OFFSHORE HELICOPTER SAFETY INQUIRY
January 25, 2010
Tara Place, Suite 213, 31 Peet Street
St. John's, NL

January 25, 2010

PRESENT:

John F. Roil, Q.C./
Anne Fagan.....Inquiry Counsel

John Andrews/Amy Crosbie. ..... Canada-Newfoundland and Labrador Offshore
..... Petroleum Board (C-NLOPB)

Cecily Strickland..... Hibernia Management and
..... Development Company (HMDC)

D. Blair Pritchett/Stephanie Hillier .....Suncor (Petro-Canada)

Alexander C. MacDonald, Q.C/
Stephanie Hickman.. .....Husky Oil Operations Ltd.

Paul Barnes (without counsel)Canadian Association of Petroleum Producers (CAPP)

Laura Brown Laengle .....Government of Newfoundland and Labrador

Norman J. Whalen, Q.C.....Cougar Helicopters Inc.

Jamie Martin.....Families of Deceased Passengers

Kate O'Brien. .....Davis Estate (Pilot) and
..... agent on behalf of Douglas A. Latto for Lanouette Estate (Co-pilot)

V. Randell J. Earle, Q.C. .....Communications, Energy and Paperworkers Union
..... Local 2121

Robert Rutherford (without counsel) ..... Offshore Safety and Survival Centre,
..... Marine Institute

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COMMISSIONER:
Q. Good morning, ladies and gentlemen. Are you ready, Mr. Roil?
ROIL, Q.C.:
Q. Yes, good morning, Commissioner. Before we get into today's proceedings, we have a little bit of housekeeping to do as a result of the darkness the descended upon us on Thursday. There was a very short period of time at the every end of our proceedings when the power went out. We don't have a recording of the transcript of what was said at that time, so I was tasked to prepare a bit of a transcript. I've run it by the counsel who were involved for the parties who were involved and I've given you a copy as well, and I understand that for our record keeping, it will be desirable if I simply read it into the record this morning first thing.
COMMISSIONER:
Q. Yes, absolutely.
ROIL, Q.C.:
Q. So this is taking place at approximately 12:15 on Thursday, January 20th. Ms. O'Brien, Kate

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O'Brien is at the point asking questions of the Suncor panel as the power goes out. The first question that she takes that is after the recording is as follows: Ms. O'Brien says "following notification of an incident with a helicopter operating offshore, how long would it take before family members of passengers would be advised of the emergency?" Ms. Farrell responds "in such an incident, the first priority would be to determine a passenger manifest to know accurately who is on board. Being accurate on such information is important. Then we have to obtain family contact information for each passenger. This takes time, as some of the passengers may be employees of contractors. Once that information is obtained, calls are placed immediately by incident command personnel to families to advise them of the incident. To have accurate information is also important."

Ms. O'Brien asks "but how long would it take before such information is able to be provided? Is it minutes or longer? I'm not looking for a precise time, but an estimate generally. Families should get this call

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before the information is generally available." Ms. Farrell responds "minutes is not achievable. Sometimes and often, it can take hours before such information is available. It is possible that information about the incident is out there in the community before we can make such calls."

Ms. O'Brien closes by saying "those are my questions. Thank you." And then Commissioner, you ask "Mr. Mahoney, do you have any questions on behalf of Suncor?" and the answer from Mr. Mahoney is "no, thank you, Commissioner" and then Commissioner, you became engaged in a brief conversation or discussion with the panel members and you opened as follows: "Let me ask you a few questions. When a contract is entered into with, say, a helicopter company, who would draw up the actual contract? Would it be you folks here locally or would your legal department be involved?" Mr. Vokey answers "first, we in the region would have our input into mainly operational issues and concerns. Then it would be sent to our legal department in Calgary where they would put all the other

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provisions that would be normal for such a contract." And your next question is, Commissioner, "And that same process would apply, for example, to tanker or supply boat contracts as well?" Mr. Vokey says "that's correct, sir." At which time you say "thank you very much."

Then Mr. Whalen rises to say "Commissioner, are the copies of the Suncor JOHS minute meetings, Joint Occupational Health and Safety minutes, to be made an exhibit?" Commissioner says "yes, I think they should be" at which point the Registrar indicates "Commissioner, they will be entered as Exhibit C-00146 once the power is back on" and then you close, Commissioner, by saying "thank you. We're adjourned until Monday morning at 9:30 a.m." And that closed at approximately 12:30 p.m. on that date.

COMMISSIONER:
Q. So that will go into the record, of course, as it is already.
ROIL, Q.C.:
Q. Commissioner, to move onto today's proceedings, today we have the third in the

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series of three operators. Today it's Husky Energy. They have a PowerPoint presentation and have material similar to the material that was provided by the other companies. Again, you will see distinct similarities in approach. There may be some cases where there are differences in protocols or procedures, but at the end of the day, I think you will see that the approach towards helicopter health and safety is very consistent with the other two operators.

Today for the list of exhibits, we have Exhibit P-146, which is the PowerPoint presentation and then 147 is divided into one and two, and that's a confidential exhibit. 148, which is the Husky contract, also confidential. C-149, the operations, helicopter operations manual. C-150 which is the incident coordination plan. C-151 which is the health and safety committee standards, and then P, a public exhibit, 152, the Sea Rose FPSO safety handbook. So I would ask that they be put into evidence and uploaded onto our various sites for access as appropriate.

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In the PowerPoint presentation, Commissioner, there is a use of colours and there is another -- it's not an exhibit as much as a prop, but we may have to call it an exhibit, which I will refer you to when we get to the appropriate place. So good morning, gentlemen.

MR. PRITCHARD:

A. Good morning, Mr. Roil.

MR. WILLIAMS:

A. Good morning, Mr. Roil.

ROIL, Q.C.:

Q. Before we begin, I would ask the Registrar to affirm Mr. Kenneth Dyer and Mr. Donald Williams. Mr. Pritchard has already been sworn and affirmed in the joint panel.

MR. KENNETH DYER, AFFIRMED

REGISTRAR:

Q. State your name, please.

MR. DYER:

A. Kenneth Dyer.

MR. DONALD WILLIAMS, AFFIRMED

REGISTRAR:

Q. State your name, please.

MR. WILLIAMS:

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A. Donald Williams.

REGISTRAR:

Q. Thank you.

MR. TREVOR PRITCHARD, PREVIOUSLY SWORN

MR. TREVOR PRITCHARD, MR. DONALD WILLIAMS AND MR. KENNETH DYER, EXAMINATION BY JOHN ROIL, Q.C.

ROIL, Q.C.:

Q. Good morning, gentlemen. I understand, Mr. Pritchard, that you are going to make some opening statements and then introduce the two members of the panel that are with you.

MR. PRITCHARD:

A. Indeed.

ROIL, Q.C.:

Q. And go from there.

MR. PRITCHARD:

A. Mr. Commissioner, my name is Trevor Pritchard. I'm the general manager for the operations here on the east coast. That involves the production operations, the drilling, the marine and the logistics. The logistics aspect deals with helicopter transportation. To my left is Mr. Don Williams. He is the HSEQ manager on the east coast. He's being relieved of his, I'll say, their duties since

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October of last year in support of the Inquiry, and Ken Dyer, to the right here, is the production operations manager specific to the Sea Rose operations.

We're here today in support of the Inquiry to give information on how Husky operates here on the east coast, and where possible, be specific to helicopter operations.

Once again, I'd like to give my condolences to the families and our thoughts will always be with them.

I mentioned in previous testimony in the joint panel how far reaching this tragedy was. It appeared everyone in the Province was touched. What I didn't mention was the tremendous support we received from the general community around the Province. Everyone, it seemed, had heard of the incident and was affected by the tragedy and everybody wanted to help, and I want to acknowledge how widespread that support was, and in later testimony today, I will give some names of some specific people and their companies who generously offered their support.

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The values and aims and expectations of Husky all contribute to a safety culture that embraces safety as our top priority and a culture that should see everybody return home in the same condition, if not better, than when they went offshore. There is nothing more important than the health and safety of our workforce and this includes the safe and reliable transportation to and from our offshore facilities.

The oil and gas industry here in Newfoundland needs helicopter transportation. We've seen the environment that we work in and we also understand the safety requirements of our personnel.

It is recognized that there are risks travelling to and from the offshore. I believe helicopter transportation is safe and I continue to travel offshore. Industry has always been about continuous improvement and you'll see that on a continuous basis throughout our panel presentation today.

Everybody working for Husky has a responsibility for safety and the following presentation and information given by the

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panel will flesh out some principles and some specific ways that we discharge our collective duties. As presented in the joint panel, you'll continue to see that theme of supporting continuous improvement, so that every person who works in our industry can travel to and from our offshore facilities in a safe manner.

Mr. Commissioner, I introduced myself earlier at the joint panel presentation, so I will not go through my bio again, but I'd now like to hand on Mr. Dyer, sorry, Mr. Williams.

MR. WILLIAMS:

A. Mr. Roil, Mr. Commissioner, good morning. My name is Don Williams. I'm the manager for health, safety, environment and quality for Husky Energy's east coast operations and I report to our vice-president. My family and I are from St. John's and we have lived here all of our lives.

In the fall of 1980, I started working offshore Newfoundland on the Sedco 706 semi-submersible drilling unit. We were drilling the Hibernia B08 well at that time and I was working for a service company. During the

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1980s, I participated in drilling programs for the Hibernia, White Rose and Terra Nova projects' development programs. Although most of my employment over the past 30 years has been associated with the Newfoundland offshore industry, I have also worked offshore Nova Scotia, the North Sea, offshore West Africa, including Ghana, Angola and Ivory Coast, and I've worked in the Arctic, as well as western Canada and China and Algeria as well. I have travelled offshore extensively on a regular rotation base through the course of my employment and I have travelled in excess of 100 times by helicopter. I have also travelled by vessel to and from our offshore facilities.

Commissioner, as an offshore worker during the 1980s, I experienced the safety culture that existed at that time. I can personally attest to the positive evolution of our safety culture to what exists today. When I first started in the industry, we did not ask questions about safety. Safety was rarely discussed. I do not recall having received any formal related safety training in the

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early days of my career.

Today, our offshore personnel are more informed, speak openly and honestly about their safety concerns. Our management expects this of our personnel and encourages honest, frequent and constructive communication. Each of us today in the industry, we are aware of our rights as employees and also our responsibilities.

In 1986, I became interested in pursuing a career in occupational health and safety and while continuing to work in the industry, I studied -- commenced part-time studies in mechanical engineering technology and safety engineering technology. My professional career began when I graduated from the Marine Institute in safety engineering technology in 1992. I started working as an occupational health and safety consultant in 1992 and continued consulting until 2004. The majority of my work consisted of providing safety, safety management, as well as occupational hygiene services to the Newfoundland industry, in particular to the Newfoundland offshore oil and gas industry. In 1995, I became the first

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registered occupational hygiene technologist in Newfoundland and in 1997, received accreditation as a Canadian registered safety professional.

In 2004, I became an employee of Husky Energy as a health safety environmental coordinator and in 2006, I was appointed a position of health, safety, environment -- manager for health, safety, environment and quality. I am responsible for the development and implementation of our health, safety, environment and quality systems for Husky's east coast operations.

Mr. Commissioner, I have been personally and professionally affected by the tragedies that have occurred in our offshore industry, most importantly by the lives that were lost as a result of the crash of Flight 491. It was our flight.

On March 12th, I was the HSEQ manager for Husky Energy. I participated wholly in the response to the tragedy, initially in our incident coordination centre and later with the families, friends and colleagues at the Capital Hotel. They were the toughest days of

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my career.

In October 2009, I was appointed by the vice-president for east coast operations to support the efforts of this Inquiry on behalf of Husky Energy. We believe the work of his Inquiry will improve the safety of travelling offshore by helicopter. We also believe that we will learn a great deal about our industry and in the spirit of continuous improvement, we will benefit in other areas as we apply this knowledge. I thank you for the opportunity to participate in this Inquiry and I hope that I can make a positive contribution. Thank you.

COMMISSIONER:

Q. Thank you. Just one quick question. I've been told, and you've told me now again, you know, how the oil industry offshore has improved its safety profile in the last 20-25 years. Has that, so far as you know with your background experience, extended to other industries in Canada or in the Newfoundland Labrador area, or is it -- are you thinking it's more confined to the oil industry?

MR. WILLIAMS:

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A. No, I think, Mr. Commissioner, it has extended, particularly in Newfoundland, I believe. You know, the companies that come here, they bring the latest knowledge, technologies and skills to our local industry, and I think we have been able to build at that, you know, as we communicate and work with each other here in Newfoundland, particularly in industry associations. We've been able to share this knowledge and some of the better companies who have proactive management systems and pursue performance in health and safety, they share that knowledge with other companies. So I think we, as an industry, an example would be the Construction Safety Association in Newfoundland, they've advanced their safety within their industry as well. So I think in a broader nature, all of the industry tend to benefit from the learnings and knowledge that are shared, and as an industry ourselves, we share within our companies. So I think there's positive influences throughout the entire industrial community in Newfoundland, and I think that's throughout Canada.

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COMMISSIONER:

Q. Okay. Thank you very much.

MR. DYER:

A. Good morning, Mr. Commissioner, Mr. Roil. My name is Ken Dyer and I'm the manager of production operations with Husky here on the east coast. I am responsible for the day-to-day production operations component of the White Rose project. I report directly to the general manager, Mr. Pritchard, and I also have six direct reports.

I was born and raised in Newfoundland and I currently reside in St. John's with my wife and two young children. My wife and children are also Newfoundlanders. I graduated from Memorial University with a Bachelor of Mechanical Engineering and a Masters Degree in Applied Science. I am currently a professional engineer and a member of the Association of Professional Engineers and Geoscientists in Newfoundland and Labrador.

While I was completing my Bachelor's Degree, I was also employed with the Department of National Defence through the Naval Reserve Unit here in St. John's. I

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obtained my commission as a naval officer and also my qualification as a marine engineer. In 2003, I also obtained accreditation as a Canadian Registered Safety Professional.

I have been involved in the oil and gas industry for more than 16 years, and throughout this time, I've worked on all three of the major projects here in Newfoundland, namely the Hibernia project, the Terra Nova project, and the Sea Rose White Rose project. I've held positions in all three in engineering, health, safety, environment and emergency response.

In 2003, I joined Husky as the health, safety, environment and quality manager, after spending one year as the loss control engineer with Maersk Contractors on the White Rose project. At this time, the Sea Rose was under construction in many parts of the world, and the drilling program was under way in the White Rose fields. In 2006, I moved to the position as the offshore installation manager for the Sea Rose FPSO. Even though I had travelled many times to the Hibernia Platform in the past, this is the first time that I've

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taken on a 21-21-day rotation and I continued in this role for more than two years. As the most senior person, I had the overall responsibility for the health and safety of all people on the Sea Rose FPSO. I have travelled by helicopter on many occasions and I've flown the Super Puma, the Sikorsky S-61 and the Sikorsky S-92A.

Mr. Commissioner, I was on the Sea Rose during one of my management visits and checked in for my return flight when Cougar 491 crashed. I knew several people on that flight, both personally and professionally.

I did have the opportunity to spend the night on the Sea Rose and to spend the night with everybody on board, and also to take the trip home the next day with those people that just lost their friends, their back-to-backs, on the crash. We returned home on the Atlantic Osprey.

Following the crash, I was a member of the steering committee working towards the resumption of safe flying operations here on the east coast. As part of the communications plan, I had the opportunity to speak with well

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over 1,000 people, including family members, both onshore and offshore, to provide them with the information about the process we took to ensure that we were resuming a safe flying operation offshore. It also provided an opportunity for those people to ask questions and to seek clarification. I took the first flight on May 12th on an S-92 to bring that message offshore.

Mr. Commissioner, I've grown with this industry for over 16 years and I have a good understanding of how it works both now from an onshore and an offshore perspective. I will continue to travel offshore today and for many years in the future by helicopter.

We are here today to assist in the identification of improvements in the transportation of all people flying to our offshore facilities on the Grand Banks and we hope that our presence and knowledge here today will help with making this process safer. Thank you.

COMMISSIONER:

Q. Thank you.

ROIL, Q.C.:

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Q. Mr. Pritchard?

MR. PRITCHARD:

A. Okay. Mr. Roil, I'd just like to go through the presentation outline, so firstly, I'll give you some information on Husky Energy, who we are and where we operate, kind of globally and locally, and give more specific details to the east coast operations. I'll give something of an overview of safety culture and how we maintain momentum with education and communication, and I'll give you my ideas around safety culture. The east coast operations, some details around the organization and operations, once again, including the level towards helicopter operations. A little bit more about the regulatory environment that we operate in and the interfaces that we deal with. We will present the Sea Rose safety plan with some details, but recognizing here that there is a parallel to the drilling operations, so Husky operates the drill rigs owned by TransOcean and we discharge our expectations through the contract to make sure that there is alignment between the operations TransOcean work with

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and the expectations of Husky. So we look for equivalencies there between those and the document that we utilize is HOIMS, and that's the Husky Operational Integrity Management System, and you'll hear more of that as we progress through this.

It's recognized that the contracting community play an important role for us with over 60 percent of the offshore workforce being contractors, and I'll discuss a little bit about the procurement processes there, in a general sense, and then move on to, specifically to how the helicopter is contracted. We need to perform due diligence in monitoring and compliance and performance of our supporting contractors, and we'll discuss in some details around the helicopter operations and how it fits into that people process and equipment scale that I mentioned before in the previous testimony of the joint panel. We had the people, process and equipment, which are key barriers to preventing incidents.

And then we'll go on with a number of slides giving detail around the emergency

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response organization and then an understanding of what happened on March the 12th and the subsequent days. So that's generally what the presentation will deliver.

ROIL, Q.C.:

Q. Okay, and I understand that you've divided up the presentation between the three of you and we'll follow that.

MR. PRITCHARD:

A. That's correct, Mr. Roil. We'll work between ourselves here in how we look. So the corporate overview is Husky is the third largest integrated energy company in Canada. That means we explore and produce and that's what we do here on the east coast and that's called the upstream market, and then we have a refining business called the midstream, and then we have a number of distribution networks and retail outlets called the downstream.

Husky has been 70 years committed to social, responsible development with a commitment to safety and the environment. We operate in western Canada, here on the east coast, USA, Greenland, China and Indonesia, where we integrate with the communities and

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engage in the development of the areas in a variety of ways. So whether it be health care, education, the arts, an expectation of leaving a positive legacy. We have a proactive approach in the health and safety and the environment, aboriginal affairs, community investment and diversity.

ROIL, Q.C.:

Q. Before we go, that slide with the image on the side, is that Husky's main headquarters?

MR. PRITCHARD:

A. Yes, that's what we call headquarters, but in general, we'll refer to it as corporate. So if there's a reference to corporate, this is the two buildings of Husky Towers there in Calgary.

ROIL, Q.C.:

Q. Okay, thank you.

MR. PRITCHARD:

A. So Husky has been involved with the east coast for more than 25 years. The White Rose field was discovered in 1984 and the North Amethyst field in 2006. There are currently around 625 people working frontline for Husky with many other people providing goods and support

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services. The dark blue area on the map there shows the extensive land holdings that Husky holds as an operator in the Jeanne d'Arc Basin, and we have 22 significant discovery licenses. So there's a very large land mass there. The blue is the operator. Other colours are where there's joint operators or joint ownership shall I say of the land holdings.

So I'll move on with safety culture and Mr. Commissioner, this Inquiry has a large bias towards safety, and not just helicopter safety, I know you're interested in the general safety of offshore. So we've used the term safety culture and I offer my interpretation of what safety culture embraces. I believe safety culture echoes the heart and soul of a company. All companies will discuss safety culture, however different they will be. There's really the intent of the chief executive officer and how the words within that policy statement from the chief executive officer are actually discharged in a real and practical way. You will find many of the same high level requirements in most

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company policy statements and it is the leadership as you move down through an organization that needs to align and hold true to those values the organization has established. In reality, my own internal values align exactly with the Husky corporate values. That allows me to make decisions and communicate in a strong authoritative manner, as I know these decisions have a strong connection to the highest authority in the company. Decisions need to be made and I will develop later how good communication and collaboration with a diverse group of people help make those decisions.

Every meeting at Husky, the culture at Husky is every meeting starts with the health and safety and the environment. All our daily reports start with that. All our weekly reports, all our communications to head office or corporate, all start with the details around health and safety.

The slide on safety culture here shows some attributes that help in developing a safety culture. You need to start with the respect for people, listening to their views

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and concerns. You need strong visible leadership who align to the values of the company and can establish the priorities. You need a well-educated and trained workforce with the right tools and by tools, I mean not just the physical tools, but also the processes and the development of that culture that we describe as tools. They need to understand the role and understand the responsibilities. There also needs to be a fair and just culture to deal with performance issues and accountability. A just culture developed and introduced correctly helps create the right environment to allow for open communication and full participation at all levels. An organization needs to be a learning organization. You've heard many times that we've talked about the learning aspect of a company. We also need to measure performance and everybody needs to recognize opportunities. However, it also needs to be recognized that in setting these priorities, not everything can be done tomorrow or the next day, and that's what we need to set the priorities around.

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So one of the areas of that safety culture is an essential component, is the well-functioning occupational health and safety committee or the JOHS as we've heard in this Inquiry. In the joint panel presentation, I recognized the areas of legislation that have been adopted by the C-NLOPB and are applied via the works authorization. So I won't go any further into that regulatory function. So a well-functioning JOHS committee recognizes the health and safety issues that need to be resolved, track the resolution to a successful conclusion. There are constituencies formed for various departments and these departments have meetings every three weeks. They discuss a variety of topics in a general sense and departmental specific. Any issues that cannot be resolved by the supervision at those meetings can be carried forward by, or is carried forward by the JOHS committee member, and the JOHS committee member is an elected member by the workforce who represents the department and takes forward to the larger JOHS committee meeting.

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ROIL, Q.C.:

Q. What sort of size -- we've heard other operators talk about the size of the committees. You know, somebody from each of the departments and whatnot. What is the relative size of a committee on the Husky facility?

MR. PRITCHARD:

A. That can vary a little bit, depending on the activities on board. We mentioned before if you get a big construction team going on board, then you know, we'll form a constituency around that construction team who will have a member and they'll come into the JOHS numbers, but -

MR. DYER:

A. We currently have five departments offshore. Each department will have a representation there. So we'll have a minimum of five worker, five management, but there are oftentimes when we'll have more than five workers, but we will not exceed on the management side.

ROIL, Q.C.:

Q. Okay.

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MR. PRITCHARD:

A. I'd like to move on with the -- we use a tool called OMNISAFE. OMNISAFE is an electronic tracking tool and it reports -- in there are the investigation reports and quality reports. The JOHS members have capabilities, in fact many members have the capabilities to look into the OMNISAFE to view investigations and recommendations and close out. On occasions, there are also a special needs for JOHS members, and I know Mr. Earle had recognized Mr. Frost previously. Mr. Frost is an instrument technician on the Sea Rose who is seconded to onshore to facilitate now the communications between the JOHS members offshore and what is happening here at the Inquiry.

ROIL, Q.C.:

Q. This is the gentleman who's been sitting in the room for all these days, yeah.

MR. PRITCHARD:

A. Correct. That's correct. So you know, special needs of the JOHS members so we have that communication route, not necessarily from the management, although we do give

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information and support communications, we have Mr. Frost to ensure that the workforce members have a member here. Mr. Frost also took part on the helicopter operations return to service task force.

So not only do we need a well-functioning JOHS committee, we also need, I'll say in general, good communications and this slide here depicts many opportunities for discussions on safety and how the day-to-day practical safety issues are discussed and managed by the safety tools, for example, the permit to work that we've talked about, the tool box talk, town hall meetings. The OIM meets and greets every helicopter that arrives on the Sea Rose to lay out expectations right from the very first minute that anyone steps on board. It also lists the meetings whereby the senior management are informed of safety issues. I personally have daily meetings with the drilling operations, subsea, marine and logistics group and safety is the first on our agenda, of course.

My office is right next door to the vice-president and any specific safety issues that

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are brought up on that daily meeting can be quickly communicated to the vice-president if he needs to know at that level in a timely manner.

There are monthly onshore and offshore reviews with safety performance, as well as quarterly reviews with the vice-president around the HSEQ performance details. There is also a communication with the chief operating officer in corporate, that's on a quarterly basis, so he is informed of the detail around HSEQ too. We also discuss, of course, the HSEQ requirements every quarter with the C-NLOPB or any of the ad hoc meetings that may be necessary in between those quarterly meetings. We also have meetings every two weeks with the certifying authority and -

ROIL, Q.C.:

Q. Meeting, sorry, every two weeks?

MR. PRITCHARD:

A. Every two weeks currently with the certifying authority and we have a large interaction with the certifying authority offshore. Last year, 2009, the certifying authority was on board the Sea Rose for 124 days.

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ROIL, Q.C.:

Q. I'm sorry, somebody coughed, I couldn't -

MR. PRITCHARD:

A. 124 days the certifying authority was physically on board the Sea Rose.

ROIL, Q.C.:

Q. And what are some of the things that they would be looking at on those visits?

MR. PRITCHARD:

A. They would have a number of activities to look at. Sometimes its construction work, where they might witness a pressure test. Other times it's -- we have performance standards that they will be recognizing or regulatory reviews and inspections.

ROIL, Q.C.:

Q. So this is not focused on a single item or a concern of theirs, but rather a broad range of items?

MR. PRITCHARD:

A. The general inspection requirements really going towards maintaining our certificate of fitness.

ROIL, Q.C.:

Q. And we'll learn about it later, but the

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certifying authority for the Sea Rose is which entity?

MR. PRITCHARD:

A. DNV.

ROIL, Q.C.:

Q. DNV, yeah, okay.

MR. PRITCHARD:

A. We align our -- we mentioned before how important our contractors are, so we align our values with the contractors through the contract and by quarterly contractor update meetings. There are occasions where we have detailed meetings with the contractors if there's been a specific incident and perhaps they have performed an investigation. We'll review their investigation with them and have a discussion around that, what the outcomes look like and how they're going to go through the close out. And of course, communication starts initially with orientations of new employees. There's orientations at the heliport and orientations offshore.

So now I'll move on with the east coast operations and the organization. So the organization is shown on this slide with the

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vice-president being the more senior position here on the east coast. He has eight individuals reporting to him and the corporate interface to Calgary is the chief operating officer and then onto the chief executive officer, a relatively short reporting line there for quick decision makings. You should note there that one of the direct reports to the vice-president is the HSEQ manager, and from my position as the general manager for operations, I have a great deal of interaction with the HSEQ manager.

ROIL, Q.C.:

Q. Okay. So on the chart we have there on the far left, the general manager of operations, that's you?

MR. PRITCHARD:

A. That's correct.

ROIL, Q.C.:

Q. And Mr. Williams, his normal role is where, the HSEQ?

MR. PRITCHARD:

A. Yes, that's correct.

ROIL, Q.C.:

Q. Okay.

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MR. PRITCHARD:

A. And it's been pulled out there to signify the importance to that.

ROIL, Q.C.:

Q. And Mr. Dyer's position is?

MR. PRITCHARD:

A. He's under me, under the last -- second off last box on the left-hand side, manager of production operations.

ROIL, Q.C.:

Q. Okay.

MR. PRITCHARD:

A. And you'll see the interface there to the offshore installation manager with Mr. Dyer from there.

ROIL, Q.C.:

Q. So the OIM reports to him?

MR. PRITCHARD:

A. Correct.

ROIL, Q.C.:

Q. He reports to you?

MR. PRITCHARD:

A. Correct.

ROIL, Q.C.:

Q. And you report to the VP?

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MR. PRITCHARD:

A. Correct.

ROIL, Q.C.:

Q. Okay. Who is the vice-president currently?

MR. PRITCHARD:

A. Paul McCloskey is the vice-president.

ROIL, Q.C.:

Q. Okay. Perhaps dealing with it now rather than later on, was he the vice-president or the senior person on March the 12th of 2009?

MR. PRITCHARD:

A. No, I was the most senior person at that time. We were still on the look out for a new vice-president on March the 12th.

ROIL, Q.C.:

Q. Okay. So that position was what, not created or was vacant?

MR. PRITCHARD:

A. No, it was vacant.

ROIL, Q.C.:

Q. It was vacant, so you were the senior person in Newfoundland on March 12th?

MR. PRITCHARD:

A. Correct. So I have a great deal of interaction with the HSEQ manager. He

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supports me with the operational organization, the tools and direction for safe operations. It is my responsibility to ensure the workforce are trained for their jobs and educated in the safety tools and the culture that we're trying to create, and the right attitude by the workforce to perform the tasks in a safe manner, always that thought for continuous improvement.

Line management is responsible for safety and the performance of the asset that I influence is monitored by trends. So the HSEQ manager, within his department, his function, monitors the statistics of the operation and he reports those statistics to the vice-president, and then the vice-president and the HSEQ manager can see if there's any abnormalities within that and all three of us would actually sit down and have a discussion about what the trends look like, if we're heading in the right direction, what improvement areas we can look for. So I report to the vice-president but my performance and the operational performance is given to the vice-president via the HSEQ

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manager.

There are around 25 people reporting in to the HSEQ manager and his team is distributed throughout the operational organization and really embedded into the operations groups. So the support to the offshore with an HSEQ advisor physically offshore. There's an HSEQ advisor onshore who works with Mr. Dyer. Those advisors all line up to the HSEQ manager.

ROIL, Q.C.:

Q. Where would the -- I think it's clear there the FPSO reports up through. Where would the contractors report in on this regime here?

MR. PRITCHARD:

A. Contractors reporting in offshore report -

ROIL, Q.C.:

Q. I mean people like TransOcean, the facility, the MODU operators.

MR. PRITCHARD:

A. Okay. So we also have HSEQ advisors, Husky HSEQ advisors offshore.

ROIL, Q.C.:

Q. Right.

MR. PRITCHARD:

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A. And HSEQ advisors onshore and we get the link there from offshore to onshore and through into the HSEQ manager.

