OFFSHORE HELICOPTER SAFETY INQUIRY

January 18, 2010

Tara Place, Suite 213, 31 Peet Street

St. John's, NL

January 18, 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/Ian Wallace..... Hibernia Management and
..... Development Company (HMDC)

D. Blair Pritchett .....Suncor (Petro-Canada)

Alexander C. MacDonald, Q.C. .....Husky Oil Operations Ltd.

Nick Schultz .....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. Mr. Roil.
ROIL, Q.C.:
Q. Good morning. Thank you, Commissioner. Today we are hearing another of a series of panels. This time it's a panel of two. We have two representatives of Hibernia Management and Development Company Limited. One is Mr. Paul Sacuta, whom we have met on an earlier occasion, and who is already sworn, and the other is Mr. John Fraser, and I would ask the Register to administer the oath for Mr. Fraser only please.
MR. PAUL SACUTA, PREVIOUSLY SWORN, MR. JOHN FRASER, SWORN, EXAMINATION BY JOHN ROIL, Q.C.
REGISTRAR:
Q. State your name, please.
MR. FRASER:
A. John Fraser.
COMMISSIONER:
Q. Okay, Mr. Roil.
ROIL, Q.C.:
Q. Commissioner, before we proceed, I'd like to speak a little bit about the exhibits. There

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are a small number of exhibits, although some of them are quite lengthy, and I would like to ask that they be put up as exhibits in our proceedings, but before doing so, I would -- I'd like to say that I've had a concern expressed by at least one counsel, who has indicated a concern and a very legitimate concern about the timing of the posting of at least one of these exhibits. The PowerPoint went up very late on Friday afternoon and I expressed my -- or he expressed his concern to me and I share it, and quite frankly, we will do our best to get them up as soon as they are final and 4:30 on Friday afternoon is not good enough. So we'll make sure we do better than that. Additional exhibits for the next series will be started to be uploaded this morning while we're here in hearing. We have a very compressed schedule, so getting approval of documents, getting them up, getting them loaded as we go through the hardware and software procedures does take some time sometimes, but certainly the presentation from Hibernia today will be, I suspect, all of the day, and so counsel will have an opportunity,

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I suspect, to overnight prepare for the cross-examination or the examination by other counsel tomorrow.
COMMISSIONER:
Q. Okay, thank you.
ROIL, Q.C.:
Q. With that comment, I would ask that you admit as exhibits Exhibit No. 130, which is a public exhibit, the HMDC PowerPoint presentation, which I will lead them through today, and in addition, Exhibits 131 through and including 136, that series of six exhibits being confidential exhibits. These are documents that are the proprietary interest of HMDC. They are, of course, sharing them with us and with the parties in the room, but they will not be available to the public. There is, of course, an understandable concern that their competitors not get a competitive advantage by seeing their documents and by comparing them to other documents and so on and so forth, but I think we have a process that will allow us to look at them, to the extent that we need necessary.
COMMISSIONER:

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Q. That will apply, of course, to the other presenters as well.
ROIL, Q.C.:
Q. The other presenters will be very similar. There'll be some public documents and some will be considered confidential. And at the request of our staff, the Registrar has indicated that sometimes being surprised as to what exhibits need to come up is a problem, in terms of finding them rapidly. So as a courtesy to our staff, I would indicate that I will be looking, in the course of the examination today, at: Exhibit No. 132, pages 126 and 30; Exhibit 133 and Mr. Sacuta or Mr. Fraser will have to take us to the page in that case; Exhibit 135, which is a very short one; and Exhibit 136. So with all of that as a preface, good morning, gentlemen.
MR. SACUTA:
A. Good morning.
MR. FRASER:
A. Good morning.
ROIL, Q.C.:
Q. Mr. Sacuta, you have been with us before, and you are familiar with the process and I gather

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you're going to lead us through a significant portion of this and that Mr. Fraser will jump in from time to time. So I'd let you take it away and introduce Mr. Fraser and his credentials and so on.

MR. SACUTA:

A. Okay, thank you very much. Mr. Roil, Commissioner Wells, when we presented as a joint panel last week, we talked about how the events of March 12th impacted so many people in our province. Obviously this has been a very difficult time for the families of those who died on board Flight 491. After listening to Mr. Decker's testimony, it is clearly evident how he has been affected. It has also been a difficult time for the industry and the broader community. It is the most difficult thing I have ever had to face in my career. The incident and the families are never far my thoughts.

I will be presenting today with John Fraser, who is currently the offshore installation manager on the Hibernia platform. John was on board Hibernia on March 12th, 2009 and did an outstanding job of talking,

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listening and watching out for the workforce during this difficult period. John and I are as impacted by the decisions HMDC make around helicopter transportation as any of our workforce. John works a three-week-on three-week-off rotation, so he flies to and from work each shift change and I travel offshore up to ten times per year.

The review by the Inquiry and the recommendations by this Inquiry will impact us directly as individuals and more so, it will impact us as leaders because we are ultimately responsible for the safety of all the people who work offshore and onshore Hibernia. This is our workplace. The Platform is also John's home for half of the year.

We are focused on safety because it is the right thing to do. We know that if a company doesn't get safety right, it won't get the rest of its business right. It's as simple as that. There is nothing more important than the safety of our workforce, and this includes the safe and reliable transport of our employees and contractors. We put significant resources into designing a

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safe facility, implementing the best safety management system and training our people. I am proud of the safety culture at Hibernia. I have worked all over the world and I can say that this is one of the best operations I have worked with when it comes to the commitment and engagement of the workforce and the commitment and engagement of the operator.

The Hibernia Management and Development Company supports this Inquiry and is fully participating. Although we are very proud of our safety performance, we are always looking for ways to improve that performance, which is among the best in the industry. We thank you for the opportunity to be here today.

Last week I provided my personal bio and I do not plan to review it again. I will hand over to Mr. Fraser so he can provide a brief overview of his work experience.

MR. FRASER:

A. Thank you, Mr. Sacuta. Mr. Commissioner, my name is John Fraser and I'm an offshore installation manager on the Hibernia Platform. The offshore installation manager is the most senior position on the Hibernia Platform and I

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report to Mr. Sacuta. My primary responsibility as OIM is to ensure the safety of everyone on the Platform.

I started working in the offshore oil and gas industry 30 years ago when I took some time off from university to go to work on an offshore drill rig. In that time, on the drill rigs, I worked in drilling operations, maintenance, logistics and in safety. In the past 30 years, I've flown in over 400 offshore helicopter flights in Southeast Asia, the North Sea, Alaska, Gulf of Mexico and the North Atlantic, both here in Newfoundland and in Nova Scotia. I've flown on Bell 212 and Bell 214 helicopters, various models of the Super Puma helicopters in various places, the Sikorsky S-61s, S-76s and of course, the S-92s here in Newfoundland.

15 years ago, I started work at Hibernia and I've worked as a Platform services supervisor, an onshore safety lead and a platform production supervisor. I'm currently one of the two offshore installation managers on Hibernia. There's two of every position, so I'm here now and this time next week, I'll

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be offshore on Hibernia, flying out there, and my back-to-back will come in.

Like everyone involved in the tragic events of March 12th, they've had a tremendous effect on my family and myself. Not a day goes by when I don't think of that day and the families of those who were involved. I'm not sure that this Inquiry -- I am sure that this Inquiry will have a positive effect on safety and I will support you in your work in any way that I can. Thanks for the opportunity to be here today.

COMMISSIONER:

Q. Thank you.

ROIL, Q.C.:

Q. Mr. Sacuta, I think you're going to do the outline and start the presentation, and as I've indicated to other witnesses, if at any time I ask a question and you wish to defer it to Mr. Fraser because he has a greater knowledge of that particular area because you're both affirmed and sworn as witnesses, you can hand it back and forth as you see appropriate.

MR. SACUTA:

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A. We have a number of sections to review today. First the Hibernia overview will talk about the history, including the construction, the safety design, the helideck design, including the safety features of the helideck. We'll talk about HMDC's organizational structure and our statement of commitment to safety, health and the environment.

In the basis of safe operations section, we'll talk about the regulatory environment in which we operate, Hibernia's safety plan and our safety management system. Our risk management we'll talk about next, which is one of the key components of our operations integrity management system or our safety management system. Personnel safety, including personnel and training, regulatory requirements and the Hibernia offshore JOHS committee.

We'll then talk about helicopter operations and maintenance, our aviation operations guide, the helicopter operations manual, Hibernia's helicopter operations manual, and offshore helicopter refuelling, arrivals and departures. I'll talk about

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aviation contract management, which will be to discuss third party services, Cougar as our helicopter service provider, how we monitor Cougar's performance, and the selection of the S-92 airframe.

Incident management, we will provide a very brief discussion on Hibernia's incident investigation process. Emergency response, we'll discuss the regulatory requirements, Hibernia's emergency response structure and the response to March 12th, including any lessons learned, and then I'll have a summary and some closing remarks.

I do not intend to read all the items on this slide, as a number of them were covered in the joint panel, but I would like to highlight the following. Hibernia's peak production occurred in 2002 when we achieved 230,000 barrels a day from a facility that was originally designed for 150,000 barrels a day. We have produced approximately 650 million barrels of oil to date. When the project was originally sanctioned, it was sanctioned based on recoverable reserves of 525 million barrels. The current estimates of recoverable

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reserves on the Hibernia platform are between 950 million and 1.3 billion barrels, so more than twice what the original project sanction was.

ROIL, Q.C.:

Q. Is there a current life expectancy or is there any way we can, without offending the stock markets of the world, talk about how long you expect that facility to be out there?

MR. SACUTA:

A. We're expecting it to be producing through 2034.

ROIL, Q.C.:

Q. And that's based on known reserves?

MR. SACUTA:

A. Based on known reserves.

ROIL, Q.C.:

Q. Okay, and if additional reserves were found -

MR. SACUTA:

A. That's correct.

ROIL, Q.C.:

Q. - that might impact that?

MR. SACUTA:

A. That's correct.

ROIL, Q.C.:

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Q. Okay. Thank you.
MR. SACUTA:
A. I also talked about this slide in the joint panel. One new picture on the bottom right-hand portion is it shows the reservoirs which the Hibernia Platform produces from. There are two producing reservoirs, the Hibernia reservoir, which is the deeper, and the Ben Nevis Avalon, which is the shallower of the two reservoirs. The Hibernia formation is the most prolific of the two producing reservoirs and produces the largest percentage of oil currently from the Platform.
ROIL, Q.C.:
Q. I think the other details of the Platform were discussed in your -
MR. SACUTA:
A. That's correct.
ROIL, Q.C.:
Q. - in the joint panel we had with the other operators. Thank you.
MR. SACUTA:
A. Certainly we believe Hibernia is a world-class facility. The gravity-based structure was built in Bull Arm, Newfoundland. We created a

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drydock by erecting a massive berm across Great Mosquito Cove. The GBS ice wall consists of a 50-foot thick concrete belt with 16 ice teeth which are specifically designed for deflecting icebergs should one approach the Platform. The base of the GBS is equivalent to the length of two football fields to put its size in perspective. The topsides consists of five super modules. Two were built in Korea, two in Italy and one in Bull Arm. The five super modules are the process module, which we call M10, the wellheads module we call M20, the mud module which is associated with drilling, M30, the utilities module M40 and the living quarters module which is M50. The wellheads module was actually the super module that was built in Newfoundland.
ROIL, Q.C.:
Q. The helideck, is that a portion of one of those modules or is it attached?
MR. SACUTA:
A. It's attached to one of the modules.
ROIL, Q.C.:
Q. Okay. We'll talk about that later perhaps.

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MR. SACUTA:
A. Yes. The GBS was towed into deep water and flooded and the topsides was towed over the submerged GBS and the GBS was slowly raised to meet the topsides when the mating occurred, and at the time of the tow out, it was the -- the facility was towed offshore by nine of the world's largest tugboats.
The Hibernia Platform was designed to the highest standards and incorporates a large number of significant safety features, which includes, as I've already mentioned, an iceberg resistant gravity-based structure, a temporary safe refuge protected by a blast wall and our temporary safe refuge is actually the living quarters or the accommodations module.
ROIL, Q.C.:
Q. And what's a blast wall?
MR. SACUTA:
A. The blast wall is a wall that's designed to withstand a certain size blast to protect the occupants on the other side of the wall.
ROIL, Q.C.:
Q. So if something untoward happens -

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MR. SACUTA:
A. If something were to happen on the other side of the wall, it's designed for a certain blast rating, which would protect those that are inside the accommodations module.
ROIL, Q.C.:
Q. I see, thank you.
MR. SACUTA:
A. It includes thousands of highly sensitive smoke, fire and gas detectors. I think there's approximately 5,000 end devices on the Platform, between fire, smoke, gas and manual call points. I've never seen anything like it as far as the numbers. An order of magnitude larger than any place I've ever worked.
It has a water and foam delude system capable of delivering thousands of gallons of water per minute to various locations, as needed. It has firewall protection between the modules. As I mentioned, there's firewalls between the modules. The M10 module, which is the process module, is the module that is farthest away from the accommodations module by the design. It's the area that has the oil and gas processing

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equipment. So by design, it's located the farthest distance away from the module that actual people actually live and sleep in. And we have an automatic emergency shutdown system. Should the system detect an abnormality it has the ability of immediately shutting the Platform, shutting all the wells and blow down the system to protect those that are on board.

Based on the fact that this Inquiry is focused on helicopter transportation, we have prepared a couple of slides which describe the Hibernia helideck design and safety features. It's designed, and some of this we covered last week, in accordance with Transport Canada guidelines TP-4414. It's also designed to an API-RP-2L which is a recommended practice for planning, designing and constructing heliports for fixed offshore platforms. It is located on the southwest corner of the Platform at 149 metres of elevation, and that 149 metres is from the seabed floor. So 80 metres of water, 69 metres above the water surface, and you can see we've circled where the helideck is located on that picture. It measures 22.8

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metres by 22.8 metres. It has a weight limitation of almost 16,000 kilograms and it can accommodate large working class helicopters, including the Eurocopter AS332L, which is the Super Puma, the Sikorsky S-61, the Sikorsky S-92 and the Cormorant, which is the Coast Guard helicopter.

ROIL, Q.C.:

Q. I think all of us are aware, from the media, of an incident last week where a Cormorant was used to get to 600 kilometres off our shore to help an injured seaman.

MR. SACUTA:

A. That's right.

ROIL, Q.C.:

Q. This was the Platform that the Cormorant landed on?

MR. SACUTA:

A. That's right. The Hibernia installation has significantly extended the reach to the Canadian Coast Guard. It is not uncommon for the Canadian Coast Guard to fly to Hibernia, land, refuel if required and then carry on to a ship in distress. Quite often they will order the ship to head towards the Platform,

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if they've got an injured party. So it's essentially doubled the reach in that area of the Atlantic Ocean for the Coast Guard. It's not uncommon at all to have the Coast Guard come out, fly out and then wait for the opportunity to carry on to recover a casualty, for example.

ROIL, Q.C.:

Q. And their consumption of fuel and whatnot, we'll talk about perhaps a little later when we talk specifically about fuel and the reserves.

MR. SACUTA:

A. Right.

ROIL, Q.C.:

Q. Just looking at the photograph there, the white portion that looks like a building or a hotel or a house, a rather large house.

MR. SACUTA:

A. Yes.

ROIL, Q.C.:

Q. What is that?

MR. SACUTA:

A. That is the accommodations module. So it is a hotel. It's the offshore hotel. It contains

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140 rooms, each room with two beds in it, a bathroom. So there would be a POB for 280 personnel on board.

ROIL, Q.C.:

Q. POB is persons on board?

MR. SACUTA:

A. Personnel on board, yeah.

ROIL, Q.C.:

Q. Okay, thank you.

MR. SACUTA:

A. So the helideck design features, it does have water and foam firefighting equipment around the perimeter of the helideck. It has lighting for visibility. There is a perimeter net which is a regulated requirement. It has a non-skid surface, which is supplemented during a netting, during the winter months. During the winter months, we put a crosshatched net for people to walk on when they get off the helicopter, in case it becomes -- if there's any ice on the deck or it becomes slippery. So we do that during all winter months and then it comes off during the summer months because the non-slip surface is adequate during the summer months.

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There are tie-down points. Should we have to shutdown a helicopter, we can tie it down, if it had to spend the night, for example. There's windsocks to determine wind direction, a helideck rescue kit, and there is an emergency parking area. So if we had a helicopter that for any reason had to shutdown and could not be restarted, we could pull it off to the side and still have access to the platform so another helicopter could land.

