

The Risk and Regulation of Deepwater Offshore Drilling – Canadian Perspective

Presented to the Canadian Institute,
Woodrow Wilson International Center for
Scholars

Alexander (Sandy) MacDonald, Q.C.

March 6, 2012 (Calgary, Alberta) and March 7,
2012 (Washington, D.C.)

Outline

- Offshore drilling in Canada
- Offshore drilling – the risks
- Canadian regulatory approach
 - British Columbia
 - Atlantic Canada
 - Arctic
- Managing change and creating a safety culture

Offshore drilling in Canada

- Currently conducted primarily in offshore of two Atlantic Canadian provinces – Newfoundland and Labrador, and Nova Scotia
- Chevron completed a deepwater well after the Deepwater Horizon in 2,600m (8,535 feet). The well was located 250 miles offshore.

Offshore drilling – the risks

- Environmental
- Economic
- Political
- Ethical
- Regulatory

Canadian regulatory approach

- British Columbia
- Atlantic Canada
- Arctic

Canadian regulatory approach – British Columbia

- Subject to moratorium since 1972
- Federal government has given deference to views of adjacent province.



Canadian regulatory approach – Atlantic Canada

- Federal government negotiated deals with two Atlantic provinces in 1980s (Newfoundland and Nova Scotia)
- Joint boards established to oversee resources
- Negotiations currently underway with Quebec



Canadian regulatory approach - Arctic

- Overseen by two federal agencies:
 - National Energy Board; and
 - Department of Aboriginal Affairs and Northern Development Canada – North Oil and Gas Branch
- The final approach should reflect the wishes of inhabitants of adjacent territories – as with provinces



Managing **change** and creating a **safety culture**

- Managing change
 - Even small moves can take a lot of work
 - Goal from prescriptive regulation
- Creating and maintaining a safety culture

Conclusion

- Questions?