ROIL, Q.C.:

Q. So the HSEQ people that are on board the operator-controlled facilities, they are Husky employees or are they contractor?

MR. PRITCHARD:

A. They're generally Husky employees.

ROIL, Q.C.:

Q. Okay.

MR. PRITCHARD:

A. So we've seen this slide before, just to continue. It's one that shows the layout of the glory holes, the production facilities and an offload tanker. The White Rose project was 2.35 billion dollars on time on budget, and I don't really intend to go over too much more of the layout of that, the areas. I think you are familiar with the layout.

ROIL, Q.C.:

Q. We've talked about the project a bit.

MR. PRITCHARD:

A. You've also seen this slide before, but I just want to go over the nuances of the Sea Rose.

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ROIL, Q.C.:

Q. Yes.

MR. PRITCHARD:

A. Because this is Husky specific. So the Sea Rose is a weather vaning FPSO, swings on the -

ROIL, Q.C.:

Q. So what does weather vaning mean?

MR. PRITCHARD:

A. It swings on the tides and the currents, so it's tethered at the front end in the turret and any forces, external forces will swing the vessel in a natural course. If the wind's strong, it'll lie to the wind, similarly with the current.

ROIL, Q.C.:

Q. Now we heard from another operator with a different FPSO that they actually can control it at times, or do control it.

MR. PRITCHARD:

A. Yes.

ROIL, Q.C.:

Q. So you allow this one to actually pivot with the wind, do you?

MR. PRITCHARD:

A. Correct.

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ROIL, Q.C.:
Q. And that's part of its design?
MR. PRITCHARD:
A. Yes, indeed.
ROIL, Q.C.:
Q. Okay.
MR. PRITCHARD:
A. So the main components of the hull are the hull itself, the integrated turret area and the topsides equipment for the production of the oil, gas and water. The nuances of the helideck is that it's above the accommodation and offset to the port side. That's to the left-hand side. We have some detailed pictures of that later.
ROIL, Q.C.:
Q. I was going to say, we have a better photograph to show of that later on, yeah.
MR. PRITCHARD:
A. This one does show the helicopter landing there.
ROIL, Q.C.:
Q. Yeah, you can see the helicopter landing in the relatively stern of the vessel, and you're telling us that that is actually off to the

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port side as well?
MR. PRITCHARD:
A. Correct. The other feature I just wish to point out is the port crane. The port crane is used for man riding when we have vessel transfers, and I'll mention the vessel transfers a little later. So it's just so you're aware that that happens on the port side as well.

So the White Rose field had some pre-drilled development wells before the FPSO came on station in August 2005. The mobile offshore drilling units, or the MODUs, Grand Banks was working on that initial development and continues now with the North Amethyst development.
ROIL, Q.C.:
Q. So that is still working for Husky?
MR. PRITCHARD:
A. Correct.
ROIL, Q.C.:
Q. On the North Amethyst, which is where in relation to White Rose?
MR. PRITCHARD:
A. It's about six kilometres from the original --

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well, from the Sea Rose itself. So it's a stepout new satellite development field in its own new glory hole now.
ROIL, Q.C.:
Q. Okay, and that's physically visible from the Sea Rose?
MR. PRITCHARD:
A. It's physically visible as in terms you can see six kilometres, but, of course, the subsea infrastructure is all under the water, you know, from the glory holes and floor lines that feed back to the FPSO.
ROIL, Q.C.:
Q. Yeah, I just meant would somebody on one facility be able to see the other facility?
MR. PRITCHARD:
A. Yeah, if we have the drill rill on the North Amethyst drill centre, sure you can see each other. We also have the MODU Henry Goodrich currently with a contract with Husky and we own an exploration well as we speak today.
ROIL, Q.C.:
Q. And those have heliports on deck?
MR. PRITCHARD:
A. All drilling activities are supported by

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helicopter operations. As I mentioned there, the more permanent type facilities, all the MODUs move around, they are offshore doing their work scopes on the FPSO, and all need servicing in terms of personnel movements by helicopter or supply vessel. Supply vessels are also required to standby duties, supply ones with fuel, water, goods, stores. The marine logistics groups are also responsible for the helicopter services and the ice management in terms of planning the number of vessels required for the ice management and the technical management of ice. The marine group are also the interface with the tanker operators.
ROIL, Q.C.:
Q. To go back to -- the helicopters, we know about that. How many supply vessels are in support of your operations? I don't know if we have that on a --
MR. PRITCHARD:
A. We had that in the joint panel operators.
ROIL, Q.C.:
Q. Yes.
MR. PRITCHARD:

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A. I think we have -- it varies, but it's around eight vessels, depending on how many MODUs we physically are operating at the time. It also varies on the -- as we come into ice season now, we will need more vessels with tactical arrangement. Some vessels move further to the north as a kind of eyes for us. We do have ice reconnaissance flights and these kinds of things to manage ice. To answer your direct question, how many vessels have we got; that varies depending on the time of year and what we've got.

ROIL, Q.C.:

Q. I take it, it can be up to eight and as low as what, four or six?

MR. PRITCHARD:

A. Yeah, I think we could operate with -- you know, you need a standby vessel. If you just had an FPSO standby vessel, and a vessel for supply runs, is the minimum that you would need.

ROIL, Q.C.:

Q. Okay.

MR. PRITCHARD:

A. So, yeah, we've seen the -- I'll call them the

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permanent type facilities, the FPSO, and the MODUs, all need servicing.

ROIL, Q.C.:

Q. Sorry, to go back to the helicopters, do helicopters make dedicated runs to each of the installations or do they tend to go to one, and then jump to the other one or two?

MR. PRITCHARD:

A. It's very dependent. A lot of time the time we have dedicated Sea Rose flights, we have our core crew rotations, we know the numbers, but there are times when it's ad hoc or if we need a specific contractor perhaps to get out to one installation. We can hop from one to the other.

ROIL, Q.C.:

Q. How far or -- sorry, how far or close are the other installations? You mentioned one that would be about six kilometres. Would the other one tend to be farther or closer to that?

MR. PRITCHARD:

A. So specific to the White Rose Field, the northern drill centre is around 10 kilometres to the north, North Amethyst six, and then the

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central drill centre is around two to three kilometres away.

ROIL, Q.C.:

Q. And would most transfers between those, again this question came up with other operators, would they tend to be by vessel or by helicopter or is there much transition of personnel between the facilities?

MR. PRITCHARD:

A. Well, there's not very much inter-personnel transfer. There's no real requirements for personnel to travel from Sea Rose to go do work on the MODUs, but there are obviously times when the helicopter will land on both facilities to offload passengers specific to their installations.

ROIL, Q.C.:

Q. Right.

MR. PRITCHARD:

A. So in terms of helicopter operations, there are thousands of people a year transported, and my next slide will show a distribution of passengers over a number of years. It takes approximately an hour and a half to travel offshore and the same time back, and up to six

Page 48

to eight passengers at a time. We currently have six flights scheduled in support of one drill rig, the Henry Goodrich and the FPSO, and that's because currently the GSF Grand Banks is at a near shore location at Bull Arm, so we haven't got the flights working there at the moment. The ability to transport personnel offshore by supply vessel is very seasonal as the sea state required for transfer physically at the site is less than three metres. So we talk about helicopter operations, but if we can't utilize helicopter operations, we do transfer by vessel and that's very much dependent on the weather conditions.

ROIL, Q.C.:

Q. And by dependent on weather, what do you mean in terms of whether people would travel at all by vessel?

MR. PRITCHARD:

A. That's correct. If there's no prospect of arriving at site with less than three metres of sea states, then the people won't transfer by vessel.

ROIL, Q.C.:

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Q. We've talked, and the whole focus of this inquiry is on the risks associated with helicopter transit. What are some of the risks associated with marine transport because that's the other alternative? Are there any particularly noticeable risks that are associated with that form of transportation for workers?

MR. PRITCHARD:

A. There's risk involvement with just about everything that we do, so of course there's risks. It's how we manage and mitigate against those risks. So you can appreciate a basket transfer. It's called a Frog. I don't know if anybody has presented that kind of transport to you, but it's a seated arrangement, spring kind of loaded underneath, and you transfer with a crane from a moving supply vessel to a moving FPSO, in our case, or the moving MODU.

ROIL, Q.C.:

Q. And those movements aren't always together, are they?

MR. PRITCHARD:

A. There is obviously relative movements between

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those, so you can appreciate sea states where both vessels are moving, there is an inherent level of risk there, mitigated by minimizing the sea states that we would operate in.

ROIL, Q.C.:

Q. So that's where the three metre maximum requirement comes from?

MR. PRITCHARD:

A. Correct.

ROIL, Q.C.:

Q. Okay.

COMMISSIONER:

Q. I take it then, there's no question of a supply vessel coming alongside and some sort of transfer directly?

MR. PRITCHARD:

A. The relative levels between the supply vessel is very low compared to the free board of the FPSO, so - and the supply vessel has dynamic capabilities, so it can stay relatively stationary, but nonetheless, there's still relative motion between the two vessels.

ROIL, Q.C.:

Q. We all have pictures in our minds of people scrambling up ladders on the side of ships.

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That's not a viable alternative?

MR. PRITCHARD:

A. No, no, we would not allow that.

COMMISSIONER:

Q. Nor I suppose would be a ladder, the type they have on some large ships, to go down to a boat in the water, you know, a set of steps, if you like, that can be deployed? That's not practical, is it?

MR. PRITCHARD:

A. No, my background is from the Merchant Navy and on occasions I have used those types of ladders, but it's in very sheltered waters with a relatively stable platform to move from one vessel to another. When you get into the sheltered waters lee from a ship, you can utilize those accommodation type ladders, but out on the Grand Banks, it would be very impractical to do that, especially from the relative heights and relative motions. We can always look at that, of course, but --

COMMISSIONER:

Q. You won't get many takers.

ROIL, Q.C.:

Q. Before we leave this slide, let's go back and

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talk about aviation transportation a little bit more. You say you have approximately six regularly scheduled flights per week. What time are those flights scheduled for?

MR. PRITCHARD:

A. All our flight times are before 12 o'clock. I can't tell you the specifics to each of them, but --

ROIL, Q.C.:

Q. No, no, but they all take off out of St. John's before noon?

MR. PRITCHARD:

A. Correct.

ROIL, Q.C.:

Q. Okay. Additional flights are scheduled as necessary. We hear from one operator, HMDC, that said it is not currently doing night flights. We heard from Suncor, which said it is currently doing night flights. What is the situation with respect to Husky?

MR. PRITCHARD:

A. We'll evaluate whether we should take a night flight or not We have taken night flights and we'll continue to take night flights on the evaluations that we take. We take a balanced

Page 53

view towards those night flights.

ROIL, Q.C.:

Q. And what are the issues that come into play in terms of the balance?

MR. PRITCHARD:

A. The balance is around the need for the night flight, the expectations of the weather conditions in future days. We have a number of set criteria that we need to make before we would allow a night flight and that is 103 Squadron is available. Night flights, if it's a landing offshore means the sea state is probably reduced because our night criteria is half, so the roll and the pitch of the vessel. So that makes it -- weather conditions flying offshore must be reasonable in order to facilitate the halfing of the landing criteria.

ROIL, Q.C.:

Q. On an average basis, on a weekly average basis, how many night flights would be taking place right now?

MR. PRITCHARD:

A. I can't -- I'm going to look to Mr. Dyer. I've not seen a night flight go for a number

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of weeks.

MR. DYER:

A. I don't think we've had more than 10 to 12 night flights in the last several months.

ROIL, Q.C.:

Q. Okay. So they're not a regular weekly occurrence?

MR. DYER:

A. We would not average one a week. Pardon me?

ROIL, Q.C.:

Q. They're not a regular weekly occurrence?

MR. PRITCHARD:

A. They are not a regular -- I took a night flight, for instance, the last time I was offshore, so I returned in darkness, but that would be in an October time.

ROIL, Q.C.:

Q. Okay.

MR. PRITCHARD:

A. So not regular, balanced, we take a view to it, we consider helicopter transportation a safe means of transportation, we just need to understand the limitations of that night time flying and the mitigations the reduction of the vessel movements are the criteria.

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ROIL, Q.C.:

Q. Okay, thank you. The next slide, I think, is a new one that we haven't seen a similar one before, so you might take a moment to explain it.

MR. PRITCHARD:

A. Well, it really just gives an indication of the total number of passenger movements and the relationship between the transportation by helicopter and the transportation by supply vessel in an historical manner. We can see an increase in 2006 when we had a significant period with the Rowan Gorilla 6, which is a jackup rig that we contracted to do work for us in the basin. So in 2006, we can see 10,000 movements, very little by supply vessels. So within that year we see the weather conditions allowed us to operate that way, and the other significant number there is in 2009 where you see a jump in supply vessel operations or transfers, and that's because of the two months in the return to service for the helicopter operations post-March 12th.

ROIL, Q.C.:

Q. So the general growth in vessel

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transportation, would that be associated with weather challenges in those particular years, or is there some other activity that might account for it?

MR. PRITCHARD:

A. No, I would say that in the main it's going to be the weather challenges that we see and those weather challenges are different every year.

ROIL, Q.C.:

Q. Yeah.

MR. PRITCHARD:

A. But it's just an indication of the number of transfers that we have, you know, 10,000 in 2006, and it's in the region of 7,000 in 2009. I'd now like to pass on to Mr. Dyer who will take us through the regulatory environment.

MR. DYER:

A. Okay, thank you. Mr. Commissioner, in the following section, I'm going to speak about the White Rose offshore operation. The photo on this slide was taken in October, 2008, which depicted the resources in the White Rose Field at that time. This will be a familiar sight next month when the GSF Grand Banks

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rejoins the White Rose Field. The production and the drilling facilities you see in that photo all require helicopters to transport their individuals on a daily basis.

ROIL, Q.C.:

Q. Before you go, the tanker, that has a helideck on it, does it?

MR. DYER:

A. Yes, it does.

ROIL, Q.C.:

Q. And the FPSO shown just above that, if you will, there's one MODU which is slightly to the left. Which one is that, just as a curiosity? Can you tell from the photograph?

MR. PRITCHARD:

A. The far left is the Henry Goodrich, and the more centralized one is the Grand Banks.

ROIL, Q.C.:

Q. Okay, now are the distances here in terms of kilometres? It looks very close. It's hard to understand the scale.

MR. DYER:

A. The one that's furthest north of the Sea Rose FPSO would be on station, and that would be about 2.1 kilometres from the Sea Rose.

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ROIL, Q.C.:

Q. Which one is that, the one that's --

MR. DYER:

A. That's the one that's ahead of the Sea Rose just to the left.

ROIL, Q.C.:

Q. So that's about two kilometres away, is it?

MR. DYER:

A. Yes. The other one is actually under tow on its way to the field.

ROIL, Q.C.:

Q. Okay, and what sort of distance is there, just to give us an idea of scale?

MR. DYER:

A. I would estimate anywhere from six to seven kilometres.

ROIL, Q.C.:

Q. Okay, somewhere in that vicinity.

MR. DYER:

A. And the tanker is actually on its approach to commence with an offload from the Sea Rose FPSO.

ROIL, Q.C.:

Q. Okay. Then the small supply -- the blue vessel, that's the typical supply vessel, is

Page 59

it?

MR. DYER:

A. Absolutely. We are required to have a standby vessel in the field 24 hours a day, seven days a week.

ROIL, Q.C.:

Q. And is that one standby vessel for all three facilities or are there more than one? In other words, if you have the FPSO on station and you have a MODU that's six kilometres away, does that supply vessel stand by for both?

MR. DYER:

A. With regards to the Canada Newfoundland Offshore Petroleum Board, depending on the distance that the other facility would be away from the Sea Rose, we could have one dedicated to Sea Rose and another one dedicated to that facility, or one that would dedicate itself to both.

ROIL, Q.C.:

Q. Okay, it just depends on distances?

MR. DYER:

A. Absolutely, and response time.

ROIL, Q.C.:

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Q. Yes, okay.

MR. DYER:

A. We understand that the framework for the east coast regulatory environment has been described in the joint panel, as well as both of the other individual operator panel. This schematic, although it looks different, does depict and show the interfaces that Husky has with our regulatory departments and our certifying authority. The only difference is that we use Det Norske Veritas, DNV, as our certifying authority for both our drilling and our production facilities, whereas the other operators would use Lloyd's Register of Shipping. The role of the certifying authority in this scenario is in accordance with the Canada Newfoundland Offshore Petroleum Board. In actual fact, DNV provides the certification to the Sea Rose FPSO and to the drilling facilities. DNV provides an independent third party evaluation on regulatory compliance and fitness for purpose.

ROIL, Q.C.:

Q. The visits that Mr. Pritchard has talked about where they were out there 127 days or

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whatever, would that be just on one facility or would that be as divided between two or three?

MR. DYER:

A. DNV was actually on the Sea Rose for 124 days last year.

ROIL, Q.C.:

Q. Okay, and would they also be on the other facilities during the year for a period of time?

MR. DYER:

A. They would also conduct audits and inspections and visits, but I'm not aware of what frequency and how many days.

ROIL, Q.C.:

Q. Okay, and then Transport Canada, we've got a little bit of evidence about that as well. I think you've indicated that you are certified as a professional engineer and also as a marine engineer?

MR. DYER:

A. Correct.

ROIL, Q.C.:

Q. Okay. What are some of the issues surrounding the command issue on board the FPSO, who is in

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charge when it is moving, and who is in charge when it's on station, if there's any difference? Is there any issue there or anything interesting happening in that situation?

MR. DYER:

A. No. I will describe this a little further, but just to give you a direct answer to that, it's very clear how the chain of command works on an offshore facility. When we're in normal operation and connected to our buoy, which means we're on station, the offshore installation manager is in control and that's stipulated in the Accord Act.

ROIL, Q.C.:

Q. Yes.

MR. DYER:

A. When we actually go to disconnect the Sea Rose, we are now a flag ship, we now become a ship under the Marine Code and our vessel master, who is also a captain, will now take command and control of the ship.

ROIL, Q.C.:

Q. Okay.

MR. DYER:

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A. And there's a formal process of how we hand those two positions over.

ROIL, Q.C.:

Q. A formal handover process?

MR. DYER:

A. Absolutely.

COMMISSIONER:

Q. But that captain must always be there, I take it?

MR. DYER:

A. Yes. On the Sea Rose, we do have a Marine Department because we have several marine systems that have to be maintained, and under Transport Canada we have to maintain all our statutory certificates. So that group is always functional and they'll just revert back to a station watchkeeping duty if we are under sail.

ROIL, Q.C.:

Q. Since it's been on station, how often has it moved or been off station such that the captain would be in control?

MR. DYER:

A. We have not been off station since 2005.

ROIL, Q.C.:

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Q. You haven't been off station?

MR. DYER:

A. We have not been off station.

ROIL, Q.C.:

Q. Continue.

MR. DYER:

A. As an example, I've shown a simplified schematic, and what this does is it depicts the --

ROIL, Q.C.:

Q. It's simplified for you. We're going to have a moment with it.

MR. DYER:

A. Yes, you're right, it is simplified. What this slide actually does, though, it depicts the level of interface that we have in order to obtain what's referred to as production operations authorization, and that's our license and approval from the regulator that we can go and safely produce offshore with the Sea Rose.

ROIL, Q.C.:

Q. We've heard a fair bit about the production authorization. So far we're with you.

MR. DYER:

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A. Good, right, but as you can see, the process is complex and it demonstrates the degree to which we are regulated in the offshore industry in Newfoundland.

ROIL, Q.C.:

Q. Uh-hm.

MR. DYER:

A. It also shows the level of engagement that is required by Husky as an operator and how we have to stay in communications with the Canada Newfoundland Offshore Petroleum Board, Transport Canada, and DNV, and sometimes on a daily basis. Do you have any questions on that slide?

ROIL, Q.C.:

Q. No, just -- I guess, if we were to superimpose helicopter operations here, would you have any direct link to the other Transport Canada, the aviation side, or would that be for the helicopter operator?

MR. DYER:

A. The helicopter operations are strictly mandated by Transport Canada Aviation, and our process of interaction with Cougar, it's from us to Cougar, and Cougar to that regulatory

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agency.

ROIL, Q.C.:

Q. And your relationship to Cougar is by way of contract?

MR. DYER:

A. Absolutely.

ROIL, Q.C.:

Q. Okay.

MR. DYER:

A. Just to add a little bit on the work authorization process, what you see in this table right now is just a representative list of all the authorizations that we have received from the Canada Newfoundland Offshore Petroleum Board.

ROIL, Q.C.:

Q. This is all of them or just a --

MR. DYER:

A. This is a representative list. This is not all of them.

ROIL, Q.C.:

Q. Okay.

MR. DYER:

A. But it does demonstrate how the regulator is involved with our business, and how many

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authorizations we've actually had since 2005, since we started production offshore. Now these authorizations will involve DNV to a certain degree, but not all of them, and equally there will be interactions between Transport Canada Marine Safety for those authorizations. So all the agencies for some of these authorizations would be involved together.

ROIL, Q.C.:

Q. So just take a moment and look at the various facilities and vessels that are on the side, I think we have spoken of some of them, but we haven't of others. Let's just momentarily look at the kinds of facilities that can be there over a period of, what, five years. So you have the Sea Rose FPSO, and the GSF Grand Banks. What's the next one down there, the Jan de Nul?

MR. DYER:

A. The Jan de Nul, and that is a vessel that actually dug the impressions in the sea floor so that we can put out subsea assets into the subsea without having impact of iceberg scour in the event --

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ROIL, Q.C.:

Q. It makes the glory holes, so to speak?

MR. DYER:

A. The glory holes.

ROIL, Q.C.:

Q. Okay, what -- is that a facility that would have a helideck on it when it was on station?

MR. DYER:

A. I do believe that it did have a helideck on board.

ROIL, Q.C.:

Q. Okay.

MR. DYER:

A. You've often seen these vessels in St. John's Harbour prior to their deployment off to the Sea Rose Field.

ROIL, Q.C.:

Q. Yes, and then Atlantic Towing, that would be smaller vessels, would it?

MR. DYER:

A. Atlantic Towing is one of our providers of our support vessels.

ROIL, Q.C.:

Q. Yes, okay, and then we have something called the Veritas Vantage. Is that a ship or a rig

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of some sort?
MR. DYER:
A. The Veritas Vantage is a 3D seismic vessel, and as you know, Husky does conduct seismic activities quite often on the Grand Banks.
ROIL, Q.C.:
Q. Then further down in 2009, we have the Jumbo Javelin Heavy Lift Vessel?
MR. DYER:
A. Yes, and that was a vessel that was in the field in 2009 that assisted with the heavy lifts for North Amethyst drill centre to be able to put the equipment on the sea floor.
ROIL, Q.C.:
Q. Okay, I have to ask this question, it has no relevance to anything other than my own curiosity, where do the names White Rose and North Amethyst come from in relation to other names like Hibernia, and Hebron, and that sort of thing?
MR. DYER:
A. That's a really good question. I'm going to have to look for some assistance on that.
MR. WILLIAMS:
A. No, I don't have a good answer for that

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question. I know it stems from the original discovery of the field when they were naming the wells back in the discovery days, so it's tied back to the original discovery wells in the 1980s, but where the original of the use of White Rose, I'm not certain.
ROIL, Q.C.:
Q. But you're on the flower theme.
MR. PRITCHARD:
A. We are.
COMMISSIONER:
Q. It's a question for counsel.
ROIL, Q.C.:
Q. We'll accept an undertaking on that for sure. Finally, the other operators have spoken of the fact that there is a new regime which is coming in where many of the authorizations are being combined. Have you yet got to that stage in your relationship with C-NLOPB?
MR. DYER:
A. What you're talking about is how the regulatory now is working towards a consolidated list of authorizations referred to as an operations authorization?
ROIL, Q.C.:

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Q. Exactly.
MR. DYER:
A. At the time of issue of our production operations authorization, we never had that opportunity to go to that phase, but on the renewal of our next authorization, we will clearly be (unintelligible).
ROIL, Q.C.:
Q. Will that be an advantage to you in terms of lack of additional paperwork, or is there any real change to the kind of work that you have to do prior to getting that authorization?
MR. DYER:
A. From a Husky perspective, we still have to do all our checks and balances and make sure that everything is prepared. It just allows everything to come under one umbrella, but all the work required to demonstrate our safety offshore will not change.
ROIL, Q.C.:
Q. Okay, we're now about to enter into our biggest section. I think this takes us from slides 23 to 55.
MR. DYER:
A. Yes, rather large.

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ROIL, Q.C.:
Q. So a significant amount of work here. We'll go for a little bit and we'll come to an opportunity for our morning break and we'll stop you then.
MR. DYER:
A. Sure, okay. So as Mr Pritchard mentioned in the beginning, the next section of the presentation is going to focus on the Sea Rose safety plan. Now as he also referenced in the previous panels and this one, is the requirement for the plan covers all our production and drilling operations. For the purpose of this presentation, however, I'm going to only focus on the Sea Rose FPSO safety plan.
ROIL, Q.C.:
Q. You're going to use that as the example?
MR. DYER:
A. This will be an example.
ROIL, Q.C.:
Q. Yes, okay, and you have a safety plan. We heard from Hibernia that they have an operations plan that combines a safety plan. Your safety plan is a separate document?

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MR. DYER:
A. That's correct, we have a dedicated safety plan.
ROIL, Q.C.:
Q. Yes, okay.
MR. DYER:
A. My colleague, Mr. Williams and I, we will cover this section in concert together. I'll begin with an overview of the Canada Newfoundland offshore approval process, a process that has already been discussed here, but we'll just take the opportunity to summarize.
ROIL, Q.C.:
Q. Sure.
MR. DYER:
A. I'll then describe each section of the safety plan. The safety plan for Sea Rose is divided into two parts. The first part has three sections, namely; an introduction, a description of the installation, and an overview of the organization and management, which identifies all the systems that we use to do our day to day business. Part II will be the basis for safety operations. Husky, as

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operator of the Sea Rose FPSO, we must demonstrate to the Board, or the Canada Newfoundland Offshore Petroleum Board, how we operate the FPSO safely throughout the entire life of the facility.
ROIL, Q.C.:
Q. While you mention that, we've talked about the life of the other facilities. What is the expected or anticipated life of the White Rose Project and the Sea Rose FPSO as it is currently -- based on current known reserves and the life of the vessel itself?
MR. PRITCHARD:
A. The original White Rose Field was developed with around about a 15 year life expectancy, and we've had discoveries since with the North Amethyst, south White Rose, and in the west, and it's all dependent on oil price, to be frank, about how long that is going to be viable. So, you know, we're going to be 25 years plus would be my estimation currently with the known reserves that we have and kind of outlooks that we have.
ROIL, Q.C.:
Q. So based on what you know now, the likelihood

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is that facility will be there for something like the next 25 years?
MR. PRITCHARD:
A. Another 20 years, yes.
ROIL, Q.C.:
Q. Twenty years plus.
MR. PRITCHARD:
A. Yes.
ROIL, Q.C.:
Q. Okay, just to give us an order of magnitude.
MR. DYER:
A. So the safety plan is effectively a document, and what it looks at is safety by design and safety by operation. So for the offshore, it's the Bible of how we do our day to day business. The C-NLOPB shall approve the plan, however, we all know that without that approval, we will not get our authorization, and the safety plan is only one aspect of what's required in that authorization process, as I've shown by that somewhat unsimplified sketch I've shown earlier.
ROIL, Q.C.:
Q. Right.
MR. DYER:

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A. On the C-NLOPB website, they do have guidelines and these guidelines have formed the basis of how we put that document together, and on December 31st of last year, they did reissue a draft improvement document for that, and it's currently under review with the industry as we speak.
ROIL, Q.C.:
Q. The one that you're talking to us about now is the safety plan that is currently approved and in place?
MR. DYER:
A. That's correct. So Section 1 of the safety plan provides an introduction to the plan. The safety plan will apply to only the operations of the Sea Rose FPSO and the White Rose Field. It'll demonstrate how Husky will operate and demonstrate how it operates in accordance with all the regulations that are stipulated for that. It would also address the safety matters as it pertains to transportation, in general, and that will include helicopter, shuttle tankers, supply vessels, all our modes of transportation within our Marine Department. The safety plan

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is a available for viewing on the Sea Rose FPSO. There's actually a hard copy in the offshore installation manager's cabin, and everybody can access this plan through our east coast management system, which will be described further by Mr. Williams in his section.

ROIL, Q.C.:

Q. You're going to have a little snapshot of that as we move along?

MR. DYER:

A. Absolutely. Section II of the plan, the purpose of this is to provide a description of the Sea Rose and its overall components. That includes the field layout. So if somebody was to pick up this plan, they will be able to go to Section II and get a good understanding of how all the systems work and why they work the way they do. Some of the areas that are covered in the plan, the environmental systems, just like other facilities offshore, we have an approved weather station and people that actually conduct weather observations for us. It talks about the main components, as Mr. Pritchard mentioned, the hull, the turret,

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and the vessel. Our control systems, our utility systems, and they're effectively our safety shutdowns systems. Escape and evacuation, a big part of how we do our business offshore, of course, is being able to understand where we are in the event of an emergency. Logistical support, which has already been discussed in previous testimony. It talks about the helideck, and we're going to spend some time on the helideck in subsequent slides just to give people an idea of how it's designed and what it's designed to do. Of course, our subsea facilities. It gives people a general overview of what's actually below the water as opposed to on top of it. The next slide, we thought it was important to highlight some of the safety features of the Sea Rose FPSO. Clearly, this is only a small depiction of the safety facilities, however, it just goes to show that the Sea Rose in its entirety is safe.