ROIL, Q.C.:

Q. And that is shown on the photograph?

MR. SACUTA:

A. It's shown on the photograph at the top end, the square or rectangular area at the top of the green helideck area.

ROIL, Q.C.:

Q. And is that designed in such a way that even if a helicopter is parked there, another helicopter can safely land or take off?

MR. SACUTA:

A. Yes, that's correct. For information, Cougar does do a detailed annual helideck inspection using a designated in-house inspector. We complete structural inspections by our

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inspection contracting company, and these are validated as part of the annual inspection of the helideck which is completed by Lloyd's Register. Additionally, every day before helicopter's activities, the HLO, the helicopter landing officer, does a visual inspection of the helideck. We also have maintenance routines for all the lights. So there are a number of inspections that are completed associated with the helideck on a yearly basis.

ROIL, Q.C.:

Q. In the area of the North Atlantic, surrounded by saltwater, are there any major challenges in terms of maintenance of the helideck?

MR. SACUTA:

A. The biggest challenge is inspecting the under deck structures which usually means you need abseilers or guys to get on ropes to actually do those inspections. But everything else is -- I mean, you're on a fixed installation in our case, so to inspect the helideck lights and the firefighting equipment, it's all on a non-moving part of the Platform. The structural components do require some special

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service people to get underneath the helideck to inspect those beams, for example.

ROIL, Q.C.:

Q. Okay, thank you.

MR. SACUTA:

A. As discussed in the joint panel presentation, Hibernia is not operated by one of the co-venturers, but rather by a separately incorporated company which is the Hibernia Management and Development Company. It was incorporated in 1988 by the co-venturers or the shareholders who entered into a joint venture to develop the Hibernia oilfield. As I've mentioned, HMDC is the operator of the project. It is an integrated team of specialists originally comprised of direct hires, secondees from co-venturer companies and contract staff. That was the original design of the Hibernia organization and I'll talk a little bit further about some of the changes that have occurred over time.

HMDC president is myself. I do have a management team which is a number of supervisors and then the boxes below are to represent the departments that fall under

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there. So we have an engineering and geoscience department, an operations department, a maintenance department, drilling and well work, safety health and environment and business services, and each one of those departments would have a supervisor which would be on the management team.

ROIL, Q.C.:

Q. And then Mr. Fraser, which department would he work out of?

MR. SACUTA:

A. He would be in the operations department.

ROIL, Q.C.:

Q. Okay, that's part of operations, his OIM or offshore installation manager role.

MR. SACUTA:

A. Right.

ROIL, Q.C.:

Q. And that safety, health, environment and security person, to whom do they report?

MR. SACUTA:

A. There are a number of safety, health and environment personnel and they do have a safety, health and environment supervisor who is a part of the management team.

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ROIL, Q.C.:
Q. Okay.
MR. SACUTA:
A. We have a much more flat organization than some of the other operators in this area. Between myself and my management team, there are no other levels and there's no one above me from an HMDC perspective.
ROIL, Q.C.:
Q. So there's not a series -- you're the president of HMDC.
MR. SACUTA:
A. That's correct.
ROIL, Q.C.:
Q. Are there a series of vice-presidents?
MR. SACUTA:
A. No. There's myself as the president and then a number of supervisors for the departments that are part of the management team.
ROIL, Q.C.:
Q. So who then is the Hibernia Executive Committee? Because that's another expression that we will run across from time to time.
MR. SACUTA:
A. Yes. The HMDC president and the management

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team are accountable to the Hibernia Executive Committee which is composed of co-venturer company representatives and is responsible for the management and exercise of overall supervision and control of the joint venture. So there'll be representatives from each of the co-venturers, ExxonMobil, Chevron, Suncor, Canada Hibernia Holding Corporation, Murphy and Statoil. So I report to the HEC. We have regularly scheduled quarterly meetings where we review performance. We review safety statistics, production, drilling, and other factors that we do at a quarterly meeting.

Effective January 1st of 2003, the Hibernia Executive Committee authorized HMDC to adopt and implement the policies, procedure systems and business controls of ExxonMobil Canada Properties, or ExxonMobil Canada. We do rely solely on ExxonMobil Canada to nominate personnel for HMDC managerial and key technical and operations positions, subject to the HEC's right of approval. So in 2003 -- prior to 2003, we could have secondees from any of the six co-venturers. Basically, in 2003, we're in a situation now where the

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majority or essentially all of personnel that work for HMDC in the office are secondees of ExxonMobil Canada.

We have entered into a business services agreement with ExxonMobil Canada and its affiliates as necessary to support HMDC operations, and what this has done is provided HMDC with access to experienced personnel and robust internationally tested policies and procedures, based on the fact that ExxonMobil is the largest oil company in the world.
ROIL, Q.C.:
Q. So I take it, and these are my words not yours, HMDC is run now as if it were run -- not as if it were, in a manner consistent with the way that ExxonMobil manages its properties all over the world?
MR. SACUTA:
A. Yeah. We've adopted the policies and procedures that would be used by ExxonMobil's operations around the world. So what that has allowed us to do is leverage off of the strength of ExxonMobil's worldwide knowledge and continuous improvement opportunities and leverage off that as part of operating the

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Hibernia Platform itself. We still have a dedicated or an incorporated company, HMDC, although we utilize ExxonMobil's policies and processes.
ROIL, Q.C.:
Q. So prior to the ExxonMobil policies and practices, what kind of policies, if there was a personnel policy or a safety policy or anything else, what kind of policies were in place prior to 2003?
MR. SACUTA:
A. HMDC had their own policies, were HMDC specific, that were generated over time, from the time of the original incorporation of HMDC as an entity. So they had their own set -- they had their own safety management system. They had their own policies and procedures. But when this decision was made in 2003, we started to transition to the ExxonMobil policies and procedures.
ROIL, Q.C.:
Q. And that transition is fully effect now?
MR. SACUTA:
A. Absolutely.
ROIL, Q.C.:

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Q. Okay.
MR. SACUTA:
A. So this chart is not intended to show every offshore leadership position, but rather to show the main employers on the Platform and where they are monitored from a leadership perspective. So you can see under operations and maintenance, there are four employers that are identified. They report in through the production and maintenance supervisor. So HMDC does have all operations and maintenance employees offshore. We also have Baker Hughes Canada, Newfoundland Service Alliance and Spectral Energy. For any of your information, the two hyflodraulics personnel who were on Flight 491 were called to the Platform under a subcontract through the Newfoundland Service Alliance.
ROIL, Q.C.:
Q. Okay.
MR. SACUTA:
A. Under the drilling -
ROIL, Q.C.:
Q. Sorry, before you go onto the drilling.
MR. SACUTA:

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A. Yeah.
ROIL, Q.C.:
Q. How many persons would be working on the facility from the operations and maintenance side of things, in terms of comparing to the total?
MR. SACUTA:
A. Around 32. So we'd have around 32 HMDC employees. Any of the supervisory positions that are offshore are normally ExxonMobil secondees. Below the supervisory level, there would not be ExxonMobil secondees. We've got HMDC as one of the employers and the other ones are the various employers that work under each of the individual sections.
ROIL, Q.C.:
Q. So that 32 would include the HMDC people, the Baker, the Newfoundland -
MR. SACUTA:
A. No.
ROIL, Q.C.:
Q. No, okay.
MR. SACUTA:
A. That's just the HMDC.
ROIL, Q.C.:

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Q. That's the HMDC, got you, okay. Under the total operations and maintenance on a normal day?
MR. SACUTA:
A. That is operations and maintenance.
ROIL, Q.C.:
Q. Yes, sorry. So the total number, the 32 plus the others?
MR. SACUTA:
A. Baker Hughes would normally have one individual on board. The Newfoundland Service Alliance depends on the activity. They are a contractor that provides specialized service, so that can vary, and Spectral Energy Services, which provide inspection services, would normally have two on board.
ROIL, Q.C.:
Q. Okay. So not all be -
MR. SACUTA:
A. The majority of personnel in that area would be HMDC employees.
ROIL, Q.C.:
Q. Okay. So all of these various contract companies, they would not necessarily have any or a very large workforce aboard at any point

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in time?
MR. SACUTA:
A. Underneath operations and maintenance, when we get onto drilling, for example, Noble Drilling is our company that runs our drilling operation.
ROIL, Q.C.:
Q. Yes.
MR. SACUTA:
A. There'll be a large number of Noble Drilling employees on board which would be contractors, for example.
ROIL, Q.C.:
Q. So the number of people depends on the kind of activity they're performing?
MR. SACUTA:
A. Kind of activity and what they've been contracted to do.
ROIL, Q.C.:
Q. Okay.
MR. SACUTA:
A. I wasn't going to go through all of the employers, but I would like to highlight that, as I mentioned, this is not intended to show all the leadership positions offshore, for

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example. We do have a safety health and environment lead who does report to the OIM, and also reports to the onshore safety supervisor. So that would be an example of a position that's not shown on this graph. They do not have any subcontractors underneath them. They're out there, their sole purpose is to -- for safety and to monitor the safe operations of the Platform.

ROIL, Q.C.:

Q. And I think you told us earlier, each of those positions would be multiplied by two.

MR. SACUTA:

A. That's correct.

ROIL, Q.C.:

Q. Everybody works on the same sort of working regime of 21-on-21-off?

MR. SACUTA:

A. That's right.

ROIL, Q.C.:

Q. How often do these contractors change? Are they long-term commitments or do some of them change and some of them not change? What's the nature of that?

MR. SACUTA:

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A. It depends on the specifics of the contract. They're usually, you know, contracts that would last five years, with extension provisions. For example, Noble Drilling has been our drilling contractor since we towed out. So they've been our contractor for 12 years, almost 13 years. So it depends on the contracts themselves. There are opportunities at the end of a contract to rebid. Some contracts already have extension provisions built into the contract. So it depends on the circumstances. The majority of the people that are on this list have been involved with Hibernia since the original tow out in 1997.

The Hibernia offshore workforce. The size and composition of the Hibernia offshore workforce varies depending on the scope of work being performed, as I mentioned earlier. We have a maximum of 360 persons on board, immediately prior to the first oil well in late 1997. We have a POB, or a personnel on board limitation of 280 beds. Prior to first oil, we had some extra beds brought out. We weren't producing hydrocarbon at that point, so we were able to convince the Board that

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there was a very low risk of increasing the POB above the 280 normal restriction. When we are producing, the maximum number of people on board is 280.

As the project evolved through its growth plateau and decline cycle, our personnel on board changed. The current POB is anywhere between 220 and 240, depending on the activity that's under way at the time. Approximately 90 percent of the workforce are Newfoundlander and Labradorians, and they are employed either directly by HMDC, as I mentioned earlier, or one of the 13 contractors engaged by HMDC to provide specialty services, and the workforce on the Hibernia Platform is represented by the Communication Energy and Paperworkers Union, Local 60N.

ROIL, Q.C.:

Q. Okay. You've heard Mr. Earle refer to 2121. Is that something different or do you understand the -

MR. SACUTA:

A. We have an agreement in place with the Local 60N. I believe that they are hoping to establish the 2121 Local, but the agreement we

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currently have in place is with Local 60N.

ROIL, Q.C.:

Q. Now there's a statement in quotation marks. Where does this come from?

MR. SACUTA:

A. This comes from our operations plan. It's developed this commitment to safety, health and the environment. It's in the operational plan. It is shown to all new employees when they arrive on the Platform. It's part of our safety, health and environment handbook, which John will be talking about later in the presentation. I'm not planning to read the entire commitment, but I would like to highlight a couple of key components.

We all share the responsibility to communicate, implement and live by Hibernia's commitment to safety, health and the environment. We have the right and the responsibility to work safely. We will regularly review and measure our performance against this commitment and continue to look for opportunities to improve our safety, health and environment management process, and together we will foster a culture that

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recognizes practices and promotes safe and environmentally responsible work by implementing and supporting the individual responsible safety system.

Later on in this presentation, Mr. Fraser will be talking about some of the specific tools, policies and practices which foster our safety culture.

ROIL, Q.C.:

Q. Now the Hibernia operational plan, that's a new concept that we have not yet gotten into, but I take it that this is a document that is part of the management processes of HMDC?

MR. SACUTA:

A. We'll talk about it a little bit later, but the Hibernia operations plan meets our regulatory requirement for our safety plan, as well as some other components. So we don't have a individual separate safety plan. We have an operational plan and contained within the operational plan are all the requirements that the Board would expect to have in a safety plan.

ROIL, Q.C.:

Q. So when the Board asks you to submit your

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safety plan, you submitted your operational plan?

MR. SACUTA:

A. That's correct, and the Board would approve that operational plan as part of any operations authorization process.

ROIL, Q.C.:

Q. Okay.

MR. SACUTA:

A. In the next section, I'm going to describe the regulatory environment in which we operate, Hibernia's safety plan, which is our operational plan, and I'll introduce the operations integrity management system, which is Hibernia's safety management system.

As I've previously mentioned, I have worked in a number of areas around the world, and it is my opinion that the Newfoundland and Labrador area is one of the most regulated. It's certainly the most regulated I've experienced.

The Canada Newfoundland and Labrador Offshore Petroleum Board, or the C-NLOPB, provides detailed regulations and guidelines to the industry. They provide a work

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authorization requirement, certifying authority, fitness for service verification, continuous monitoring. They do provide continuous monitoring. They do quarterly audits and compliance assessments by both the C-NLOPB and the certifying authority, which is Lloyd's Register.

ROIL, Q.C.:

Q. I think these are some of the same concepts that we discussed in the committee of the joint operators.

MR. SACUTA:

A. That's correct. The operator must submit plans, including the following, to the C-NLOPB for approval prior to obtaining authorization for exploration, development and production: a development plan, a Canada-Newfoundland benefits plan, a safety plan, a drilling program, a reservoir depletion plan, and an environmental protection plan.

So the Board has provided the following work activity approvals to HMDC: a production operations authorization, which is approved every three years; a drilling program authorization, also approved every three

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years; a well operations authorization, approved every three years; and then an operating license, which is approved annually.

The primary safety documents required and approved by the Board as prerequisites to the above authorizations are the concept safety analysis, which was done in the design phase of the Hibernia Platform, and a safety plan during the operations phase.

ROIL, Q.C.:

Q. So do I take it from this that the concept of safety or that safety is important was even at the design stage of the Platform?

MR. SACUTA:

A. Absolutely, and that's how we ended up with a platform designed with over 5,000 gas, smoke, fire detectors, for example. In 2009, the Board did combine all the authorizations, the production operations, the drilling program and the well operations into a single operations authorization, which was issued to Hibernia on December 15th 2009. We just received it last month. I believe that Hibernia was the first operator to obtain this combined authorization, and I think Howard

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Pike talked about the plans to go to that during his testimony.

As far as oversight goes, the Board performs scheduled inspections and compliance audits of HMDC to ensure compliance with all of the regulatory requirements and compliance with any conditions imposed by the operations authorization, including the safety plan.

The audits and inspection frequencies. There is an annual audit. There are quarterly inspections and ad hoc inspections, as required. As I mentioned last week, there are opportunities for the Board to come out at any time. If they have any issues, they'd request a seat. We get them a seat on the helicopter and out they'll go. There have been no significant findings to date with respect to helicopter operations during any of those individual audits. For your information, we also provide the Board a daily report which covers all aspects of the activities on the Platform, from safety to drilling to production. They receive it every day. Mondays usually we get the weekend, Friday, Saturday, Sunday, sent to them on Monday.

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ROIL, Q.C.:

Q. What kinds of information about helicopter transportation, if any, would be in that daily report?

MR. SACUTA:

A. Only if there had been an issue with helicopter transportation. For example, if there were no flights because of fog, that would be in a daily report. If there had been some type of an incident, it would be highlighted in the safety section. So if helicopter operations are normal, the comment may be "just completed two flights", for example.

ROIL, Q.C.:

Q. Yes, okay.

MR. SACUTA:

A. In the Hibernia safety plan, the Hibernia Operational Plan has been approved by the Board as meeting the requirements of a safety plan. It was based on the concept safety analysis. It formalized Hibernia's commitment to operate in a safe and environmentally responsible manner. It lays out the management system or framework under which we

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conduct our work. It's a living document which is updated as needed to reflect operational changes, and at a minimum every three years to maintain the operations authorization as approved by the Board. Updates require the Board's approval prior to implementation. The Operational Plan serves as a basis for audits by the C-NLOPB and a certified authority. So any commitments we make in the Operations Plan, the Board will measure compliance with.

