



10 March 2008

*Refer To: JHR
File Ref: OS-1*

Regulatory Development, National Energy Board
444 Seventh Avenue SW
Calgary, Alberta T2P 0X8
Canada

Attention: Jann Atkinson - Project Manager, Drilling and Production Regulations

**Re: “*Consultation process for the draft Drilling and Production Regulations Project*”
Your file number Ad-GA-ActsLeg-Fed-COGOA-DPR-01**

The American Bureau of Shipping (ABS) is a recognized Certifying Authority (CA) under the Canada Oil and Gas Certificate of Fitness Regulations, Nova Scotia Offshore Certificate of Fitness Regulations, and Newfoundland Offshore Certificate of Fitness Regulations. ABS has issued Certificates of Fitness under all three jurisdictions, and is committed to further involvement in the Canadian offshore areas as part of its mission to promote the security of life, property, and the environment.

We have reviewed the proposed consequential amendments to the Installations Regulations and the Certificate of Fitness Regulations and have the following remarks:

Installations Regulations

Sections 14 and 64: No comment.

Certificate of Fitness Regulations

Section 4, 6, 7, 8, and 9: No comment.

Part 1 of the Schedule:

1. It is not clear in Section 3(2)(c) whether the Certifying Authority is expected to be involved in the development of "processes for identifying hazards and for evaluating and managing the associated risks," or if the role of the CA is to verify that such processes have been implemented by the operator using an acceptable risk-based methodology. ABS would request guidance on the intent of the requirement as it would be our understanding that the latter approach would be more appropriate.
2. Certain of these provisions as worded are outside the capability of a CA to verify since CA personnel are not on board an installation at all times. ABS would request that the below items in the Schedule be modified or that clarification of the intent and the scope of CA responsibility be provided in the COF Regulations. We would further note that the CA should not be involved in the development of operational procedures as these should



remain the responsibility of the operator; the role of the CA should be to verify that procedures have been developed and implemented.

- The CA cannot ensure that consumables are "readily available and stored in sufficient quantities" as required by Section 24. The CA's role should be limited to technical aspects involving the arrangement of the unit and of the construction, testing, and inspection of the storage and handling systems, along with verification that storage and handling procedures have been put in place by the operator.
- Similar comment for Section 25: the CA's role should be limited to technical aspects of the construction, testing, and inspection of the handling systems, along with verification that handling procedures have been put in place by the operator.
- The CA cannot verify compliance with Section 48(3) at all times since CA personnel may not be on board the unit during routine maintenance. The CA's role should be limited to verification that maintenance procedures have been put in place by the operator.

We thank you for the opportunity to provide our input to the regulatory process, and for undertaking these efforts to improve the Canadian offshore regulatory regime.

Please do not hesitate to contact us if you have any questions regarding the above. You can reach me by telephone at 281-877-6626 or by e-mail at jrousseau@eagle.org. You may alternatively contact Michel Labrie in our Halifax, Nova Scotia office at 902-423-6236 or by email at mlabrie@eagle.org.

Very truly yours,

A handwritten signature in black ink, appearing to read "J H A", followed by a long horizontal line extending to the right.

Joseph H. Rousseau
Manager
Offshore Engineering Department

cc: M. Labrie, ABS Halifax