ROIL, Q.C.:

Q. In terms of overall size, again it's hard to see a person on board and to get a scale, but people have described the other facilities as

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being in relation to football fields and what not, things that we can perhaps understand a bit. What's the overall size, length, and breadth of the FPSO?

MR. DYER:

A. It's 270 metres long. I would say that that's roughly around two and a half to three football fields in length. It's about 20 metres shorter than the Terra Nova FPSO.

ROIL, Q.C.:

Q. So it's slightly smaller?

MR. DYER:

A. Slightly smaller.

ROIL, Q.C.:

Q. And it looks to me like it's laid out rather differently. We don't have the two slides to -- they're both FPSOs, but they're not identical by any means, are they?

MR. DYER:

A. No, if you had a picture of the Terra Nova FPSO and put it next to this one, you'll find that the accommodations on the Terra Nova FPSO is up forward and the helideck is forward of that. For the Sea Rose, the accommodations and helideck are on the aft.

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ROIL, Q.C.:

Q. So you can see the helideck very clearly there.

MR. DYER:

A. Yes.

ROIL, Q.C.:

Q. Where is the accommodation in relation to that?

MR. DYER:

A. It's the white box that's directly under it and just inboard.

ROIL, Q.C.:

Q. Okay.

MR. DYER:

A. So the helideck is actually on the top of the accommodation, and cantilevered over the port side, on the left side.

ROIL, Q.C.:

Q. Why is it cantilevered over the side? We heard about the other one that's on the bow of the Terra Nova and it sort of goes forward of the bow --

MR. DYER:

A. Yes.

ROIL, Q.C.:

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Q. So it seems to be a common theme of sort of away from the FPSO itself?
MR. DYER:
A. Yes. Well, without having to get into too much detail on the regulatory design requirements, but one of the requirements we had to meet is Transport Publication 4414.
ROIL, Q.C.:
Q. Yes.
MR. DYER:
A. One aspect of that is if you have a helideck that's cantilevered off the side, it has to have a sufficient distance out such that in the event that a helicopter came off the helideck, that it would not impact your facility. That's called a falling gradient. So on a helideck, you have to have 210 degrees of clear space, and then 150 degrees where you actually have some limitations behind that. So clearly if you went outboard and you drew a line through the centre of the helideck, it would not impact the aft end of the Sea Rose in the event that the helicopter actually came off the helideck.
ROIL, Q.C.:

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Q. Okay, I think we probably should take a break at this point in time. We'll come back to this slide and finish it after our morning break.
(RECESS)
ROIL, Q.C.:
Q. Commissioner, before we go back to the slide presentation, it was pointed out to me that in my opening comments this morning, I referred to an exhibit that was admitted on Thursday, and I referred to it as 146. I believe the correct number is 153.
COMMISSIONER:
Q. Oh, I see.
ROIL, Q.C.:
Q. Correct the record to that extent. Okay, Mr. Dyer, I think we were on the slide and I don't know if you had gotten an opportunity to speak about some of the other features that you wanted to, or whether we can move on from this one.
MR. DYER:
A. I'm ready to move on from this one if you have no questions.
ROIL, Q.C.:

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Q. We talked about blast and firewalls with the other operators, so we understand the principle there, and the turret is that little area in the front, is it?
MR. DYER:
A. That's correct, just behind the flare tower.
ROIL, Q.C.:
Q. It looks like a turret. Good, okay.
MR. DYER:
A. I'd like to spend a little bit of time and talk about the Sea Rose helideck.
ROIL, Q.C.:
Q. Yes.
MR. DYER:
A. The helideck itself is designed to comply with all the regulations that are specific to Husky, and that's the Transport Canada Publication 4414, which you've heard before. The Civil Aviation Publication 437, which is used as guidance, it's a UK document adopted on the east coast, and, of course, as DNV is our certifying authority, they also have what's referred to as a helideck notation, which is part of their requirement for us to meet as well. The Sea Rose does meet all of

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those.
ROIL, Q.C.:
Q. I was going to say, I presume that you're able to meet all three without conflict. In other words, that they somehow or other mesh?
MR. DYER:
A. In a lot of cases, that's a part of how we do our business with the different regulations. We find that some work and some overlap, and there's a process for what overlaps and how we remedy that with the regulator.
ROIL, Q.C.:
Q. Okay.
MR. DYER:
A. And from a structural perspective, since 2005, the Sea Rose has accommodated the following helicopters; the CH-148, which is the Cormorant that we all refer to as Search and Rescue, the Sikorsky S-92A and the S-61, as well as the AS-332 Super Puma.
ROIL, Q.C.:
Q. The Sikorsky 61 and the Super Puma were previous airframes used by Cougar in regular operations?
MR. DYER:

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A. That's correct, yeah.
ROIL, Q.C.:
Q. The Cormorant, we heard there just a week or so ago that Search and Rescue, the government agency, was actually using the Hibernia Platform to hopscotch to a vessel that was far offshore. Would that be the same sort of -- would your facility ever be used in that way?
MR. DYER:
A. Absolutely. All the offshore facilities, the production facilities, have that option to take a landing from a Cormorant for refuelling, to extent out their envelope of search and rescue.
COMMISSIONER:
Q. It looks like your helideck, as with the others, can accommodate an extra helicopter there?
MR. DYER:
A. That's correct. On my next slide, Mr. Commissioner, I'll show that a little closer.
ROIL, Q.C.:
Q. Yeah, actually, I think we can probably move to that next slide.
MR. DYER:

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A. Okay.
ROIL, Q.C.:
Q. Once again, this is the first time we've seen a little schematic of one, so it's a useful tool for understanding locations and size and what not.
MR. DYER:
A. Absolutely. So what we're looking at here is a plan view of the Sea Rose helideck, and if I can just highlight a couple of features from left to right, it does have a dedicated fire monitor system. You'll see three monitors that are provided there; perimeter netting, landing netting, and it does have an emergency parking area, Mr. Commissioner, as you've referenced. It gives us the opportunity that if we have to move a helicopter off the helideck, we can move it to the landing area, the parking area, sorry, and we can take another landing of another helicopter at that time. We also have a fuel dispensing skid. Obviously, refuelling is a normal activity in offshore operations, and there's several attributes of the helideck that I haven't referenced here.

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ROIL, Q.C.:
Q. Okay, the perimeter net, does that show -- which is the red scanned area, red cross-hatched area, does that indicate where the helideck projects over the side of the facility?
MR. DYER:
A. Well, it actually does encompass the entire helideck. Mostly, as you've seen there, it's a chain link fence type of arrangement. It can catch things, it can give people an indication where the edge of the helideck is as well for when they're working on the helideck.
ROIL, Q.C.:
Q. In terms of the amount to which it stands over the side, is that approximately the amount of the circle -- I know it's not a circle, but of the entire surface, is it more or less, what, two-thirds to three-quarters that projects over the side?
MR. DYER:
A. It's not 100 percent, but it probably will be around two-thirds.
ROIL, Q.C.:

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Q. Yes, just for our purposes, generally that kind of percentage?
MR. DYER:
A. Yes.
ROIL, Q.C.:
Q. Is projected over the side?
MR. DYER:
A. That's correct. Also, Mr. Commissioner, if you were to land on the Sea Rose helideck today, when you disembark, you're going to see the following people on the Sea Rose. You'll see a helicopter landing officer. That individual is in charge of the entire operation. This individual doesn't actually do anything other than stay visible and manage the entire operation. You'll see two emergency response team technicians, and they will be mustered at one of the helideck fire monitors in the event there's an issue with the landing or post-landing as well. You'll also see someone at the dispensing skid. If we're going to refuel, we have a trained and competent operator that will be positioned there, and, of course, you'll always see the individuals and we call them "handlers", and

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they assist with putting the chucks under the wheels, helping with disembarkation of the passengers, providing a safe route to the accommodations space, as well as assisting with your baggage.

ROIL, Q.C.:

Q. Are there circumstances where that helideck team would be larger than that number of persons?

MR. DYER:

A. We have a -- we have an on-call roster for who's on helideck duties that day, but we have several people that are trained to take all positions. If we ever had to ramp up the resources, that would be quite easy to do from an offshore perspective.

ROIL, Q.C.:

Q. I'm just thinking in terms of, you know, bad weather, high winds on the helideck, that kind of thing, would there be additional persons able to assist people getting from the helicopter to the facility?

MR. DYER:

A. Yes, there will; yes, there will, and currently right now, as was referenced in

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previous testimony, all these individuals actually have other jobs to do on the Sea Rose. Those jobs stop when they go to helideck duties.

ROIL, Q.C.:

Q. Okay.

MR. DYER:

A. One very important factor with, not only the helideck, but with also all aspects of the Sea Rose, is our integrity management system. We've stated out we meet regulations, how we can land helicopters, but it's equally more important that we maintain these systems so that we can actually meet those expectations, and we do that through a process called integrity management. So if we look at the helideck right now, every year our certifying authority will visit the Sea Rose to do a certification, and that's on behalf of two of the lead agencies; Transport Canada Marine Safety, as well as the Board. Before any helicopter lands on the Sea Rose, there is a comprehensive pre-flight checklist completed and that's filed and recorded for future lessons learned. We've also identified all

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the systems that make up the helideck and the operation of the helideck, and as an example, we've shown you the maintenance and inspection frequencies of each of those elements. Just to briefly run through them, the heli-fuel system, monthly, quarterly, and on an annual basis, we do a planned maintenance. We also bring out an independent expert, a third party, once a year to do a recertification of our heli-fuel system. Our firefighting arrangements are inspected monthly by the offshore crew, and again we bring out a third party annually to do a recertification. Lifesaving appliances are inspected monthly. Telecommunications, a very important aspect of offshore operations is your communications business, your non-directional beacon, your radio frequencies, your operator licenses and the like. Every six months we go through a review of that offshore. We have a telecommunications person on the Sea Rose, and every year the Canadian Coast Guard will come out for a final inspection. Lighting, annual inspection, and if any lights fail, they're fixed, and the structural integrity aspects

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which is also done on an annual basis by a third party consultant.

ROIL, Q.C.:

Q. Not entirely germane to this, but we did talk about it in an earlier slide, where and how does weather information get accumulated that is used in relation to helicopter operations? I take it that weather is necessary for your production operation?

MR. DYER:

A. Yes.

ROIL, Q.C.:

Q. And there's also weather that is relevant or useful to a helicopter operation. How does that get accumulated and where does it go?

MR. DYER:

A. The Sea Rose has a dedicated environmental management system offshore, and that comprises a suite of environmental equipment that is placed on the Sea Rose in consultation with Provincial Airlines and Environment Canada. That will allow us to take observations of ceiling height, rain accumulation, and things of that nature, and you also rely on the experience of your people, your weather

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observer in this case to give you what's called a green deck, a clear helideck for landing. All the information is reported on an hourly basis under the Environment Canada expectations and reported to Cougar in what's referred to as a METAR. Cougar will look at that and they're allowed to use that information to plan their next flights.

ROIL, Q.C.:

Q. Is most of that information accumulated mechanically or is it judgmentally by an observer, how much does personal judgment come into play on things like ceiling height, wave height, and those kinds of things?

MR. DYER:

A. In some situations, personal judgment is required; however, for a large degree of the observation, it is taken by certified equipment on the facility itself, i.e. you'd go and look at what's called a Stevenson Screen where they'll have two temperature thermometers in there, you'll take the reading right off the gauge. So the people involvement of that is our ability to take the reading, but there's other systems that would

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be automatically recorded, your wave heights, your currents, your ceiling. The individual will help you with visibility, things that require an individual to be part of, but for the most part, most of it is equipment based.

ROIL, Q.C.:

Q. Thank you.

MR. DYER:

A. So that takes us through Section 1 and Section 2 of Part 1 of the safety plan. Section 3 of the safety plan provides a description of the overall management and the command structure for the Sea Rose FPSO, and on the next slide, Mr. Commissioner, I'll talk a little bit about this transfer of authority on the disconnect process. In this section, specific reference is made to the management systems and the documents that provide safety, risk, and operational guidance to all people on the FPSO. The main components, if I could just list them off there; organizational command structure, and I'll talk to that on my next slide.

ROIL, Q.C.:

Q. Uh-hm.

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MR. DYER:

A. Relationship with external agencies. We've talked briefly about DNV, and the Board, and Transport Canada Marine Safety, but it's very important that we have good communication with other external agencies, the Royal Canadian Mounted Police, for example, Environment Canada. There's all these different agencies that we will work with and rely on in the event of an emergency. The Husky Operational Integrity Management System, which is referred to as HOIMS, Mr. Williams is going to take us through that in some detail.

ROIL, Q.C.:

Q. So we heard about OIMS, this is HOIMS?

MR. DYER:

A. This is HOIMS, correct.

ROIL, Q.C.:

Q. Okay.

MR. DYER:

A. Training and qualifications, operations and control, monitoring and compliance effectiveness, occupational health and safety, and contingency planning. So this part of the safety plan is rather large and has a lot of

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valuable information in it. The organizational chart to the right shows the offshore organization on the Sea Rose FPSO. As stipulated under the Accord Act, the offshore installation manager is delegated the overall authority for safety and wellbeing of personnel on board, and as I mentioned in my opening remarks, that's a position I held for over two years. As you will see, and as Mr. Pritchard referenced earlier, there is a dedicated health safety environment and quality advisor on the Sea Rose all the time, and that would mean that we would have two in a back to back situation. These individuals operationally report to the offshore installation manager, but they functionally report to the HSEQ manager in St. John's. The role of the HSEQ advisor, this person will support the offshore team to assist with the implementation of policies, procedures, and standards. They're a source of advice, as they are an expert in their field, and provide direction to any and all employees on the Sea Rose, whether they are staff or contractor. They actively participate in emergency

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response processes, they conduct audit inspections, and they attend the JOHS meetings, and what's interesting about the Sea Rose is that we all know the HSEQ advisor is not a member of the JOHS Committee, but we have them attend because they are a great source of information for that committee as a whole.

ROIL, Q.C.:

Q. They wouldn't vote with the committee?

MR. DYER:

A. No, they have no rights on that committee. They are a source of information and expertise, if required.

ROIL, Q.C.:

Q. A resource tool?

MR. DYER:

A. Absolutely. In the event that the Sea Rose disconnects from the buoy, the authority under Transport Canada is now delegated to the vessel master. Now the vessel master, there's only one vessel master on each rotation, i.e. there's one captain, but the Sea Rose itself does have five people that have what's called a master mariner qualification.

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Responsibility for all of the helicopter operations does fall under the direction of the marine supervisor, which on the slide is actually the vessel master, and marine there, and also the marine department. So our primary helicopter landing officers, for example, would be our crane operators, who are part of the marine department. Okay, so at this point, that concludes the review of the first couple of sections. I'm going to hand over to Mr. Williams now and he's going to take us through our safety management process.

ROIL, Q.C.:

Q. He's going to lead us into Part 2 of the safety plan?

MR. DYER:

A. No, we're still in Section 3. He's going to take us through the safety management aspects of that.

ROIL, Q.C.:

Q. Okay. Mr. Williams.

MR. WILLIAMS:

A. Commissioner, I'd like to introduce you to the overall structure of our safety management

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system. I will begin by showing you the fundamental components and there are three of those, and then as we progress into our management systems, we'll introduce you to some specific procedures and guidances that we have that pertain specific to helicopter operations. I must apologize before I begin getting into the details, we'll introduce a number of acronyms. I know you heard very many throughout the presentations. Unfortunately, we have more to share with you today. Mr. Commissioner, Husky is responsible for the safety and the wellbeing of its employees and its contractor's employees. We are responsible for their safety while they are on our facilities, and as Mr. Pritchard said earlier, while they travel to and from our facilities. We are committed to ensuring our employees and your contractor's employees return home safely to their families at the end of each working day, and we are committed to a culture of continuous improvement. Before we begin discussing the various aspects of our management systems, I'd like to introduce you to the three fundamental components of our

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management systems. They are the health safety environmental policy, and we'll refer to that as the HSE policy; the Husky Operational Integrity Management System commonly referred to HOIMS, and you understand there is another that ExxonMobil uses called OIMS --

ROIL, Q.C.:

Q. Yes.

MR. WILLIAMS:

A. And we have our east coast management system which we refer to as our ECMS.

ROIL, Q.C.:

Q. Okay, there are three levels. Starting high level and coming down to operational level, is that the concept you're introducing us to?

MR. WILLIAMS:

A. That is correct, and we represent them as the pyramid structure.

ROIL, Q.C.:

Q. In a pyramid representation, okay.

MR. WILLIAMS:

A. Beginning with our health safety environmental policy, the HSE policy sets the framework for the organization's culture in respect of

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health safety and environmental protection. Our policy outlines our company's intentions with regards to the protection of people, the environment, and our assets. It also describes expectations for maintaining operational integrity. As you understand, we have facilities that involve a lot of process equipment and high risk, and our HOIMS or our HSE policy incorporates that in with its statements. Our policy is mandated by the chief executive officer, as well as our vice-president for east coast operations. The policy has three fundamental components.

ROIL, Q.C.:

Q. Sorry, you say it's mandated by chief executive officer and the vice-president. Is it set at that CEO level, does the CEO actually engage the wording that is the HSE Policy?

MR. WILLIAMS:

A. My understanding is he's engaged in the wording, he actually endorses the policy, so his signature will be on the policy as his endorsement.

ROIL, Q.C.:

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Q. And is that a policy that is strictly applied to the White Rose project, or is that a corporate policy?

MR. WILLIAMS:

A. It is a corporate policy, but it's applied to the White Rose. East coast operations is what we call a business unit of Husky Energy.

ROIL, Q.C.:

Q. Right.

MR. WILLIAMS:

A. So the corporate policy is applied specifically to the east coast operations as well, our business unit, as well as other business units within the company.

ROIL, Q.C.:

Q. So it's not specific to this project, it is applied to this project the same way it is applied to other projects of the company?

MR. WILLIAMS:

A. Correct.

ROIL, Q.C.:

Q. Yeah.

MR. WILLIAMS:

A. The policy describes some key components or requirements. First of all, leadership and

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commitment, and Mr. Pritchard spoke earlier when he spoke about safety culture, and the requirement for our leadership to be actively participating and communicating in the various aspects of health and safety in our organization. It also requires personal responsibility in preventing harm. We embrace, as an organization, the philosophy of the internal responsibility system, Mr. Commissioner, which involves that employees, supervisors, and managers, all take responsibilities in preventing harm and protecting the environment. It requires compliance with the relevant laws and legislation that apply to us. We also endeavour as an organization to go beyond the laws and regulations. We understand that technologies change, the ways of doing work change, and we try to adapt that to our business. It requires performance measurement, the setting of goals, and continuous improvement, and I'll speak to these as we progress throughout the presentation. The HSE policy is posted at the workplaces and it's communicated to our

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employees during their orientations.

ROIL, Q.C.:

Q. Just in terms of general statements, communicate to employees, are you working with electronic or paper-based, how do you -- how do you get this information to people?

MR. WILLIAMS:

A. It's communicated through presentations. When our employee receives an orientation, they will get a presentation. It's also communicated through our handbooks that we have as well. So there are a number of ways. It's also on our website, on our east coast management website, and our orientation is there electronically. So there's a number of methods that we would use to share that information with our employees.

ROIL, Q.C.:

Q. Thank you.

MR. WILLIAMS:

A. I would now like to introduce the Husky Operational Integrity Management System. As I just describe, our HSE policy provides the overarching intent of our senior leadership. However, the policy does not provide specific

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direction as to how we are to accomplish the requirements stated within the policy. So, Commissioner, it would be like having an Occupational Health and Safety Act without having a set of regulations to support that Act. A company or a business would not know what the guidance is, how do the know when they are in compliance or not in compliance, like having, I guess, a Motor Vehicle Act without speed limits. As such, what Husky has done to accommodate, they developed the Husky Operational Integrity Management System, and this HOIMS, as we referred to it, it consists of 14 elements. Each element consists -- is comprised of aims and expectations. I will elaborate on these aims and expectations, and Mr. Dyer will as well, as we progress through our presentation. It is these aims and expectations that guide each business unit to minimize adverse impacts to Husky. There are actually 117 expectations in total. I refer to a business unit periodically through the presentation. I'm talking about our east coast operations. We are considered a business unit within the corporate umbrella.

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HOIMS is about everyone going home safely after every shift, it's about how we all behave, do our job, and the integrity of our actions.

ROIL, Q.C.:

Q. Just on that "everyone going home safely", what is the company's, I guess, expectation or hope with respect to practises that are learned offshore when people go off shift? How does your home life in any way relate to your work life?

MR. WILLIAMS:

A. It's a very good point -- question. We promote the philosophy that safety is an attitude and a behaviour that you carry with you all of the time, whether you're on the job and whether you're off the job. We fully promote that people conduct their work at home or at their cabins or recreational lives all with the philosophy of working safely, and that's a concept that we continuously promote through our organization.

ROIL, Q.C.:

Q. Okay.

MR. WILLIAMS:

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A. This slide outlines the 14 elements with HOIMS and shows the website which personnel will access when they require information about HOIMS. Commissioner, each of these elements, there are 14, have been assigned a custodian within our east coast business operations. These custodian, as we say, are subject matter experts in the particular areas, and they assist our company in our operations group to implement -- to develop and implement the requirements associated with each of these elements. So they'd foster the expectations and the aims of the element within our company. In our presentation today, we will elaborate on a number of these elements as they apply and pertain to helicopter operations. I will just introduce you to the ones that we will speak to today.

ROIL, Q.C.:

Q. Yeah, element 14, which are the ones that we're going to speak of specifically in our - in the rest of our presentation.

MR. WILLIAMS:

A. Yes. Leadership commitment and accountability, and Mr. Pritchard spoke

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earlier about culture, and we'll elaborate on some of the other aspects of commitment and accountability later. Safe operations, risk assessment and management, emergency response, and we'll also introduce the response and loss of Flight 491. Reliability and integrity, if I could spend a moment on that now. Mr. Dyer spoke earlier about the integrity management system and its relationship to the systems and components with respect to the helideck. Element 5 is specific to that type of process that we have systems, tools, and techniques in place to maintain our equipment to a serviceable and useable state, and that's the function of Element 5, reliability and integrity. I'll speak about personnel competency and training, and introduce some of the components of our program. Incident management, information documentation and effective communication, compliance, assurance, and regulatory advocacy is very important to us as well, contracted services and materials, and performance assessment, and continuous improvement. So we'll elaborate on each of these elements throughout the

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presentation.
ROIL, Q.C.:
Q. Okay, before we go further, there's an additional exhibit. It's a single page. It's more of a prop, Commissioner, but I'd just like to introduce it now to help people who are following with us. There's a series of numbers and colours that pop up, and I wonder if we could have Exhibit 183 -- it'll become Exhibit 183, and, Mr. Williams, you can just explain to us what these numbers all mean and where we'll see them again -- just perhaps scroll it down a little bit. I don't know if you can control it there, Mr. Williams, can you, with the -- can you control it with the mouse there. Scroll down a bit. Yeah, okay.
MR. WILLIAMS:
A. Okay, you see there are 14 elements in our HOIMS.
ROIL, Q.C.:
Q. Right.
MR. WILLIAMS:
A. Husky Operational Integrity Management Systems, and there's no particular special reason, it's part of the overall brochure that

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we use to present HOIMS to our company -- within our company and our clients and our customers. So this is the way we depict the 14 elements. There's no special reason or purpose for it.
ROIL, Q.C.:
Q. So when we see a number two coloured in yellow later on in the slide presentation, you're actually referring to Element 2?
MR. WILLIAMS:
A. Element 2.
ROIL, Q.C.:
Q. Okay, and what is it that happens to these elements of the HOIMS, do they find their way into the safety plan and other things?
MR. WILLIAMS:
A. Yes, they are built right in. Our objectives, and I'll speak to the next component of our management system, and you'll see the relationship between our health and safety policy, HOIMS, and our east coast management system, and how they all work together to give us a comprehensive management system.
ROIL, Q.C.:
Q. Another thing you mentioned were custodians,

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that there's somebody who's personally responsible to shepherd or to champion these issues within the company. Are those persons or custodians, you know, are there special ones for the east coast, or are there corporately persons that are responsible?
MR. WILLIAMS:
A. There are individuals within our east coast operations and they are special to the east coast, and they're knowledge in the particular element for which they are custodian to.
ROIL, Q.C.:
Q. So would you be a champion of or a custodian of one of these?
MR. WILLIAMS:
A. Yes, I would.
ROIL, Q.C.:
Q. Which one would you have?
MR. WILLIAMS:
A. Element 7.
ROIL, Q.C.:
Q. Number 7.
MR. WILLIAMS:
A. It's incident management.
ROIL, Q.C.:

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Q. Okay.
MR. WILLIAMS:
A. And within our corporation there is what we call a HOIMS ownership team, and there are groups that are established corporately to foster the development within the corporation of each element, so the HOIMS expectations are met throughout the company.
ROIL, Q.C.:
Q. Okay, I think that's fine. We can go forward now.
MR. WILLIAMS:
A. I would now like to introduce the east coast management system, the third component of our overall management system. The Husky East Coast Management System provides our operations and support personnel with the tools to ensure operations are conducted in a safe and environmentally responsible manner. Essentially, the ECMS, they use to conduct their work. The ECMS has been developed with consideration for the direction and guidance provided by our policy, HOIMS, as well as the regulations that apply to us, industry standards, and best practices. So we have

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taken the knowledge that exists out there and tried to apply that and use it and incorporate it in our East Coast Management System. It provides us with the means for compliance.

ROIL, Q.C.:

Q. Before we go on, you mentioned the policy was set on a corporate national or international level?

MR. WILLIAMS:

A. A corporate level.

ROIL, Q.C.:

Q. A corporate level, and HOIMS is set where?

MR. WILLIAMS:

A. HOIMS is set jointly by corporate as well as the east coast. Mr. Commissioner, if I may share with you, HOIMS was a next stage development to what previously existed, loss control performance management standards. The east coast business unit, or the east coast operational group personnel, contributed significantly to the overall development of HOIMS for our overall corporation. So we were very knowledgeable in the development, each of the elements, each of the expectations. We contributed to that development in a

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significant way, as we are recognized as advanced in terms of our commitment, development, and systems that we apply to health and safety.

ROIL, Q.C.:

Q. You mean advanced within the company?

MR. WILLIAMS:

A. Yes.

ROIL, Q.C.:

Q. You're considered a sophisticated operation, is that what you're trying to tell me?

MR. WILLIAMS:

A. Can you repeat the question, Mr. Roil?

ROIL, Q.C.:

Q. Yes. You said you're considered advanced. Do you mean the east coast personnel are considered sophisticated or advanced in terms of their knowledge and understanding of this kind of system?

MR. WILLIAMS:

A. I think it's fair to say we were considered advanced in the development and comprehensiveness of our management systems, and the application and use of our management systems, or the tools in the day to day work.

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ROIL, Q.C.:

Q. Okay.

MR. WILLIAMS:

A. And our culture in the willingness to apply those tools.

ROIL, Q.C.:

Q. Ultimately, though, the HOIMS is a national requirement, it applies to all work groups in all areas?

MR. WILLIAMS:

A. It applies to all business units within the company.

ROIL, Q.C.:

Q. Business units, I'm sorry, that's the expression you used. The East Coast Management System, is that specific to your business unit?

MR. WILLIAMS:

A. Yes, it is.

ROIL, Q.C.:

Q. Okay, and who was that developed by?

MR. WILLIAMS:

A. The entire organization here located in St. John's. We do -- have involved corporate in certain aspects of its development, but it's

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predominantly developed by the people within our business unit.

ROIL, Q.C.:

Q. Yeah. Okay, thank you.

MR. WILLIAMS:

A. Okay.

ROIL, Q.C.:

Q. This looks to me like it's some sort of a webpage, is it?

MR. WILLIAMS:

A. That depicts the East Coast Management System, and if I can just share with you some highlights of the webpage.

ROIL, Q.C.:

Q. Okay, so who would have access to this?

MR. WILLIAMS:

A. All of our personnel.

ROIL, Q.C.:

Q. Uh-hm.

MR. WILLIAMS:

A. When you come to work with Husky, or if you're providing services to Husky as a consultant, you would have access to the East Coast Management System. So when you logon to your computer, you can just click on a button and

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you'll get access to this information.

ROIL, Q.C.:

Q. Okay.

MR. WILLIAMS:

A. It's structured for a reason the way it is. The typical links that you see across there, home, and there's a welcome message there from our Vice-President, Mr. Paul McCloskey. It has specific policies. The HSE policy will be accessible through there, information about HOIMS is accessible, forms and templates, that's just the information that personnel -- like, the checklist or form they need to complete, an expense account form would be located within there. If I could draw your attention to the list there on the right hand side, starting with drilling and completions. As you see, there are various groups there, production operations or projects, they're our operational group. So the people that work in our operation, such as on the Sea Rose FPSO, will login to that particular group area and they will get access to all the information they need, all the procedures, all the drawings, the processes, and that's where they

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would go. On the left hand side of the screen, you'll see we have HIN1. In the fall of 2009, of course, ongoing into this year, there was a major concern for us in our offshore facility that we manage the risk associated with HIN1. So we created a specific link to information that we had in our organization on that particular matter. So it was information corporately available, information how a person -- you know, find out what would they need to get a vaccination, what are the risks associated with H1N1, how do they prevent it from happening to them. So that's what we had done, we created that special link as an example of access to information, and just below that, you can see we have support services. So when we look at our organization, these particular groups provide valuable support to each of our operational groups, and the information flows back and forth depending on what type of information you would need. For example, the business services, well, that would be comprised of our commercial and our accounting groups, information technology, as well as our

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document management group, which is very important in terms of the support of the east coast management system. Our logistics groups, which is comprised of marine operations and services, which Mr. Pritchard spoke of earlier, that information is in there. So I just wanted to give you an overview of -- we'll talk about each of the specific component as we progress through our presentation.