ROIL, Q.C.:

Q. I'm not going to take you to the document right now, but I have it in front of me, it's Exhibit 131, and I believe that we have it unredacted and it's 375 pages. Would that seem about right?

MR. SACUTA:

A. That would seem about right, yes.

ROIL, Q.C.:

Q. So it's a lengthy document?

MR. SACUTA:

A. It's a very detailed document, yes. So the Operations Plan consists of five sections. The first section is an introduction. The

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second section talks about a description of the installation. The third section talks about the organization and management systems. That would include our safety management system. Section 4 is on the basis of safe operations, and Section 5 is the basis of environmental and environmentally responsible operations, and this is not applicable in terms of the context of helicopter safety. Section 2, the description of the installation, it describes the installation and the safety design philosophy used to ensure a safe platform design. Hazards that could affect the safety of personnel and the integrity of the installation are identified, and appropriate measures taken to prevent occurrence or minimize consequences. The main objective of the safety design philosophy was to ensure a safe working environment for personnel by minimizing the potential for hazardous occurrences, avoiding exposure to potential hazards, containing and minimizing the effects of hazards in the event of an emergency, and providing a satisfactory means of escape from all work areas. Section 2

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includes a description of the helideck location, the size, and the weight limitations. Section 3 describes HMDC's organizational structure and its safety management system. HMDC has adopted ExxonMobil's operations integrity management system. We sometimes call it OIMS.

ROIL, Q.C.:

Q. OIMS.

MR. SACUTA:

A. Not to be confused with Offshore Installation Manager.

ROIL, Q.C.:

Q. Like I say, in this industry that is replete with acronyms, we have an OIMS.

MR. SACUTA:

A. That's right.

ROIL, Q.C.:

Q. In the early stages of this proceeding, I asked your legal counsel to produce your OIMS thinking it was a document that I could bring up here and lay down. I take it it's somewhat more extensive than that?

MR. SACUTA:

A. Much more extensive, and I'll talk a little

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bit further about the number of elements and the number of management systems that are associated with that. It's not a simple document that we can produce. It's a large number of policies, procedures, guidelines, that are used depending on the various elements, and I'll talk a little bit about it a little bit further in the presentation.

ROIL, Q.C.:

Q. To put it in context because other people may have systems that they have that they call information or integrated management systems, there might be 100 or 200, how many pages -- if we were to download all the documents and print them all, what sort of volume would be have?

MR. SACUTA:

A. It would be hundreds of documents, not hundreds of pages, but hundreds of document.

ROIL, Q.C.:

Q. Okay, and this is the Exxon one that is used worldwide, is it?

MR. SACUTA:

A. That's correct. So what it is, it's a consistently applied safety management system

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which is utilized by Exxon at all their worldwide producing facilities.

ROIL, Q.C.:

Q. What advantages -- I think you named some of them, but what advantages do you get or disadvantages do you get by having an integrated management system that is belonging to such a large company that operates all over the world?

MR. SACUTA:

A. It allows you to capture lessons learned from all over the world. One of the processes that occurs in our evaluation of OIMS is an evaluation, a feedback mechanism, a continuous improvement opportunity, and so that information gets relayed around the world when we have those type of opportunities. So you get a worldwide view of how to improve the operations integrity management system based on the number of areas that may be using it. You also get the potential for having personnel outside of your organization come in to assess your compliance with OIMS, and I'll talk about that a little further in the presentation as well.

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ROIL, Q.C.:

Q. Okay. Are there any disadvantages, such as, you know, the ability to change? If you need to make change, is that a difficult process because it calls for a change all over the world?

MR. SACUTA:

A. I mean, it is a very regimented process, but I think if you've got an item that needs to be looked at and required, there's certainly a process by which you can bring it up and say we need to consider whether or not there needs to be a change made to this integrity management system. It is a worldwide process, so with that comes the benefits and then also a little bit maybe of a snail's pace when it comes to change, if needed, but underneath the OIMS expectations and guidelines you can build your own documents as well that fit into that process.

ROIL, Q.C.:

Q. Okay, so it doesn't dictate every single thing you can do?

MR. SACUTA:

A. It doesn't dictate every level of procedures

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or policies within the Operations Integrity Management System.

ROIL, Q.C.:

Q. Okay.

MR. SACUTA:

A. OIMS provides Hibernia Management with the framework for meeting the safety, health and environment statement of commitment, which we had talked about earlier. Section 3 summarizes processes and procedures used to ensure safe helicopter operations and documents commitments made regarding helicopter services, including adherence to the Hibernia Helicopter Operations Manual and our Aviation Operations Guide, to provide flight tracking by satellite-based flight following system, which you've heard last week, the Blue Sky System.

ROIL, Q.C.:

Q. That's the Blue Sky, is it?

MR. SACUTA:

A. Yes.

ROIL, Q.C.:

Q. Yeah, okay.

MR. SACUTA:

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A. And then we also have the commitment for a standby helicopter in St. John's, and a standby vessel at the Hibernia Platform 24 hours, seven days a week, to respond to emergency events.

ROIL, Q.C.:

Q. And we'll talk about those in a little more detail as we proceed, I gather.

MR. SACUTA:

A. Section 4, the basis of safe operations describes the hazard assessments and safety studies carried out during both the design and operational phases of the Hibernia Platform. It describes the Hibernia installation and operational systems that prevent, control, and mitigate hazards and their escalation. It describes Hibernia's risk assessment process and the assessment criteria, and it summarizes the detailed assessment of each potential major hazard identified. Section 4 does include a summary of the studies and risk assessments of helicopter transportation. Helicopter transportation risks have been reviewed at all phases of the Hibernia project, from conceptual design to current

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operations, which includes the concept of safety analysis completed during the design phase, the development of the original operational plan, pre-start readiness reviews prior to 1997, an updates to the operations plan that have been completed since start up, and aviation operation -- sorry, aviation risk assessments as required by our Operations Integrity Management System, and I'll talk about that a little bit further in the presentation as well.

ROIL, Q.C.:

Q. Okay. The Integrated Management System, is it designed specifically toward helicopters, or is it designed towards a larger piece of --

MR. SACUTA:

A. It's designed to overall operations of the Hibernia Platform, not just helicopters; maintenance, production, drilling, safety, incident investigations, emergency response. It's all encompassing when it comes to safety.

ROIL, Q.C.:

Q. Okay, so if I said that by reading the operational plan, for example, you wouldn't find a whole pile of references to

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helicopters, or if I looked at any of the other processes under the OIMS System, would I expect to see a lot of references to helicopters, or is it directing me to processes that would apply to helicopters and other things?

MR. SACUTA:

A. I mean, it would -- it would direct you to documents. For example, the Helicopter Operations Manual, which is a document within the OIMS System, a lower level document. It would also have the Aviation Operations Guide. Risk assessment, for example, might not specifically be associated with helicopter operations, but it provides you the foundation under which you could do a risk assessment associated with helicopter operations.

ROIL, Q.C.:

Q. Or any other operation?

MR. SACUTA:

A. Or any other operation, that's correct. So Safety Management System provides a systematic approach to managing safety. The Safety Management System identifies hazards and ensures associated risk is eliminated or

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effectively managed. A typical Safety Management System includes an integrated organizational structure, responsibilities and accountabilities, policies and procedures, and a measurement feedback and continuous improvement process. So as I mentioned, HMDC safety management system is called the Operations Integrity Management System. It's a systematic and structured approach to the management of safety, health, environment, and security. It is focused on identifying hazards and managing risk, and it is a mature and globally tested system through ExxonMobil's worldwide operations. As far as stewardship and sustainment go, there's a high level of management involvement and accountability. It ensures safety and environmental compliance with applicable laws and regulations and drives continuous improvement. Workforce participation is key to OIMS effectiveness, and OIMS is fully integrated into HMDC's operations and impacts all work activities on the Platform.

ROIL, Q.C.:

Q. So workforce participation, I take it,

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somewhere in this presentation we will get to how that is --

MR. SACUTA:

A. Yes, we're going to talk about personnel safety and accountability in Mr. Fraser's section.

ROIL, Q.C.:

Q. Good, okay. Thank you.

MR. SACUTA:

A. So there are eleven elements of OIMS and they are listed on this slide. Management leadership, commitment, and accountability is the driver. Execution is provided by a number of specific elements, a number of which I will be discussing in the next set of slides, and including Mr. Fraser. The evaluation is also key as it provides the opportunity to assess compliance, identify opportunities for improvement, review them with management, and track any actions to closure. This allows a continuous improvement cycle to exist.

ROIL, Q.C.:

Q. Okay, of these eleven elements then, which ones will be not be touching on in our further discussion, and perhaps you can just mention

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what they are, what they deal with, so that we understand the whole --

MR. SACUTA:

A. I'll talk about the ones we will be touching on. We'll be talking risk assessment and management, personnel and training, operations and maintenance, third party services, incident investigation, and community awareness and emergency preparedness, will be the ones we'll be discussing today.

ROIL, Q.C.:

Q. Okay, what do the ones you have not mentioned, just to give us a --

MR. SACUTA:

A. Facilities design and construction --

ROIL, Q.C.:

Q. A one line sort of explanation as to what they do.

MR. SACUTA:

Q. Facilities design and construction would be if you're building something new on the Platform, adding some equipment. That would be the element that would be applicable. Information documentation is how we maintain our records and our files, for example. Management of

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change is how you manage change at your facility. We have a process in place to document process for managing change on a facility.

ROIL, Q.C.:

Q. So if something changes, there's a process to undertake that change?

MR. SACUTA:

A. Right. If you were to add a new compressor, for example, on a facility, you would have to follow the management of change process.

ROIL, Q.C.:

Q. And then the 11th, the evaluation process?

MR. SACUTA:

A. The evaluation, integrity assessment, and improvement, that's where you actually evaluate compliance with OIMS. You have a team come in, and I'll talk a little bit further about auditing and how you identify areas for improvement, how you implement an action plan and track those areas to closure.

ROIL, Q.C.:

Q. So, in fact, the audit process would be a part of the 11?

MR. SACUTA:

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A. That's correct, and any report that comes out of that Element 11 would then go back to Element 1, which is management. They would be provided with the results of the audit with the recommendations for improvement.

ROIL, Q.C.:

Q. And the circle begins again?

MR. SACUTA:

A. And the circle begins.

ROIL, Q.C.:

Q. Okay. The next slide, I think, is a particularly useful one in terms of trying to visualize a large document like your OIMS.

MR. SACUTA:

A. Right. So underneath the 11 elements there are 64 expectations and 223 guidelines, and then from there, these are all covered under 40 management systems. Those 40 management systems, 24 of them are associated with production and 16 of them are associated with drilling. Within the management systems are objectives, procedures, resource and responsibilities, a verification and measurement process, and a feedback and improvement process. So that's a --

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basically, it just shows how you go from the 11 elements and come down with multiple procedures and processes. The 11 elements is the top and then it expands from there as to the expectations of OIMS.

ROIL, Q.C.:

Q. So these are cascading sort of levels of direction?

MR. SACUTA:

A. Correct.

ROIL, Q.C.:

Q. Okay, because I think others will use things like triangles and what not to describe their regimes, so --

MR. SACUTA:

A. Right.

ROIL, Q.C.:

Q. So this is the way that you've explained this one.

MR. SACUTA:

A. Right.

ROIL, Q.C.:

Q. So the 64 expectations, they are a further detail of the 11 elements?

MR. SACUTA:

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A. Of the 11 elements, that's correct.

ROIL, Q.C.:

Q. Okay, and then the guidelines --

MR. SACUTA:

A. When you get down to the 40 management systems, for example, like Element 3, as I mentioned previously, which would be facility design and construction, would have three management systems under Element 3.

ROIL, Q.C.:

Q. Right.

MR. SACUTA:

A. Broken down between quality control, project management. So some of the elements have management systems underneath them. Risk management, for example, is its own element. It's Element 2, and risk assessment and management is the only thing that's under that element.

ROIL, Q.C.:

Q. But some of the other elements have --

MR. SACUTA:

A. Have multiple management systems underneath them. Element 6 would be the best example.

ROIL, Q.C.:

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Q. Is there any way to sort of identify how many of these expectations or guidelines or management systems might impact helicopter operations? Can you draw that kind of a line?

MR. SACUTA:

A. I don't think I can draw that kind of a line. I mean, certainly anything -- any of the guidelines potentially could impact helicopter operations, depending what the guideline is.

ROIL, Q.C.:

Q. Okay.

MR. SACUTA:

A. So without getting into specific details of the 223 guidelines, there are expectations that -- you audit contractors, for example, may be one of the guidelines, and as Cougar is a contractor, that would be one that would follow under helicopter operations. So the first element I'll discuss would be Element 1, which is management leadership, commitment, and accountability. Management establishes policy, provides perspective, sets expectations, and provides the resources for successful operations. Assurance of operations integrity requires management,

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leadership, and commitment visible to the organization, and accountability at all levels.

ROIL, Q.C.:

Q. So that is the statement of Element 1?

MR. SACUTA:

A. That is the statement for Element 1.

ROIL, Q.C.:

Q. Okay.

MR. SACUTA:

A. Underneath it would be the expectation, which is systems for operations integrity management are established, communicated, and supported at every level in the organization. So that would be the expectation under Element 1.

ROIL, Q.C.:

Q. So Element 1 would only have one expectation?

MR. SACUTA:

A. This expectation would be under Element 1, that's correct.

ROIL, Q.C.:

Q. Could there be others?

MR. SACUTA:

A. In some cases, we haven't identified all of the expectations, and in some cases there may

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only be one.

ROIL, Q.C.:

Q. Yes, okay.

MR. SACUTA:

A. So guidelines, OIMS is used throughout the organization. We maintain and public policies that address safety, health, the environment, and security, that are consistent with OIMS expectations and guidelines. Managers ensure that business objectives are consistent with OIMS expectations and guidelines, and systems are established to address the OIMS expectations and guidelines consistent with the characteristics of management systems defined in OIMS.

ROIL, Q.C.:

Q. Now just taking, for example, the second bullet under guidelines, you maintain and publish policies.

MR. SACUTA:

A. Yes.

ROIL, Q.C.:

Q. How would HMDC publish in this electronic world? Are these done by printing and posting in places or are they on a website, or how --

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MR. SACUTA:

A. There's two ways. There are certain people that would be on a controlled document list that would get controlled copies of those polices, like the OIM, for example, or myself, but we also have an information management website that would allow access so that you could go online and actually look at the policy. So there's key people that are identified as requiring hard copies, which is the controlled distribution, and then there's the information management website that would allow any number of individuals to go online and actually see the document.

ROIL, Q.C.:

Q. And the employees on board, on the 21 day rotation, do they have regular access to that kind of website?

MR. SACUTA:

A. A large number of them would, depending on whether or not they had an e-mail address set up, for example. Some of our employees come on and don't have the need to have an actual e-mail address, but anybody who does have a LAN ID, a local area network ID, would then

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have the opportunity to have access to the information management website.

ROIL, Q.C.:

Q. And if an employee didn't have the familiarity with electronic servicing, are there paper copies available?

MR. SACUTA:

A. There are paper copies available. He can go see the OIM. Sometimes his supervisor will have a controlled copy. So there are hard copies available to employees on the facility.

ROIL, Q.C.:

Q. Okay, thank you.

MR. SACUTA:

A. So as far as performance reviews go, we want to obtain feedback from the following sources to ensure continuous improvement. We get feedback from the workforce and the users, management stewardship by regular verification and measurement feedback, we do annual company assessments, and the way OIMS is set up is that you have to do an annual assessment. Every third year it must be done by a team external to your organization. So year one and year two, you would put together an

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internal team to do the assessment.

ROIL, Q.C.:

Q. That's a self-assessment?

MR. SACUTA:

A. Self-assessment.

ROIL, Q.C.:

Q. Yes.

MR. SACUTA:

A. With HMDC personnel, and then in the third year what we do is bring in a team from outside of the HMDC organization, usually a series of ExxonMobil specialists from various areas around the world, and they come in and measure compliance with the OIMS expectations. That team would be made up of a number of what I would call OIMS experts that are familiar with the system that would be able to come in and measure that you are meeting the expectations and the guidelines identified in the various OIMS documents. We also have the certifying authority, Lloyd's Register, doing quarterly inspections and audits, and also the C-NLOPB does quarterly inspections based on our commitments in the ops plan, which outlines OIMS. They would measure us against

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those commitments and any supporting documentation that is tied to the Operations Integrity Management System.

