



Learning from the past. Focused on the future.

Daniel Morin
FORRI Project Manager
Natural Resources Canada
580 Booth Street
Ottawa, ON K1A 0E4

September 20, 2017

Dear Mr. Morin,

Re: Noia's Comments on the Frontier and Offshore Regulatory Renewal Initiative's (FORRI) Proposed Policy Intentions for Phase 3 of the Framework Regulations

Thank you for the opportunity to provide comment on the Proposed Policy Intention Document for Phase 3 of the development of the Framework Regulations. As we stated in our previous submissions, achievement of the objectives for Framework Regulations will only be possible through meaningful collaboration with stakeholders. Noia is fully supportive of this process and the FORRI objectives to reduce redundancy, bring standards up to date and moving to performance-based regulation.

While there has been significant movement toward performance-based regulation we, along with other stakeholders, are concerned that while FORRI consultation is ongoing, the offshore petroleum board has released Drilling and Production Guidelines which may not be in the spirit of a performance-based regulatory regime. We believe the initiative must continue to focus on reducing redundancy among multiple regulations, bringing standards up to date, and limiting prescribing specific technologies/approaches.

Noia is also concerned that the approach now being taken where performance-based regulation is combined with prescriptive requirements, is not conducive to an efficient system and it is best suited in guidance. Noia has long been an advocate of the development and implementation of performance-based regulation and we believe that this will support and achieve higher levels of environmental and safety performance. Performance-based regulations can be undermined and diluted if regulators subsequently produce guidelines that are prescriptive. It is important now that Government provide some clarity on how it determined which specific areas require prescriptive requirements versus a performance-based approach and how the performance-based approach will be maintained in guidance.

Newfoundland & Labrador Oil & Gas Industries Association

Box 44, Suite 602 Atlantic Place, 215 Water Street, St. John's, NL, Canada A1C 6C9 t: 709.758.6610 f: 709.758.6611

www.noia.ca

Noia fully understands that certain areas of environmental protection and safety may not be appropriate for performance-based requirements but Government and the regulator should make every attempt to maintain a performance-based standard in the regulatory approach. This will be beneficial for environmental protection and worker safety while reducing the administrative burden for the regulator.

Lastly, and as we have stated before, given the importance of the petroleum industry to Canada and to Newfoundland and Labrador 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. 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 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,



Andrew Bell
Chair, Noia Board of Directors