ROIL, Q.C.:

Q. Okay, this is a Windows based user friendly system that you can just click and go to the more specific information as you would need it?

MR. WILLIAMS:

A. Yes, this is one way to access it. It's more of a user friendly practical way to get access to documents and procedures. You can actually go into what we call our Husky Document Management System, so more technically complicated to get in through there, but you can get more access to more information through that other process as well. Bear with me a second.

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ROIL, Q.C.:

Q. Okay, this is the first time we see one of these numbers and colours.

MR. WILLIAMS:

A. This is the colour of Element 2.

ROIL, Q.C.:

Q. This is Element 2.

MR. WILLIAMS:

A. Safe operations.

ROIL, Q.C.:

Q. Okay.

MR. WILLIAMS:

A. As stated earlier, we will be introducing a number of our HOIMS elements throughout the presentation, particularly as they pertain to travel offshore by helicopter. I would like to introduce Element 2 as it is specific to the aim of preventing of incidents by identifying and minimizing risk and promoting safe behaviour. In your comment, Mr. Roil, earlier, we believe this is important for us all both on and off the job. Element 2 requires us, as a company, to develop specific guidance and instructions with respect to safety. For example, safe systems of work.

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Mr. Dyer introduced the Sea Rose safety plan. So working safely would be used with planning and the Sea Rose safety plan and the basis for safe operations, which is Part 2, are part of that process, it's the beginning of that process. Element 2 requires us to develop safe work practices. There's a long list of safe work practices of our operations groups that they use every day, depending on the type of task or job that they have to do that day, and that also includes an abundance of checklists. It includes -- Element 2 requires operation manuals, such as the Helicopter Operations Manual, which we will discuss in more detail. Element 2 requires behaviour based safety process. In other words, it requires the identification of at risk behaviours and unsafe conditions by observing. There are a number of approaches to behaviour based safety. We at Husky have adopted what's called the FOCUS Process. FOCUS stands for Field Observation Continuously Upgrading Safety, and Mr. Dyer will speak about that later on in his presentation.

ROIL, Q.C.:

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Q. I think we have a card that is called a FOCUS Card.

MR. WILLIAMS:

A. You have the card there. It's called a FOCUS card, and not to preempt his introduction to it, but that's what they would use when the identify an at risk behaviour, as we call it, or an unsafe condition, and they have a way to dealing with that. They will deal with it immediately by approaching that individual about what risk may be present, and we'll have a way to follow up that, which will be elaborated. I'd also like to introduce that our drilling installations operated by Trans Ocean also have behaviour based programs, and they have what is called a START Program, and that stands for See Think Act Reinforce and Track.

ROIL, Q.C.:

Q. S-T-A-R-T?

MR. WILLIAMS:

A. START for their program, and I understand Cougar has a program and they refer to it as HEBO. So a lot of our companies have these behaviour based programs because we see

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tremendous value in this type of approach to risk management. I would now like to introduce risk incident management. Mr. Commissioner, we believe all incidents are presentable both on and off the job.

ROIL, Q.C.:

Q. This is the one that you have personal responsibility for?

MR. WILLIAMS:

A. I'm sorry?

ROIL, Q.C.:

Q. This is the one that you have personal responsibility for in our east coast area?

MR. WILLIAMS:

A. As custodian.

ROIL, Q.C.:

Q. Yes, as custodian.

ROIL, Q.C.:

Q. As custodian, I am responsible.

ROIL, Q.C.:

Q. Is custodian like champion, is that a similar --

MR. WILLIAMS:

A. Key advocate, champion, yeah, that would be a way of paraphrasing it.

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ROIL, Q.C.:

Q. The word within Husky is "custodian"?

MR. WILLIAMS:

A. We've applied the word "custodian".

ROIL, Q.C.:

Q. Okay, that's fine.

MR. WILLIAMS:

A. Ownership sort of thing.

ROIL, Q.C.:

Q. Yeah.

MR. WILLIAMS:

A. As Mr. Pritchard noted earlier, we're a learning organization. We need to learn from every incident that occurs and endeavour to prevent it from reoccurring. Mr. Commissioner, we have learned from the loss of Flight 491. Our joint panel has shared with the Inquiry the recommendations contained within the return to service report. We'll continue to learn as we look forward to the recommendations from this Inquiry, as well as the investigation report to issued by the Transportation Safety Board. Element 7 outlines the company's requirements for incident management and our culture of open,

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honest communication provides the confidence that all hazards and incidents are reported. Mr. Commissioner, Husky formally notified the C-NLOPB by verbal and written notification at the time of the incident on March 12th. The return to service report was issued by the Helicopter Operations Task Force and was submitted to the C-NLOPB report on behalf of east coast operators. The C-NLOPB will accept the investigation report by the TSB as the final report. The next element I would like to introduce you to is Element 6, and it's personnel competency and training. Our personnel are our greatest asset. Our success and safety performance will be directly proportional to the competency of our personnel and how they apply their skills and knowledge in every job and task that they undertake. The aim of Element 6 is to provide assurance that personnel possess the necessary competencies, knowledge, abilities, and demonstrated behaviours to perform their tasks and designated responsibilities effectively, efficient, and safely. Now I'd like to introduce you to the next several slides, some

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of the components and aspects of our competency and training programs.

ROIL, Q.C.:

Q. So we're staying within Element 6.

MR. WILLIAMS:

A. We are staying within Element 6.

ROIL, Q.C.:

Q. Okay.

MR. WILLIAMS:

A. To begin this slide, I'd like to talk about the training aspects of it, of our company's program, and some of the processes that we use to ensure competency. To ensure our personnel are trained and competent to perform work, we must identify what qualifications are required, and if you look at the slide, we show some examples of the type of sources or references we would use to identify those requirements, and it could be regulatory requirements. I believe our joint panels spoke about the standard practice for the training and qualifications for offshore personnel, but we would use that document extensively to identify what the qualifications are necessary for our offshore

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people.

ROIL, Q.C.:

Q. Okay, I think our --

MR. WILLIAMS:

A. We have our own company requirements as well.

ROIL, Q.C.:

Q. I think our visual here is perhaps so small that we can't read the printing that's on the -- again you have another extract, it looks like, from a computer screen.

MR. WILLIAMS:

A. Okay, that's just a pictogram. It's the database. It's a pictogram of the database that our training and data administrator would use daily, and that database contains all the information on all our employees and the information related to their positions and qualifications required, and that's how we identify and track the training requirements of our personnel, scheduled training, and make sure they are competent.

ROIL, Q.C.:

Q. I think one of our other presenters, perhaps it was HMDC, had shown us a similar thing, I believe, and I don't know if you've seen it,

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but it was -- essentially, there was a job taken, I don't recall the exact job, and there were 47 training requirements associated with that job. So that was on a screen. Is this showing us a similar --

MR. WILLIAMS:

A. That's a very similar picture that we're painting here. On the left hand side, there's actually an individual there, and then all those qualifications are assigned to that individual, and it would depend on the position they would hold, as well as any additional roles that they may have. So it would vary, depending on the requirements.

ROIL, Q.C.:

Q. So the screen that we can't read, and perhaps shouldn't read, would be of a named person and what their competencies and qualifications and requirements were?

MR. WILLIAMS:

A. Yes.

ROIL, Q.C.:

Q. Okay. So yours is done by individual, is it?

MR. WILLIAMS:

A. By individual.

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ROIL, Q.C.:
Q. By individual, okay, and who would have access to that? Would the individuals themselves have access to that?
MR. WILLIAMS:
A. No, they would have access to the information through the training and data administrator. So if they wanted some information about some of the training, the status, and that sort of thing, they would access that individual. However, what our training and data administrator would do is on a quarterly basis they are generating reports and training status reports, so they're identifying the upcoming needs over the next four to six months. So they're continuously looking forward to what training requirements are necessary.
ROIL, Q.C.:
Q. And a person would have access to this -- if I had a training requirement that was expiring in three months time, would you be able to tell me that, or would my manager be able to tell me that?
MR. WILLIAMS:

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A. Yes, they would.
ROIL, Q.C.:
Q. Would I be able to track that myself in terms of my own -- on the screen, or would that be something that only the manager would be able to track?
MR. WILLIAMS:
A. No, most of our individuals, they rely on -- actually the training and competency program is administered and managed by personnel with the HSEQ group. So they take the ownership of that program and they work closely with our operation groups, and, you know, other departments in the organization to track the training requirements and make sure personnel possess valid training certificates, competencies are up to date, and, you know, everything is up to speed.
ROIL, Q.C.:
Q. Okay, thank you. Continue.
MR. WILLIAMS:
A. On the lower half of that slide, you'll see I've indicated a number of processes there, and these processes forms the foundation of our competency and training program, and

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essentially upon the identification, the qualifications that are required by our personnel who will then use these processes to provide our personnel with the training necessary and assessments to make sure that they become and remain competent, and the graphic on the right, we had just spoken to briefly a moment ago.
ROIL, Q.C.:
Q. This is an interesting visual, we haven't seen from the other operators, so tell us what you're trying to explain to us here?
MR. WILLIAMS:
A. Mr. Commissioner, what we tried to share with you, there are three -- what we see as three important ingredients or components to personnel being competent and working safely. If I can direct your attention to the upper circle or the yellow circle, as you see, you'll see regulatory requirements, Husky requirements. So what that's indicating is that before a person can be competent, they need to know what qualifications are required, so we'll use the various sources, and those that I spoke about on the previous slide, to

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identify all of the qualifications and individual needs. When we hire personnel, we identify what their capabilities are and we'll develop that sort of gap analysis, or list of deficiencies.
ROIL, Q.C.:
Q. Okay. Let's for our discussion here talk about the helicopter landing officer as being a typical -- that is relevant to our mandate.
MR. WILLIAMS:
A. Yeah.
ROIL, Q.C.:
Q. So Husky has requirements for helicopter landing officer?
MR. WILLIAMS:
A. Yes, we do, and actually there are requirements for that position stipulated within the CAPP standard practice for training qualifications. So I'll take those qualifications, as an example, and we place them in our database, so anybody who assumes the role of helicopter landing officer, they will have to have those qualifications. If that individual doesn't have all those certifications and qualifications, then we'll

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go to the lower circle on the right, the red area, and we'll identify ways to make sure that individual either receives the training or education, whether it's on the job or by experience, working with more senior knowledgeable people. They will learn what they need to know to become more knowledgeable and proficient in the performance of being, for example, a helicopter landing officer. By this time, the individual could be deemed competent. In other words, they have all the training.

ROIL, Q.C.:

Q. Technically competent.

MR. WILLIAMS:

A. They have done all the assessments, so they're competent to perform the job of helicopter landing officer, but there's one more important ingredient and it stems from the individual's willingness to apply all that knowledge, the skills, and the talent in the day to day conduct of his work and particular job. It could be -- beliefs and values will play an important role respecting other people's beliefs and values. Exhibiting safe

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behaviour, making the choice to exhibit that behaviour, that safe work behaviour, in every job and task they do. Motivation, come to work motivated to work with the right mindset and wanting to perform properly. Interest can affect a person's willingness to work safely as well. People have various types of risk taking, off the job, on the job, so they can be a little bit influential as well, but it comes down to the attitude towards safety. So identifying the qualifications, providing all the necessary training, and then combining that with the choice and the willingness to work safely. Mr. Commissioner, we believe that represents the people within our organization, the people on the Sea Rose FPSO. We believe they maintain all these characteristics, and we deem them competent in that regard.

ROIL, Q.C.:

Q. So all of your personnel, you consider to be in the green area, and they have incorporated all three ingredients in their life at work with you?

MR. WILLIAMS:

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A. Yeah, we need all three to be able to work safely and to do our work.

ROIL, Q.C.:

Q. Okay, I think that's clear. Thank you.

MR. WILLIAMS:

A. Just one more slide on training and competency. I just want to introduce that we continuously strive to improve our competency and training processes. We recognize the need for ongoing oversight and review our competency and training program, and develop a number of activities or procedures for that purpose, and on this particular slide, we list the types of things that we do on an ongoing and regular basis to continuously advance our training, to identify what training deficiencies might exist, and to ensure we are becoming a better organization.

ROIL, Q.C.:

Q. How do you interact with CAPP and the C-NLOPB? We've heard evidence about the training manual that CAPP developed and that's been adopted by the C-NLOPB for positions like helicopter landing officers. If somebody at Husky determined that they wanted to have additional

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or different training, how would that come about? Would that have to go back through the CAPP process or could you do it on board your facility?

MR. WILLIAMS:

A. It wouldn't have to go through the CAPP process. By the function of us possessing work authorization which is issued by the C-NLOPB, we are mandated to achieve the minimum requirements that are stated within the CAPP guidelines as adopted by the industry and the regulatory authority. Husky, as an operator, there is also within these guidelines a facilitation for an exemption or equivalency. We, as an operator, if we had a situation where we wanted to exceed or take a slightly different approach to a training requirement, we could apply for that equivalency and demonstrate to the regulatory authorities or the C-NLOPB that this is the approach that we would like to take, and look for their approval. So there is a process where an operator could apply the equivalency process for a different type or a way to go about their training program.

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MR. PRITCHARD:
A. If I could add to that, Mr. Roil, what we've got is mandated training, and then we have job specific training, and then we have enhancements to the role. So we have three kind of areas to it. So mandated training, job specific, and then we look for the next level coming through by having enhanced training. We need to train for the next level, so there's an enhancement area to the training program that you saw.
ROIL, Q.C.:
Q. Yes, so again going back to the helicopter landing officer, and forgive me, this is not a requirement that I know that's within that particular job, but just to give it a name, if the CAPP training said you had to have three days of training in some training centre, you couldn't make it less than three days?
MR. PRITCHARD:
A. We would accept that in the mandatory training, and we would have our HLOs trained to that level.
ROIL, Q.C.:
Q. Right, if you wanted to add training to it,

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could you or would you?
MR. WILLIAMS:
A. By all means, yes. We have full discretion. If we want to enhance or advance our training, there's -- certainly that's a welcome approach of an operator.
COMMISSIONER:
Q. Excuse me, when you do these things and a person goes through these various training efforts, somebody must evaluate that person at some point. Is it his or her supervisor?
MR. WILLIAMS:
A. Good question. Typically for our organization, we have trained what we call competency assessors. So these are individuals that are knowledgeable in the skills and equipment and processes that individual -- or qualifications the individuals need. So they are responsible for actually assessing the individual in a number of different ways on the performance of those skills and qualifications.
We have also, from time to time, brought in external consultants to work as assessors, very knowledgeable in our processes and

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equipment, and there is a reliance on the certifications. You know, when we send an individual to a certain school or a training institution, there's a reliance on the training institution providing the right qualifications for that student, depending upon the program. But we do a significant amount of internal assessment of our employees.
COMMISSIONER:
Q. Thank you.
ROIL, Q.C.:
Q. Okay, thank you. Now we're moving to another area of HOIMS.
MR. WILLIAMS:
A. Another element of HOIMS, Element 14, a very important element for us.
ROIL, Q.C.:
Q. But again, so that we understand, this element of HOIMS is incorporated into the safety plan. Is that correct?
MR. WILLIAMS:
A. Aspects of it would be in -- yes.
ROIL, Q.C.:
Q. Yeah, those aspects that are necessary for the

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safety plan to have integrity.
MR. WILLIAMS:
A. Yes.
ROIL, Q.C.:
Q. Okay.
MR. WILLIAMS:
A. I should also like to emphasize as well, you'll see the numbers 1 through 14. There's no hierarchy to the numbering system. Each element, whether it's number 14 or number 3, they're all equally important.
ROIL, Q.C.:
Q. So they could be put in a circle in terms of their importance?
MR. WILLIAMS:
A. And there was a circle on the HOIMS diagram as well. So they are very, very important overall. They all need to work together and to create, you know, the right management system and atmosphere for safe work.
ROIL, Q.C.:
Q. You have just chosen an order that works for your presentation, have you?
MR. WILLIAMS:
A. To a certain extent, yes.

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ROIL, Q.C.:
Q. Okay.
MR. WILLIAMS:
A. So there is -- we apologize if there's any confusion on the part of the participants for following us through these slides.
Included in our HSE policy is a direction from our chief executive officer to strive to continuously improve. Element 14, performance assessment and continuous improvement are essential components to the safety and wellbeing of our personnel. They are also essential for our success as a company and as an industry. I'll just like to share with you some examples of the things we can do in striving for continuous improvement.
Health and safety is the first subject at all our daily operation meetings. We discuss what went on the day before. At each of our weekly management meetings, the HSEQ manager will report to the vice-president the activities of the past week and if there were any health and safety concerns, and sometimes there are actually -- there are quite often positive news that we have to share with the

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management team on safety and we do that as well quite often.
ROIL, Q.C.:
Q. So you don't just report incidents that are problems? You report what, behaviours that are commendable?
MR. WILLIAMS:
A. Mr. Dyer will speak on a focus program and the positive aspects of that as well. We provide monthly statistic performance reports to all of our operational groups. We have quarterly performance reviews with our chief operating officer and the focus of that meeting, the first focus of that meeting is communicating his safety expectations to the east coast business unit and it's always clear and distinct what his expectations are for us.
We regularly meet with our partners to review performance and share our best practices. We meet with Suncor, as well as ExxonMobil to advance our business here in the east coast from a safety perspective.
There is a corporate HOIMS ownership team comprised of senior personnel that meet to foster the implementation of HOIMS within the

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corporation. I spoke briefly about that earlier.
We conduct an annual HSE summit to review our overall performance and set goals. That's held in Calgary and all the company's operations groups participate in this summit and this will occur in February in Calgary, next month, and we'll have a number of representatives, and I believe Mr. Pritchard and Mr. Dyer will be attending that summit this year.
ROIL, Q.C.:
Q. What kind of issues would get dealt with at those summits? What kind of issues that might be relevant to offshore Newfoundland?
MR. PRITCHARD:
A. I'll respond to that, Don, if you wish?
MR. WILLIAMS:
A. Yes.
MR. PRITCHARD:
A. We have guest speakers. One of the guest speakers this year has a book out and that book deals with the Texas, the refinery disaster, and so we get an understanding about organizations and how that disaster came

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about. I am presenting on the response to Cougar 491 and this is more the internal response, what it meant to the east coast operations, how we dealt with it and how we are still significantly impacted by Flight 491. So that's the kind of -- there might be presentations on other safety matters, but those are two examples for you of what will happen at this year's summit.
MR. WILLIAMS:
A. Mr. Roil, I'd just like to share with you, the question might be asked "well, how come the HSEQ manager is not going to corporate HSE summit?" As I indicated earlier, my assignment today is to support the Inquiry and its efforts, so the acting HSEQ manager will attend the summit as well.
ROIL, Q.C.:
Q. Okay. So you would normally attend, but for us?
MR. WILLIAMS:
A. I or a delegate of mine would attend.
ROIL, Q.C.:
Q. Okay.
MR. WILLIAMS:

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A. We also conduct an annual management system review. So every year, we sit with the management team and we review our management systems and aspects of it in terms of how effective it was the previous year and how can we improve upon our management system the following year, and that's the management team for our east coast, as well as each of the custodians, will sit in this meeting and talk about HOIMS and our east coast management system. So these are the types of activities, not all inclusive, of the things we do for performance assessment and continuous improvement.

I would now like to introduce Mr. Dyer to speak about part two of the Sea Rose safety plan, basis of safe operations.

ROIL, Q.C.:

Q. Okay. So we've now dealt with all of part one of the safety plan and you're now going to be the custodian of part two.

MR. DYER:

A. Yes, that's right. I'm going to take us through part two of the safety plan.

ROIL, Q.C.:

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Q. Okay.

MR. DYER:

A. Part two is a stand-alone document. It is entitled Basis for Safe Operations. This section demonstrates how Husky, as the operator, has adequately assessed the risk to personnel, to the environment, and of course to the facility, in that we've implemented the controls and the mitigations to make sure that we can operate safety offshore.

As briefly introduced by Mr. Williams, the risk management aspects for Husky are covered under Element 3, and Element 3 comes with two aims and seven expectations. So when we look at the aims, clearly we want to be able to manage risks, and the way we manage risk is by performing comprehensive assessments to provide information that assists us with our decision making process. Those assessments will take many forms and in subsequent slides, I'll give you an example of what some of these tools actually are.

ROIL, Q.C.:

Q. Yeah. So they can be, I presume, high level corporate or on the drilling deck floor?

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MR. DYER:

A. A risk assessment can be as much as having a meeting, to having a very structured quantitative aspect where you're looking at probabilities and consequences. And the second one is to develop and implement plans to manage significant risks to a term referred to as low as reasonably practicable.

ROIL, Q.C.:

Q. I think we've had other presenters who've used a similar expression.

MR. DYER:

A. Yes. Okay, so I just want to have a look at some of the expectations, and I'm not going to read all of it. I'm just going to highlight some of the key aspects of each one. So the first one deals with risks being managed by the identification of hazards and major incident scenarios, and you've seen the other panels as well. There is a risk management process with all operators and all companies, and for us, it does come in many different ways. I'll give you an example of what we would look at, a major incident scenario risk assessment. That could be something as simple

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as training, helideck drills, doing your drills on the helideck to simulate a helicopter crash. We're looking at the -- you know, what's involved? What's the risk to our personnel first in doing the drilling and what are we learning from it if we ever get to the actual event? So that's just kind of a separate example of how we'd apply it. The more formal example would be doing a major design on a facility, when you actually get in and look at things very structured, pressures and temperatures and flow rates and these types of things, which is what we do on a day-to-day basis in a lot of cases.

The second one would be risk assessments are conducted for appropriate activities or milestones. It's very important that we understand what we're actually going to risk assess. If you're going to change out a piece of equipment with an exact duplicate, well then you've already done the homework on that. What you're going to look at is more on the safety of the installation and removal than more so the design. So it would be on different levels, but you have to understand

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what the context is before you start.

Procedures are established to review existing risk assessments. On subsequent slides, we're going to talk about Husky's risk assessment tools, and that could be, as I mentioned before, something as a meeting or a focus observation, but every tool that we have will come with a procedure, and that procedure is in our east coast management system. It's a current document. We update it as we go, but it clearly helps you after you've selected the process to take you through that process.

ROIL, Q.C.:

Q. Okay. So we'll actually look at some examples that might show how this works in a factual situation?

MR. DYER:

A. Yes, I'll take us through two examples.

ROIL, Q.C.:

Q. Good.

MR. DYER:

A. Risk assessments are performed by qualified personnel. As I mentioned before, risk assessments have many shapes and sizes, and of course, depending on what you're looking at

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will depend on the judgment and the experience of the people that you need with you, and in some cases, that expertise may be required outside of Husky, whereby we would draw in that independent expert to assist. We'll always be with that expert because we want to learn what that expert can bring to the table as well. A clear process is established by a procedure to prioritize the risks. Husky does have a risk matrix, no different than anybody else. We have a five by five. We cover all aspects of risk. That matrix itself helps us identify where we are with the original planning of risk, given the ingredients that we're going to put into that review, and then we'll take that opportunity to bring that risk down lower if we need to.

ROIL, Q.C.:

Q. I take it you don't use the five by five little chart every time you risk manage a job?

MR. DYER:

A. No, we don't. In a lot of cases, we will use that process and when I give my examples, I can explain how that works, but in other cases, in behavioural safety, for example,

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that's a clear identification of a hazard which potentially could lead to a risk that you have to manage, but you wouldn't necessarily use a matrix to help you with that determination.

A follow up process is in place to ensure that the risk management decisions are implemented. Well, of course, it's very important that you can say we have a risk process, that we sit down with the experts, we find out how we're going to manage it, but typically, out of risk processes come actions and it's very important that we're able to show how we close those actions or we manage them before we start that work, and Husky has a couple of databases that they use. One is called an action tracking management system, ATMS, and in there you will find that summary of all the actions that come out of our assessments and we are able to track each one to closure as well.

And the last one is a risk assessment is documented, auditable and appropriate, and that's very important. We are definitely -- we can stand by what we're doing. We can

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demonstrate to a regulator when they come offshore how we've performed a risk assessment. We can demonstrate how we've implemented the controls and how we've managed the controls as well.

ROIL, Q.C.:

Q. Now this is another one that you may call simple, but we'll take a few minutes to go through it so that we understand what it is you're trying to explain to us about the risk management process at Husky Energy.

MR. DYER:

A. Sure. As Kimberly Turner made reference to in her original testimony, she made reference to a standard referred to as ISO 31000. ISO 31000 is a standard that looks at guidelines to assist with the implementation of risk management techniques and that standard was issued on November 15th, 2009.

ROIL, Q.C.:

Q. I was going to say, I think when she was here, she said it was about to be issued.

MR. DYER:

A. Yes.

ROIL, Q.C.:

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Q. It was brand new, I think.
MR. DYER:
A. Yes.
ROIL, Q.C.:
Q. Leading edge at that point.
MR. DYER:
A. Exactly. And what that standard does is it does draw in practice and it helps you understand how to apply some of your tools. This figure three is straight from that standard and it depicts what I would deem to be a common approach to a risk management process. When we reviewed Element 3 and we looked at the aims and the seven expectations of procedures and identification, risk matrixes and things, they're all the ingredients in this process. So if you'd like, I can take you through a very simple example -
ROIL, Q.C.:
Q. Yes.
MR. DYER:
A. - of how that would work. Non Sea Rose related, I'll just give a day-to-day example of how this could work. So not uncommon if

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you're on Water Street on any day, you would see people that opt not to take a crosswalk and they want to cross the street, at any time. Okay, so let's just take it as if I'm that individual. So I'm going to stand on the sidewalk and the first thing I want to be looking at is what's called establishing the context. What is it I'm trying to accomplish and what environment am I going to try to accomplish it in? It just so happens on this day, it's going to be a winter's day and I'm going to cross the street. I'm not going to take the crosswalk. Then I'm going to go into an assessment, and everybody goes through this every single day, whether you get in your vehicle and you drive here or you decide to drive here in a storm or you climb the stairs and you've got articles in both hands when there's guardrails on the side of the stairwell. You make a decision based on what risk, on what you're doing.

So I'm on the sidewalk right now and I'm looking at what's around me. I'm identifying the risks associated with what I'm trying to accomplish, and what would they look like?

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Well, clearly it could be a winter's day so my visibility could be obscured. So there's one part of challenge. I could be walking on ice, so that when I step off, I might slip. There's another hazard. We're trying to identify all the hazards. I could be standing next to a van where my visibility is blocked now and I can't see the approaching traffic.

A couple of examples of hazards that potentially may lead me to a near miss or an incident if I don't manage that properly. Then we look at the risk analysis. So I don't have a matrix in my hand, but I'm clearly in my mind thinking "okay, is this safe? Am I going to do this?" I'm analysing all these hazards, and then I'm going to evaluate it. You're either going to make the decision that it's safe and I'm just going to go for it, or you're going to say "no, I think I should take the crosswalk. I should obey the traffic signs" or "I'm going to move away from that van because I can see better" or "I'm going to step off that ice onto some rigid footing so that I don't slip." So there's three examples of you analyze that

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you've got a risk. Now it's up to you to put those safeguards in place. So you put all those safeguards in place and you cross the street, and when you cross the street, most people look back and what that is, that's your confirmation that your safeguards worked. And that's an example of how you would take a day-to-day activity and just take it into a very simple risk assessment process.
ROIL, Q.C.:
Q. And so what I have done there, if I'm the person, and I think surrounded by safety people we should never admit that we're not using crosswalks, but if I'm the person, I go through this process in the way that you've explained it, as an informal way of risk managing the process of getting across Water Street.
MR. DYER:
A. That's a very informal way of looking at it.
ROIL, Q.C.:
Q. Yes.
MR. DYER:
A. Now if you were going to look at a design change or something on an FPSO facility, then

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that would come in a very structured process whereby you would look at a lot of different factors. You would have to have an experienced team with you. You will document everything you're doing. You'll risk rank it. You'll look at the actual risk and then you'll look at your safeguards and then you'll look at your residual risks and it's on your residual risk that you say that this is a safe activity and I can't make it any safer, and then you're ready to go with that activity.

ROIL, Q.C.:

Q. Do you ever go through a process where you analyze the risk, assess the risk, attempt to manage the risk and simply find that you can't get there, that it is not safe to cross the street at all?

MR. DYER:

A. Absolutely. People will tell you that the only way you can eliminate all risk is to not do the job.

ROIL, Q.C.:

Q. Yes.

MR. DYER:

A. And there have been examples where we've done

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a risk assessment and it clearly came out that that job was not safe to proceed with, given all the mitigations. I think Mr. Pritchard gave that example in the joint testimony when we were trying to remove a riser spool from our turret. It was in a confined space. The weather wasn't great. It was a heavy lift, and we found that we had limitations on our crane to do the lift. So clearly, we have to go back and fix the engineering piece before we can proceed with that job, and that job did not go ahead.

ROIL, Q.C.:

Q. Okay.

MR. DYER:

A. So as I mentioned, there's many different ways of doing risk assessments. This is an example of some of Husky's risk assessment tools. On any given day, all of these tools will be used in Husky's business, on any given day, and on the Sea Rose, you will see, on any occasion, you will see all of those tools being used as well, and I'll just run through a quick example of a couple of those. We will talk about -

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ROIL, Q.C.:

Q. You have a bunch of acronyms here that we're probably not as familiar with as you are, so take your time in terms of explaining this slide for us.

MR. DYER:

A. Okay. The process hazard analysis, this is a -- it's called a PHA. It is a structured review, that is individuals and experts come together. They review whatever the context, and I'll keep referring back to ISO 31000, they'll review the context, but they can do it with different tools, and the first one is called a HAZOP, and that's a hazard analysis and operability study, very structured, engineering review. Typically you have guide words. You look at a system. For example, if you were going to install a new system, well how would that system react if you had a higher pressure than design, a lower pressure than design, a higher flow rate, a higher temperature? It's structured very much in that manner, and you have to put safeguards in place from a design perspective, whether it be to put in pressure safety relief devices and

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these types of things. So that tool has a specific purpose.