ROIL, Q.C.:

Q. What did you mean with the bullet, workforce and user input?

MR. SACUTA:

A. At any point in time -- for example, one of the systems that is an OIMS system is work management on the Platform, the control of work system, permitting system. If they have some concerns or issues with the process we use, they can provide feedback as to an improvement opportunity. So there's always the opportunity for the workforce to engage in this process and recommend improvements to our processes and procedures.

ROIL, Q.C.:

Q. Is there a process that encourages that, or is it a -- how is that known by the workforce?

MR. SACUTA:

A. I think the workforce, just based on the interest that's paid every single day offshore to safety, and to, for example, work management and the fact that we audit our

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permits, we make sure that the permits are done properly, that the work is done safety, they all realize that they have an opportunity to provide feedback or improvement opportunities to any process or procedure we use offshore.

ROIL, Q.C.:

Q. This work permit, that's an internal permit you're talking about there, is it?

MR. SACUTA:

A. That's an internal -- it's how you control work, make sure the worksite is safe before you start work.

ROIL, Q.C.:

Q. Okay, the next section we're dealing with now is the risk management area.

MR. SACUTA:

A. Yes. In this section, I'm going to describe how Hibernia's risk assessment and management process work, and then specifically discuss risk assessments associated with aviation operations. As you can see, this is OIMS Element 2, risk assessment and management. So the purpose of OIMS Element 2 is to prevent or mitigate the undesirable consequences of

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potential incidents by identifying, evaluating, and controlling hazards, and assessing and managing risk in a structured and prudent manner. It's important to note that not all hazards can be eliminated, and, therefore, must be managed. Accordingly, a risk management process is required. The objectives are to perform formal risk assessments for ongoing operations, projects and maintenance activities, and manage risk to a level that is as low as reasonably practicable.

ROIL, Q.C.:

Q. If I can just stop you there, because that expression " as low as reasonably practicable" comes up, I think, in other presentations as well. Is that an industry expression that is used sort of by other companies as well?

MR. SACUTA:

A. It's a well used expression in the oil and gas business certainly, and I believe it's used in other industries as well.

ROIL, Q.C.:

Q. Right, and what relationship does reasonably practicable have to do with costs?

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MR. SACUTA:
A. I mean, I think there are times when you can't ignore the cost when you're looking at as low as reasonably practicable, but I wouldn't say cost is the major factor in looking on whether or not the risk is as low as reasonably practicable. We don't ignore cost, but it's not the major factor.
ROIL, Q.C.:
Q. Okay. Perhaps we'll come back to that because I think you have heard presenters here recently say that cost should never be the driver, cost should not be a consideration when safety of the workforce is at play.
MR. SACUTA:
A. Right.
ROIL, Q.C.:
Q. Okay, so we'll just keep our eye on that expression and see how it gets applied.
MR. SACUTA:
A. Okay. We want to manage the risk assessment process and associated activities to ensure timely close-out of findings. We want to ensure that risks are communicated to the relevant parties affected by the risk and any

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learnings are shared, and periodic risk assessments are conducted on a minimum of every five years for major ongoing operations, such as helicopter transportation offshore.
ROIL, Q.C.:
Q. So risks are communicated to relevant parties affected. How would that take place in terms of helicopter transportation or helicopter use or helidecks or anything?
MR. SACUTA:
A. I mean, there's various methods under which we could communicate risk. We could do it through the JOHS Committees, we could do it through the independent departmental safety meetings which John will be talking about a little bit later, we can do it through town halls, and we can do it through providing PowerPoint presentations, for example, that would be posted on bulletin boards offshore. There are a number of methods that we could communicate those risks.
ROIL, Q.C.:
Q. Okay.
MR. SACUTA:
A. So at a high level, hazard identification,

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evaluation, and control, is the first step in the process. Depending on the results of the first step will determine if a risk assessment is required, and this is a very simplistic drawing; basically, hazard identification, evaluation, and control. Depending on the results of that, you may have to do a formal risk assessment which would include risk management that came out of that risk assessment, any follow-up and stewardship of actions that were required, and those three boxes at the bottom are basically the feedback for continuous improvement process that you would follow during any hazard identification process. As I've mentioned, periodic risk assessments of major ongoing activities, including helicopter transportation, have to be conducted a minimum of every five years.
ROIL, Q.C.:
Q. So I take it that during the past five years we should find an assessment of helicopter operations?
MR. SACUTA:
A. Yeah, 2005 -- sorry, 2006 was the last one done by Hibernia. So risk assessment of

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Hibernia's helicopter transportation was undertaken in 2006 to identify potential hazards and risks, define safeguards, and recommend improvement opportunities. As far as the risk assessment team goes, proper representation on any risk assessment team is essential to ensuring hazard scenarios are properly identified and assessed. The Hibernia aviation operations risk assessment team included the following representation; from HMDC, a risk mitigation engineer; the logistics coordinator, who is an onshore position; the services supervisor, who was an offshore employee working a 21 day on, 21 day off rotation; one of our offshore installation managers, also working a 21 on, 21 off; an ExxonMobil aviation advisor out of our ExxonMobil corporate aviation department; Risk Management Research Institute representatives, they're the contract service provider for risk management that we use at Hibernia; and it also included Cougar personnel, the flight operations manager, the base aviation safety officer, and the base operations manager. I wanted to be sure that when you looked at that

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team that you realized there were frequent users of the helicopters on that team, both the services supervisor, and the offshore installation manager, would travel every three weeks to or from the Platform.

ROIL, Q.C.:

Q. Yes, I think we've had other presenters, and through questioning by other counsel, the question has come up about worker representatives. Is there any non-management person who's a worker representative on this group?

MR. SACUTA:

A. Not on the group that did this risk assessment, but certainly there were users of the helicopters between the services supervisor and the offshore installation manager.

ROIL, Q.C.:

Q. So your position is that the interest of any traveller is covered by the fact that there are managers who travel?

MR. SACUTA:

A. That's correct.

ROIL, Q.C.:

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Q. The other question that I was going to ask you about this risk assessment that was done in 2006, I take it that that was done as a part of your ordinary cycle?

MR. SACUTA:

A. That's correct.

ROIL, Q.C.:

Q. Every five years a major operation is risk assessed. If there were an incident or a reason, could a risk assessment, or have you ever experienced a risk assessment of that type being performed out of sequence?

MR. SACUTA:

A. Absolutely, and I think after March 12th, we did get together and do a revisit of this risk assessment to see if there was anything that needed to be outlined or improved as part of that risk assessment. There was a crosscheck with a smaller team than was done for the main risk assessment, but we did get together and see if there was anything that was missed in the risk assessment done in 2006 based on what we experienced in March of 2009.

ROIL, Q.C.:

Q. Okay, so once every five years is the

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regulatory -- not regulatory, is the systems requirement?

MR. SACUTA:

A. You can't go longer than five years, but there's nothing to stop you from doing it after five months if there's been a change in any of the hazard scenarios.

ROIL, Q.C.:

Q. Right. Okay, we'll probably do one more slide and that will be a place to break.

MR. SACUTA:

A. Okay, well, this will be a long slide, but I will do it, yeah.

ROIL, Q.C.:

Q. Well, if it's a long slide and it's going to take more than five minutes, maybe we should break now and come back.

MR. SACUTA:

A. Okay, I think we should probably break now.

ROIL, Q.C.:

Q. We should probably break, Commissioner.

(RECESS)

ROIL, Q.C.:

Q. Mr. Sacuta, by the fact that we have slide 29 back up, I take it there's something you

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wanted to clarify or add to this particular discussion?

MR. SACUTA:

A. Yeah, I just wanted to clarify, the 11 elements, the 64 expectations, the 223 guidelines, and the 40 management systems, are the framework under which we operate, but where the rubber hits the road from an HMDC perspective, is the next level, in particular, the procedures. HMDC is responsible for the development, the updating, the issuance of the procedures themselves. So we are responsible for developing our own procedures. Those procedures have to not contradict any of OIMS framework. So, for example, the Helicopter Operations Manual is a Hibernia specific document that we put together specific to Hibernia.

ROIL, Q.C.:

Q. So that would -- would that be a procedure?

MR. SACUTA:

A. That would be a procedure.

ROIL, Q.C.:

Q. And that's -- in our little cascading pictures here, that would be underneath the 40

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management systems?
MR. SACUTA:
A. Correct.
ROIL, Q.C.:
Q. Yes.
MR. SACUTA:
A. Now, for example, the Helicopter Operations Manual which is specific to Hibernia's helicopter operations, the helicopter landing officer would have a copy of it, the services supervisor would have a copy of it, the offshore installation manager would have a copy of it, and at any point in time if any of those individuals wanted to make a change or an improvement, there is the opportunity for that to be done. We don't have to go through all the way up through the chain of command to get that from an ExxonMobil perspective. Depending on the nature of the procedure, for example, the offshore installation manager could approve a change.
ROIL, Q.C.:
Q. Yes.
MR. SACUTA:
A. I could approve a change, but it doesn't have

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to go any higher than myself to make those changes. So although we've got this well established framework, it's up to HMDC to put together their own procedures to meet the expectations and the guidelines that are contained with OIMS. OIMS does not dictate the specifics of what the procedures have to say. They just have this overlying framework as to what you have to meet. So when I discussed it this morning, I didn't think I did a very good job of making sure you understood that from an HMDC perspective, we are responsible for developing our own procedures, for maintaining them, for soliciting feedback on those procedures, and for change in them if required based on that feedback.
ROIL, Q.C.:
Q. Okay, so I take it that from what you've now said that if you needed a change in your Helicopter Operations Manual, that can be done site specific?
MR. SACUTA:
A. Absolutely.
ROIL, Q.C.:

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Q. If HMDC said it didn't want to have a Helicopter Operations Manual, that might require -- if one of the management systems said "thou shalt have a helicopter operations procedure".
MR. SACUTA:
A. If there was something that specific.
ROIL, Q.C.:
Q. Yeah, or if we --
MR. SACUTA:
A. If we wanted to put something in that document that was outside of the OIMS framework, that would be something that would be a concern for us, but just as long as we stay within the OIMS framework, we can write our own procedures for our own specific requirements because OIMS does not know where you operate, it's basically the framework under which you operate. So we are responsible for providing our own procedures and can update them at any point in time.
ROIL, Q.C.:
Q. So your comment that "slowness sometimes comes with the structure", that applies a higher level is knocked down at the procedures?

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MR. SACUTA:
A. On the framework.
ROIL, Q.C.:
Q. On the framework.
MR. SACUTA:
A. Where the rubber hits the road, from my perspective, we have ample opportunity and no hindrance on time for us if we want to change one of our procedures.
ROIL, Q.C.:
Q. Okay, I think that's a good clarification. Thank you. Okay, now I guess we can move back to slide 38.
MR. SACUTA:
A. Right.
ROIL, Q.C.:
Q. Your aviation operations risk assessment discussion.
MR. SACUTA:
A. Right. So the aviation operations risk assessment methodology was a scenario-based approach, which included identifying a hazard, defining the risk scenario, defining any existing safeguards that are in place, and I'll go through some of those in detail in my

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subsequent slides. Determining the consequence and the probability, plotting that on our risk matrix, identifying any improvement opportunities to mitigate those risks, and then distribute those improvement opportunities to closure. You will notice that the Hibernia risk assessment is a four by five matrix. We've heard five by five, seven by seven. Ours is a four by five, which has the highest level of risk in the top left hand corner. So the black risk would be considered the highest, the grey risk would be considered a medium risk, and the white risk would be considered the lowest risk on our matrix.

ROIL, Q.C.:

Q. Okay. Are there any rules about this black, grey, and white -- in other words, if an activity, even after risk management, still stays up in A1, in that quadrant there --

MR. SACUTA:

A. Right.

ROIL, Q.C.:

Q. Still be undertaken?

MR. SACUTA:

A. So the consequence has four different

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categories when we look at consequence. One is health and safety, one is environmental impact, one is public disruption, and one is financial impact. We would not operate in the black area if it was a health and safety issue. There may be times that the financial risk may end up as a black risk. We would operate in that situation provided there were no black safety risks. So as an example, I can give you an example, we have gas compressors on the Platform that we have full instrumentation to monitor vibration, and we could have a trend that indicated that a bearing on a gas compressor may be slowly increasing in vibration, and you could have two options. You could shut down the compressor and change that bearing out prior to a failure. When we shut down gas compressors offshore, it does have a production impact because the gas that is produced is re-injected, and if we can't re-inject it, then we can't flare it, so generally you have to cut production. So you may decide to shut it down immediately to replace that bearing, or you may look at it

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and say three months from now I have a planned shutdown of the entire facility which would provide a better opportunity to coordinate this activity without having a significant impact on production, but the risk associated with doing that would be that you could have a more significant failure of the bearing, no safety risk associated with that, but it may cause additional damage to the equipment, which would increase the length of time under which you would have to repair the compressor. So you're taking a black financial risk because of the added down time component based on comparing it against delaying the repair for three months until you can schedule it during a planned activity. So within those three months, if it did have a failure, then you may have an extended shutdown over what it would normally take if you had a planned opportunity. So that would be an example of a black risk, a financial risk.

COMMISSIONER:

Q. But if there was a safety aspect to it --

MR. SACUTA:

A. Right, if we had a piece of equipment that had

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a safety component should it fail, that placed our workforce at risk, we would shut it down immediately and repair it immediately. We would not operate with a black safety risk. On a probability perspective, there are five levels of probability. "A" is defined as the possibility of repeated incidents, which is defined as 20 or more times in the facility life. "B" is the possibility of isolated incidents, which is between 5 and 20 times in a facility life. "C" is the possibility of occurring some time, 1 to 5 times in a facility life. "D" is not likely to occur in the life of a facility, and "E" is practically impossible or extremely unlikely to occur in the life of a facility. All risk assessments, regardless of the risk assessment rating, are approved by the HMDC President, myself. Depending on the level of risk, may require higher level managerial endorsement, such as a technical supervisory endorsement or a safety health and environment endorsement, depending on the level of risk, but all risk assessments are approved by myself.

ROIL, Q.C.:

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Q. So you personally sign off that you've seen, you understand, and you accept?
MR. SACUTA:
A. I understand the risk, and I accept.
ROIL, Q.C.:
Q. Okay.
MR. SACUTA:
A. Any improvement opportunities identified are assigned to an appropriate person with a due date. They are stewarded to closure, and they do require the HMDC President's approval to either close or to extend that due date. So we try to steward to a due date. If for some reason, they cannot close that improvement opportunity within the scheduled due date, then they have to submit paperwork for my approval to extend that due date. At any time the risk assessment improvement opportunity is closed or recommended for closure, it takes my endorsement or my approval for them to close that risk assessment action.
ROIL, Q.C.:
Q. Okay, if the Commissioner doesn't have any further questions, we'll move on to the next one.

