



March 1, 2011

*letter sent electronically – original to follow by regular mail*

Max Ruelokke, P. Eng.  
Chairman & CEO  
Canada-Newfoundland and Labrador Offshore Petroleum Board  
5<sup>th</sup> Floor, TD Place, 140 Water Street  
St. John's, NL A1C 6H6

Dear Mr. Ruelokke:

**Subject: Offshore Helicopter Safety Inquiry (OHSI) Recommendation No. 21 – Stakeholder Relationship**

This letter is further to our earlier exchange of correspondence and to our meeting with you on February 21. The latter was a very constructive and productive discussion. The purpose of this letter is to address the issues outstanding from your January 18 2011 letter and to respond to the OHSI Recommendation No. 21 requesting clarification as to the role of the Canadian Association of Petroleum Producers (CAPP) in representing the upstream oil and gas industry in Newfoundland and Labrador. This letter has been reviewed and endorsed by the CAPP Atlantic Canada Executive Policy Group (copied below).

We are pleased to confirm that Husky Energy has decided to re-join CAPP. The CAPP Board of Governors reinstated Husky Energy's membership effective January 1, 2011.

As outlined in our recent meeting, we are also confirming that CAPP will continue to be the industry association representing the upstream industry, including all CAPP members active in Newfoundland and Labrador. CAPP will constructively engage in providing the collaborative views of the upstream industry on both policy and regulatory matters to governments and regulators. CAPP will also continue to play an active role in public education and communications. Both CAPP and our members active in offshore Newfoundland and Labrador recognize the need to further clarify CAPP's role.

To provide additional clarity, it is industry's role to comment on any proposed policy, regulations or guidance documents as they are developed by governments and regulators. CAPP, as the industry association, generally is the body that provides those comments on

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behalf of our members who we work with to develop a consensus view. To supplement regulations, CAPP's best practice documents then build upon these guidelines and regulations that are made independently by the regulator and governments. In a few instances industry and the C-NLOPB have worked collaboratively to develop tools such as Safe Lifting Practices and Training and Qualifications Standards; however these initiatives have been a fully collaborative effort with the C-NLOPB and complement the regulatory actions taken by the C-NLOPB. This collaborative process has been successful and has been with the goal of continual advancement of safety.

To ensure that the needs of members operating in the region are met, CAPP has an office in St. John's with a committee structure and membership that is focused on Atlantic Canada under the direction of CAPP's Atlantic Canada Executive Policy Group (ACEPG). The ACEPG is comprised of senior executives of CAPP member companies with interests in Atlantic Canada. It is currently chaired by Meg O'Neill of ExxonMobil.

Over the last year, a number of process improvements have been applied broadly within CAPP to improve the timely achievement of industry consensus and on dealings with the regulator. This includes:

- Improving the interface between CAPP and the regulator(s) by ensuring expectations, priorities and timelines are clear and providing formal progress reporting at regular intervals;
- Improving CAPP's internal processes for managing complex projects by identifying an issues champion from the ACEPG for complex projects;
- Ensuring CAPP member company engagement and support by developing a clear terms of reference for complex projects, including expectations and roles of committee members and expectations related to allocation of member resources; and,
- Improving stakeholder engagement by developing stakeholder engagement plans for every complex project and developing communication materials and feedback templates.

We also acknowledge the importance of ensuring that the interface between CAPP staff and its member companies is visible and transparent to the Board. To assist in this regard, and to improve overall communications with the Board, we will undertake to schedule formal meetings at least twice per year between the leadership of the Board and senior executives representing CAPP staff and the ACEPG to discuss current industry issues, priorities and forward plans.

CAPP and its members have had a long history of constructive and successful engagement with the C-NLOPB. We trust this letter is responsive to your concerns and we look forward to a positive working relationship going forward.

Please contact me if you have any concerns regarding the above.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Collyer". The signature is fluid and cursive, with a large, sweeping flourish at the end.

David R. Collyer  
President

c.c. Honourable Shawn Skinner  
Minister of Natural Resources  
Government of Newfoundland and Labrador

Honourable Christian Paradis  
Minister  
Natural Resources Canada

Atlantic Canada Executive Policy Group