A hazard identification, a HAZID, that's when you go through with just a -- it's more of a brainstorming and identifying hazards associated with what you're trying to accomplish, and once again, putting in your mitigations.

A what-if checklist, that's where you come together as a group of very qualified people and you just pose questions. What if that was subjected to minus 20 degrees? What if someone tripped on that stool? You go through the cause and effect of that.

And FMEA is a failure modes and effect analysis, very structured, where you look at the reliability aspects, and a failure modes and effects criticality analysis, the same thing. We just put several people through this training actually with the east coast.

And a preliminary hazard assessment which effectively is an overriding introduction to when you first start off looking at your hazards of any design.

ROIL, Q.C.:

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Q. So you're saying any or all of these could be used on board the Sea Rose virtually every week or every day?

MR. DYER:

A. We can use these on the Sea Rose from time to time. Predominantly you'll have Sea Rose people engaged with a group of onshore people and it would be coordinated from an onshore approach.

The other tools are all offshore tools. FOCUS, which I'm going to explain in some detail on my next slide. Simultaneous operations, this is Sea Rose specific, as well as how do we manage the safety of having a drilling facility over one of our glory holes while we're producing from it and operating on the Sea Rose, and that's a systematic approach of good communications and safeguards to make sure there's no incidents. Risk based inspection, this is something that we have inherent in our integrity management process. It's great that we design a pipe and we meet a regulation that says it has to maintain its integrity for 20 years, but we'll also go above that and we'll look at the wear

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characteristics and we'll send a contractor out to have a look at the integrity of that pipe over time. Even though we do meet the design, it gives us that one more look as to how our integrity is for Sea Rose. And the permit to work system, all of those issues on the right-hand side are all part of that process. That's how we manage our day-to-day business on the Sea Rose and it's a very comprehensive process that makes sure all our jobs are done safely.

ROIL, Q.C.:

Q. I think permit to work, safe job analysis and tool box talk we've heard from the other operators. I suspect that yours is not that different. Step Back 5 by 5, are we going to see that somewhere else or do you want to comment on that here?

MR. DYER:

A. I can actually show that to you now. You have a small sticker. I don't know if you've seen this, Mr. Commissioner. I think you have this, Mr. Roil.

ROIL, Q.C.:

Q. I have a -- it isn't an exhibit, but I have it

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here and I can circulate it in the room.

MR. DYER:

A. Yes, yeah.

ROIL, Q.C.:

Q. We're calling this a prop rather than an exhibit.

MR. DYER:

A. It's a prop. It's a prop is good, yeah. Just let me -- I'll give you a very brief overview of a Step Back 5 by 5 process. Once you've completed all of your planning and you're ready with all of your controls and safeguards to start a job, of course then we have to use a permit system offshore to identify the steps that were taken. The permit -- I'll go past all the steps of it's been approved, all of the site visits have been done, all the controls are in place, and all the mitigations have taken place. Now we're ready to start the job. Before you start the job, you do a tool box talk. It's an opportunity for everyone to come together to assess the risks, because a job may be approved 24 hours in advance, and you may look at it 24 hours later. So there may be some things that have

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changed.

Once the tool box talk is complete and all people have signed off indicating that they are aware of all the hazards of that job, the last thing they do is a Step Back 5 by 5. Once they are all the location, they know they have to stop, don't start any work, step back, take five minutes and address a couple of key things. For example, inspect and assess work area for hazards. We could have had a snowstorm overnight, which means now you've got other hazards that are introduced, tripping hazards and things of this nature. Observe for others in the work area. If you're doing work, you really need to know who's around you and they need to know what you're doing, just in case what you're doing may impact what they're already working on. Assess the hazards, make sure they're properly controlled. So you look at your tool box talk and you say "these are the hazards I've looked at." You assess the scene, say "okay, now I know where these hazards are presenting themselves and I have to be sure I understand where they are." And it's a very quick tool

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to make sure that everybody is aware on the day, on the minutes, that it's safe before they actually take a tool and start working, and that's the value of that.

ROIL, Q.C.:

Q. Do those little pieces of paper get tracked by anybody? Do you collect them afterwards?

MR. DYER:

A. These actually stay with the permit and our permits are subject to audit.

ROIL, Q.C.:

Q. Okay. So if an auditor goes in, the auditors should see that one of these has been completed and somebody has signed off on it?

MR. DYER:

A. Yes. In actual fact, the Sea Rose does have what's called a self audit system, where we will actually audit ourselves against our own compliance with this as well.

ROIL, Q.C.:

Q. Okay.

MR. DYER:

A. What I want to do now, Mr. Commissioner, is just have a brief discussion of our -

ROIL, Q.C.:

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Q. Before you go on to the FOCUS, which I think could take a few minutes, just let me ask you a question that we hadn't prepared in advance, but it jumps out at me. Is there any sort of pattern -- when you do all of this planning, sometimes the little bits of light go through the cheese, to use the Swiss cheese analogy that others have used. Sometimes with all the planning and all of the analysis and tool box talk, something goes wrong, and when you go back, is there any pattern to whether or not the problem was you failed to address a risk or is it the fail to manage the risk or that the work wasn't performed the way it should have been? Are there any patterns in risk management, as you go back and look at it? And I'd say that's a question that's a little bit unfair because I haven't given you advance notice of it. You may want to think about it and answer after lunch, but -

MR. DYER:

A. I can just -

ROIL, Q.C.:

Q. - where does risk management normally fall down is my question, because sometimes it

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does.

MR. DYER:

A. I would agree that you'll always find room for improvement when it comes to risk management process. The three examples you cited, whether it be, you know, did they perform as expected or did we miss a hazard or did we miss identification of a hazard. They're all very real circumstances and it goes to show that the process does revolve around people. Where we are is Husky is the fact that the next time we perform that job, because it's very common that you would repeat a lot of work on an offshore facility, a lot of common work, that we go through the process again. We just don't take that document to say "we're going to do the job next week. I don't have to do anything. I just got to take everything I had before." We go through it again, we reassess. We make sure our lessons learned from whatever we missed, whatever hole in the cheese was there is brought forward and brought into the next time we do that. So it's a continuous improvement. It's very difficult to say there's one specific reason

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why you would miss something, but it's better to say that in the positive culture we're trying to create that we identify that, address the lesson learned and make sure we don't repeat the behaviour going forward into the next job.

ROIL, Q.C.:

Q. So it could be a failure to identify the risk or it could be a failure to manage the risk or it could be a failure to do the job with the processes that have been put in place?

MR. DYER:

A. It could be all of those, and the key is how we manage it, how we understand it and how we educate our people so that we don't actually have those issues.

ROIL, Q.C.:

Q. Okay, thank you.

MR. DYER:

A. Okay, are we going to proceed to the FOCUS?

ROIL, Q.C.:

Q. Yes, please do.

MR. DYER:

A. Okay, great. As Mr. Williams discussed in his explanation of HOIMS, Element 2 was referred

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to as safe operations. One aspect of Element 2 was our behavioural based safety program, and this is a key component for the Sea Rose and how we establish our safety culture. On the slide, Mr. Commissioner, you'll see a FOCUS card, and we've shown both sides of the card here on your screen. The premise of FOCUS is to provide everyone the opportunity to identify what's referred to as an at-risk behaviour or an unsafe condition, but it's also equally as important that we identify what worked well, and you'll see that on the card. There's two aspects, all safe behaviours or adverse behaviours and conditions.

These cards are located throughout our accommodation, in many locations. So they're accessible by all our workforce offshore. On average, we receive about five to eight cards a day, just over 1800 a year in total. Each card, when submitted, is reviewed. Now depending on the nature of what's written down, it'll be reviewed immediately or typically it's reviewed by the offshore leadership team every morning on the Sea Rose,

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roughly around 8:00 in the morning. Following which every card will be entered into a HSE summary and submitted to several people, offshore JOHS, the occupational health and safety committee, as well as a whole dynamic of onshore individuals. At 8:15 every morning, we have a call onshore and offshore and the first thing of business is to review the health and safety performance of Sea Rose over the previous 24 hours and every FOCUS card will be reviewed at that point.

However, not all the crew is aware of what was written on these cards at this point in time. So every evening on the Sea Rose, every department will conduct a handover to their back-to-backs, because we are a 24-hour operation.

ROIL, Q.C.:

Q. Yeah, the people working on the other 12 hours?

MR. DYER:

A. Exactly. The first order of business on every handover is every single FOCUS is read to every member of the crew, and it gives the crew an opportunity to comment on that and to

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seek clarifications if required, and that communication will come back to us as well.

You will notice as well, there is an identification for an observer's name there on the bottom of the card. This in no way will preempt anybody from Sea Rose with dealing with what's written on the card. This is a voluntary basis. We expect everybody to participate and we do have good participation. The only reason why we have the name there is because if we have an opportunity to look for more information on the finding, if we need clarification, then we have someone to go back to. But if it's not signed, that's perfectly fine. In no way will that preempt us from dealing with what's on that card.

The real value of the card is that it also identifies what we deem to be the safe behaviours. As you can well imagine, you'll get a lot out of a safety culture by acknowledging what you actually did well, not just what isn't right, and we do that very well, and when you're reviewing that in a handover every evening and you can identify that someone was performing a valve job and

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they did an excellent job with it because they had the following in place, well that just gets communicated down. It really has an effect on the morale of the crew as well. So it's real positive from that perspective.

ROIL, Q.C.:

Q. So the identification through observation is not just of adverse behaviours. It is also of positive behaviours?

MR. DYER:

A. Absolutely.

ROIL, Q.C.:

Q. If I see somebody doing something well, I'm invited to comment on it?

MR. DYER:

A. That's correct. That's absolutely right.

COMMISSIONER:

Q. The other thing that strikes me, and I guess this is an intended result, by going through these processes, you're keeping safety always in the individual's mind.

MR. DYER:

A. Yes.

COMMISSIONER:

Q. That's -

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MR. DYER:
A. That's exactly right.
COMMISSIONER:
Q. Yeah.
MR. DYER:
A. Mr. Commissioner, when I was the offshore installation manager and I would meet the helicopters, we would talk about the requirement to participate in FOCUS and I would always make it very clear to every individual that they are empowered to stop unsafe work that they see on the Sea Rose with no apportion to blame whatsoever. So if I was walking on the topsides module and I saw someone that was in an unsafe condition, then I would go over and tell that individual to stop, step back, and let's reassess together and see if you can identify a better way forward. So it's not just a communication to leadership and everybody. It's a communication between individuals, and once we get to the point where they're comfortable communicating with each other, then we really got something to work on there, really building a culture around that, and the Sea

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Rose is a good example of that.
MR. PRITCHARD:
A. I think that's very important, Mr. Commissioner. It's a voluntary system. We have no mandated numbers. We do measure it, and of course, watch the numbers grow. We have no mandated numbers. It's the quality that we want to have and the input of the workforce that we're looking for, and we can see that by the number of cards that we have submitted.
ROIL, Q.C.:
Q. Do you have to encourage -- or is there a method that you use to encourage participation? You know, there's the whole incentive program. Is there any reward given to anybody to fill in cards?
MR. DYER:
A. No.
MR. PRITCHARD:
A. The reward is the safety of yourself and the individuals and the rest of the workforce. That's reward enough.
MR. DYER:
A. Yes.

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ROIL, Q.C.:
Q. What about the comment that we heard from one of our presenters, the leader of the NDP, that some workers, not identified by location, felt that they did not have the ability to report concerns offshore because there was a fear that they'd be -- there might be some retribution or that it wouldn't be accepted, that management wouldn't be interested, what do you say about those kinds of comments, all three of you perhaps, in terms of your workforce?
MR. DYER:
A. From my experience working offshore, I have no examples how that's happened. When we look at people filling in a card, they can drop it off in five different drop off boxes and nobody will ever know who they were. They can drop it on our HSEQ advisor's desk at any time. So there's lots of opportunity where they can participate and not be known.
ROIL, Q.C.:
Q. But surely if I identify a situation that is site specific, it's not hard for you to find out who was in that physical place at that

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time. So if I saw something happening in the galley, somebody was using a knife in a way that was dangerous, it wouldn't take an awful lot of estimation or guestimation to identify the person. Is that a place where you might have some reluctance? Where people can, by virtue of telling of the fact, they can be identified as to the person who made the report?
MR. DYER:
A. As Mr. Pritchard mentioned previously, there's a performance accountability aspect of the Sea Rose that has to be maintained to a standard as well. It's very important that people communicate and identify at risk but it's more important that people are themselves safe when they do their activities. To address your question, you are correct in that, yes, there may be some observations coming in where you can readily identify who that individual was, but -- and that's an area, we obviously have to deal with the issue that's been brought up, and if we feel the individual is not performing or putting themselves at risk unknowingly, then we will definitely follow up

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with that individual to make sure they understand, you know, the impact of what they were doing, so they don't repeat that behaviour in the future.

MR. PRITCHARD:

A. And that's the elements of a just culture. The just culture ensures as you work through (unintelligible) process that would take you through accountability and within that level of process, you'd identify "are the individuals trained? Is there a procedural issue?" So whilst there may be an at-risk behaviour, we identify what the potential failures are within our processes that would have allowed that individual to actually go ahead with that unsafe behaviour. So in many instances, there's not a level of, I'll say, retribution here, but identification of improvement areas for that individual to be further trained or to put the process right.

COMMISSIONER:

Q. What is coming through to me is that you just don't put a culture in place, that this is a never ending process. Is that fair to say?

MR. PRITCHARD:

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A. That is, yes. The culture develops with the reporting structure that we have and you know, alongside that accountability piece, we do want people to perform their work safely, and it's not always individual's problems, but if they are observed working unsafely, there may be something further back in their history, training, process that they might be using at that time that's giving them the -- you know, opened that door for them to have an opportunity for unsafe behaviour.

COMMISSIONER:

Q. So you can never rest on your oars really.

MR. PRITCHARD:

A. Not at all.

COMMISSIONER:

Q. You've got to keep going.

MR. PRITCHARD:

A. Continuously look for -- yeah. So whilst you might be able to identify the individual, it will be then, the support of that individual to ensure that unsafe behaviour doesn't occur again.

ROIL, Q.C.:

Q. I think, Mr. Dyer, although we've focused on

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behaviours, I see that conditions, hazardous conditions can also be identified. So something broken or not working could be -

MR. DYER:

A. A tripping hazard is an example of that. Something that we've introduced to the facility that may impact or cause an unsafe behaviour for others. Working at heights without the proper tie off apparatus, these types of things.

ROIL, Q.C.:

Q. Okay. I think that's probably a good time for us to make a break before we get into the next slide.

COMMISSIONER:

Q. Thank you. 2:00 then.

(LUNCH BREAK)

ROIL, Q.C.:

Q. Thank you Commissioner. Gentlemen, we're still on slide No. 53 and before we broke for lunch, we were dealing with the FOCUS card and I have a couple of questions arising out of that. The first question is, is it clear to you that workers see helicopter transportation as being part of their employment?

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MR. DYER:

A. Yes, yes.

MR. PRITCHARD:

A. Yes, indeed.

ROIL, Q.C.:

Q. Anybody who can answer, perhaps I'll direct my eyes towards Mr. Dyer and then either of you gentlemen can answer this question as maybe appropriate. Okay, so it's clear that helicopter transportation is a part of my work, if I'm an offshore worker. The second question is have you ever seen these cards focussed, pardon the pun, on an aspect of helicopter transportation or do they generally come in dealing with work place issues that are on the facility?

MR. DYER:

A. The FOCUS card can be used to address all aspects of the worker's employment and that's from the time they're at Cougar until the time they depart Cougar to go home.

ROIL, Q.C.:

Q. Right, and I think other operators have told us the same thing, but clearly the transportation is a piece of the work.

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MR. DYER:
A. Yes, that's correct.
ROIL, Q.C.:
Q. And so these are meant to focus on work, not just on the platform.
MR. DYER:
A. Correct.
ROIL, Q.C.:
Q. Okay, I guess my question from that comes into now the whole issue of suits, transportation suits of which much has been said at these hearings. My question for you is prior to March 12th when there came to be considerable focus on the suits, were you gentlemen or was your company aware of a general concern about the fit of transportation suits, either by these FOCUS cards or by any other means?
MR. PRITCHARD:
A. Yeah, the suits did come in as an issue on the FOCUS cards and many of the, you know, meetings that were had, all in terms of comfort, you know, that the comfort and the fit of the--comfort of the zipper and the stiffness of the zipper in particular. Certainly in hindsight, you know, these

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comfort issues could have masked some underlying feature of the safety of the seal arrangement, the integrity of the seal, so you know, we are starting to recognize in hindsight that the comfort issues may have translated into an issue with the seal on the face, recognize that at the time.
ROIL, Q.C.:
Q. The reason I ask about fit is that it seems to me from what I know of the suits that the issue of the fit around your face is a question of integrity, if it doesn't fit, it will not work properly. The other expression "fit" means I'm sloppy in the boots or the legs are too long for me and so, I guess, my question going back to you on that is was there any real indication to you, to any of you in your company that there was a problem of integrity of the suits in terms of the ability to get a good water seal, other than the zipper issue with respect to the face seal?
MR. PRITCHARD:
A. No, we had no indications that there was an integrity issue per se. We did have a number,

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as I say, feedback regarding the comfort of the suit.
ROIL, Q.C.:
Q. Okay, and I guess my final question along the same lines is, and Mr. Dyer, you spoke a lot about the whole issue of risk management and how you identify the risks and then you manage them, and in that context, you will recall my question about whether sometimes risk management fails because we fail to identify the risk or we fail to mitigate it. Do any of you see the failure of the fit, of the integrity fit of the suits as being somehow a failure of the risk management system and again, not trying to cast blame because we're trying to look for where we have opportunities to improve in the future, so is it in that case that we failed? And I say "we" in a collective sense, that we failed to identify one of the risks, that is that fit, integrity fit was key to performance?
MR. PRITCHARD:
A. When we looked at the suit, at the purchase of the suit, we look at the standards and we were buying a suit that met the standards and

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implicitly we expected the integrity of the seals to be in-built to the suit. As I say, the comfort issues could well have masked the integrity issue, we had so, you know, a number of comfort issues that were brought to light, just a number of those may well have masked that.
ROIL, Q.C.:
Q. Okay. I guess if we ever get a suit that does fit somebody now, we understand what the issue is on that one.
MR. PRITCHARD:
A. Indeed, and you know, we've seen it from the letters from the TSB to Transport Canada trying to ensure that everybody around the world will--at least from Transport Canada point of view, do recognize the importance of the integrity of the suit itself and to have checks, as we have now in place when people are putting the suit on.
ROIL, Q.C.:
Q. Okay, thank you. In that case, we'll now go into the next slide, Mr. Dyer, if you're ready to proceed.
MR. DYER:

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A. Mr. Roil, I just wanted to close out on two observations for this slide, if I could please?

ROIL, Q.C.:

Q. Yes, okay, absolutely.

MR. DYER:

A. One thing I just wanted to draw particular attention to is the transparency and the openness that we have with our Occupational Health and Safety Committee on the FOCUS card process as well. When our JOHS committee of Occupational Health & Safety Committee meets every 21 days, they will, as part of their agenda, review the status of our FOCUS observations. As you can gather, there will be some observations that will require an action to remedy the situation and it is very important that we provide a tool that allows us to track that to closure and to demonstrate to, not just the Occupational Health and Safety Committee, but all personnel on board that we take it seriously and we're going to close out the finding. To date, we've closed over 95 percent of all actions raised in the last five years on FOCUS observations.

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ROIL, Q.C.:

Q. What would cause an item not to close in a reasonably rapid period of time? Are there some issues that take much longer than others to close?

MR. DYER:

A. Perhaps early, some will vary, you will have to make an engineering study of an observation or simply you may just have to replace a valve or something smaller. So some will be remedied immediately, some will obviously require a process whereby we will have to go through a standardized process for completion.

ROIL, Q.C.:

Q. And who then within the company, who is charged with the responsibility of seeing that these do get closed out? Is that your department or is it Mr. Williams or -

MR. DYER:

A. It's managed through the offshore installation manager offshore. We also have visibility into that process as well. We track it through our, what's called our SAP system, which is our plan maintenance system, so that report is available for print at any time and

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a good indication of how we're doing, as I said, is done at the OHS meetings every three weeks. Okay, and just as a closing remark on that one as well, our vice-president of Eastcoast Operations do review each of the FOCUS cards every day at all times and any issues that come up will directly be drawn to the attention of the general manager.

As I mentioned on the slide that showed a variety of the risk management tools that Husky uses, one example was a Toolbox Talk. What I just showed here is an example, it covers over two slides and it has five steps, but what this is, this is a standard Toolbox Talk that the helideck operations team would perform and complete before the helicopter operations has started on the Sea Rose. Typically you will have the helicopter landing officer and his team up on the bridge of the Sea Rose and they will sit down for 15 to20 minutes and they'll go through this checklist just to make sure everybody is aware of where they need to be, what their roles and responsibilities are at every phase of the helicopter landing process. It will start 30

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minutes prior to arrival, then there will be a section on arrival, the helicopter refuelling process, the department aspects of it and then there's a post helicopter operations close out. This will be done every time we land a helicopter on Sea Rose and complete it.

ROIL, Q.C.:

Q. Those that are working on other assignments, are they generally given enough time to be 30 minutes before the helicopter lands?

MR. DYER:

A. Yes, they are.

ROIL, Q.C.:

Q. There's no challenges there in terms of, well I got to finish up my job that I'm doing, so I might be 15 minutes late.

MR. DYER:

A. There are examples when that may very well happen, but the key to that is to make sure we communicate well. Who is on call for that week, what time the flights are due to arrive and there's announcements made in advance to let people know to make the work site safe and make their way to the helideck for the Toolbox Talk.

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ROIL, Q.C.:
Q. And you have adequate notice of when the helicopter is to arrive.
MR. DYER:
A. Yes, we do and that's managed through a formal process. That concludes the -
ROIL, Q.C.:
Q. Sorry, before you go back, just again a matter of more curiosity than anything, but it may turn up to be something, on refuelling the helicopter, if you go back one slide, one of the risk management tools is fuel samples for pilot inspection before and after. What's that about? What's the risk and what's the activity?
MR. DYER:
A. Well typically whenever the helicopter lands on the Sea Rose, we have to provide demonstration that we have the proper fuel. Before we put it on the actual helicopter, that sample is taken, reviewed with the pilot, I think it was the second-in-command that actually reviews it, approves it as a good sample and then we proceed with the refuelling. Afterwards we take another sample

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as a quality check just to make sure that what we're leading in the system also meets the standard for the next flight.
ROIL, Q.C.:
Q. So the fuel before delivery and the fuel immediately after delivery is what is sampled, not necessarily what's in the helicopter.
MR. DYER:
A. It's a representative of what -
ROIL, Q.C.:
Q. Of what's in the helicopter.
MR. DYER:
A. Yes.
ROIL, Q.C.:
Q. Is fuel integrity a challenge in terms of the offshore operation?
MR. DYER:
A. No, we are required to maintain a certain volume of fuel on board and to a cleanliness that's required for helicopter operations, today I am not aware of any issues with that process. Okay, so that concludes my section for this point in time. I'm now going to hand over to Mr. Pritchard.
ROIL, Q.C.:

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Q. To Pritchard who is going deal with contractive services.
MR. DYER:
A. Yes, that's correct.
MR. PRITCHARD:
A. So this is Section 13 of the HOIMS, contract of services materials. So Husky has a documented procurement process and ensures goods and services supplied to Husky meet Husky standards. They can be delivered in a consistent and efficient manner by the contractors. The contractors aligned to our HSEQ, aims and expectations by our HOIMS document, which is part of the contracts that we issue out. The aims and expectations for the various contractors are really based upon the scope and complexity of scope to be delivered. The process addresses Husky's policy and regulatory requirements, which include the aspect of the Newfoundland benefits and full and fair opportunity aspects to contractors.
ROIL, Q.C.:
Q. Sorry, other than the actual helicopter contract, which has been let to Cougar, as we

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know, are there other contracts, are there other contractual relationships that impact helicopter transportation? And I'm thinking of one, for example, the weather monitoring, that has at least some peripheral impact, in terms of the weather is being provided and then given to Cougar. Are there any other examples of contrast?
MR. PRITCHARD:
A. There's the weather, there's Helly Hansen, Cougar, I can't think of any more than that.
MR. DYER:
A. Of course, there's all kinds of interfaces as well with the Cougar facility as being that, that barrier to getting offshore as well, so there's all kinds of interface at that point.
ROIL, Q.C.:
Q. Yeah, and it would seem to me that most of your impact would be on the equipment going onto a helicopter, for instance the flight suit, the helicopter business itself and then perhaps something that might happen on the helideck, like fuel -
MR. PRITCHARD:
A. I think some of the maintenance issues, yeah,

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Mr. Dyer spoke about the maintenance and a third party is coming in, so the Coast Guard going out and doing telecommunications for us.

ROIL, Q.C.:

Q. Yeah, well we have several examples of that, of course.

MR. PRITCHARD:

A. We have the--well, prior to going offshore, the interface there with the Atlantic Offshore Medicals provision for our H1N1 protection, as it were, for the offshore facilities, so we were doing a medical check prior to helicopter dispatch.

ROIL, Q.C.:

Q. In the ordinary run of events would AOMS be involved in helicopter transportation?

MR. PRITCHARD:

A. The only time that we get involved outside of distinct helicopter transportation is when we travel by vessel, so there's kind of a screening process there to ensure that people are ready to be transported on the vessel itself and, you know, prospects potentially of sea sickness.

ROIL, Q.C.:

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Q. Okay, so there's no medical impacts to helicopter transportation for the majority of workers.

MR. PRITCHARD:

A. Not if we fly in by helicopters, not normally, but of course, with H1N1 we were trying to mitigate against the kind of infection going out there. So Husky procurement process ensures integrity in its contractor selection. You can see from the slide that at an early stage we determine if a contractor is technically competent to perform the work and also meets the standards of HSEQ for Husky. This is a pass or fail, if you don't meet the Husky HSEQ standards, you don't go any further and you're not on the invitation to bid, so pass or fail in that.

ROIL, Q.C.:

Q. So a contractor has to prequalify to submit to doing work on behalf of -

MR. PRITCHARD:

A. Yes, we need to understand that he is technically competent to do the work and that his processes, in terms of HSEQ meet our standards and that's a yes or a no.

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Thereafter the process only provides the opportunity for those to contract, the invitation to bid. The ones that--the contractors who have passed the entry level, then there's really just the commercial aspects and the Newfoundland benefits are evaluated. We do take time to debrief the bidders that have come through and not met our qualifications and standards and we do that in the spirit of continuous improvement, trying to develop the capabilities of the contracting community.

ROIL, Q.C.:

Q. Sorry, just go back, clarifications, what subject would clarifications be? Issues arising during the tendering process or questions -

MR. PRITCHARD:

A. Yes, and through the tendering process, once they're through the invitation to bid, the evaluation side of it, sometimes the scopes can be clarified so that if many questions come in that need clarification, we clarify and we issue out to all of the bidders at that time. So it's an open and transparent process

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as in if someone requests clarification, we respond to that and go back out to everybody who is on the bid list.

ROIL, Q.C.:

Q. And when the contract is ready to be let, to what extent is that managed locally and to what extent would you rely upon your corporate office to provide advice.

MR. PRITCHARD:

A. In general we manage everything pretty much locally. Some of the larger contracts, depending upon the dollar value, do escalate to corporate, so if you're going to contract a rig, for instance, pretty expensive item, some of those contracting entities would go back up the line. Husky was operating in 2003 with a GSF Grand Banks preparing the development wells for the White Rose field and needed helicopter transportation. As per the process, we entered into the competitive bidding process with Cougar and CHC as being the bidders. Contracting strategy ensured integrity and technical capabilities of both providers and the best commercial bid was actually given by Cougar and it commenced the

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contract in July 2003. In 2005, we started to monitor the operational aspects of the S-92A and after aviation review in 2006, we had an amendment to the contract to bring in the S-92A, which started service then in 2007. Whilst the incumbent supply was selected on this occasion, there are many examples of where the contract is not always given to the resident provider. Examples of this would be the tankers where there are various owners, and historically the drill rigs have come in and been through Global Santa Fe, TransOcean, Rowan and more recently with ConocoPhillips standard drilling with the Stena Carron, so it's not always the current resident provider that gets the contract.

ROIL, Q.C.:

Q. Before you go on, perhaps just take a moment to look at the helicopter contract, which is a confidential exhibit, I wonder if the Registrar could bring up exhibit No. 148. I have just a couple of questions coming out of this document itself. The first one is the issue of first response and I see that that's noted twice in the contract, once very briefly

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early on, but then it's more detailed at page 21 of the exhibit that's in our pagination, page 21. First response, and I think without having to read every word there, the last line, "The carrier, which is Cougar, shall provide first response with wheels up, response time at most one hour." And that has been spoken of often and by the other operators and my question for you, as it has been for others, how is the one hour wheels up time period, how is that determined? What were the factors that went into your heads when you were coming up with that negotiated or agreed to response time?

MR. PRITCHARD:

A. The White Rose is the third operator field in Newfoundland, HMDC being first and then Terra Nova, both of those services had one hour wheels up. We reviewed that, found that acceptable to us and it was obviously acceptable to the Board as well, the C-NOPB respected that. What we do know is that the first response helicopter has a number of duties, so responding to a variety of incidents, whether it be down manning of a

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platform where you would need all the seats in a helicopter, it might be a medical issue and we might need to put the stacker or the stretcher arrangement in there, or it might be a winching requirement, so there's a variety of responses that the helicopter needs to respond to and I can't give you details on the timing and issues around that regarding how well all that fits together in a helicopter and what time period, but I do know that we do need to respond to that variety of incidents and one hours wheels up, as a maximum, seemed appropriate to us at the time.