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COMMISSIONER:
Q. It's really a matter -- what you do then is balancing things, isn't it, to find an appropriate balance?
MR. SACUTA:
A. Correct.
COMMISSIONER:
Q. Between -- not exactly competing interests, but risks or opportunities?
MR. SACUTA:
A. I mean, I think that when it comes to safety, we're not going to operate in a black risk. We just won't do that. There are times, as I mentioned financially, that we may operate in a black risk just based on the fact that we have an opportunity to defer something and try to tie it to another work activity, but when it comes to safety and health, we will not operate in a black risk.
ROIL, Q.C.:
Q. Okay, now I think we're going to be bring this down to a more concrete discussion about aviation risk.
MR. SACUTA:
A. Right. So safeguards or existing safeguards

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are measured already in place to prevent the hazard scenario from occurring or to reduce the potential impact. Some of the safeguards related to helicopter operations include the key preventative safeguards which reduce the probability of occurrence would be under the equipment, the fact that we have twin turbine engine helicopters, helicopters with twin engines such that if one failed, it was still able to fly. The fact that we have two pilots on the cockpit, such that if one becomes incapacitated, we have a backup to fly back. We have helicopter landing lights on the helideck to aid in visibility. We have deiced capable aircraft should they come into an icing situation. We have an alternate offshore landing site. If there's an issue at Hibernia, they can fly over to Terra Nova, the Sea Rose, and if there are tankers in the area, the tankers that service our operations do have helidecks and they can land on the tankers.
ROIL, Q.C.:
Q. Okay, let's just discuss that. So at Terra Nova, depending on whether that was drilling,

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they were drilling and producing, there could be two sites there, and would you use the facilities?
MR. SACUTA:
A. For example, right now Terra Nova isn't doing any drilling, but the Husky operation has two drilling rigs that are in service. So you could have the Terra Nova facility, the White Rose facility, and potentially two drilling rigs as alternate landing sites.
ROIL, Q.C.:
Q. And as well -- what are these tankers? Are these the shuttle tankers?
MR. SACUTA:
A. The shuttle tankers that take oil from Hibernia, for example, and Terra Nova, into NTL, they are also equipped with a helideck, so the helicopter could land on the back of a tanker if it had to.
ROIL, Q.C.:
Q. Okay, and in terms of placement, how often -- I don't think we've discussed tankers before. How often would there be a tanker in or around the facilities that are part of the Ben Nevis Field or -- the Jean D'Arc Basin, sorry, the

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area that we've been speaking of up until now?
MR. SACUTA:
A. At our current production rate at Hibernia, we would have a tanker about every six days. I think Terra Nova's would be a little less than that, maybe every seven days, and Husky, probably around the same, six or seven days. So depending on the production profiles and the storage volumes in the vessels, you could have three tankers out there all at the same time loading, or you could have a tanker today, a tanker tomorrow, and a tanker the day after. So there is potentially a tanker available at each installation every basically once a week taking a load, but they may overlap. We also have -- we talked last week about the HUMS system , the Health and Usage Monitoring System, which monitors performance of the helicopters. From an operational perspective, a key preventative safeguard is the fact that we have operational maintenance inspection and testing procedures for our offshore helicopter equipment, like, for refuelling, for example. We have maintenance of our equipment, maintenance of the

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helicopter lights, et cetera.
ROIL, Q.C.:
Q. But by operation, you don't means hands on operation of the helicopters themselves?
MR. SACUTA:
A. I mean, Cougar has their own operational. They're not HMDC generated operational documents.
ROIL, Q.C.:
Q. Right, but your assurance to the workforce is that there are operational maintenance and inspection procedures, either you have them or Cougar has them?
MR. SACUTA:
A. That's correct.
ROIL, Q.C.:
Q. Okay.
MR. SACUTA:
A. Weather monitoring and adverse weather flying procedures, basically there's visibility restrictions, wind restrictions, and freezing rain restrictions on helicopter operations, and we do have Platform communication with the helicopter pretty much throughout the flight. Our radio operator can communicate with the

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helicopter pilots at any given time. From a training perspective, we do have training and competence assurance of all personnel involved with helicopter operations, from the helicopter landing officer to the helideck crews, and we have annual simulated training for all pilots, which is a function that Cougar provides as part of their contract services.
ROIL, Q.C.:
Q. So all of these are the safeguards that what, that try to put it --
MR. SACUTA:
A. Reduce the probability.
ROIL, Q.C.:
Q. The probability, the likelihood of an occurrence happening that is a more dramatic one?
MR. SACUTA:
A. That's right.
ROIL, Q.C.:
Q. Okay.
MR. SACUTA:
A. We also have safeguards that reduce the consequences.

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ROIL, Q.C.:
Q. So if something happens?
MR. SACUTA:
A. Right.
ROIL, Q.C.:
Q. Okay.
MR. SACUTA:
A. So from an equipment perspective, we've got three dedicated foam water monitors on the helideck which have three modes of operation. They can be fired manually, they can be fired fixed, and they can be fired automatically. There's three different ways under which you could provide foam and water to the helideck, should there be an incident.
ROIL, Q.C.:
Q. Okay. It's obvious to you, but a foam water monitor is what?
MR. SACUTA:
A. It's like a fire nozzle that sprays water, and it also has the ability to spray foam. One of the ways that you can put out a hydrocarbon fire is to blanket it with foam. The foam separates the fire from oxygen, which is what you need to continue fire, so it puts a layer

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of foam over any spilled fuel, for example, that would then extinguish the fire.

ROIL, Q.C.:

Q. So the land-based equivalent would be fire hoses and fire extinguishers?

MR. SACUTA:

A. Right, but in our case we have the added luxury or the added ability to put foam down because sometimes if you were to spray water, what it would do is just -- the fire would continue to burn because it still had an ignition source, the oxygen. So the foam removes and separates the fire from the oxygen source. We also have -- all seats are equipped with a four point quick release harness system which is for the protection of the passengers, and our helicopters are equipped with floatation. We talked about that last week and we're currently in the process of upgrading that floatation. Operationally, we have fully trained helicopter landing officers and a helideck crew to provide rapid response to incidents should one happen on the helideck, and we also have flight following and tracking system,

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which is the Blue Sky System. Training, all personnel under BST, basic survival training, including training on helicopter safety and underwater escape, the HUET training. Personal protective equipment, all passengers wear helicopter passenger transportation suits equipped with emergency light and a personal locator beacon. There is not reference to HUEBA on this because this is the risk assessment that was done in 2006.

ROIL, Q.C.:

Q. Yes, okay.

MR. SACUTA:

A. Emergency response, we always have a standby vessel at the Hibernia Platform, we have a standby helicopter based in St. John's, which is part of the Cougar contractual requirement and our commitment in the operations plan, and then we also have the Department of National Defence's SAR resources available should we need them.

ROIL, Q.C.:

Q. Okay, now the standby vessel at the Hibernia Platform, again we use the word "standby", and I gather that "standby" has two aspects to it.

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One is to standby the rig itself?

MR. SACUTA:

A. Uh-hm.

ROIL, Q.C.:

Q. And what's the other standby that relates to helicopter transport?

MR. SACUTA:

A. It has to be in close proximity during any helicopter landing, which I believe is half a mile and 10 degree offset to the incoming flight path. So it's actually a more restricted requirement during helicopter landing operations.

ROIL, Q.C.:

Q. So during helicopter landing, there is a more defined location for the standby vessel?

MR. SACUTA:

A. Yes, it has to be in a predefined location, which is closer to the Platform than it may be during normal standby duties.

ROIL, Q.C.:

Q. And what is its relationship to the flight path of a helicopter?

MR. SACUTA:

A. It's set 10 degrees offset, such that the

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helicopter will fly in, it will be 10 degrees offset, so that if there were any issues with the incoming landing, that it would be able to respond very quickly based on -- and it's also used as a observation technique that the pilot can get his bearing to the helideck by seeing the standby vessel because it's set half a mile from the Platform. So it's almost like a crosscheck on your final approach to the Platform.

ROIL, Q.C.:

Q. Okay, so if the helicopter is coming from the northwest --

MR. SACUTA:

A. Right.

ROIL, Q.C.:

Q. Then it would be 10 degrees off from that northwest direction?

MR. SACUTA:

A. Right, from the direction it approaches the helideck.

ROIL, Q.C.:

Q. Rather than sitting on the other side?

MR. SACUTA:

A. Right.

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ROIL, Q.C.:
Q. And why is it 10 degrees off?
MR. SACUTA:
A. We don't want the helicopter flying right over the top of the vessel.
ROIL, Q.C.:
Q. Okay. So again another management risk?
MR. SACUTA:
A. Another management risk, yeah.
ROIL, Q.C.:
Q. Okay, now then the slide is dealing with the results of the 2006 aviation operations risk assessment?
MR. SACUTA:
A. That's right.
ROIL, Q.C.:
Q. Right.
MR. SACUTA:
A. So coming out of that aviation risk assessment completed in 2006, a number of improvement opportunities were identified. The first was to develop and adopt a site specific wind speed versus direction matrix to formalize current guidance for decision making process regarding weather limits. The matrix was --

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the recommendation identified that the matrix was to be included in the Hibernia Operations Manual. This wind speed matrix was developed by Cougar. It was not added to the Hibernia Helicopter Operations Manual as it was determined that aviation operational limits for Hibernia are best managed by Cougar through the issuance of a flight operations memo. So Cougar issued a flight operations memo which all their pilots would have access to. We did not update our Helicopter Operations Manual, and when that particular improvement opportunity was signed off, that was identified on the close-out form, it was approved by the Hibernia President at the time as meeting the original intent of that action.
ROIL, Q.C.:
Q. So the answer is, I take it, that if not solved by the way that was suggested under the aviation operations assessment, it was solved by another way?
MR. SACUTA:
A. Correct.
ROIL, Q.C.:
Q. But then that substitute assignment had to be

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signed off by the President?
MR. SACUTA:
A. It had to be identified, here's what the improvement opportunity was, here's how we have met the intent of that improvement opportunity. If it's not specifically the same as what the improvement opportunity is, there would be words around why that was the case, and basically what I read to you was the reason why, it was felt that it was better managed by Cougar through a flight operations memo. The Hibernia President at the time would look at that and say, yes, I agree with that, and he would sign off that the improvement opportunity was closed.
ROIL, Q.C.:
Q. And you, as the incoming President, would have access to the explanation?
MR. SACUTA:
A. Absolutely, yes, I have access to all the improvement opportunity closure forms.
ROIL, Q.C.:
Q. Okay, the next three there deal with the S-92A airframe.
MR. SACUTA:

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A. That's right. Although at the time we did the risk assessment in 2006, we weren't currently flying the S-92, we knew we were very interested in the S-92, and eventually we felt we would be transitioning to the S-92. So as part of that risk assessment, we identified the needs to ensure that the helicopter landing officer and the helideck crews had had S-92 aircraft familiarization. There was always the possibility with Terra Nova flying the S-92, that the S-92 may have to land on our helideck, based on potentially a flight share, or should they be fogged in at Terra Nova when they got out there, they sometimes come over and land on us to see if the fog can clear. So we wanted to make sure that our crews were familiar with the S-92. So that was completed, both the second and third actions, and we wanted to make sure that our Hibernia documentation included information relevant to the S-92 and assure consistency with the Aviation Operations Guide as required, and that was also closed. The fifth one on this list was to install ground proximity alert warning system on the

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applicable aircraft. This is a device that lets you know when you're too close to the ground, it's like a warning system. That was implemented as well. The sixth one was to modify the Blue Sky, which is the tracking system, to automatically alert Cougar dispatch of an unplanned deviation from planned altitudes. That was closed and not implemented, and the reason was is that we could not modify the Blue Sky System to provide this service. It was identified in the close-out form that it was impossible to modify Blue Sky to meet this intent. So not being able to do that, the action was closed without being implemented and approved by the Hibernia President at the time.

ROIL, Q.C.:

Q. So I take it that a feature of Blue Sky did not allow that to be implemented?

MR. SACUTA:

A. Correct, there was no way that the Blue Sky System could be modified to meet that improvement opportunity.

ROIL, Q.C.:

Q. Is Blue Sky something that's proprietary to

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somebody other than Cougar and/or HMDC?

MR. SACUTA:

A. I believe that is the case, yes. It's a software system that you go out and purchase.

ROIL, Q.C.:

Q. Okay, perhaps we can ask Cougar about that for more specific detail.

MR. SACUTA:

A. Yeah.

ROIL, Q.C.:

Q. Okay.

MR. SACUTA:

A. And the last one was to develop and implement a program that requires all first time passengers to wear visible identification. As an example, a coloured armband attached to the flight suit. This recommendation was not implemented. A review of the check-in process and also recognizing that all personnel complete the same level of training when it comes to helicopter escape, and all watch the preflight video, indicated the benefit of this change was minimal. The close-out form was filled out with those exact statements, that everybody that gets on a helicopter generally

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goes through the same level of training, they're all exposed to the same original orientation video, and so it was not implemented based on that fact, and that was also signed off by the Hibernia President at the time.

ROIL, Q.C.:

Q. And again to restate just to make sure we're clear, then the conclusion was reached that a first time traveller or a 50 time traveller, all had the same exposure to the same training with respect to helicopter evacuation?

MR. SACUTA:

A. That's correct.

ROIL, Q.C.:

Q. And that perhaps other than Robert Decker, there's nobody that has had to go through the actual evacuation of an aircraft that's submerged?

MR. SACUTA:

A. That's right. They all watch the orientation video, they all undergo the same level of training, so everyone is basically the same when it comes to getting on the helicopter and taking a seat on that helicopter. So the

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benefit was thought to be minimal of having people identified with an armband, based on the fact that everybody undergoes the same level of training.

ROIL, Q.C.:

Q. Okay, there is, I understand, an additional way in which new workers are identified once they get to the facility?

MR. SACUTA:

A. Yes. We've got a yellow hat policy, which Mr. Fraser will talk about in his section.

ROIL, Q.C.:

Q. Okay, but that's designed towards the identification of a person who's the first time on the facility?

MR. SACUTA:

A. Correct. So I'm going to hand off now to Mr. Fraser for the next two sections of the presentation.

ROIL, Q.C.:

Q. Thank you, Mr. Sacuta. Welcome, Mr. Fraser.

MR. FRASER:

A. We're going to talk about OIMS Element 5, personnel and training, and a key component of Element 5 is personnel safety management as

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part of this. Go to the next slide, Paul. So Element 5 provides the framework for safety processes activities, and provides structure for implementing, maintaining, and continually improving personal safety performance. So in this slide I'll take a few minutes and I'll go through how we meet these management system requirements that OIMS lays out here at Hibernia, and show how the requirements are met offshore. This is part of what Mr. Sacuta talked about, the rubber meeting the road.

ROIL, Q.C.:

Q. So with respect to offshore workers, when you are in the offshore installation manager role, you are the person that is ultimately responsible for these items?

MR. FRASER:

A. Yes, sir.

ROIL, Q.C.:

Q. And you can tell us that you have personal knowledge of all this?

MR. FRASER:

A. Personal knowledge of all this stuff, yeah. So we'll take you -- this will take a few minutes to go through this, but it shows --

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it's not specific to helicopter operations, but it's in general how we do all our day to day business from a safety perspective on the Platform. So it'll give you a good overview of how we do that. Helicopter issues are certainly part of that. The system addresses the following key safety aspects, a structured safety organization at the management and operational levels. So at Hibernia, safety is embedded in our organization in everything that we do. The offshore asset level team consists of operations and maintenance, and offshore and onshore leadership personnel. So Mr. Sacuta is in charge of the asset level team at Hibernia, and I'm part of that team, and what we do is once a month we will have a meeting, for instance, that we'll go through by teleconference with the onshore leadership and offshore leadership, and we'll go through all the broad range of business at Hibernia, from reservoir management, to drilling results, to construction activities, and a key piece of that the first probably -- it's a two hour meeting, so probably the first twenty minutes to half an hour of that meeting would

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be a discussion on safety. So we'll look at -

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ROIL, Q.C.:

Q. So safety is actually a subject item on the agenda?

MR. FRASER:

A. Yes, sir, there's probably 100 slides in that meeting, and 30 of them are around safety, probably 20 to 30 of them are around safety. So what we'll do is we'll look at obviously any incidents that we've had in the past month. This is a monthly meeting, so any incidents we've had in the last month, we'll look those incidents, the specifics around them. We'll look at our reporting statistics, you know, our level of incidents that we've had, where we are for the year, where we were for the past month. So a general sort of high level leadership discussion on safety, a brief on any new programs that are coming up, anything like that. Additionally to that, we'll have another monthly meeting that's specifically around safety. So at that meeting will be basically the same group of people, the same leadership people, plus we

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will get the SH&E Department.

ROIL, Q.C.:

Q. What is the SH&E Department?

MR. FRASER:

A. Oh, sorry, Safety Health and Environment Department.

ROIL, Q.C.:

Q. Okay.

MR. FRASER:

A. Safety Health and Environment Security it is now, so each person in that department will come into that meeting also. We do the same type of video conference link to the Platform, and we'll go through in detail the incidents we've had in the past month, any outstanding action items from those incidents, and who's responsible, where they currently sit, because some action items take some time to close out, as you can understand. We'll also look at any audit items that have come up, anything that's come up from, say, the Board or from Lloyd's, the status of those issues, where they all are. We'll look at the statistics that come from -- I'll talk about some of our safety programs that generate some statistics, and

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we'll look at those statistics and see if we need to come up with any new programs around that kind of stuff. So we'll go through all that. We also review the JOHS Minutes at that meeting, any issues that have come up in a general review of the JOHS Minutes, not in detail, but, you know, any issues, any outstanding items.

ROIL, Q.C.:

Q. What sort of things are you looking for in terms of the JOHS meetings? Is it something that must attract your attention because it's interesting, or is it -- what kind of things do you look for?

MR. FRASER:

A. It'll give the onshore folks a chance, if they have any questions about it, because typically there will be actions assigned to the onshore safety people around things that are discussed in the JOHS meetings. So we will assign actions to the SH&E supervisor, and his folks will take a look at those actions, and that's an opportunity where they can give us an update on where they are with those actions. We'll talk some more about the JOHS meeting,

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obviously, when I get into this presentation.

