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To: Current Operators and New Entrants (Distribution List attached)

I have spoken individually with most of you about multiple, significant incidents in the Canada-Newfoundland and Labrador Offshore Area over the past year and a half, including four significant unauthorized discharges and an injured worker with the potential for fatality. Incidents of great concern have also occurred within that timeframe in offshore Nova Scotia, which we continue to discuss with our counterparts at the Canada-Nova Scotia Offshore Petroleum Board.

At the October 7, 2019 roundtable session held with the Newfoundland and Labrador and federal Departments of Natural Resources, attendees heard that governments view these incidents as unacceptable, and I am certain you will agree that better industry performance is required. As I described at that meeting, the C-NLOPB is concerned with factors that may recur across these incidents, particularly regarding training and competency in recognizing abnormal events and reacting appropriately to them; lack of attention to weak signals or alarms; and procedural discipline.

As the C-NLOPB proceeds with five active, formal investigations, I am writing to reiterate our expectations for an industry-wide improvement agenda that must encompass current operators, new entrants, Certifying Authorities, contractors and sub-contractors in the Canada-Newfoundland and Labrador Offshore Area. In particular, industry participants need to assess the following, and take appropriate collective and individual actions to:

- share root causes, corrective actions and lessons learned from the incidents noted above, and any other relevant incident or near miss;
- complete and build upon recent good work to improve adverse weather protocols, particularly in consideration of climate change and the heightened severity of environmental conditions offshore;
- address any production pressure, complacency or confirmation bias that may have crept into the culture of industry leadership and the workforce;
- ensure appropriate attention is also being given to addressing weak signals and alarms, fugitive emissions, and medium to low risks;
- verify on an ongoing basis that contractors, sub-contractors and Certifying Authorities are trained and competent;
- identify any gaps in training and competency and quickly address them;
- ensure that historical corporate knowledge and learnings from past incidents have not been lost;
- ensure appropriate quality and thoroughness of risk assessments that inform planning and operational decision making;
- review the performance of the Eastern Canada Response Corporation in recent spill responses, with a view to improving performance moving forward;
- plan the upcoming, annual Synergy exercise with these concerns in mind;
- take action to rebuild and enhance public confidence and that of fisheries and other key stakeholders; and
- identify and address any other matters deemed requiring attention and corrective actions.

The C-NLOPB is available to provide further observations on the matters above, as we undertake the following actions:

- continuing our journey to performance-based regulation, including heightened oversight of facilities and operators that are struggling to achieve acceptable levels of operational performance from the safety and environmental perspective, through additional discussions, audits and inspections;
- planning a forum in early December to discuss spill prevention and response, with parties referred to above and other key stakeholders;
- continuing our efforts to support governments and prepare internally and with industry for regulatory modernization; and
- also supporting governments as they review elements of the Atlantic Accord legislative and regulatory regime and conduct international benchmarking, following from a meeting of senior federal, provincial and C-NLOPB representatives convened by Minister Coady on August 30, 2019.

It is worth noting that the work that is required by the local industry is consistent with discussions at the Annual General Meeting of the International Regulators Forum (IRF) this past June. The IRF reiterated its call to action to industry for enhanced safety leadership with sustained efforts to prevent incidents, particularly with respect to process safety and major incidents. Priority areas identified by the IRF for improvement in risk reduction include the prevention of well control incidents through effective barrier management, maintaining safe operations in production, learning and knowledge sharing across the industry, and ensuring the safe implementation of digital technologies.

It is my expectation that you will develop a plan of action to effect basin-wide improvements in environmental and safety performance, which will be publicly announced following the spill prevention and response forum in December. The C-NLOPB's Chief Conservation Officer will be in contact with you shortly to collectively plan for a successful forum.

Thank you for your attention to these matters which I would be pleased to discuss.

Yours truly,


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Scott Tessier
Chief Executive Officer

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