ROIL, Q.C.:

Q. And in fact we know that the response time on March 12th was something shy of -

MR. PRITCHARD:

A. Correct and then that's why I tried to emphasized the one hour maximum, we know depending on the response that there is capability to respond quicker than the one hour.

ROIL, Q.C.:

Q. Okay, and although we will have Cougar and then we will ask them for their opinion and

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perhaps they are more qualified in helicopters, your understanding is that the configuration for the various types of first response would not be all identical, some require a winch, some a stretcher, some -

MR. PRITCHARD:

A. Seats out, stretchers in, correct, yes.

ROIL, Q.C.:

Q. And the second issue I would want to bring your attention to is at page 20, go back one page. And here there's a reference at--oops, sorry, not there yet, 2.2.12, here we are. "The carrier shall furnish the charter of timely reports of aircraft incidents and accidents." And I understand that the definition of incidents and accidents might be found more--well first of all, what's your understanding of the difference or do you have an understanding of what an incident is verses what an accident is in relation to the provision of helicopter services?

MR. PRITCHARD:

A. Will I look to Mr. Williams to respond to this in terms of reporting function from a Health and Safety point of view?

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MR. WILLIAMS:
A. Thank you. We have, probably if I could clarify this, three terms that we use in our approach, we have what is called as hazards, hazards, basically unsafe conditions and adverse behaviours. And then next to that we have what is called a near miss and accidents and a near miss and an accident are sub--or incident subcategorized as a near miss and an accident, if I could explain it that way.
ROIL, Q.C.:
Q. I think we've had explanations from the other operators that are very similar, that there's the hazard, the near miss and the accident.
MR. WILLIAMS:
A. Accident, so to speak.
ROIL, Q.C.:
Q. But within the category of incident, near misses and accidents are both incidents, a hazard is not an incident.
MR. WILLIAMS:
A. That's correct.
ROIL, Q.C.:
Q. Okay. So I guess my question then comes out what are the nature of the kinds of

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information that you get provided by Cougar under this clause? It talks in terms of in any aircraft operated by them worldwide, have you had a series of incidents or accidents or near misses reported by them?
MR. WILLIAMS:
A. Not under the context of from a worldwide context, not to my knowledge.
ROIL, Q.C.:
Q. Okay, what about locally, what kind of reporting information do you -
MR. WILLIAMS:
A. Cougar have reported locally in terms of incidents that, you know, relevant to Husky's operations at the heliport.
ROIL, Q.C.:
Q. And what kind of incidents would you be aware of in terms of helicopter transportation that are reported to you?
MR. WILLIAMS:
A. They would be the situations that occurred during the check-in processes involving personnel going offshore, typically an individual trying to carry or bringing a prohibitive or restricted item with them onto

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the aircraft or through the security check in.
ROIL, Q.C.:
Q. Sorry, would that be a hazard or a near miss?
MR. WILLIAMS:
A. That would be considered more of a hazardous condition. We've had no accidents in terms of, associated with the heliport operations on behalf of Husky.
ROIL, Q.C.:
Q. So in terms of--okay, for example a trip and fall if somebody was getting on the helicopter, do you have anything like that?
MR. WILLIAMS:
A. Not to my knowledge, no.
ROIL, Q.C.:
Q. Have you had anything reported other than, obviously the incident of March 12th that would give you any concerns with respect to helicopter transportation to the offshore?
MR. WILLIAMS:
A. No.
ROIL, Q.C.:
Q. I think that's all, if you want to move on to the next slide.
MR. PRITCHARD:

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A. So the next slide deals with the acceptance of the S-92. So the S-92 is being used by PetroCanada during 2005. Our aviation expert was reviewing the use of the S-92, as was our logistics team here locally, monitoring the operation. We confirmed the suitability of the offshore facilities, so we understood the helidecks on board the FPSO and the drill rigs were suitable and of course, we knew the C-NOPB had already accepted the PetroCanada airframe and therefore saw no impediment to Husky introducing the S-92 there. Now a number of enhancement, enhanced safety features, such as comfort, capacity and capabilities that attracted Husky to the S-92, these features were relayed to the offshore workforce post the selection process. So we selected the S-92 on those features.
ROIL, Q.C.:
Q. Okay, because other operators had chosen to use the S-92, would it have been possible for you to continue to use a different airframe for your service?
MR. PRITCHARD:
A. Yes, it would have been possible, but you

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know, the review of the S-92 with the larger carrying capacity, larger carrying capacity gives less flight hours and inherently less flight hours are better for the operation. Any further questions on that, Mr. Roil?

ROIL, Q.C.:

Q. No, just the other question was, again, we all have the benefit now of 20/20 hindsight, but prior to the incident on March 12th which was a very very significant and a very tragic incident, what was the nature of the acceptance of the S-92 by the workforce prior to that time? Was it, you know, that it was generally considered a better machine than what had been there before or more comfortable or was there challenges with it? We heard a little bit about the chip indicators that were getting more flights turning around and coming back because a light would come on in the dash board of the machine and the instructions to the pilot were return. Tell us a little bit about how that worked for you, was it a difficult transition or was it an easy transition?

MR. PRITCHARD:

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A. No, I think the enhanced capabilities outweighed anything that we were seeing locally. Yes, flights had been turned around, but they were few flights when you consider how many flights we actually have in a weekly and monthly basis. Me, personally, when I, you know, got on, the comfort features of an S-92 are fantastic compared to some of the-- the earlier aircraft, sitting uncomfortably for an hour and a half squashed up against somebody else is--I recognize the comfort and features of the S-92. I don't know if Mr. Dyer has got any, you know, more direct feedback from the workforce, he was an OIM for two years.

MR. DYER:

A. No, I would tend to agree. I've flown all the helicopters as well and I found one of the designs of the S-92 is that it has more space for each individual person, which is great, four large doors for egress which is a good feature as well. There was some learnings with our crew to understand that, you know, this is a new helicopter, of course, it comes with a much more sophisticated monitoring

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system, so when we had things like chip lights and turnarounds, a bit of an education for our workforce on that, but understanding that there's a significant higher level of safety in the design of these aircraft than the older aircraft. Overall, I believe my opinion the workforce prefers the S-92, but that's my opinion of that.

ROIL, Q.C.:

Q. Obviously there might have been some people who felt the other way, but -

MR. DYER:

A. Absolutely.

ROIL, Q.C.:

Q. But generally it was acceptance.

MR. DYER:

A. Yes.

MR. PRITCHARD:

A. That's the end of this section now, so I'll hand it over to Mr. Williams with the compliance and performance monitoring.

MR. WILLIAMS:

A. Mr. Commissioner, a significant portion of our offshore operations are conducted by contracted services. For example, we have our

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obvious, we just discussed our helicopter operations, which is the reason we're here. We also have a vessel operations, two vessel, major vessel contractors. We have one drilling contractor, but we operate two rigs and significant other number of specialized technical service contractors. Also a significant portion of the work on board the Sea Rose FPSO is conducted by contracted services. For Husky, the primary means of obtaining assurance that our contractors are compliant with regulations as well as our specific requirements is through the audit process. Plus the audit process employed by Husky ensures that we are regularly engaged with our contractors and we review our expectations with them to ensure they are maintaining compliance.

I'd just like to briefly discuss our contractor audit process. As I indicated it is important to ensure that our contractors maintain compliance. In that regard, we conduct an annual audit plan schedule and that audit schedule is based on a number of factors. It includes risk associated with the

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contract service, so it could be the complexity of the operation, the number of people involved or the type of work that the contractor may be doing on our behalf. It could also involve the work activities planned for the upcoming year. We typically look out to the upcoming year to see what major scopes may be happening, like in 2009 we had diving operation, we may have drilling operations coming forward, so we look at the type of activity that we're doing when we're creating our plan. And it could be associated with the previous experience with the contractors, have they had any incidents, have they had any, you know, significant non-conformances that we might want to look at. All of our audits, planned audits for any year, they include health safety environmental quality aspects, as well as technical. There may be special audits or in the areas of incident and non-conformance or a special focus based on a technical service that we want to look at. I'll draw your attention to the table included on the slide here, which shows the number of audits conducted by Husky of its contractors

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commencing in 2005 through 2009.

ROIL, Q.C.:

Q. Just while we're looking at those numbers, can we take anything from that? While they vary every year, they seem to be in the vicinity of 25. In relation to the number of contractors that are working with you, you know, are there 50, are there a 100 or are there only 24?

MR. WILLIAMS:

A. We would have in the orders of hundreds of contractors, but if you look at--if you apply perhaps the 80/20 rule, 80 percent of our work where the people involved or the equipment involved in our offshore work is probably associated with 20 percent of our contractors, so we tend to focus on an annual basis of those contractors who represent the most risk and the most work. So many of our contractors get audited, but our most significant contractors get audited almost on an annual basis or certainly on a regular basis and they are repeated quite often a number of times.

ROIL, Q.C.:

Q. Stop for a moment until the noise goes down.

MR. WILLIAMS:

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A. Okay.

ROIL, Q.C.:

Q. Okay, perhaps then we can move on -

EARLE, Q.C.:

Q. Musical interlude.

MR. WILLIAMS:

A. Are we okay?

ROIL, Q.C.:

Q. Yes, we're ready to go ahead. Thank you, Mr. Williams.

MR. WILLIAMS:

A. Mr. Commissioner, Cougar Helicopters transports our personnel to and from our offshore facilities on a daily basis. We recognize the importance of this service and the need to ensure that the operation of transporting our personnel is conducted safely. The following table on this slide provides a summary of the audits that are conducted by Husky of Cougar Helicopters. We have endeavoured to conduct a regular audit and oversight activity of Cougar and its operations.

I would also like to inform you that our auditors have not identified any deficiencies

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during their audits that they believe could pose a significant risk to flight safety or the ability of Cougar to conduct a safe operation. The conclusion of our auditors has always been very positive Cougar.

ROIL, Q.C.:

Q. Who would be doing the aviation audit for you? Is that internal forces or external contractor?

MR. WILLIAMS:

A. Predominantly they've been conducted by a contractor. They are aviation specialist services that we have had as a contractor for some time now, since we've commenced operations with Cougar, at least since the beginning of 2003.

ROIL, Q.C.:

Q. Okay, and would these contractors do other audits of other helicopter and airframe operators in other parts of Canada?

MR. WILLIAMS:

A. No, the contractor that Husky uses, in terms of its helicopter support, they only focus on, to my knowledge, Husky's work in association with Cougar Helicopters.

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ROIL, Q.C.:
Q. Now we've had a fair bit of information from HMDC about a number of audits they gave. So I think I've only asked you to provide the outline for one audit.
MR. WILLIAMS:
A. Yes.
ROIL, Q.C.:
Q. In this case, it's 2008.
MR. WILLIAMS:
A. Just to note, I'll share some information on the audit, Mr. Commissioner, of 2008 conducted by Contrail on our behalf. I'd just like for your record to know that all of the observations, recommendations in all previous audits have been closed.
ROIL, Q.C.:
Q. Okay, so that's right, when you perform an audit in a particular year, if there's something outstanding from the year before, does that get picked up and looked at?
MR. WILLIAMS:
A. Yes, it will be reviewed, the previous year's recommendations or findings, and it will be looked at to ensure they have been closed out

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properly.
ROIL, Q.C.:
Q. Okay. Describe the audit that was being performed here in 2008.
MR. WILLIAMS:
A. This audit was conducted by Contrail Aviation Safety Limited on behalf of Husky Energy.
ROIL, Q.C.:
Q. Okay, is that -- I believe, is that the same company that did the work for the return to service, the HOTF?
MR. WILLIAMS:
A. Aviation safety review team, yes.
ROIL, Q.C.:
Q. Yes, that's right, and I think we have their credentials in that particular exhibit.
MR. WILLIAMS:
A. That is correct.
ROIL, Q.C.:
Q. The credentials of the individuals -
MR. WILLIAMS:
A. Yeah, that's contained with the return to service report, that information.
ROIL, Q.C.:
Q. Return to service report, correct.

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MR. WILLIAMS:
A. So in this particular audit, as you'll note there, all of the recommendations and actions were closed. There were actually a total of nine findings and four observations. We chose this particular audit because it represents the nature of the findings that we were seeing with Cougar prior to the loss of Flight 491 on March 12th 2009. So this was the most recent information we had of Cougar prior to that.
ROIL, Q.C.:
Q. Going into that particular time frame.
MR. WILLIAMS:
A. Going into March, yes.
ROIL, Q.C.:
Q. Okay. Perhaps you should just take a couple of minutes and take these recommendations and explain how they were -- what they mean to you and then how they get closed.
MR. WILLIAMS:
A. Okay. Bear with me just a second. I will have to acknowledge that the audits were conducted by a third party, a third party specialist. I'm not an aviation specialist, so -

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ROIL, Q.C.:
Q. I understand that.
MR. WILLIAMS:
A. - there will be limit to the explanation I will be able to provide -
ROIL, Q.C.:
Q. Yeah, that's fine.
MR. WILLIAMS:
A. - on these particular observations, so if you -- is it your intention for me to walk through all of these?
ROIL, Q.C.:
Q. Well, let's just take some of them. For the first one, for example.
MR. WILLIAMS:
A. Okay. Number one, there was -- and I paraphrased these so I could get them on the slide for your information.
ROIL, Q.C.:
Q. Right.
MR. WILLIAMS:
A. There was the communication of the company drug and alcohol policy to pilots cannot be verified. The observation was that the pilots were within -- there is a reference within

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their HSE handbook to the drug and alcohol policy and they were viewing it through that mechanism, but there was also another recommendation within that handbook to a HR document which the pilots had no knowledge of and hadn't signed off officially. So that was that particular observation. There was never any threat or any indication that there was a drug and alcohol or any situation. It was just a documentation and sign off of information related to drug and alcohol policy within their HR document.

ROIL, Q.C.:

Q. Okay. And so how would that be closed out? You know, if not -- if you don't know specifically, what would the nature of the kind of activity be?

MR. WILLIAMS:

A. Yeah. So what they have done is they revised their induction documents. So now it's a sign off or a check box within the induction documents or orientation document to document that they have read and understand the drug and alcohol policy and will comply with their requirements.

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ROIL, Q.C.:

Q. Okay. Let's pass over the second one, just in the interest of time. Third one, "ensure that pilots and maintenance engineers have representation on the HSE committee."

MR. WILLIAMS:

A. Yeah. They did have an occupational health and safety committee or same as our JOHS for their facility.

ROIL, Q.C.:

Q. Right.

MR. WILLIAMS:

A. The observation in this case was that the majority -- they have 70 pilots and they have 30 or 40 maintenance mechanical engineers. It represents a significant portion of the workplace, yet these particular work groups had no representation on the facility committee, so to speak. So that was the recommendation there and they have subsequent -- now have representation on the HSE committee.

ROIL, Q.C.:

Q. So the issue was the constitution of the committee, rather than that there wasn't a committee at all?

MR. WILLIAMS:

A. Yeah. There was a committee in existence, but all the represented departments were not -- or departments were not represented.

ROIL, Q.C.:

Q. Let's just jump down to another one, a little more than halfway down the page. "Ensure safe access to emergency shower and eye wash station within the maintenance facility."

MR. WILLIAMS:

A. Yeah. On the day of the audit, there was an obstacle, I think it was a work stand, that was preventing access to -- you know, as part of your chemical hazard requirements in prevention, you want to have your MSDS's, your shower stations and eye wash stations accessible. On that particular day, they had a work station that was blocking access to the emergency shower station. So what they've done is they've marked the area as a warning that, you know, do not obstruct access. So no other future equipment will be put in that in the way.

ROIL, Q.C.:

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Q. And then perhaps the second last one, "Cougar to ensure that all personnel maintenance training requirements are kept current."

MR. WILLIAMS:

A. My understanding of that observation, they have two requirements. One is on a rolling annual basis, maintenance have to have at least a continuous eight-hour training program. So on any 12-month basis, that's a requirement. However, at the time of the audit, a number of the maintenance engineers had not maintained or kept up that rolling eight-hour requirement. They also have another requirement, which is 24 hours over, I believe it was either a two or three-year period. Now they were all in compliance with the 24-hour maintenance expectation, but they had not -- they all never had their eight-hour maintenance expectation, and I believe it was related to one of their training engineers had been seconded to another project for a short period of time and interrupted their regular training schedule. So that has been corrected and they do not foresee, as far as I understand, any more problems with maintaining

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their annual eight-hour maintenance training requirement.

ROIL, Q.C.:

Q. In any of these observations or findings -- well, what are the categories in the audits that you perform? Are there just two categories or are there three? Is there a more serious and a less serious ranking of them?

MR. WILLIAMS:

A. Typically auditors, including ourselves, you know, the Husky auditors go to a contractor, and even the C-NLOPB for that matter, we have two levels of findings and the term "finding" is used quite often, but another term, it's called non-conformance and they are almost equivalent in terms of the level of, I guess, severity, and typically what a finding would be is any time there is a non-compliance with a particular policy, procedure or regulatory requirement, that would be described as a finding or non-conformance, so to speak. And the other one is the observation or as we in Husky, we use it as an opportunity for improvement is the term that we would use.

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They are items that are not specifically -- they don't represent any significant risk, but they're identified as opportunities to improve your systems. You know, sometimes -- I mean, knowledge comes from a lot of different places and auditors will pick up things, inefficiencies and that sort of thing. Systems may be in place. Systems may be complied with. But yet there might be an opportunity to improve something. So that would be an observation or an opportunity for improvement.

ROIL, Q.C.:

Q. In terms of the process of auditing, so that we understand, have you ever seen an audit of a contractor where there hasn't been some finding or observation of some sort, or is it generally that they are clean and that it is unusual to have these kinds of observations?

MR. WILLIAMS:

A. Coincidentally, there was an audit of Cougar Helicopters conducted, Mr. Commissioner, by our security consultant and the conclusion, on behalf of -- that's an external consultant, and was that there were no findings. There

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were no observations and there were no findings. The audit was very flattering of the security measures taken within Cougar, and that's almost to be expected, considering, you know, they are operating almost like an airport authority, that their security would be very, very extensive. So that was a positive reflection on how they manage their security and that includes personnel checking through, you know, on behalf of Husky, to gain access to the flights, and also security within their facilities, in terms of the gating and the cameras and those types of things that they have in place. So that was one of the audits. But it's rare to have an audit conducted and not find any observations. They did report that occasionally they will catch people trying to get through the security with, you know, prohibited or restricted items, but they seem to be picking up on that.

ROIL, Q.C.:

Q. And in the audits that you do of other contractors, do you generally find that there are findings and observations?

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MR. WILLIAMS:

A. Yes. In all of our other audits that we have -- you know, the 132, whatever I indicated there, Husky has, that was the only audit that we have not found any opportunity for improvement. So we typically do find matters for our contractors.

ROIL, Q.C.:

Q. Okay. I think that's all I want to ask you about that particular slide. Thank you. Going to move to another part of HOIMS. That's number 11, is it?

MR. WILLIAMS:

A. Now we're at number 11. Compliance assurance and regulatory advocacy. So, Commissioner, as indicated earlier in our presentation, we are mandated by our chief executive officer to ensure compliance with corporate policies and with all relevant regulations. We are also directed to work constructively to influence proposed laws and regulations and debate on emerging issues. We have been and are currently engaged in the development of regulations and guidelines. We have participated with the C-NLOPB and CAPP in the

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development of the drilling and production regulations for the Newfoundland and Labrador offshore area. We are also engaged in the development of the guidelines that support those regulations and the enhancement of those guidelines. As Mr. Dyer indicated earlier, we are also engaged in the review of the safety plan guidelines and our environmental group participates regularly in guideline and regulatory review processes.

ROIL, Q.C.:

Q. What sort of interaction would you have with C-NLOPB during a year? Is it daily, weekly, monthly?

MR. WILLIAMS:

A. Daily.

ROIL, Q.C.:

Q. Daily?

MR. WILLIAMS:

A. In all cases, we are well engaged, frequently engaged, various levels, various departments, at the most senior levels in our organization, as well as the C-NLOPB. Chief safety officer at C-NLOPB will engage regularly with each of us on various matters. Our HSEQ advisors

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onshore and -- advisors offshore and HSE coordinators onshore will engage regularly with the safety officers with C-NLOPB. Also, from an environmental perspective, the chief conservation officer will engage with myself or the conservation officers engage with our environmental advisors as well within Husky. Matters related to operations, health and safety, environment, Canada benefits, we are in frequent and constant communication.

ROIL, Q.C.:

Q. Okay. So it's not just the formal audit and inspection process?

MR. WILLIAMS:

A. No, no. I would actually like to speak to the audit and inspection process just for a moment here.

ROIL, Q.C.:

Q. Yeah, and that's the reason I wanted that preamble, was to see whether all of your contacts were through this process or whether it was more broad ranging, and I take your answer to be that it's much more broad ranging.

MR. WILLIAMS:

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A. Much more broad. It's all encompassing actually. We recognize the importance of the C-NLOPB audit and inspection program and Husky has endeavoured to cooperate completely and proactively with the C-NLOPB in that regard. We respect the role of our regulatory authorities and recognize their mandate in assuring the public that Husky, as an operator, maintains compliance with legislation and guidance under their jurisdiction. Our vice-president for east coast operations expect that we maintain cooperation, openness and honesty with all our regulatory authorities. It is in the best interest of our personnel, our company and our industry.

Mr. Roil, your questions regarding engagement, this slide was actually intended to kind of describe to you the relationship and engagement that we do conduct with our, in particular C-NLOPB. We have similar engagement with other regulatory bodies as well. As, you know, Mr. Dyer indicated with DNV. We're regularly engaged with them, as well as Transport Canada.

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I would now like to introduce Mr. Dyer to talk about helicopter operations.

MR. DYER:

A. Thank you. Mr. Commissioner, I just want to spend a small bit of time and try to draw the interface now between our helicopter operations and some of our risk management processes and documents that we use on a daily basis. You've seen this slide before. It's the slide that was presented during the joint panel. The only difference being is Husky is now on this slide as opposed to the general operators in total.

The purpose of the slide is important because it does serve to clarify the relationship between Transport Canada Aviation and Cougar, clearly the segregation between Husky and that process. Husky, when it's offshore, does have the lead agency of the Canada Newfoundland Offshore Petroleum Board. Transport Canada Aviation is not part of that process.

ROIL, Q.C.:

Q. So Husky Energy has no direct relationship with Transport Canada in terms of helicopter

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transportation?
MR. DYER:
A. Other than through the helideck design, through their regulations, but other than that, no.
ROIL, Q.C.:
Q. In terms of the daily operation of helicopters and the reporting on, that's not a direct relationship that you have?
MR. DYER:
A. That's correct.
ROIL, Q.C.:
Q. Okay. Similarly -- I'd just go back for a moment. Similarly, I take it, Cougar Helicopters Limited doesn't have the kind of regular contact with the C-NLOPB that you would have.
MR. DYER:
A. That's exactly right.
ROIL, Q.C.:
Q. Their relationship is through you.
MR. DYER:
A. Yes, that's exactly right. A key document in managing our helicopter operations is referred to as our helicopter operations manual. Now

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this manual, like all our other policies and procedures, is located on Husky's east coast management system. It's located under logistics section and it's available for all personnel to view, and it provides guidance to help us ensure that we're making the right decisions and we can manage our overall operations safely and effectively.
ROIL, Q.C.:
Q. Okay. Before you get into it, how -- we have that as Exhibit No. 149. We don't need to go there, but just I can tell you I've seen it and reviewed it. I don't see where Cougar has signed off or it's not a contract. What's the relationship between your helicopter operations manual and the people at Cougar? What engagement is there between the two of you on that document?
MR. DYER:
A. The original version of the document, and if you pull it up, you can see it actually has been signed off by Cougar on the initial version. The revision to the document in 2009, I believe, has been signed by Husky. However, Section 1 of the contract now

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references directly this document in the Cougar contract.
ROIL, Q.C.:
Q. Okay. So I take it that there is alignment. This isn't something that you draft up on your own and they have no knowledge of it?
MR. DYER:
A. That's exactly right. This document actually has 24 sections and I've only highlighted a couple of the contents on that slide.
ROIL, Q.C.:
Q. Right, okay.
MR. DYER:
A. One section that I didn't put on the slide, but I think is very important, is a section entitled aircraft flight crew qualifications. This section calls for the requirement of the -- the qualifications of the pilot, but it also calls for the emergency survival requirement training for the pilots as well, and we also have, between the helicopter operations manual and our contract, references for that requirement, and what we understand from Cougar is that all their pilots do complete their five-day BST and their

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recurrent training as required.
ROIL, Q.C.:
Q. I think that question came up with other operators, and what about -- while we're there, do you have any knowledge of what equipment the helicopter pilots wear, in terms of HUEBA and/or their flight suits?
MR. DYER:
A. I understand that their flight suit is a Viking flight suit. It doesn't come with a Transport Canada certification, from what I understand. However, we are aware that there's some agencies that are working towards development of a standard and I assume that Cougar can provide more information to you on that. I also understand that they do not use the HUEBA as a standard piece of kit, but Cougar, to my knowledge, is working towards an emergency breathing device for pilots, understanding that the HUEBA does pose some different challenges if you're wearing it in the cockpit, with regard to snag hazards and things, and I think Cougar can provide some more information on that as well.
ROIL, Q.C.:

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Q. That's fine. I'm making work for my colleague, Ms. Fagan, as we go. I trust that Cougar will speak to that, and they're perhaps the ones that are best able to answer those questions.

MR. DYER:

A. Absolutely. Absolutely. And this is my final slide for this section, Mr. Commissioner, but if we go back to the joint panel, you would have been introduced by a process by Mr. Pritchard when he was going through the risk management section and he made a reference to three categories with which that we can manage and reduce risk.

ROIL, Q.C.:

Q. I think we've seen this slide with the three scallops in it.

MR. DYER:

A. Exactly. You've seen the exact slide.

ROIL, Q.C.:

Q. Indeed.

MR. DYER:

A. So what we wanted to do is to put this slide to practice. Now everything on this slide is not exhaustive in nature in any sense. We've

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just chosen some examples to demonstrate what you would consider in each of these three categories, clearly understanding that people are a part of all aspects of these categories.

So we take the equipment, for example. We start with the passengers, passenger safety, and there's been a lot of discussion in this Inquiry about that, the suits, HUEBA and personal locator beacons. We also have a safe helicopter and of course the requirements for that are dictated under drilling legislation and we know now that the S-92 is to the current standards. We also know that that comes with many different positive attributes, i.e. bird strike, lightning strike, these types of things. So it's designed to a standard that makes it safe.

Also with regards to offshore, we look at helicopter operations as a system. It's not just the helicopter itself. It's the entire process of starting, to getting to the Sea Rose and going back. So we have to maintain our systems offshore as well. Very important.

On the process side, there's lots of processes that are required to make this work.

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Of course, operational inspection and maintenance processes on both the Sea Rose and with regards to helicopter operations. We talked about weather observation and monitoring. Flight following was brought up in the joint panel presentation, where we can actually identify the location of the assets at all times. And safe work practices equally, as mentioned by Mr. Williams in earlier testimony as well.

And the people, the pilots are trained to a high standard, of competency assurance programs equivalent to our Element 6 of HOIMS, competency and training. Our helideck team training, very important. Our drills and exercises, we have to be sharp. We have to understand what happens in the event and how to react to that and we practice and train for that very occasion. And of course, passenger training, there's a mandatory set of training requirements before you can even get on a helicopter.

Collectively, and you can add lots to these three categories, but collectively, all serve to promote the barriers in the Swiss

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cheese model to prevent that alignment of the holes to give you an event at the end of the day.

ROIL, Q.C.:

Q. So these are all, to go back to our analogy, these are all pieces of cheese which help to diminish the risk?

MR. DYER:

A. They all help to contribute to lowering the risk of helicopter operations.

ROIL, Q.C.:

Q. Okay. That's very useful. Thank you.

MR. DYER:

A. We're at the point in our presentation now where we're going to talk about the Husky Energy emergency preparedness process, and Mr. Williams is going to take us through that section.

MR. WILLIAMS:

A. Mr. Commissioner, our priority is the prevention of any incident that may result in an emergency situation. Husky recognizes the importance of emergency preparedness and the loss of Flight 491 clearly revealed to us how important it is to be prepared. Mr. Pritchard

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will provide the Inquiry with an overview of our response to the events of March 12th and the days that followed. We strive to identify all necessary actions to be taken to protect our people, environment and assets in the event of emergency or security threat.

We have a team of dedicated and committed personnel. Our personnel understand the importance of emergency response process. It places demands on their personal lives and their families, yet they never question the importance and nature of their role.

ROIL, Q.C.:

Q. How often do you practice for emergencies? And I take emergencies to be security threats, physical emergencies.

MR. WILLIAMS:

A. All types of situations. You know, typically, we exercise in response to a situation that occur with our offshore facilities or travelling to and from our facilities, so we -- you know, over time, we look at most, if not all scenarios that are -- could present a major situation to us. We conduct typically six to eight exercises, significant exercises

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each year, and that involves a full mobilization of the teams I will just briefly describe to you in a moment, and also engagement with the regular support services that we need, emergency support services. It'll involve engagement with the regulatory bodies and we exercise all of the different aspects, the communications aspects, the family support aspects of it. So all of our exercises have various components to it that are practised and exercised.