ROIL, Q.C.:

Q. Yes.

MR. FRASER:

A. On a daily basis, we also have departmental safety -- meetings are part of the handover meetings. So what happens at the end --

ROIL, Q.C.:

Q. Sorry, what's a handover meeting?

MR. FRASER:

A. Okay, so at the end of every shift, there's a crew of folks that are working, and then they're going off shift, and there's a crew of folks that are coming on shift. So we work 24 hours a day. People do their 12 hours, and just before the end of their shift, depending on which department they're in, they will have a meeting with the folks that are coming on shift and will have a discussion around, obviously, you know, what's gone on during the day and what work remains outstanding, what the plan for the work is for that evening. Also as part of that there will be a discussion around any safety issues. So the first part of that meeting will be around any

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safety observations, any hazard IDs, and I will talk about those things, and any issues that have come up from a safety perspective, the supervisor may have knowledge of a safety alert that's come out or something like that, and had passed that on to the workforce. They'll talk about things like, you know, it's cold tonight or it's just snowed and the decks are slippery, be careful, or it's windy, those types of things in a safety perspective, and there's input from the workforce there, the guys can talk about what happened during the day from a safety perspective.

ROIL, Q.C.:

Q. You told us about two times of -- more than that, three types of meetings, all of which safety is always the first item discussed?

MR. FRASER:

A. Yes, safety is always the first discussion at any of these meetings. Sometimes it's an in-depth discussion, obviously, and sometimes it's just a brief discussion, depending on what the purpose of the meeting is.

ROIL, Q.C.:

Q. But if I looked at any agenda for any of these

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meetings, safety is on the top, it doesn't come in at the end?

MR. FRASER:

A. Yeah, and we don't -- like, some of the meetings are -- like, the handover meeting, for instance, there's no Minutes to that, right. That'll be -- you know, we'll get together in a room, you and I, and whoever else is on our work team, and we'll have a discussion around the stuff I just described, not a formal meeting.

ROIL, Q.C.:

Q. Right.

MR. FRASER:

A. Ongoing safety programs is another thing that OIMS requires us to have. So we talked about our safety department and looking at statistics, so our safety department will look at the trends from our incident database. So that's things that have already happened, and we've got a couple of programs we'll talk about a little bit that look at potential things that we need to nip in the bud, so to speak, and they will look at safety programs to try and address those things. So if we

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have -- in our hazard program, if we're seeing an incident with loose stair treads, for instance, that they will initiate a program to go out and check the stair treads, for instance, or something of that nature. If we get an incident that reports of, you know, issues with folks not putting their safety glasses on in the appropriate areas, then we'll initiate a program, maybe go around, and the theme of the month may be, you know, eye protection and we'll initiate a program around that kind of stuff.

ROIL, Q.C.:

Q. Are these programs reactive to issues or are they also proactive? In other words, there's nothing happening, but we think we should reinforce them?

MR. FRASER:

A. Both. Obviously, if we had an incident where people were getting injured because of my example, eye protection, then we would obviously institute a program there. We also have our behaviour based safety program, which will give us insights into people are -- seeing people without safety equipment on, and

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then we'll initiate a program to highlight that to the workforce, and I'll talk a little bit about how that program works. Then next requirement for OIMS is safety emphasis through ongoing communications. So we talked about the shift handovers at the starts and beginning of each shift -- start and end of each shift. We also have a large computer screen in the galley that shows our -- hooked up to a dedicated computer, and it shows a slide show, a PowerPoint show, that has different safety messages on it. It'll show some of our trends, some of our statistics, it'll show information of hazard reports and safety alerts that we get from other facilities or from outside the company, or anywhere around the world. We have a process where we take those safety alerts and give them out to the appropriate people on the Platform. We also have typical office type workplace things where we have bulletin boards. So we have bulletin board outside the coffee and smoke rooms and outside the galley, there's a hallway goes down between those two areas and there's bulletin boards there. One

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of those bulletin boards is dedicated to the JOHS Committee, so any JOHS issues, the JOHS Minutes would go up there on that board. We also take our incident reports and safety alerts and those types of things and we put them in a binder, take the names and stuff, obviously, take that kind of information, personal information off it, but that goes in a binder and we put those in our coffee shops and smoke room so folks can read through those at their leisure while they're having a coffee or a snack. Also part of that is every morning there's a meeting in the OIM's office, in my office, and Mr. Sacuta talked about we have a report that goes to the Board, the first piece of that report is safety issues, any incidents we've had, briefs, safety statistics and some information like that, and environmental information, and that goes -- every morning we have a discussion with the leadership team and one of the members of the JOHS Committee comes to that meeting. It's a small group, six people, seven if you include the safety rep. They will come to my office and we'll go through what happened the

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previous day, what we're planning on doing the next day, and any safety issues that have come up throughout the day, and the JOHS rep, they have a rota that they manage themselves, the safety reps manage, and they will send somebody down every morning to that meeting and we'll go through that, and they have the opportunity there if there's any safety concerns that any members of the JOHS Committee have, they can bring that up at that time. The next bullet point, and this was your question about the orientation, is safety orientations for site visitors and new contract workers. So anybody that comes to the Platform, when they arrive on the Platform, they get a video presentation at Heli-Admin which shows generally all the safety aspects of the Platform. You get to hear what an emergency alarm sounds like, see the various alarm lights, and it shows you what you're supposed to do in the event of an emergency, a little bit around the health and safety aspects of the Platform. Then once you leave there, you go down to my -- well, you actually go on a tour of the Platform. The

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Heli Admin personnel take you on a mini tour of the Platform, show you where your life boat is, show you where your muster station is, and muster station is where you report in an emergency, and shows you we have a system to track people at an emergency, shows people how they participate in that. It shows them the lay of the land, sort of where the coffee shop is, where the galley is, the important pieces, the smoke shop, if you're so inclined, and shows you that and tells you the rules of, you know, no coveralls in the galley, no coveralls in your room, that kind of stuff. So the second piece of that is that you come to my office. I go through a list of about ten things that I go through with any new worker on the Platform.

ROIL, Q.C.:

Q. So every new worker comes to your office?

MR. FRASER:

A. Every new worker comes to my office, yeah, and there's a -- so we sit down for a few minutes and just go through, you know, basically talk about -- our safety model is "nobody gets hurt at Hibernia", and we talk a little bit about,

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you know, his responsibilities or her responsibilities around meeting those expectations and what my expectations are, and what Mr. Sacuta's expectations, and everybody else's expectations around safety, and we talk about the basics of reporting things immediately, you know, if they see a hazard, if there's any injuries, that type of thing. You know, talk about our philosophy on the Platform, no harassment, no horseplay, those types of things. So just a brief outline on our expectations of what we'd like them to do. The next step of that orientation is the person would go to their supervisor. So if you were a maintenance contractor coming out to do some maintenance, especially maintenance work on the Platform, you would go to the supervisor and the supervisor would go through basically the same things that we have already gone through, but more site specific, more specific to your role on the Platform. So you'd get assigned a mentor. So if you were going to work on the gas compressor and you were an instrument person, you would get assigned an instrument tech probably to be

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your mentor, and he would be working with you, showing you around, taking you to and from the worksite, and showing you how the system works on the Platform. Part of that process is what we talked about, the yellow hard hat process. So when you're new on the Platform, you get a yellow hard hat, if you're a visitor, or a new employee, you get a yellow hard hat, and that's to help identify you as somebody who may not be familiar with the entire layout of the Platform. So primarily if you're in an emergency, if you're outside with your hard hat on and there's an emergency, that you will get special attention to get back into the safe refuge if there's an emergency, and part of that process is we have a test after you've been there for a certain length of time, then you have to sit down and actually write a little test to make sure that you can describe -- it's primarily around how to get back to the TSR for an emergency and a few other things like that, but primarily around how to respond in an emergency. We have a book too that we give everybody. That's the Offshore Safety Health and Environment Handbook. It's

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one of the things that we give out to all the folks when they newly come on the Platform. It has our statement of commitment that we saw on the slide show. It goes through things like the Platform rules that we talked about earlier, fire protection, emergency procedures, occupational health and hygiene, safety at work, the general kind of stuff and refers them to -- this tells them this is just the real basics, refers them back to talk to the supervisor or see the actual procedures that govern these particular activities.

MR. SACUTA:

A. Included in that handbook would be the discussion around the right to refuse process as well, so that employees are made aware of that process.

ROIL, Q.C.:

Q. This is as good a place as anybody -- or anywhere to address this, and I invite either one of you, in the context of the kind of culture you seem to be describing here, can you understand or explain why some people would be inclined to say to others outside of your organization, well, I'm afraid to talk

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about something at the rig, I'm afraid to talk about safety for fear I might lose my job?

MR. SACUTA:

A. I can just speak from my experience that when I go offshore, people know me. I mean, I spent five years offshore, just about five years offshore, and I recognize there may be some new people offshore, but I have not experienced a reluctance of people to stop and talk to me about any issue, whether it's a safety related issue, whether it's a labour relations related issue, or whether it's to ask me whether I think the Leafs or the Canadians are a better team. People talk to us. Now I do recognize that there may be some employees that are new, I'm a big guy, but that's one of the reasons that when I go offshore -- I go offshore as frequently as I do to talk to as many people as I can, and I have not experienced a situation where there has been a reluctance of anybody that I've come across to talk about any issue. They ask tough questions when I have town halls. So I'm a little perplexed by the statement that people are reluctant to talk because it's not

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something that I experience when I go offshore. I'm familiar with a large percentage of the people that work offshore because I travel back and forth to the Platform with them, and I think can probably provide his perspective because he's there day in and day out, but I am no aware of any situation where any employee has brought up a safety related issue and there has ever been discipline. That does not happen on our facility. We encourage all of our employees to contribute, if they've got a safety concern, to bring it up. So I'm a little perplexed by those statements.

MR. FRASER:

A. Yeah, and I've got a couple more things here on this slide to talk about. There's ample opportunity, you know, even if folks have an issue with talking to their supervisor or talking to myself or Mr. Sacuta, or anybody else, there's ample opportunity where they could report something anonymously. They've also got -- the C-NLOPB is available by phone, everybody has access to a phone. I echo Mr. Sacuta's statement. The folks that work with

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me when I'm out there are -- you know, they're informed, they're well educated people, they're not shy. If they have an issue, they'll come and talk to you.

ROIL, Q.C.:

Q. Thank you. Okay, I didn't mean to interrupt, but it seemed to be a place to inject that question because it did stand out from what we heard last week.

MR. FRASER:

A. So the next bullet point that OIMS requires us to have is appropriate and well maintained personal protective equipment, so we have a procedure that lays out the requirements for our PPE, so like our work boots have got to be CSA approved to a certain standard, and safety glasses, respiratory protection, all of that kind of standard stuff, and we expect our contractors, if their contract says that they need to supply their workforce with that, our contractors have to meet that standard. Also in that standard, the helicopter suits are part of that standard, so that's laid out in there and they obviously -- there's been lots of discussion around that, they have to meet a

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standard. Just to talk about the next bullet point, workplace hazard identification and reporting. We have two methods, two kind of things that we report. One thing is a -- this is more equipment related, piece of equipment, so the hazard ID program, and we've got a card that we use so people can report it, just a brief description of what happened and this helps initiate the tracking process. So if you come across -- it could be as simple as a hose in the walkway. We have walkways, designated walkways, and somebody has laid a water hose across the walkway, so you'd walk up to it, you'd move the hose out of the way, get rid of the hazard, the tripping hazard, and then you would write a card up just to record that you did that and you could write down on the card that it was closed.

ROIL, Q.C.:

Q. Does that require a person to sign his or her name?

MR. FRASER:

A. No, you don't have to. You can -- we've got boxes around the Platform where you can drop them off and they get picked up at a certain

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designated time, but most people sign them. There's a spot there to designate a few key things, and we use that information as part of our database to track. You know, if we showed a lot of housekeeping issues, which that would be, then maybe we would put a program in place for housekeeping, like we talked about earlier, right. So that's -- you can anonymously put -- you can submit this anonymously, but most people sign it.

ROIL, Q.C.:

Q. Just hold that up so that the camera can see it as well. Just a little card --

MR. FRASER:

A. Just a little card, yeah. It's got a few things. It's got, you know, description of what the hazard was, what the action taken, and suggestion to prevent occurrence, and then there's some tick boxes to describe it a little bit and there's a spot at the bottom of the close out of the incident. So you can close it out yourself, or you could -- if it was a bigger issue, a loose stair tread, for instance, that required some maintenance, some intervention, then you would -- what we try to

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do is get people to -- encourage people to take action immediately, so barrier the area off with some barrier tape, or have somebody stand there until you could go get some kind of a sign to put up, and then it would get entered into our maintenance program if it was something that had to get -- longer term issue, and our maintenance program has a way to track these issues to make sure they're designated as a hazard ID. All these go into a database and they're all tracked to completion. The next piece is -- the next bullet point is worksite safety assessments. So OIMS requires that we do that, and the way we meet that requirement is every week the Platform leadership gets together at 9 o'clock on Saturdays usually, and we have a -- we have the Platform divided up into teams, into areas. Each supervisor is responsible for certain area on the Platform, and one of the safety reps will come to that meeting and he will participate -- he or she will participate in that inspection and we'll go out and inspect the whole Platform, and it's general, like we talked about, housekeeping, and making

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sure the safety equipment is in place and nothing is blocked in. So there's some general kind of themes that we use, and then there's a specific theme of the day type of issue that we'll look at. So if we had -- if we had an issue like we talked about, the hose in the walkway thing, if we had an issue around that, that we would emphasize to the team that was going on, take a look for, you know, hoses improperly stored, that might be the theme. That happens every week. The same thing, if you see a hazard, you put a hazard card in and that helps track that. There's a formal meeting at the end of it where we go through any issues that we looked at what happened the last week's inspection, if those issues were closed, if they're still outstanding, and any new issues that come up. Like I said, the JOHS worker rep, there's one of those folks participates in that meeting. Also when senior personnel like Mr. Sacuta come on board, they have a program where they will go around and do an inspection of the Platform, walk around and do a site survey, and report back if they see any issues. Also,

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of course, the Board comes out and they'll do that same function when they're on the Platform.

MR. FRASER:

A. The next bullet point is behaviour based safety programs. So that's our Stop program, and we've got a similar kind of card that we use for that, similar type issue, and this is around behaviour. So we have a system, and this is -- it's a -- I believe it came from Dupont, was the company that developed this, but we use it on Hibernia, and basically what they do is it's to get people in the workforce talking with each other about safety. So, you know, what will happen is everybody gets a basic training on how this works and the idea is that if I go out on the work site and Mr. Sacuta doesn't have his safety glasses on, and he's had people come up to him because he's forgotten to put his safety glasses on when he's walked out of the TSR, the safe refuge accommodations, sorry about the acronym, and so the idea is that we'll have a discussion that say "hey, Paul, you didn't have your glasses on" and then he'll say "yeah, okay"

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and he'll put them on. So both sides know the spirit of which the intent of that is, and then I would go back and make a card out that says -- you know, it's got safe acts observed or unsafe act observed. So this was an unsafe act. I would put down observed a worker without his safety glasses on. I can put my name on it. I don't put his name on it. And then I would tick off on the box for the statistics, I would tick off that somebody without the proper PPE.

ROIL, Q.C.:

Q. So you wouldn't have to identify the person?

MR. FRASER:

A. You don't identify the person, no.

ROIL, Q.C.:

Q. Just the fact that -

MR. SACUTA:

A. It had nothing to do with me being the person. You wouldn't identify any person.

MR. FRASER:

A. You wouldn't identify any person. So if the -

MR. SACUTA:

A. You identify what the actual unsafe act was, or a safe act.

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ROIL, Q.C.:

Q. Yeah, the focus is on the act, not the person.

MR. SACUTA:

A. Right.

MR. FRASER:

A. The focus is on the act, not the person, right, and in the same respect, somebody would come out and see Mr. Sacuta with his glasses on and say "I see you got all your PPE on. You got the proper gloves, the proper gear. Good job, and I'll do a Stop card on that" and then the guy would do the same thing. There's a spot for you for safe acts observed. So you'd write down "observed worker in workplace with all PPE in place." Again, no names are used. There's a spot on it where you can put your name. I could put my name on it if it was, but if it was you and I having the interaction, I wouldn't put your name on it, but I could put my own name on it.

So the idea is to get people talking back and forth about safety on a day-to-day basis, right, and at the real grassroots level type thing.

ROIL, Q.C.:

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Q. How many of these cards -- that was a red one. The other one is a blue or green.

