724-4200.

Sincerely,

A handwritten signature in cursive script that reads "R. Paul Barnes". The signature is written in black ink and is positioned above the printed name and title.

R. Paul Barnes
Director, Atlantic Canada and Arctic

c.c. Chris Carter, NL Department of Natural Resources
Kim Himmelman, NS Department of Energy

Attachment

Comparison of Potential Overlap between the FORRI and OHS Policy Intent Documents (PID)

FORRI PID	OHS PID
S3.2 (P1) – Management System S3.4 (P1) – Safety Plan	TBD (P3) – OHS Management System
S3.6 (P1) – Contingency Plans S4.2 (P1) – Emergency Procedures	TDB (P3) – Emergency Preparedness and Response
S4.1 (P1) – Availability of Documents	TBD (P3)
S4.4 (P1) – Storage & Handling of Consumables / S4.5 (P1) Handling of Chemical Substances & Waste	S11-14 (P1) – Waste Materials TBD (P3) – Hazardous Substances S73 (P2) – Storage of Materials
S4.6 (P1) – Tampering with Equipment	S1(b) (P2) – General Requirements
S14.4 (P2) – Management and Access of Records * All stipulated records requirements throughout PID	S3 (P2) – Records of Inspection, Maintenance, Repairs and Modifications to Equipment * All stipulated records requirements throughout PID
S14/7/14.8 (P2) – Incident Notification / Investigation Reporting	TBD (P3) – Haz. Occurrence Reporting
S6.20 (P3) – Ventilation of Hazardous & Non-Hazardous Areas	S65-77(P1) – Ventilation S?? (P2) – Ventilation of ETS areas
S6.21 (P3) – Electrical Standards	S85 (P2) – Electrical Safety Program
S7.13 (P3) – Cranes and Handling Devices	S35 (P2) - Design, Installation and Protection of Materials Handling Equipment and Areas S50 (P2) - INSPECTION, TESTING, MAINTENANCE, CERTIFICATION AND REPAIR S60 (P2) – Crane Operations
Definitions – Accidental Event	TBD (P3)
Definitions – Diving Operations	TBD (Diving Phase)
Definitions – Hazardous Areas	Definitions (P2) – Hazardous Areas
Definitions – Qualified Person	Definitions (P1) – Competent Person / Qualified Person Definitions (P2) – Qualified Person (this is now a combination of the two terms in Ph1)