ROIL, Q.C.:

Q. Okay. We have another multi-coloured slide.

MR. WILLIAMS:

A. Multi-coloured slide and what I'd like to kind of just give you a brief overview is of our emergency response process. We have a multi-level emergency response process that can deal with the emergency and the resulting issues in the crisis. So I'll try to explain this to you from, if you look at it on the left-hand side, the emergency site, which could be -- typically could be an offshore facility. The incident coordination centre, which is the location where Husky's emergency response

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teams will mobilize, and then I'll talk briefly about Calgary.

ROIL, Q.C.:

Q. Okay. So the emergency site could be on a facility?

MR. WILLIAMS:

A. It could be on a facility.

ROIL, Q.C.:

Q. On a vessel that's -

MR. WILLIAMS:

A. Or it could be a vessel in transit.

ROIL, Q.C.:

Q. Right.

MR. WILLIAMS:

A. Such as Cougar Flight 491.

ROIL, Q.C.:

Q. Or, we now know an airframe.

MR. WILLIAMS:

A. Yes.

ROIL, Q.C.:

Q. Could it also be something that's at your office in St. John's?

MR. WILLIAMS:

A. It could be an onshore situation too, and we exercise for those situations.

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ROIL, Q.C.:

Q. Right. So the emergency site depends on the facts that give rise to the incident?

MR. WILLIAMS:

A. Yes.

ROIL, Q.C.:

Q. Okay.

MR. WILLIAMS:

A. And in respect of the emergency site, each of our facilities and contractors have emergency response plans. So they have a method and a plan to deal with a particular emergency at their facility, whatever type emergency that is. In support of that emergency, they would notify Husky onshore of a situation that's pending or has already occurred, and I'd like to talk about the Husky emergency response team, and that's the ERT.

ROIL, Q.C.:

Q. Okay. So the little overlap of the brackets, the brown bracket and the blue bracket, that's telling us that there's a connection here, is it?

MR. WILLIAMS:

A. There's communication interfaces. There's

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people interfaces. So there's a lot -- you know, between each of these groups, they're not isolated.

ROIL, Q.C.:

Q. Right, okay.

MR. WILLIAMS:

A. The Husky onshore emergency response team is responsible for providing the necessary support to the facility or location in distress. This may take the form of medical aid, evacuation support. We may mobilize vessels, aircraft or they may need technical advise to address the particular emergency that they have. This is the role of the emergency response team and they are located within what we call the incident coordination centre. We'll refer to it as the ICC.

ROIL, Q.C.:

Q. The ICC?

MR. WILLIAMS:

A. Yes.

ROIL, Q.C.:

Q. And where is the ICC located?

MR. WILLIAMS:

A. It's adjacent to our offices at Scotia Centre.

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ROIL, Q.C.:

Q. Is that the one that is shared with Suncor?

MR. WILLIAMS:

A. Petro-Canada, or Suncor, sorry.

ROIL, Q.C.:

Q. Yeah.

MR. WILLIAMS:

A. I'm still back with Petro-Canada.

ROIL, Q.C.:

Q. You're allowed to make that mistake. Okay, so that's the shared incident centre -

MR. WILLIAMS:

A. Yes, it is.

ROIL, Q.C.:

Q. - that you have in the Scotia Building downtown St. John's.

MR. WILLIAMS:

A. On that note, if there is a situation where, you know, both organizations have to mobilize, both organizations have redundant facilities. We actually have a secondary facility within the Scotia Centre and an external facility. If a situation should arise where we were -- like an explosion or something happened to the Scotia Centre where we not have access, we

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have a facility outside of that, we could mobilize an emergency response team. We call it the business continuity centre.

ROIL, Q.C.:

Q. Okay. So you have a backup to your main facility?

MR. WILLIAMS:

A. To our main emergency centre, yes.

ROIL, Q.C.:

Q. And that's off site, in a different building?

MR. WILLIAMS:

A. That's off site, yeah, isolated location. In addition to the emergency response team, we have what is called the major emergency team. In addition to the immediate needs of the facility in distress, we recognize that emergency will require the management of a number of additional matter, such as notification to regulatory or external bodies, the care of family members, communication to external agencies, information to the public or addressing technical matters that may stem from the emergency, and the management of these matters is the responsibility of the major emergency team, and the response on

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March 12th involved both of these teams for a number of days, and Trevor will discuss that.

ROIL, Q.C.:

Q. Yeah, I think we're going to look at the blue and the yellow team in a little more detail in the next slide.

MR. WILLIAMS:

A. Correct.

ROIL, Q.C.:

Q. Right, okay. What about the CER team?

MR. WILLIAMS:

A. The last group there is our corporate emergency response team, and they will -- they are ready to support Husky's east coast emergency response in any situation, and on March 12th, the corporate team, or CERT team as we refer to it, mobilized immediately.

ROIL, Q.C.:

Q. Okay, and they're in Calgary?

MR. WILLIAMS:

A. And they're located in Calgary.

ROIL, Q.C.:

Q. Okay.

MR. WILLIAMS:

A. This slide shows the organization of the ERT

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and the MET teams and we have what is known as a phased activation approach. As shown on this slide, the group within the blue box or the upper section represents the positions and roles within what we call the on-call emergency response team. We have 11 individuals who participate in our on-call process on a weekly basis and they form that emergency response team, as you note there.

ROIL, Q.C.:

Q. So sorry, that's about 11 people?

MR. WILLIAMS:

A. That's 11 people noted there.

ROIL, Q.C.:

Q. And where does the incident commander come from?

MR. WILLIAMS:

A. The incident commander is part of the emergency response team. He is on call as well.

ROIL, Q.C.:

Q. Okay. Is that -

MR. WILLIAMS:

A. And he's in -- sorry.

ROIL, Q.C.:

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Q. - by necessity, somebody like Mr. McCloskey, the vice-president, or is it handled in some other way?

MR. WILLIAMS:

A. The incident commander within our organization is one of the management team members. So we have six members of our management team that form the six individuals who rotate on a weekly basis as incident commander. In a situation, and Trevor -- on March 12th, Trevor Pritchard was -- Mr. Pritchard was our incident commander. On a weekly basis, we rotate out and other managers will assume the role, and that's the same for each member of the emergency response team. They carry a pager for a week. They're on call 24/7 and they're ready to mobilize to the incident coordination centre within 45 minutes of the notification to mobilize.

The major emergency team, as you describe there, performs those functions as you see on the slide, and we have the ability to mobilize as many people as we need. We typically have about 140 people that are trained in various roles to support the emergency, and depending

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on the situation, we only may -- we may only mobilize three or four individuals, depending on the circumstances and needs, and of course, on March 12th, we needed as much support as we could get, and we received it.

ROIL, Q.C.:

Q. And where are the personnel drawn from that staff this yellow section, the major emergency team?

MR. WILLIAMS:

A. They are predominantly Husky staff.

ROIL, Q.C.:

Q. Here in St. John's?

MR. WILLIAMS:

A. Here in St. John's, yes.

ROIL, Q.C.:

Q. Okay, and I think Mr. Pritchard is going to tell us about how that -

MR. WILLIAMS:

A. Now, Mr. Commissioner, I'd like to ask Mr. Pritchard -

ROIL, Q.C.:

Q. - came into play as of March 12th.

MR. PRITCHARD:

A. March the 12th is a day that will live with us

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for the rest of our lives and to say that each of us has been deeply affected would be an understatement. 14 of the passengers on board were destined for the Sea Rose FPSO and between the panel members here, we knew most of the victims personally and we will cherish the good memories we have of them.

At five to ten on March the 12th, I was in a HOIMS custodian meeting, giving an update to the group on the latest corporate information. So we've heard a lot about HOIMS. I'm the link, strong link to corporate. I sit on the corporate team. I was beckoned out of the meeting and informed the Sea Rose helicopter had turned around and may be ditching. My heart sank and I was stunned for a second. My thoughts took me to a controlled ditching and the hope of a successful rescue. My training kicked in and I went to the emergency response room. I was not on duty that day. However, I did recognize there was going to be a need for communications and other stakeholders out with the ICC team and the MET group.

As is often the case, the worst of times

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can bring out the best in people and I am practically proud of the Husky staff who played an important role, an important part on that day in helping the families, the friends, through this difficult time.

As events unfolded on March the 12th and the days after, our endeavours and priorities were to support the rescue effort and keep the needs of the families at the forefront of our thoughts and our actions. As news spread of the tragedy and the gravity of the situation was becoming apparent, our workforce, both onshore and offshore, were immediately affected, and we recognized the vulnerability there in the perspective of safety and we stopped all non-essential work offshore.

ROIL, Q.C.:

Q. When you say non-essential work, is there some work that did continue? And why the reason to stop the so-called non-essential work?

MR. PRITCHARD:

A. It was, you know, we can monitor the plant from the control room, but the non-essential work would be the -- you know, building of scaffold, painting requirements, perhaps some

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maintenance and some Capex type work, but we did not want to be going into opening of vessels or doing any kind of intrusive work. Pretty much everybody came back to the accommodation and just monitored the process plant, which you can do from the control room.

ROIL, Q.C.:

Q. I'm not putting words in your mouth, but I take it that there was a concern that the focus would not be able to be on work, given the gravity of the situation?

MR. PRITCHARD:

A. Absolutely. You know, this was a major tragedy and many, you know, friends were lost. Well, you know, as the events unfolded, we didn't know what had happened, but we took that position of just bringing everybody back to the accommodation. We could get information to people as soon as we could, whenever new information became available.

So this was a different response for the emergency team. We were not taking the lead with the response. Our role was really in the support of the Department of National Defence, search and rescue, and we willingly gave up

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any and all of our resources.

ROIL, Q.C.:

Q. So where was the interface? Was it you were the person or how did the DND or the JRCC piece integrate with your incident command centre?

MR. PRITCHARD:

A. So we did have a link to JRCC in the MET organization in the ICC. So we did have a link to understand what requirements they would have. We gave them information on what resources we had and we had -- such as the Gabarus, I think in Bull Arm, Bay Bulls rather, and our logistics people just sailed the vessel and then informed JRCC "there's a vessel there. What do you want to use it for?" They would have been -- once the Cougar flight, response flight had gone, then of course, there would have been acknowledgement to us "yes, the flight's gone" and JRCC would just give us an update about what resources they were using at the time.

ROIL, Q.C.:

Q. Okay. So was there any question in your mind as to who was in control of that recovery and

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rescue situation?

MR. PRITCHARD:

A. Absolutely not. You know, this was clearly search and rescue. The SAR first response helicopter would be utilized, as would any of our resources be given up to DND or JRCC to control.

So the response can be considered in four phases: the hours immediately after the crash, and I'll cover that in some detail. I will also give you some detail between March the 12th and March the 17th when our emergency response system closed down, I'll say, in an official capacity. We still went away and worked at our desks, but the centre at the Scotia Centre that Mr. Williams described stayed alive for that length of time. The return to service period between March the 12th and May the 18th took a considerable time and effort with dedicated people doing audits and coordinating information, but I won't really go into the return to service in particular detail as we've covered that in previous testimony.

ROIL, Q.C.:

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Q. Indeed.
MR. PRITCHARD:
A. And support of the Inquiry. We feel the Inquiry is of great value and there's a great deal of support from our internal organization and other companies who can provide information and give details that we thought appropriate, so hence the presentation.
So in the early hours, the emergency response team or the ICC and major emergency team, the MET, mobilized very quickly. So recognize this is at five to ten in the morning. So most people are at work physically and there's a very quick response, within minutes in fact. The corporate team also mobilized very quickly. It was kind of 6:00, half past 6:00 for them by that stage. So they were just mobilizing to work themselves any way. They had mobilized very quickly as well.
Over the course of the next six days, more than 100 people of Husky were involved in support. In those early hours, everyone was hopeful, especially when there was reports of life rafts being seen in the water and two

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people on the water. The emergency response team was working well, busying themselves and preparing paperwork, ensuring crew lists and contact details were all available.
A hotel near the airport was established, made available for families and this is where the very early news releases were given. We made sure that the families were informed of any new information prior to going out with any news releases. The number of family members grew very quickly, and we changed locations to the Capital Hotel, where the family members were given rooms to allow them to be available to receive the latest information as soon as it was given to us. Everybody had a snip of information.
I had to keep Government informed and call the Premier with an update to the situation as I knew it. I also made contact with the C-NLOPB at an early stage, to give them updates and information.
ROIL, Q.C.:
Q. Just a -- sorry, your earlier slide talks about the response team operated 24 hours a day until the 17th. So in fact, that's the

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room that we talked about earlier, there was somebody there at all hours of the day for those four days?
MR. PRITCHARD:
A. Absolutely, yes, for those -- up until the 17th, from the 12th to the 17th, we had, not the full team. As things -- better understanding was given, we reduced the numbers in the MET, but there was somebody there 24 hours a day and we set up, you know, telephone communications for those families that didn't arrive at scene to the Capital Hotel where we could give them direct information, they were able to call in to a kind of call centre with information. But the MET centre and the IC -- well, the MET centre was up and running 24 hours a day.
So during the days between March the 12th and March 17th, the Capital Hotel was the centre of attention for us. As the RCMP and TSB gave updates, there was more and more people arriving. Provincial Airline had generously offered to fly in any immediate family to St. John's on a priority status and Husky assisted other families to fly to St.

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John's if they were not from a location that PAL actually flew from.
Over the next few days, we must have been addressing hundreds of people at a time. We had set up security in the early phases, however -- and we got to know the faces of many of the families. However, extended families, colleagues, and friends of those on board Cougar 491 were showing up. There was a lot of emotional conversations during those days.
On the Saturday, I was supported by the chief operating officer. So they flew in from Calgary, the chief operating officer and the general manager for communications. So I was given, you know, on the ground support from the corporate organization at that time.
ROIL, Q.C.:
Q. Commissioner, we're running close to the break time. I would propose that we continue if we're getting very close to the end, unless you would rather break and come back.
COMMISSIONER:
Q. You're getting very close now?
ROIL, Q.C.:

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Q. I think we're a matter of ten minutes away from -

COMMISSIONER:

Q. All right then.

ROIL, Q.C.:

Q. Okay.

MR. PRITCHARD:

A. Whilst we concentrated on the needs of the family, the TSB and RCMP did an excellent job on organizing recovery of the victims and remains of the helicopter. Our CEO, John Lau, personally presented a plaque to the crew of the Osprey who did an outstanding job in a very tough situation. I know how much it meant to the families to recover their loved ones.

I would like to make a few acknowledgements. I apologize in advance if I miss out one or two who gave their support and don't get a mention here. I mentioned in my opening statement everyone it seemed wanted to help. I'd like to again thank the group of the Department of National Defence, the TSB, the RCMP and the St. John's Coast Guard and I kind of wrap them up together. They made a

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very efficient team, very motivated in the task in hand.

I'd also like to acknowledge the rapid response from the Red Cross and the EZRA chaplaincy and the grief counsellors from Lawlor Associates who were with us in the hotel right from the very start. They were excellent. They just provided support just at the right time, just when it was necessary.

The Capital Hotel, who moved away many conferences and actually meetings there, they made the hotel pretty much open for our use. Technip for helping with the engineering of the lifting frame for the helicopter and Atlantic Towing, the owners of the Atlantic Osprey. HMDC, Suncor and Statoil, they gave us overall support in the response.

I'd also like to thank the media once again for being sensitive to the families needs for privacy during that time.

Last, but not least, the Husky staff who supported the whole response. They were compassionate and caring and I feel made an exceptional difference under exceptional circumstances.

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I'd just move on with the lessons learned to that initial response, and this slide here does not depict by any means the full list. There's an extensive list beyond this of lessons learned to that initial response. However, throughout all operators presentations, we have testified to being a learning organization and this simply creates record of the lessons learned was held at this time. So some of the things that worked well are the families first, and this response, you know, we were looking after the people. We were not the immediate first response agency, I would say, and we certainly needed to take care of the families. Bringing the Husky related families to one designated location, and I do believe other families came to the Capital Hotel. It was the centre of attention for us to give information out.

Support and cooperation by external agencies, I think the training that other external agencies must do seemed to shine through there as well between RCMP, Coast Guard, I know they're trained, and all of this training was well witnessed on the day.

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The speed that the emergency response teams mobilized, I think that's a function of the time that the event happened. It was mobilized very quickly.

Some of our improvement opportunities. It was a stressful time and there were individuals who were, I'll say, obviously stressed and we dealt and cared with them at the time. There may have been others that were also being affected which we did not particularly recognize and perhaps we need a little bit more training in that stress related area for the managers to recognize when people are becoming stressed. We did account for that with the grief counsellors but, you know, we do need to be trained a little bit more on stress and stress related outcomes.

And in sharing sufficient resources for longer term responses. The five or six days that we responded, more than 100 Husky staff operating a 24-hour-a-day basis. If that was to extend on further, we would certainly have needed to call upon, you know, further resources from Suncor and HMDC. So we well

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recognize that we need to put those kind of things in place.

ROIL, Q.C.:

Q. So it's recognized that the mutual aid agreement goes beyond simply boats and planes?

MR. PRITCHARD:

A. Absolutely, and it did in this case. We did take some, you know, human resources into our organization to help us. It was -- you know, from an HR point of view, we manned up not only the Scotia Centre, but we also manned up the Capital Hotel with a number of people on a 24-hour basis as well. So whilst I went to the Capital Hotel kind of 6:00 each morning for updates and review and give out information, there was a presence there by Husky 24 hours a day.

ROIL, Q.C.:

Q. In terms of improvement opportunities, no failures in the hardware or software or any of the technological things that we rely upon so much these days?

MR. PRITCHARD:

A. No, I think in the main, that worked pretty well. You know, it was really about

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communication. So our communications with JRCC, external agencies, one or two little nuances that we could have improved upon. So there's a number of us now have Blackberrys for more rapid response of kind of e-mail systems, but I'll live with that.

ROIL, Q.C.:

Q. Many of us do, in life.

MR. PRITCHARD:

A. Yes, indeed. But no, everything else, from a hardware point of view seemed to work and, you know, the training that we spoke of earlier, you know, placed us in a great place to be able to work through our processes.

ROIL, Q.C.:

Q. Okay. Any closing remarks that you'd like to make, Mr. Pritchard, or anybody?

MR. PRITCHARD:

A. Yes, indeed. I've got some closing remarks. Mr. Commissioner, I truly believe helicopter transportation is safe today. However, you will recognize through our testimony, we have always looked for continuous improvement and this is the reason we support this Inquiry. We very much appreciate being a part of the

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Inquiry. When helicopter transportation improvements are made, by virtue of your recommendations, our collective efforts will be rewarded with yet another move in the right direction to create a safe workplace.

The Inquiry has been something of a journey of learning for many of us. I have appreciated the discussions and angles you and the participants present and this has been thought provoking and I will be reflecting on my organization to determine how we contract work and internally resolve issues in a timely manner. It is, of course, the proactive approach to safety that is truly meaningful to prevent incidents before they happen. Using a robust, state-of-the-art safety management system, with a strong safety culture and good communications across a diverse population, I believe that is the way to develop that proactive continuous improvement environment.

I believe our safety statistics on our facilities would bear this out. Whilst statistics are recognized as past performance, it is really what we do today and plan for tomorrow that will continue to keep our

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workforce safe. Thank you, Mr. Commissioner.

COMMISSIONER:

Q. Thank you very much.

ROIL, Q.C.:

Q. Thank you, panel members. That's all the questions that I had for you.

COMMISSIONER:

Q. All right then. We'll take the break now.

(BREAK)

COMMISSIONER:

Q. You've finished your questions, haven't you, Mr. Roil?

ROIL, Q.C.:

Q. Yes, Commissioner.

COMMISSIONER:

Q. Okay, and Mr. MacDonald, Ms. Hickman, if you have questions, you would be at the end, agreeable?

MACDONALD, Q.C.:

Q. Yes, Commissioner.

COMMISSIONER:

Q. All right, counsel for C-NLOPB?

MS. CROSBIE:

Q. No questions, Commissioner.

COMMISSIONER:

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Q. Thank you. Transport Canada? No. CAPP, counsel for CAPP, no. HMDC or Suncor have any questions? No.

MR. PRITCHETT:

Q. No questions at this time.

COMMISSIONER:

Q. Cougar?

WHALEN, Q.C.:

Q. No questions, Mr. Commissioner, thank you.

COMMISSIONER:

Q. Thank you. Sikorsky and Helly Hansen are not here. Counsel for MUN, is -- he's outside. I don't see him. Obviously, then he would have no questions. Counsel for the Government of Newfoundland, Ms. Brown?

MS. BROWN LAENGLE:

Q. No questions, thank you, Commissioner.

COMMISSIONER:

Q. Thank you. Mr. Harris is not here. Okay, then, Mr. Earle, questions?

EARLE, Q.C.:

Q. I have some questions.

MR. TREVOR PRITCHARD, MR. DONALD WILLIAMS, MR. KENNETH DYER - EXAMINATION BY RANDY EARLE, Q.C.:

EARLE, Q.C.:

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Q. Good afternoon, gentlemen.

MR. PRITCHARD:

A. Good afternoon.

MR. WILLIAMS:

A. Afternoon.

EARLE, Q.C.:

Q. It's nice to see a couple of safety professionals in the panel. We haven't had a safety professional yet, unless we want to call our risk management safety professional. I'd like to start with some general questions about how safety is approached, and the sorts of things that have to be done to create a good safety culture because certainly I've been working with people in various industries for a good long while now, and I would concur with your observations that safety has improved a lot over the number of years in all industries, but I've also come to the conclusion that it is a challenge which requires the bending of human nature, quite a challenge indeed. I guess either one of the safety professionals could answer this, but I'm looking at your FOCUS card and thinking about operating, and it seems to me that

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there's a reality that has to be confronted here, and that is as much as any organization wants to encourage people to complete cards like these and report hazards, or perhaps even worse than hazards, and not every incident is not always report, and we cannot have a situation where the result of reporting is neutral because the fact of the matter is an unsafe situation is disclosed, or unsafe work practices are disclosed, they have to be acted upon. That's a given, that's correct, is it, gentlemen?

MR. PRITCHARD:

A. That's correct.

MR. DYER:

A. That's correct.

EARLE, Q.C.:

Q. And would you not agree that really a big part of the challenge is to convince people that, you know, remember you're not just, to use a childish phrase "telling on somebody", you're also looking after your own interest, the interest of our co-workers, the interest of your families, but that takes some continuous persuasion to remind people of that because

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there is a reluctance to get somebody else in trouble, if you will? Would you agree with that?

MR. PRITCHARD:

A. It is a continuous requirement to make that happen, and you're quite right, that's how people should have that outlook, and that is indeed the outlook that we try to engage with the workforce.

EARLE, Q.C.:

Q. And there is a reluctance on the part of some people, I mean, that's a reality that as safety professionals you have to deal with, there is a reluctance to put the finger on somebody else?

MR. PRITCHARD:

A. Some new people coming into the organization may well have that reluctance, but it's when you get that reluctance taken away and get the safety culture engrained into a bigger mass of the population offshore, and that's really what makes that momentum move is when you get that level of engrainment that new people coming in and recognizing the attributes of a safety culture actually come on board that

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much quicker.
EARLE, Q.C.:
Q. I notice Mr. Dyer giving me a much briefer nod for an answer.
MR. DYER:
A. Oh, I agree with exactly what he said.
EARLE, Q.C.:
Q. Would you also agree with me, gentlemen, that in terms of encouraging the culture of safety, that it is of paramount importance that when management or when the organization gets it wrong, they have got to acknowledge that to the employees?
MR. PRITCHARD:
A. Yes, if the management get it wrong, we can stand up and be recognized when we do get it wrong.
EARLE, Q.C.:
Q. Thank you. Now don't worry I'm not going to now announce how you got it wrong and ask you to do a public confession.
MR. PRITCHARD:
A. I just wanted to make sure you recognize we're not all perfect.
EARLE, Q.C.:

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Q. And I appreciate actually, quite frankly, that you have come here and said that on the fit of the suit, issues of comfort perhaps clouded our vision of what was really wrong. That's outstanding of you to do that, and certainly I perceived myself as being like a dentist with certain other witnesses on that issue in that I felt like I was pulling teeth when asking questions in that area, and thank you, gentlemen, for being forthright on that. The next area I'd like to canvas with you is the relationship with contractors and you people use a lot of contractors is my understanding. I'm not totally familiar with the Husky organization, but I suspect you're not a lot different than the other two companies, in that you may have everything from people who come in to do campaign maintenance on your facility through contractors to individuals who, while they are in every way looking like an employee, are actually individual contractors to you, and just about every arrangement in between where you have companies with a number of employees on your facility long term on the shift rotation and

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everything like that. Have I got it right that there's a wide variety of contractual arrangements?
MR. PRITCHARD:
A. There is a wide variety of contractors, yes.
EARLE, Q.C.:
Q. And it seems to me that there's a line that is pretty important from a functional point of view. You've told us that a qualifying condition for becoming a contractor is adopting your HSEQ standards. Again am I correct on that?
MR. PRITCHARD:
A. That's correct, the HOIMS brochure is issued with the contracts. Depending on the complexity of the scope, we would understand what requirements we would expect from that contractor from the areas of HOIMS.
EARLE, Q.C.:
Q. Yes. Well, for instance, I think you would insist that a contractor off your installation, whether it's a supply boat contractor or a helicopter contractor, have an occupational health and safety committee that would be part of meeting your HSEQ standards?

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MR. PRITCHARD:
A. And if by regulation they require that. That's also a component of the HOIMS that they regulator requirements are complied with.
EARLE, Q.C.:
Q. Yes. Would you agree with me that from your point of view of monitoring this on a day to day basis, that it's really one thing when you're dealing with those contractors who are on your installation, and quite another thing when you're dealing with a contractor like Atlantic Towing, or Canship, or Cougar, any of those contractors who work with you in an integrated fashion, but you're not amongst their employees, if you will, on a day to day basis?
MR. PRITCHARD:
A. We are not amongst their employees, but we do take a keen interest on their operations. I did mention in testimony if there's incidents, we review the incidents, significant incidents with them, we have discussions and look for improvements in their operations. We do have quarterly contractor meetings whereby we give our expectations out, and we also listen to

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feedback regarding the operations in general, and that might be collectively amongst these contracting communities.

EARLE, Q.C.:

Q. Yes, but I notice, for instance, in your contractor with Cougar, you had a requirement that they report to you incidents, correct?

MR. PRITCHARD:

A. Correct.

EARLE, Q.C.:

Q. With your catering contractor, the reality is that those incidents are going to occur right under the eyes of your management, so the reporting of them is going to be basically something that's got to happen because you see it anyway with someone like your catering contractor, but with an organization, and I'm not pointing the finger especially at Cougar, but with an organization at a distant from you like Cougar is, your more dependent upon their good faith in compliance in terms of reporting incidents to you, there is the potential for them to, if you will, filter the reports?

MR. PRITCHARD:

A. I think it's very much the same parallel to a

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safety culture offshore. When you're communicating with the contracting community, if you demonstrate that openness and fairness with a contracting community, they will respond accordingly as well. If you treat people fair and square, you'll get some respect and you'll get some dialogue going, and that's the way that we see making a continuous improvement.

EARLE, Q.C.:

Q. I understand that's your philosophy and how you wish to go forward, and I'm exploring, if you will, the challenges. Now along these lines, because I want to have an understanding of what you mean when you say you expect them to involve or take on your HSEQ requirements, as I understand it, and heaven knows I may be a little bit out of my depth there, for instance, in your processing module on the Sea Rose, you have a myriad of valves and these valves have very high specifications, and in accordance with those specifications the valves will have to be changed out from time to time, they have a life, and it's not like the tap in your bathroom when the faucets drip

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too much, you change them valve, you have a spec on the thing that says after, I don't know, 15,000 hours or 500 days or whatever, this valve should be changed out?

MR. PRITCHARD:

A. So we have a planned maintenance program, yes.

EARLE, Q.C.:

Q. Yeah, and an example I'd like to put to you, if you were to receive, as I suspect you sometimes do, a notification from a manufacturer after one of these valves or a number of these valves have been put in place that actually the spec is not met, they're not going to last as many hours as the spec required, and they give you another figure which is lower, would you then just accept that and change the valves in accordance with that schedule, alter your maintenance schedule, or would you do a risk assessment in terms of those valves, because, you know, the manufacturer is saying, look, we missed on the specification?

MR. PRITCHARD:

A. In general, we would just simply comply with the recommendations. Of course, depending on

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how many number of valves you've got in the system and the capabilities of the vendor to support you in that number of changes, would determine if you are capable physically of making those changes. If we were not physically capable of making those changes to the manufacturer's spec, we would look at the duties and do some risk assessment there.

EARLE, Q.C.:

Q. So if it was -- let's be simple and say it's 10,000 hours and the notice comes in it's only good to 5,000 hours, and you look at it and say, changing these out is going to take a major maintenance shut, one of these ten days to three week things that you have every so many months, therefore, we can't do it, that's a circumstance in which you do a risk assessment?

MR. PRITCHARD:

A. Yeah, it's never quite as simple as that because in a process plant you may have valves of the same specification, but different duties. You may have a similar valve in an oil train and a water train. So obviously when you do your risk assessment, you would

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evaluate that the potential hazards that may occur, you know, one with oil, and obviously one with water, and you would evaluate the levels of risk with that in mind.

EARLE, Q.C.:

Q. And if I understand what you're saying, Mr. Pritchard, you know, a valve that is defective and starts leaking water over the deck is not the same proposition as a valve that's defective and leaking oil over the deck?

MR. PRITCHARD:

A. That would be a fair statement.

EARLE, Q.C.:

Q. Yes.

MR. PRITCHARD:

A. Not that we wish to have any leakage, of course, but that's the --

EARLE, Q.C.:

Q. But in terms of risk, it puts you in a -- if we go back to the matrices that were used by some of the other companies, it would put you in a different block?

MR. PRITCHARD:

A. Correct.

EARLE, Q.C.:

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Q. Yeah. So if you didn't have to disturb your cycle, you would not do any kind of risk assessment? If it was possible for you to make the change within the newly advised time by the manufacturer, you would accept that to change out within the 5,000 hours through your own maintenance processes?