MR. FRASER:

A. Yeah, so the hazard ID reports, we get probably 15 of those a week, on average. Some weeks you get more. If there was a maintenance shutdown, you'd probably get more. You'd have more people, more activities. So probably around 15 a week of these, and these observations, the people talking about safety and documented that they're talking about safety, about 300 a week. So thousands throughout the year.

ROIL, Q.C.:

Q. And what happens with them when they're handed in?

MR. FRASER:

A. Yeah, so they go into -

ROIL, Q.C.:

Q. Just follow up so that we understand what the ultimate trail is for these.

MR. FRASER:

A. So these go to town, to our SH&E department onshore and there's some tick boxes -

ROIL, Q.C.:

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Q. By town, you mean St. John's?

MR. FRASER:

A. St. John's, sorry. We just call it town, yes, so it's St. John's, yeah.

ROIL, Q.C.:

Q. I call it town sometimes too.

MR. FRASER:

A. You call it town too, yeah. So we sent it to St. John's, to our office in St. John's and all this goes into a database and there's -- like this one here, there's -- positions of people is one of the classes, and it might be improper lifting, right. So you'd tick that box off. That would go into the database and at the end of the month, the SH&E department would generate a report saying "hey, we've got 25 improper lifting techniques, unsafe behaviours observed" and then we would say "that's our leading indicator. We need to have -- we need to make sure that we get a program out there to remind people of safe lifting techniques" and that may be posters. It may be get somebody from onshore that's an expert in it, and we've had them come out, ergonomics people come out and put on classes

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for people on proper lifting techniques.

MR. SACUTA:

A. I think the key component of sending it onshore is it is sent onshore after offshore has done their review. So offshore gets the opportunity to look at the Stop card, talk about it. It's brought up at safety meetings. It's brought up at shift handovers. So there's an opportunity for immediate feedback to the workforce on anything that's identified on the card.

ROIL, Q.C.:

Q. Again, this question is not necessarily applicable now, but it seems a very good place for it. Would issues surrounding safety or lack of safety or concerns with respect to helicopter transport, would that be identified on these kinds of cards or do they tend generally to be about the conditions and concerns and good, the bad and the ugly on the facility itself, rather than as a part of the transit out?

MR. FRASER:

A. The vast majority are on the Platform. I guess, you know, you spend three weeks on the

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Platform and you spend an hour and a half on the helicopter. So the time frame is there, you know. I spend most of my time on the helicopter asleep, so you know. There are some that have come up from helicopter issues. We had hazard IDs on -- I believe on the headsets, the older model helicopters had a headset on them that you could listen to the announcements from the pilot and there was issues with that, and we -

ROIL, Q.C.:

Q. By issues, you mean the lack of ability to hear?

MR. FRASER:

A. Yeah. Sometimes you couldn't hear the messages and the system, gradually what we did was with the S-92s, we replaced that system eventually with a -- we tried boosting the power on the headsets and stuff like that, and now we have the PAs in the S-92 has got enough speakers and they're powerful enough that we don't use that system any more. And you know, like in helicopter operations, maybe somebody not using the handrail coming down from the helideck, but not a lot generated from that.

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So the next bullet point is safety performance trending. So we talked about -- you know, we talked about that, that we'd take the information. So an incident report, for instance, is a lagging indicator, so something has already happened and we obviously are going to take whatever measures we can do to make sure that that doesn't happen again, but the information from the hazard IDs and the observation programs of that type of stuff goes into a leading indicator numbers and that will give us some indication of areas where we potentially could have a problem with injuries.

So all that safety performance trending is done by our onshore SH&E department. They do the administration of that and send us the results offshore.

The last bullet point in this section is recognition program. So what we do to encourage folks to participate in these programs is we'll have a random draw once a week, the SH&E lead and he'll get somebody from one of the worker reps or somebody else to just randomly draw one of these cards out,

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and if there's a name on it, which there usually is, of the person that submitted it, then they'll give them something like, you know, a flashlight or a baseball hat or a T-shirt or something like that, a small token of appreciation for participating in the program. Same thing with the hazard ID report. We'll also take -- the SH&E lead will go through and pick out a particularly good observation and give that for the pick of the week as not a random, like based on quality. So somebody does a good job of a good quality observation and they'll get same kind of a token for that.

Additionally, we have a program called the President's Safety Award and what that is is once a month, a person or a group that's contributed to safety on the Platform and the wellbeing of the workforce will get nominated and the prize for that is a donation of $1,000 in their name to the charity of their choice as a token of our appreciation for their good work and participation in the safety programs on the Platform.

ROIL, Q.C.:

Q. So it's not just a rules based approach.

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There's a rewards and incentive approach as well?

MR. FRASER:

A. Yeah, there's a rewards, yeah. You don't want to make it too one way or another, but it's -- you know, it's a pretty good program, yeah.

ROIL, Q.C.:

Q. Do you ever get the complaint from employees that there's too much focus on safety, that it's in my face all the time and I can't -- you know, you're getting to the stage where I'm saturated, I'm tired of hearing about it?

MR. FRASER:

A. Sometimes you do. It's like anything. People will get -- you know, I think our folks all want to get stuff done, right. Everybody wants to get the job done. They all understand how important safety is and, you know, normally I think that most people will say, you know, that sometimes it gets -- you know, sometimes your job gets delayed because you're waiting for the permit to get put in place and stuff like that, and you just got to wait, and you know, people want to get work done, but in general, I think everybody

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accepts that that's part of life offshore is that, you know, you have to do it safe before you do it, right. We'd rather wait and sit there and wait until the job is ready to go than take a shortcut.

ROIL, Q.C.:

Q. You mentioned earlier, and I see in the slide there the "Nobody Gets Hurt". That, I take it, is a slogan or a byline or something?

MR. FRASER:

A. Yeah, that's our safety slogan. You know, we put it on those, you know, the ball hats and if we give out t-shirts for something and say "nobody gets hurt." That's our safety motto. That's our objective in everyday and when you come into the OIM's office your first day there, then we talk about "nobody gets hurt" and that's our objective, that we think that, you know, that you should be able to work here everyday for the rest of your life and not get hurt and none of your coworkers can get hurt, and that's the objective in every task that we do. The primary objective is, what I tell folks is, you know, you may be here to do a specialty job up in drilling and drill a well

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and it doesn't matter if we -- how the schedule of drilling that well goes, it won't be a successful well if somebody gets hurt drilling the well.

ROIL, Q.C.:

Q. When I come to work in the morning, I drive in my car and I come in here and I don't start work until I arrive. What is your understanding that the employees or that the workers have in terms of when do they start work?

MR. FRASER:

A. When do they start work?

ROIL, Q.C.:

Q. Yeah, in terms of the helicopter ride, is that part of work?

MR. FRASER:

A. Yeah, so they start work when they check in at the heliport.

ROIL, Q.C.:

Q. There's no question about that anywhere?

MR. FRASER:

A. There shouldn't be.

MR. SACUTA:

A. And certainly they're exposed to our

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expectations on safety from the time they check in right through until the time they depart the Platform.

ROIL, Q.C.:

Q. Yeah. Yeah, just want -- I'm trying to establish whether there's a crack in the -

MR. FRASER:

A. No.

ROIL, Q.C.:

Q. - in the period when maybe helicopter transportation isn't considered part of work. I haven't heard that.

MR. FRASER:

A. No.

ROIL, Q.C.:

Q. I'm just wondering if that's a possibility.

MR. SACUTA:

A. Shouldn't be.

ROIL, Q.C.:

Q. In terms of as you gentlemen understand work at HMDC.

MR. FRASER:

A. No. When they show up at the heliport, when they check in, they're at work, and they're at work until they get their boots back and their

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jacket and leave the heliport. Sometimes their boots are late, but normally that's when -- when you're finished, when you walk out the door, that's when it ends. So arrival at the heliport, departure from the heliport, in that three-week cycle, that's when you're at work.

MR. SACUTA:

A. And we certainly encourage all of our employees to take the practices and policies and procedures and the steps related to safety home with them, so that they utilize them at home, and I think that, you know, there are people that treat safety different at home than they do at work. But I'd like to see the day when it doesn't matter if you're at home or you're at work, you treat safety the same, and we encourage that as part of our day-to-day responsibilities offshore.

ROIL, Q.C.:

Q. Okay.

MR. FRASER:

A. So the objective of this management system is obviously the ultimate goal of managing personal safety is to achieve an incident-free workplace where nobody gets hurt by reducing

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at-risk behaviour and managing hazards associated with the work environment, hazard identification and correction programs which are comprehensive and widely used. So that's our objective in that, in that whole system, right.

Safety just doesn't happen. We talked about, you know, talked about a lot of safety. It's hard work. Having a management system is only part of it. It requires lots of work and effort by everybody on a day-to-day basis, from Mr. Sacuta to myself, you know, from the chef to the roughneck. Everybody in that -- everybody there, every day, every shift needs to be -- you know, needs to work at it. It's a lot of work to keep everybody safe all the time, and that's our objective, that we don't want anybody to get hurt ever.

Going to go to the next slide there, Paul. So some of the processes and procedures that are used in Element 5, personnel and training, and we talked about this that these are our procedures that are at our level. The management system outlines what we should do and then we have to design our procedures here

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locally on how we do that, right. So the offshore safety health and environment handbook, and we showed you that, and that's one of our procedures that we use, because that's an official HMDC document. It's got a document number on it.

The Joint Occupational Health and Safety Committee, there's a procedure that governs that committee, how that committee operates, how you nominate people, how they get elected, how the minutes are kept, what it's responsibilities are. All that is in a document that we have.

Platform safety meetings, we've got a document that outlines how we do our Platform safety meetings.

Personal protective equipment, including transportation suits, we talked about that, that all that, the standards of all that personal protective equipment is outlined.

Training requirements, so all of our workforce, everybody that works on Hibernia has what we call a road map and it outlines every role, what the training is required for that role and what the key competencies are

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for that role, and that's all up to the TQG, Training and Qualifications guidelines. So all that's documented, so everybody from -- like I said, from the chef to the roughneck has a road map that lays out what they need for training and that's all documented.

Next slide, slide 46, so now we'll talk a little bit about the Hibernia Joint Occupational Health and Safety Committee. So the safety committee is a legislated requirement. The Occupational Health and Safety Committee is mandated by Sections 37, 38 and 39 of the Newfoundland and Labrador Occupational Health and Safety Act. So 37 outlines that ten or more employees, if the workplace has ten or more employees, you need to have a committee. So obviously we've got way more than that. Section 38 is the composition of the committee and the necessary training, and I'll talk a little bit about that later, and Section 39 is the duties of the committee, so we'll have a little discussion on that.

The other thing, legislative requirements, worker representatives are

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nominated and elected by their coworkers as per a set of standards and procedures, and we'll talk about that. All JOHS committee representatives receive training with respect to their responsibilities in incident investigation.

ROIL, Q.C.:

Q. What kind of training is that? I mean, is it just an on-the-committee training or is there a formalized training?

MR. FRASER:

A. No, there's a formalized committee that the Workplace Health and Safety Commission lays out. There's certain service providers in Newfoundland, the people that are certified to do that. So we send all of our JOHS reps, and that's workers, so I've attended and our workers -- I'm management, I guess. Management and workers both go to the same course and get -- it teaches them, you know, what their duties are, outlines the Act and talk about regulations and the Act and what they're supposed to do and a little bit around committee interaction, how to work on a committee, so a little component of that, and

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we also do two days of training on incident investigation. So we have a system called TapRooT, a proprietary system that we use to investigate incidents and everybody that's on the JOHS committee, worker or management, gets trained in TapRooT incident investigation technique.

Just going to go to the next slide there, slide 47. So the Hibernia Platform has a mature, well-established JOHS committee providing Platform wide representation since 1997. You know, our JOHS ensures that the workforce is involved in what's going on on the Platform safety wise, from day one, day-to-day, you know, they're involved in everything that we do offshore. The committee has responsibilities for identifying aspects of the workplace that may be unhealthy or unsafe, receive complaints, concerns, issues from workers and maintain records of issues and resolutions, so that the JOHS committee has a -- you know, we have a form of minutes that we keep and those minutes go to the C-NLOPB every three weeks we have a JOHS meeting. We have a meeting when I'm there and

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then three weeks later, everybody changes out and they have a JOHS meeting with the other shift that's off and I think the legislation is every three months, but we have one every three weeks, a JOHS committee meeting.

ROIL, Q.C.:

Q. And again, at the risk of being a little repetitious, is there any question that issues relating to the transport portion of my employment, that that's a place where that should and can get raised, if I have concerns?

MR. FRASER:

A. Yeah, we've talked about issues at the heliport and the heliport and the transportation offshore are all -- have all been raised at the JOHS committee at one time or another. Not a lot. I guess it's the same kind of thing. There's, you know, a small component of our time is related to helicopters, but there has been some discussion on JOHS.

So another duty of the committee is to make recommendations to management and workers to enforce health and safety in the workplace. So like I said, the JOHS committee is a key

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component of our safety culture getting to where we are. Our safety record, you know, we wouldn't be where we are if it wasn't for the JOHS committee. That's a key piece of the work. You know, there's not enough supervisors out there to do that. The workforce is a big key component of that, and the JOHS is the driver behind that from the workforce perspective.

Establish and promote health and safety programs for workers. So the JOHS committee has -- you know, we've had lots of programs where the JOHS committee has participated and been the driver for it. Recently we had our H1N1 was -- as everybody knows, was in the news. We had an H1N1 program that the JOHS committee was a key in implementing that, and we had great success with that offshore.

Provide C-NLOPB with minutes, copies of minutes and action lists, and we talked about that, and to meet with the C-NLOPB twice annually. So we've had -- and I believe the Commission -

ROIL, Q.C.:

Q. We've actually attended.

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MR. FRASER:

A. Yeah, the Commission attended one of those sessions. So what we do is the Board gets all the JOHS committees from all the platforms in the area, the facilities, everything that's under the Board's jurisdiction, and the JOHS committees, both workers and management, come in for two days and they have -- it says two meetings, but it is two meetings, but it's one meeting for one shift and one meeting for the other shift. So they do it three weeks offset, so everybody gets to attend, and they get everybody in there and have -- and it's been evolving. The Board's been -- they've been tweaking the process, I guess, as we go and this year we had -- the Board, we came in and we had discussion. We had break -- we had general discussion and then had breakout groups and discussed specific issues and those groups were broken out. The management representatives went in one group and the worker representatives went in the other group and then they have discussions within those groups and then come back to the general session, and it's a pretty good process. It's

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worked well. There's been some -- you know, there's been some growing pains with it, but it's worked very well, I think.

The committee structure, we'll talk a little bit about the Hibernia JOHS committee is structured in accordance with the Joint Occupational Health and Safety Committee document, which I talked about earlier, and includes the following representation. Equal attendance from management and workforce. If we were going to have a meeting where we had to vote on something, we would be very -- we would adhere to that rule very closely. We have -- if there's -- if we're going to have a general safety discussion at our JOHS meetings, we would get -- you know, if there's -- however many safety reps are available, show up to the meeting, we don't say "well, we've got ten supervisors and we got 11 safety reps. We're going to send somebody away." We get everybody to participate as much as possible. But for instances where we'd have to have a vote on something, which has happened very rarely, then we would make sure that we adhered to that equal representation.

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ROIL, Q.C.:

Q. And what would a vote be required for? To implement something new or to change something?

MR. FRASER:

A. Yeah, if there was something, an issue had come up around -- like when we had the recent right to refuse issues, we made sure that we adhered very closely to that, to the legislation on that. But in general, when we're going to have a safety discussion that involves everybody, the more participation the better.

The OIM, the production supervisor, maintenance supervisor, services supervisor, drilling supervisor, and the safety health and environment lead are all members of the JOHS committee. Elected worker representatives come from all departments throughout the Platform to ensure maximum worker participation and representation. So we have -- right now on the Platform, there's 26 safety representatives from worker reps and -

ROIL, Q.C.:

Q. 26 on each of the two shifts?

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MR. FRASER:

A. No, 13 on each shift. So there's 13 on and 13 off.

ROIL, Q.C.:

Q. Right.

MR. FRASER:

A. There could be a time when there's 11 on and 14 off, but just because of the shift rotations and they're divided up. Production operations, Platform services, production maintenance, drilling operations, drilling maintenance, drilling services and construction are all represented at that group. Some of the bigger groups like drilling operations have three on board at one time. Some of the smaller groups, like drilling services, may only have one.