MR. PRITCHARD:

A. That would be the general approach, yes. We would look at the specific issue to see if it was to your working one -- let's say, a high pressure gas, we may take a bigger look at that to see what does this really mean to us, but if it was on the domestic water system, then, yes, we would just accept that in our maintenance program.

EARLE, Q.C.:

Q. And I take it when you say adopt your HSEQ approach to your contractors, then you would expect the contractor to adopt a similar approach?

MR. PRITCHARD:

A. Indeed.

EARLE, Q.C.:

Q. Okay. So in the area of notices from the manufacturer for the aircraft, in this case Sikorsky, if Sikorsky comes out next week with a notice that a bearing in the rotor has to be changed within 1,000 hours of flying time as opposed to the original spec of 2,000 hours of flying time, tell me how adopting your HSEQ system tells you that Cougar should behave in that circumstance?

MR. PRITCHARD:

A. I'd have an expectation that Cougar would comply fully with the bulletin or the service requirements issued by the FAA -- or Sikorsky, rather.

EARLE, Q.C.:

Q. So you're basically, as I hear it, saying we don't expect you to second guess the supplier or the aviation authority in any fashion, you can take the supplier or the aviation authority's notice to you as being solid, we don't expect you to conduct any independent assessment of that notice, even though it is a significant change from your original expectations?

MR. PRITCHARD:

A. Can you give me that question again?

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EARLE, Q.C.:

Q. What you say to the contractor is you get a notice, and now -- remember our example, we've gone from 2,000 hours to change out the bearing down to 1,000 hours. Original spec 2,000 hours, new spec from the manufacturer, 1,000 hours, and that comes from the manufacturer or it may even come from aviation authority, whether it's the FAA in the States or Transport Canada's Avionics Division here in Canada, even though it is a very significant change from the original expectation, you would not expect your contractor to conduct any further assessment of the wisdom of that, they've got it from the manufacturer or they've got it from the Civil Aviation authority, that's good enough for you, they will be appropriate in relying on that?

MR. PRITCHARD:

A. So the manufacturer is best placed to put those proposals forward, and, you know, if that's sanctioned by the FAA or Transport Canada as being satisfactory, then, yes, that would be my expectation that they follow that.

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EARLE, Q.C.:
Q. So you don't see any case to be made, can you, of the swiss cheese model, that because one of the holes might have gotten a little closer to a lineup, that maybe another slice of cheese should be put in there?
MR. PRITCHARD:
A. I think in this case the manufacturer and the FAA are the most knowledgeable people to make that -- give that information.
EARLE, Q.C.:
Q. And I take it when you have an auditor look at the activities of a contractor, whether aviation or not, again that's what they're checking against, the compliance with manufacturer's spec or the aviation authority, so that if the bearing is changed out at 998 hours, that that's fine?
MR. PRITCHARD:
A. That's correct.
EARLE, Q.C.:
Q. But if they change it out at 1,015, that might well generate an observation or a finding?
MR. PRITCHARD:
A. That would be correct.

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EARLE, Q.C.:
Q. Yeah. Now in the area of audit and observations and findings -- I think it's slide 65 of the presentation, Madam Registrar. You can see we have a number of the findings here, and if we look at the third one, "Ensure that pilots and maintenance engineers have representation on the HSE Committee", which strikes me being a pretty important finding because these are people with significant technical expertise in their areas in a very technical industry, and I note that it's marked "closed", but the question is when was it closed.
MR. WILLIAMS:
A. It's my understanding -- I don't have the exact date of closure. I can get that information for you. The audit was conducted in November of 2008, and I know there were two audits of Cougar by the same auditor in 2009. One was associated with the aviation safety review as part of that return to service. A second audit was conducted in the fall of 2009 as well. So I can't give you the date of closure, but I know between -- somewhere

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between 2008 and 2009, November, 2009, that was closed.
EARLE, Q.C.:
Q. Well, that's what I was wondering about because actually in some of your evidence when you were talking about the actions that might be registered as a result of one of these FOCUS cards, I think it was you alluded to the necessity of not having these things outstanding too long, that there had to be a closeout on these things, there had to be some follow-up to make sure that hazards were remedied, etc. Do you not have a fixed period of expectation that a finding in an audit should be closed out?
MR. WILLIAMS:
A. Yes, there is an expectation, and typically when we conduct an audit and the company being audited provides a response to us, it's expected that the closure dates or the plan of action by that company would include target dates for closure, and the action that would be taken to remedy the finding or the observation. Unfortunately, I don't have that particular information with me at this time.

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EARLE, Q.C.:
Q. So it's a bit like the government departments when the Auditor General comes around, they want to have the announcement of how they're going to respond to the Auditor General's findings right there for inclusion with this report so they don't look too bad. You would expect that the contractor's response to the audit, which would, I take it, be part of the audit, would specify a closeout time?
MR. WILLIAMS:
A. Correct.
EARLE, Q.C.:
Q. And do you have any sense of what the general limitation on that would be?
MR. WILLIAMS:
A. It depends on the nature of the finding or the observation, and what that finding or observation may represent to the company in terms of changes to their systems, or in terms of a risk to safety of operations.
EARLE, Q.C.:
Q. Well, would you agree with me that this was really in terms of that kind of system a fairly important finding?

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MR. WILLIAMS:
A. Yes.
EARLE, Q.C.:
Q. So, I mean, is this something that could have waited six months to be closed out?
MR. WILLIAMS:
A. It would be expected that when they would have scheduled their next meeting, that the representation would have been included from both groups that were missing or not participating in the HSE Committee.
EARLE, Q.C.:
Q. And the next meeting would be a month time basis?
MR. WILLIAMS:
A. It depends on their regular scheduled meetings, whenever that may have been. Their requirements are under federal jurisdiction. I'm not too sure what their requirements are for the scheduling of meetings.
EARLE, Q.C.:
Q. I wonder could you gentlemen undertake to supply us with some more information on that because I think this is important in terms of the helicopter safety system to have a good

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understanding of, you know, what -- how once something comes up, it's brought to a conclusion, and doesn't hang around out there, you know, waiting for an accident to happen to remind somebody that they should have done something about this. So could we --
MR. DYER:
A. Yes.
MR. PRITCHARD:
A. Yes.
MR. WILLIAMS:
A. Yes.
EARLE, Q.C.:
Q. So could we have that, Mr. MacDonald? Thank you.
COMMISSIONER:
Q. Are you looking, Mr. Earle, for all of these items on this list or any particular --
EARLE, Q.C.:
Q. Well, what I'm more interested in, and what I think you would be more interested in, is not so much the closeout dates for these individual ones because they're history now, so much as what -- what, if any, is the role and expectation so that we have a sense of how

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long these kinds of issues can remain outstanding.
COMMISSIONER:
Q. Okay.
EARLE, Q.C.:
Q. Now while I'm in the area of timeframes and expectations for closing out issues, I want to turn to the HUEBA, and the -- you know, I'm not deaf, I heard the companies when they said it took too long, so that's -- not wanting to go there again, but I would like to hear the observations of the two safety professionals on how we could improve that kind of situation. It really seems to me observing this and certainly if there comes a times when I get to make some representations, I don't think it will be any surprise to anybody here, particularly the Commissioner, that we will be saying this open ended, no timelines, kind of situation that the HUEBA went through with people being involved with this being perceived as volunteers who came when they could to meetings is just not good enough, and I'd like to have the observations of you gentlemen on how we can deal with time

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structures and deliver -- I think the phrase that's often used is "deliverables" in terms of safety improvements. Can you give us your reflections on that as it relates to the HUEBA?
MR. WILLIAMS:
A. Mr. Commissioner, in my role with Husky since 2006, and actually since 2005, I was participating with the various CAPP Committees in the evolution or the adoption of the HUEBA device, so I do have some kind of insight into the challenges and the work that went on throughout that time period. As our joint panel acknowledged, it certainly took too long, and, Mr. Earle, we recognize that fully. We are looking forward to the lessons learned effort now being conducted by CAPP with regards to the challenges associated with that particular matter and the time it took to come to a rightful conclusion and adoption and implementation of a breathing device for our personnel travelling offshore. I think there were many factors that played a role in that effort, and that there was conflicts, technical challenges, medical challenges,

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training issues that had to be overcome between the differences between Nova Scotia and Newfoundland. You know, it was a first device to be used in the, I guess, civil world in terms of our type of industry for a compressed breathing device, so the people who worked on the various task force and committees engaged as many knowledgeable people as they could over the time period. In 2005, there was a risk assessment, and in 2006, there was a workshop in Halifax with the technical knowledge of people from different parts of the world, working with the HUEBA task force trying to come to a conclusion, overcoming hurdles with respect to training and medical aspects. So in summary, in terms of coming to some final recommendations, I think it's fair to say that the time it took from the time we recognized we wanted to have a device until the time we actually got to implement it, there were many technical issues to be resolved by people who, as you say, came and worked in and out throughout the task force and had to get acquainted with it, but there didn't seem to be an ability to -- let

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me begin by saying that everybody who was on that task force over that period really recognized the value of that device, however, there were no easy solutions, and although it took too long, a particular strategy in terms of planning may help, but I don't know of any particular solution I can offer today outside of the lessons learned that will guide us in the future. Unfortunately, I don't have any recommendations to offer to the Inquiry today.

EARLE, Q.C.:

Q. Well, let me ask you another question, maybe you have considered this, maybe you haven't, would the process have benefited from a system where a smaller group of people were seconded to work with CAPP on that, rather than the system where you had people who had large responsibilities otherwise having to deal with this as one of many issues?

MR. WILLIAMS:

A. The process may have benefited from that type of approach, yes.

EARLE, Q.C.:

Q. I'm not sure which type of approach you talk about, the approach of seconding people or the

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approach of having people who had 15 other things on their plate?

MR. WILLIAMS:

A. No, not from the aspect of others having -- other people having other things on their plate, because I think the individuals who were working on the task force devoted the time and effort in a timely manner as best they could, but I'm suggesting that a task force that was focused on a particular issue may function in terms of a more timeliness manner as opposed to, you know, the people who were in part time participating on the task force on a periodic basis. So there may be some value in terms of the future adoption of a device or a process or guideline. So there may be some value in a specialized task force or a designated task force to conduct that work on behalf of the industry.

MR. DYER:

A. And I think it's fair to say, Don, that we are equally interested in seeing the results of the lessons learned with CAPP on this event. Clearly this is a learning for everybody and an education for all of us in dealing with a

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new device, an uncertified device, and something that had posed medical risk to individuals. So the fact that it took a long time is acknowledged, however, we're very sure that we made the right decisions, even though it took a long time to make sure we introduced the device to individuals to go offshore.

EARLE, Q.C.:

Q. The contract with Helly Hansen for the suits, we can debate how it arose, but clearly in the end, on the initial contract, nobody appeared to have the task of making sure the suit fitted, you know, John Jones, okay, let's get a suit and make sure it fits you, which is where we ended up in the end of this thing, and the process ended up with some mix and match suits, large bodies, small heads, and so on. Do you have, and I've asked the other two companies this, do you have any thoughts on what went wrong that the contract didn't clearly specify a responsibility on somebody's part to do that?

MR. PRITCHARD:

A. We did have Helly Hansen go to the heliport in that six week period as the new suit became

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part of our operation, so we did have Helly Hansen there, and, I guess, it wasn't distinctly sign posted in the contract to say check the seals, but implicitly it was their piece of equipment, they would understand how they were operate and work in the intended environment. So having Helly Hansen there fitting them up and sizing them at that time was an expectation that they would look at the arrangements per individual.

EARLE, Q.C.:

Q. So from your perspective, Helly Hansen fell down on the job?

MR. PRITCHARD:

A. What I'm saying is Helly Hansen were there, it's their suit, they understand how that suit operates and works.

EARLE, Q.C.:

Q. I'll take that as a "yes", Mr. Pritchard.

MR. PRITCHARD:

A. I'd just like to say that Helly Hansen were there, it's their suit.

EARLE, Q.C.:

Q. Taking you back to the helicopters in this instance, the issue of emergency response

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time, a simple question for you, gentlemen, do you have any understanding that it is more than a question of the application of money to bring response time of wheels up one hour of Cougar in St. John's, to a response time of under one half hour such as we get day time from the Cormorants in Gander?

MR. PRITCHARD:

A. I think Cougar are the best people to have that discussion with. It's certainly not a question of money in respect of us for our commitments to the safety of the workforce. I mentioned before that the duties, the first response duties of the Cougar SAR helicopter, can be varied. I think the Cormorant helicopter is kitted up more specifically for a kind of winch SAR type operations dedicated in that manner, whereas our first response SAR duties cover multiple scenarios.

EARLE, Q.C.:

Q. Well, let me ask you this then, if it can be done -- because I think we all appreciate what a difference five minutes in the North Atlantic can make, let alone a half hour in the North Atlantic. Is Husky committed, if

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it's possible, to bringing down the first response time from the current minimum threshold of one hour?

MR. PRITCHARD:

A. So this is not a question of money, this is really a question of the practicalities and capabilities of how we can respond to an incident. So, yes, we are interested in pursuing wheels up times that can be improved.

EARLE, Q.C.:

Q. Thank you. We had some discussion of a reporting of incidents, and I notice your contract requires Cougar to report to you instances with their helicopters other than in your employ; in other words, on trips other than your own, and the question was asked have they been reporting instances or incidents in other locations, and I understand the answer was "no", but I take it they do report to your incidents if they are flying for Terra Nova or Hibernia in Newfoundland, is that correct?

MR. PRITCHARD:

A. We do get information regarding trips to and from the other facilities or events that have occurred on those other facilities.

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EARLE, Q.C.:

Q. Yes, so there was - about three years ago there was an incident with one of the S-92s having to fly back from Terra Nova, so about 90 percent of the way is my understanding on one engine. One engine had been shut down. Would you have been notified of that?

MR. WILLIAMS:

A. Can you repeat that again?

EARLE, Q.C.:

Q. About three years ago there was an incident where one of the S-92s was flying back from Terra Nova and very shortly after it left the Terra Nova installation, one engine had to be shut down, so it had to fly back to St. John's on one engine instead of two. Would that have been--it wasn't your flight, would that have been reported to you?

MR. WILLIAMS:

A. I'm not acquainted with that particular incident being reported to us. I am acquainted with a Hibernia flight, I believe in 2008.

EARLE, Q.C.:

Q. Hibernia flight again was an engine oil

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situation?
MR. PRITCHARD:
A. Those type of events are reported to us, specific event.
EARLE, Q.C.:
Q. Yes, and that's what is more important, I want to really understand is it your expectation that that sort of incident will be reported to you and is it your understanding that they have been reported to you?
MR. PRITCHARD:
A. Yes, our expectations are that those type of incidents are reported to us, they are. Our communications off to the workforce, go off to the platform, we have a public folder established where we register those kind of events and that allows even the onshore people to access that common folder for that level of information.
EARLE, Q.C.:
Q. And Mr. Pritchard, I think you're telling me though about how things are since March, the return to service. I want to know what was your expectation prior to March 12th, was it any different in terms of those types of

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incidents, if there was an incident of that nature with HMDC or with Terra Nova, would you have expected that it would have been reported to you?
MR. PRITCHARD:
A. Yes.
EARLE, Q.C.:
Q. And would you then have communicated that to your employees?
MR. PRITCHARD:
A. It depends upon the nature of the event. Significant events would be reported back to the OIM and JOHS and distribution operator, so the significance of the event and obviously since March 12th we're a lot more sensitive to events than we were prior to.
EARLE, Q.C.:
Q. I don't think you can get much more significant without an accident than loss of an engine, so -
MR. PRITCHARD:
A. Yeah, for sure and those types of events are, it's not a big population offshore, but the population do talk to one another and therefore even, I'll say not a distinct

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communication route the people would understand anyway, so we would get that information out to the population.
EARLE, Q.C.:
Q. The more important it is to get--I realize -
COMMISSIONER:
Q. If you were getting close to finishing, I would have no objection, but I wouldn't do so without asking the group because I'm well aware that some people may have commitments to family or something like that.
EARLE, Q.C.:
Q. Mr. Commissioner, I have better news than that. I'm finished. (laughter).
COMMISSIONER:
Q. Well before we close for the day then, I'll ask--let me see, counsel for the families, Mr. Martin, will you be having questions?
MR. MARTIN:
Q. I have about two questions and it will only take ten minutes or so, but if it's your desire to proceed tomorrow morning, then that's fine with me.
COMMISSIONER:
Q. And you'd have a few questions probably, would

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you Ms. O'Brien?
MS. O'BRIEN:
Q. I do have two very brief questions.
COMMISSIONER:
Q. Well I'm in your hands. If it's a matter of perhaps finishing this up this afternoon and it doesn't cause problems for anybody, I would be quite prepared to do it. But if it does cause problems for anybody, please tell me and we'll adjourn until tomorrow morning.
MR. MACDONALD:
Q. We're happy to stay.
COMMISSIONER:
Q. All right then, if that's all agreed, we will carry on for a few minutes. You gentlemen are okay with that, are you?
MR. DYER:
A. Yes, indeed.
COMMISSIONER:
Q. Okay then, Mr. Martin
MR. TREVOR PRITCHARD, MR. DONALD WILLIAMS, MR. KENNETH DYER
EXAMINATION BY MR. JAMIE MARTIN
MR. MARTIN:
Q. Thank you, Mr. Commissioner. I shouldn't be

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too long, as I indicated to you. My line of questioning is actually directed at slide 68 if the Registrar can put that on the screen please? And it's a line of questioning that I've explored with other companies and other witnesses at this proceeding and it concerns the role of the C-NLOPB and I'll make a few observations before I ask the question. I do recall Mr. Roil when he was asking you a question of one of the witnesses, I think it was the joint panel, he referred to the evidence of Mr. Andrews, who was legal counsel of the Board and I think Mr. Roil paraphrased part of his evidence in saying that the Board doesn't take responsibility for safety, so by extension, logical extension is obviously the companies, I think Mr. Roil paraphrased Mr. Andrews. He's not saying they don't regulate because I don't think Mr. Andrews said that, he said they don't take responsibility but there's clearly a subtle distinction between taking responsibility and regulating, but I'll address that to the C-NLOPB at a later date. The second point I note is your slide and I stand to be corrected if the others provided

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more detailed information, but your slide is more detailed in terms of the interaction and it may be attributable to the fact that the issue has been raised, not only by myself but by other legal counsel and by other presenters and I'm not criticizing you for it, but I think you glossed over it. Maybe there were other things that you wanted to get to in your presentation, so I don't think a lot of time was spent on this slide and I'd like to explore it a little bit more, and the other observation I'm going to make is that when Mr. Pike appeared before the Board and he had probably the unenviable position of having to go first and probably not fully anticipating what as to follow, and I recall Mr. Pike's evidence in part was yes, we get a lot of reports, yes, we get JOHS committee meetings, yes, we'd have some discussions with the companies, but it was unclear to me and I think it was unclear to some others in the room, that we don't know exactly what the C-NLOPB does with the information. I think at one point in time you said, yeah, those minutes get filed away in filing cabinets, so

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I'm exploring this area for a particular reason and I'd like to just explore it with you a little bit more as well, because I do acknowledge that the Board has, you know, issues associated with drilling, issues associated with production, the granting of authorizations, they have a broad mandate and you do as well. I mean, you are the operators and you have to perform your job, but I'm just wondering in terms of the latter part, the second part of that slide and I do acknowledge that health and safety is discussed at your daily meetings, at your weekly meetings and you do have your quarter meetings with the board, at least that was the evidence of the other operators, but how much--my question is this: in percentage terms, how much information, what percentage of your time is spent actually interacting with the Board on safety issues? I'm not looking for a precise percentage but I'm kind of getting the impression that not a lot, I mean, I'm not suggesting you paid lip service to it, but what percentage of your time is actually dedicated to interacting with the Board?

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Anyone prepared to comment on that?

MR. DYER:

A. That's a difficult question to answer, of course, to quantify -

MR. MARTIN:

Q. Oh I know, I know, it's very difficult to quantify it, but just in general terms because you'll see operations, environment, you get drilling issues, you have production issues.

MR. DYER:

A. What makes it so hard to quantify is that there would be different people in our organization in those respective areas equally conversing with people in the Board's office in different departments as well, so if we take the Sea Rose, for example, the Board nominates a safety officer and that's my contact when I want to discuss safety initiatives or issues equally in reverse, that's the Board's--I'm the safety officer contact with the regulator as well. Drilling would have the exact same process; environment, benefits, so individually I may talk to the Board once a week. Depending on the situation I may engage in formal meetings,

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but for the most part, the Board let's us manage our business and they audit, inspect to demonstrate--so we can demonstrate compliance.

MR. MARTIN:

Q. And they audit twice annually, is that correct?

MR. DYER:

A. They do three inspections and one audit a year on the Sea Rose specifically.

MR. MARTIN:

Q. But those audits pertain to issues other than safety issues?

MR. DYER:

A. Those audits are general in nature, they don't come as a safety issue as, you know, they're identified, they are general inspections and audits and it's meant to be a collective, do three inspections first and roll up to a formal audit once a year of our facility. It does capture both an onshore and an offshore component, so the regulator will spend several days in our office first and then travel offshore for several days as well.

MR. MARTIN:

Q. But perhaps, I mean when the Board is recalled

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I think it's in the week of February 15th, perhaps that's a question not only I will explore, I'm sure other counsel will explore as well because we really don't know enough about--and I don't think, Mr. Commissioner, that you know enough about that interaction, other than some, you know, some general descriptive slides that have appeared before you. I'm not asking you to get into specific detail because quite frankly I don't have paperwork other than some letters, for instance that the Board wrote to companies on HUEBA, as a matter of fact, I'll say in fairness to the Board that they took a proactive stance on that, obviously it didn't result in any previous speedy resolution of the issue, but perhaps I'll direct that issue to the Board when they reappear on the 15th of February, I believe. My final query and I asked that to one of the other companies as well, is that the evidence or the presentation of Lorraine Michael who is the leader of the Newfoundland and Labrador New Democratic Party, do you, as a panel, do your recall her presentation, I'm going to ask you a specific

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question, but are you aware of the contents of her presentation?

MR. WILLIAMS:

A. Sure.

MR. MARTIN:

Q. And she put out as one of, I think five or six issues, the one I'm specifically addressing is her recommendation for an independent safety board outside the jurisdiction of the existing Canada and Newfoundland and Labrador Offshore Petroleum Board. Have you, as individuals or have your companies given any thought to that as to what might be some of the pros and cons of going down the Norwegian route, I think she called it, any comments on that?

MR. PRITCHARD:

A. I think that's for the Federal and Provincial Governments to get established, obviously the C-NLOPB is both Provincial and it is for them to decide, I mean, you know, we will follow what we need to follow. I can't really offer you anything more than that. The Board are, in our eyes, acting independently, you know, from the production side to the safety side, we don't see any kind of interaction there.

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MR. MARTIN:

Q. Okay, any other comments, any experiences with that Board in Norway that you might have had directly or indirectly?

MR. DYER:

A. No, I've had no experience either with the Norwegian model. I understand the Board has worked with the Norwegian organizations in terms of understanding what their model looks like and how they can improve their own or make some changes.

MR. MARTIN:

Q. Thank you, that's all the questions I have, Mr. Commissioner, thank you very much, thank you gentlemen.

COMMISSIONER:

Q. Ms. O'Brien.

MR. TREVOR PRITCHARD, MR. DONALD WILLIAMS, MR. KENNETH DYER

EXAMINATION BY MS. KATE O'BRIEN

MS. O'BRIEN:

Q. If I might go to slide 64 of the panel's presentation, please? So I have a question here on--I'm sorry, I must need to go to slide 65, the next slide for me please, this one

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here. When you were--I know Mr. Earle just asked you a question on it, but it's the third point there that I'm wondering about, when you gave your initial evidence, I don't think I fully understood the explanation that you gave as to, you know, what this--I'm referring to the finding there to ensure that pilots and maintenance engineers have representation on the HSE committee and I wasn't--your explanation, I don't think I was fully understanding and certainly you did mention the JOHS committees and I'm not really sure I'm clear on what's the HSE committee, as opposed to the Occupational Health and Safety committee, so I was wondering if you could give a little bit more explanation about, you know, what these committees are and what that finding was specifically addressing?

MR. WILLIAMS:

A. It's my understanding that the HSE committee as referenced here is a very similar organization within Cougar as we refer to as our JOHS, so it's a committee that would meet on a regular basis, it would have formal representation from employees to various

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departments within the organization, as well as management. The observation here noted that other departments within Cougar Helicopters have been represented, but these two particular groups, which represents a significant portion of their organization, had not had representation on that committee.

MS. O'BRIEN:

Q. Okay. And would your--I asked this of the previous panel for Suncor about whether there'd be any communication with--this would really be Cougar's JOHS committee, their HSE committee, would there be any communication from that panel to your organization, other than review of their minutes in an audit?

MR. WILLIAMS:

A. Typically these committees, if the function in the organization, the intention of these committees is that they work within the facility or the company of which they're employed, such as on the Sea Rose FPSO, we have an Occupational Health and Safety Committee or JOHS committee that maintains or contributes to the advancement of safety in that facility. Also on shore we, within Husky

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Energy, we have our onshore OHS committee, or JOHS committee that contributes and works towards the development of health and safety within our onshore. Each of our offshore facilities have their own committees, so the primary function is that they work for the safety within that facility and that's the intention of the Cougar HSE committee is that the departments that are employed within that building, within that company, work towards the advancement development and safety at Cougar Helicopters and look at the various health and safety issues that may be presented there. There may not be, and there isn't to my knowledge, any formal communication between Cougar and say our onshore committee, although I know there is communication periodically amongst our offshore committees and there is informal as well as formal communications on a bi-annual basis with the C-NLOPB.

MS. O'BRIEN:

Q. Okay, the question really comes from the fact that certainly for these pilots a big part of their workplace, which is the helicopters themselves, of course, overlaps with one area

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of the workplace for your workers and so I'm wondering whether you think there would be any benefit to having these two groups communicate, given that these committees are about safety at the workplace and they really are--there's an overlap in what their workplaces are?

MR. WILLIAMS:

A. I think that's an important observation. You know, we don't want our groups working in silo (sic), so I think there is maybe an opportunity for improvement in terms of the communication and interaction. We're all interrelated in terms of our activities and good communications certainly would lead to improvements.

MS. O'BRIEN:

Q. Okay. My last question -- I'm sorry, that really wasn't one question, but anyway, the last one I have refers to the confidential exhibit 149, which is your helicopter operations manual, and I'd ask if we could go to page 18 of that document, and on page 18 or thereabouts is where -- it's an area we looked at earlier and that's where your contract sets

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out the requirements, training and experience requirements for the flight crew. I think we've gone past. While that's being brought up, I think I can continue on with my questioning. Would those requirements, and there was -- it was a table set out there with very specific requirements, you know, the pilots had to have so many hours of this type of -- here it is in front of us. So for so many hours of flight hours, so many pilot in command hours, et cetera. Would these requirements have come from Husky Energy? Would those have been your requirements to Cougar?

MR. DYER:

A. No, not at all. These requirements would come from Cougar and as you can see in the initial version, Cougar base operations did sign off on these. From what I understand, these were also in the contract, but now the document is referenced in the contract and the information is actually going to stay in this document. So Husky does not have the expertise to provide that information. It would come from Transport Canada.

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MS. O'BRIEN:

Q. Okay. So that's what I wanted to be clear. So a similar answer to what Suncor gave. You rely on Cougar to provide those qualifications?

MR. DYER:

A. Absolutely.

MS. O'BRIEN:

Q. Okay. Those are all my questions. Thank you very much.

COMMISSIONER:

Q. Thank you, Ms. O'Brien. Gentlemen, before we adjourn, it's not that I have questions, but I would make a couple of observations, and the discussion which you've provided on an explanation of safety culture and how it's developed, I found it very, very helpful.

MR. PRITCHARD:

A. It was but one page, Mr. Commissioner, and there's --

COMMISSIONER:

Q. Um?

MR. PRITCHARD:

A. It was but one page of text for me to read, but you could write a book on this.

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COMMISSIONER:

Q. There's no question about it, and I've been reading since I took on this work, and it does seem to me based on my readings, and things like the discussion today, that a safety culture, probably outside of an actual detail, is one of the most important things that we may be dealing with in this.

MR. PRITCHARD:

A. Absolutely.

COMMISSIONER:

Q. The other thing that I would ask you to reflect on, and it came up this afternoon in the questioning, timeliness of things, of actions, and I don't want to prejudge what the issues are which will be decided in the next five or six weeks probably as to what we will really focus on, but I have a feeling that timeliness is going to be an issue, timeliness for various aspects of the work, so that things, as someone put it this afternoon, are not left open ended, and that's a discussion that I suspect we'll have later on in this whole process. In the meantime, thank you very much for your presentation. Now we would

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then adjourn until Wednesday morning, I take it, Mr. Roil?

ROIL, Q.C.:

Q. Yes, because we have DND scheduled for Wednesday, which would mean that tomorrow we wouldn't have any witnesses.

COMMISSIONER:

Q. Tomorrow we will not sit, but Wednesday morning at 9:30 we'll commence with DND.

(CONCLUDED 4:50 P.M.)

CERTIFICATE

We, the undersigned, do hereby certify that the foregoing is a true and correct transcript of a hearing heard on the 25th day of January, 2010 at Tara Place, 31 Peet Street, Suite 213, St. John's Newfoundland and Labrador and was transcribed by us to the best of our ability by means of a sound apparatus.

Dated at St. John's, NL this
25th day of January, 2010
Cindy Sooley
Discoveries Unlimited Inc.
Judy Moss
Discoveries Unlimited Inc.

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