The worker reps also have a meeting where they go every Friday at 1:00 and the workers, worker reps go by themselves. There's no management there, and -

ROIL, Q.C.:

Q. Now by worker reps, I take it those would be the same people that are members of the CEP, the union?

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MR. FRASER:
A. Yes.
ROIL, Q.C.:
Q. They're all bargaining unit people?
MR. FRASER:
A. All bargaining unit people, yeah. Yes, our elected safety reps are all bargaining unit people. They have a meeting where they go without any management at 1:00 every -- every Friday at 1:00, unless there's something going on, and they'll go there and have a meeting where they will sit down and discuss any issues that have come up from their constituents. Typically, that meeting, at the end of that meeting, the co-chair will come down and talk to myself, if there's any issues. So you know, typically she'll come down after the meeting, at usually 2:30 in the afternoon or she'll call me up and say "I got some things I want to talk to you about" and then have a general discussion. Usually it's just things on a -- you know, next meeting we need to have a status on where this is or where that item is, but you know, generally a good discussion. We encourage the workers

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obviously to discuss anything with their supervisors first, and most of the time that happens. The JOHS committee tends to deal with more general Platform wide issues.

So the JOHS committee has a secretary that keeps the minutes obviously, and the minutes are generated after each meeting. The co-chair and myself sign off on each page after we agree on what the items that were discussed and everybody's happy with it and we have an action list that would also go with that.

It's jointly chaired by the OIM and an elected worker representative. So the worker representatives have what they call a co-chair that they've elected amongst themselves and we alternate back and forth who is the chair. Basically the chair gets to read the minutes from the last meeting is what it is, right.

ROIL, Q.C.:
Q. The chair doesn't have a lot of authority.
MR. FRASER:
A. The chair doesn't have a lot of authority, no.
ROIL, Q.C.:
Q. To control things. Is it -- so each meeting

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is chaired by two people or is it back and forth alternately?
MR. FRASER:
A. We tend to go back and forth, yeah.
ROIL, Q.C.:
Q. Okay, yeah.
MR. FRASER:
A. Okay. Next slide, Paul, please. So some more on the JOHS committee. The Hibernia JOHS committee has developed and enhanced numerous safety initiatives including the hearing protection programs, the loss prevention observation program, Platform shutdown safety monitor program, transportation by vessel guidelines, and promoting worker participation in Platform wide safety programs, Stop, Hazard ID and injury and near miss reporting.

So the hearing protection program, just to give you a flavour for a couple of these, is when we first went offshore, the vision was that there were certain areas that were noisy and people had to wear hearing protection in those areas. What we found through our observation program was that people were going from quiet areas to noisy areas, not wearing

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their hearing protection. So the JOHS committee got together and came up with some guidelines and basically what we decided was that every time you go outside the office areas or the accommodations, you have to wear your hearing protection, and that eliminated the hazard of people forgetting to put their hearing protection on. So the JOHS committee was a key to getting that out and, you know, there was some people didn't want to wear hearing protection at some times, right. They figured they wouldn't do that and the JOHS committee was the key in selling that idea and getting buy in from the workforce on that. That was ten years ago we did that.

ROIL, Q.C.:
Q. So the message, I take it, is that this is not just a committee that sits and talks. It actually produces?
MR. FRASER:
A. Produces, yeah. Another good example of that is the transportation by vessel guidelines. So when we first went offshore, there was a vision that we would never have to transport people back and forth on a supply vessel.

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Well, you know, the fog here, pretty quickly we realized that that wasn't going to be the case. So we had some guidelines established on how we would transport people back and forth, how long we would wait before we put people on the boat, what kind of issues, what kind of safeguards we would have to have, and all that kind of stuff was all -- the JOHS committee was a key component in establishing all that.

ROIL, Q.C.:

Q. Okay. I think rather than deal with all of these, in the interest of time -

MR. FRASER:

A. Yeah.

ROIL, Q.C.:

Q. - we should move on a little bit.

MR. FRASER:

A. Yeah. And also, the JOHS committee addressed workforce concerns on a broad array of issues, including the frequency and location of basic survival training, potable water quality, E452 passenger suit comfort issues. We talked the helicopter return to service -- when the helicopter return to service was going on,

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after the incident in March, what happened was that the issues that the workforce had on Hibernia got funnelled to the JOHS committee and the JOHS committee submitted lists into the Task Force and then the Task Force had sessions with the JOHS committee and reported back on the status of different items and where we were and where we were going with that particular return to service. So the JOHS committee was involved in that, and then they took the issues back, to their explanations and issues back and forth. So that was our way to communicate to the workforce. I think is that -- any questions?

ROIL, Q.C.:

Q. I guess because we've talked about it a lot, and you haven't been here before, I'll give you the opportunity to make comment on the E452 passenger transport suit comfort issues.

MR. FRASER:

A. Oh yes, sorry.

ROIL, Q.C.:

Q. What can you tell us about your knowledge of the concerns of the workers of HMDC about the E45 suit prior to the incident on March the

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12th?

MR. FRASER:

A. Yeah. The main discussion was around the comfort of the suits. I think you guys have heard that the zippers were really stiff, really difficult to pull up, and we had to -- some people had trouble with that. Some people didn't, but there were people that had trouble with it. When they were new, they were really stiff and they -

ROIL, Q.C.:

Q. By new, you mean when the suits are?

MR. FRASER:

A. When the suits were new, the suits are -- well, I guess some of them probably still are new, but the suits are new. When they're new, they're really stiff. The zippers are stiff. So we -- you know, based on feedback from the JOHS committee, we went back to onshore and said "we need to do something about this." So we initiated the -- I think you guys talked the other day about putting lubricant, I think it's beeswax, on the zippers and looking at different issues, way we could make sure everybody was trained in how to put them up,

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how to put it up and then we put the zipper up and then we had issues that at the heliport everybody would have to sit down and demonstrate that they could zipper the hood up. So that was around the -- the issues around the suit and you know, they're bulky and there was some issues with that. The wrist seals were tight and there was issues with that.

ROIL, Q.C.:

Q. As the OIM and primarily responsible for persons travelling to and from your facility, was it ever a concern of yours that these kinds of concerns, which you described as comfort, would have engaged a situation where the suit was not fitting and that somebody was at risk?

MR. FRASER:

A. No. My personal experience, I went to my BST refresher shortly after we started using those suits. I can't remember exactly when, but when I used my suit, it was the first time that I had used a suit in the pool for the dunk that I didn't get really wet. I got a small amount of water, like about that big, on

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my chest. The suits were new. The suit that I had was new and one of the issues -- I don't know if they talked about it, the Marine Institute talked about it, but the suits that they use in the pool, the chlorine breaks them down. So they tend to leak more than a normal suit. So I didn't have any -- from a personal perspective, and from what I was talking to the workforce around the suits, it was around the comfort of -- they were uncomfortable when you had them zippered up. They were uncomfortable. The zipper was stiff and it kept your neck over to one side and they're not very comfortable. That's what -- you know, if you got it zippered up to land on the Platform or take off from the Platform, you know, you had to take it down after a while because it would be uncomfortable to leave it for a long period of time. But in an emergency that comfort wouldn't matter, in an emergency, right. So that's my experience with it. Does that answer your question?

ROIL, Q.C.:

Q. Yes, it does. I think we've given the other witnesses, from time to time, the opportunity

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to reflect on that issue and I'm glad to have you to have your opportunity as well. We've got another five minutes, and I think in the interest of time, we probably should begin to get into the next section.

MR. FRASER:

A. Okay.

ROIL, Q.C.:

Q. I think you're going to lead us through that one as well.

MR. FRASER:

A. Yes, sir. So go to -- I guess we just go to slide 51. So again, talking about the OIMS Element 6, operations and maintenance and I guess we're going to go through it. Hibernia has a large number of procedures that detail how we operate and maintain the Platform. So OIMS' Element 6 talks about operations and maintenance and what I'm going to talk about here is how we service the helicopters at the Platform, how a helicopter lands and takes off, people get on and off and we refuel it. It's not about how the operator maintain helicopters.

ROIL, Q.C.:

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Q. Good, okay.

MR. FRASER:

A. Cougar takes care of that, right.

ROIL, Q.C.:

Q. Yeah, understood.

MR. FRASER:

A. So Element 6 has a -- the purpose is operating and maintenance procedures are identified, developed and maintained, quality assurance processes for replacement equipment and materials is in place. Objective is operating and maintenance procedures are identified, classified, developed and approved and available at all locations. Improvements to operating and maintenance procedures are identified and communicated and QA/QC plans ensure that replacement equipment and materials used in operations and maintenance activities meet design specifications.

ROIL, Q.C.:

Q. QA/QC may be another acronym that not everybody is familiar with.

MR. FRASER:

A. Quality assurance and quality control.

ROIL, Q.C.:

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Q. Quality control.

MR. FRASER:

A. And in this, and again, this is not around quality control and quality assurance of operating the helicopter.

ROIL, Q.C.:

Q. No.

MR. FRASER:

A. Processes and procedures related to helicopter operations. So we have a couple of documents that we have at Hibernia that are related to helicopter operations. The aviation operations guide, the helicopter operations manual, and the helideck operations procedure and a process for control for helifuel.

ROIL, Q.C.:

Q. Okay, now just getting back to our sort of comments and Mr. Sacuta's explanation that some things are HMDC specific. The aviation operations guide, is that a HMDC one or is that an ExxonMobil?

MR. FRASER:

A. It is an -- this, we have a Hibernia version of the aviation operations guideline in our document control system, but it is a

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ExxonMobil corporate aviation guideline.

ROIL, Q.C.:

Q. And it's been adopted by HMDC?

MR. FRASER:

A. It's been adopted by HMDC.

ROIL, Q.C.:

Q. Okay. What about the operations manual?

MR. FRASER:

A. So the helicopter operations manual is a Hibernia specific manual that details how we do that. It talks about what goes on at the heliport, what's required to be done at the heliport, and once you get offshore, but it doesn't go into the details. It's just in general terms. You know, you need to be checked in. You need to be weighed. Cougar, I'm sure, when they come in, they'll tell you the specifics around that, but it's just a general requirement of what HMDC requires.

The next one, the helideck operations procedure, so that's what goes on on the Platform on the helideck.

ROIL, Q.C.:

Q. And that's a HMDC specific document?

MR. FRASER:

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A. That's an HMDC specific document, yes, sir. And the process for control of Platform helifuel is another HMDC specific document.

ROIL, Q.C.:

Q. Okay. Well that probably is as good a place as any, Commissioner, to stop for a luncheon break.

COMMISSIONER:

Q. Okay then. So we'll come back at 2:00.

ROIL, Q.C.:

Q. 2:00, thank you.

(LUNCH BREAK)

ROIL, Q.C.:

Q. Good afternoon, Commissioner, Mr. Fraser. I think we finished with slide No. 51.

MR. FRASER:

A. Yeah, and we'll go on to slide 52.

ROIL, Q.C.:

Q. 52.

MR. FRASER:

A. So as we talked about before lunch, we're just going to go through some of the processes and procedures related to helicopter operations on the Platform. And the first one we want to talk about is the Aviation Operations Guide.

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And the Aviation Operations Guide, the AOG as we cal it, another acronym, is a compilation of petroleum industry aviation best practices. It assists us in planning and development and conduct of safe and efficient air transport activities. And the AOG ensures that the company has high standards everywhere we operate because obviously it's an SMO procedure that we've adopted and it's used all over the world, and what we do is we use it to make sure that we meet the regulations or the AOG, whatever is the highest standard.

ROIL, Q.C.:

Q. Okay. So if the AOG is below the regulation, clearly the regulations -

MR. FRASER:

A. Clearly we meet the regulations, yeah. So AGO provides for, there's other bullet points, I'll give you some of the, I guess, more pertinent ones and I think Mr. Sacuta is going to talk about some of these later. Evaluation of helicopter services, service providers by a qualified aviation advisors, the conduct of contract initial and periodic aviation reviews, including familiarization with

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organizational structure, review of safety performance, aircraft condition and flight crew and engineering standards. Another one is personal qualifications and training for pilots and crew, the AOG has guidance on that and it also gives us guidance on emergency response planning and survival equipment.

ROIL, Q.C.:

Q. So, for example, one of the bullets says "Aviation standards and recommended equipment." If the AOG didn't recommend HUEBA, then the local standard of having the HUEBA would apply?

MR. FRASER:

A. Yes, that's correct.

ROIL, Q.C.:

Q. Okay, next slide.

MR. FRASER:

A. Okay, next slide, slide 52, we talk about the Hibernia Helicopter Operations Manual and this is one of the documents that we talked about in our management system is specific to Hibernia, so we've created this document here. It's a key information resource for Hibernia's specific helicopter operations. It provides

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guidance to ensure all helicopter operations are conducted in accordance with Hibernia's contract specification and applicable regulatory requirements and safe work practices. And it covers activities relating to helicopter operations, both on shore and offshore, defines roles and responsibilities, provides procedures to ensure adherence to regulations and standards and reduce risk, details safe work practices, and it obviously works in conjunction with the Aviation Operations Guide and we'll talk about the specifics of what, how this outlines what we do on the Platform when a helicopter gets here. It does talk about onshore and it talks about the basics, that the cargo and passengers have to be weighed and manifested and those types of things in general terms and Cougar, I'm sure, will have more specific guidance.

ROIL, Q.C.:

Q. And we're also aware or are you aware of the helicopter pooling arrangement that takes place?

MR. FRASER:

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A. Ah yes.

ROIL, Q.C.:

Q. Yes, so that all the helicopters are pooled to get flights to the various facilities every day.

MR. FRASER:

A. Yes, sir.

ROIL, Q.C.:

Q. Okay, does the Operations Manual anticipate that or is that something that it obviously -

MR. FRASER:

A. No, that's not in there, this is just basically how we get people offshore and back, that type of arrangement isn't mentioned -

ROIL, Q.C.:

Q. Yeah, that part of the operation doesn't-- that's not in the plan there.

MR. FRASER:

A. Yeah, that's not in -

ROIL, Q.C.:

Q. Okay, thank you. Now, the next slide.

MR. FRASER:

A. The next slide, Slide 54 is helicopter operations, a little bit more detail around the Operations Manual, to ensure all

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helicopter operations on the Hibernia Platform are preformed safely, HMDC provides the following: a certified helideck, we talked about that this morning, a certified refuelling system with personnel trained in aircraft refuelling, testing of the fuel and system maintenance, a comprehensive radio communication facility to provide communications with all aircraft. Site specific weather observations and reporting, so that's done at our site. Comprehensive emergency response capabilities to deal with aircraft emergencies on the Platform, helicopter landing officer and helideck crew trained in all aspects of aircraft and passenger cargo handling and refuelling and firefighting rescue and emergency response on the Platform. We also have personnel trained in processing passengers and cargo, including the carriage of dangerous goods by air and standby vessel with rescue capabilities is also part of that operations manual.

ROIL, Q.C.:

Q. So when we haul out the Helicopter Operations Manual, which we have here as an exhibit, we

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went through the various pages, are these the things that we -

MR. FRASER:

A. These are all the things that are covered in there, that's specifically for offshore operations, yes.

ROIL, Q.C.:

Q. Okay, thank you.

MR. FRASER:

A. The next couple of slides we'll go through and they outline the people involved with the day-to-day helicopter operations on the Platform. Most of these jobs, sometime in my career I've done most of these jobs. The offshore installation manager, obviously that's what I do now, the two main things on this slide pertaining to OIM is safer helicopter operations on the Hibernia Platform, the OIM is responsible for that. And also the authorization of all non-scheduled flights. I think that's it for that slide. I will go on to the next slide.

ROIL, Q.C.:

Q. If there's anything I want to draw your attention to, I will as we go through.

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MR. FRASER:
A. Yes, yes, certainly.
ROIL, Q.C.:
Q. The authorization of all non-scheduled flights, what's the difference between scheduled and non-scheduled?
MR. FRASER:
A. So we have a scheduled laid out of basically it's a flight a day, Monday to Friday. If there's a flight not on that schedule, then I have to authorize that flight, so that could be, you know, there's a number of reasons why we would need--we'd have extra people to move back and forth or whatever the reason would be.
ROIL, Q.C.:
Q. So anything that's not part of the regular schedule, you personally have to sign off on?
MR. FRASER:
A. That's right, because obviously there's a cost associated with flying a helicopter and there's some operational issues also, right.
ROIL, Q.C.:
Q. Okay, thank you.
MR. FRASER:

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A. The Platform services supervisor is the next one we'll look at and basically the service's supervisor responsible for the OIM for ensuring helicopter operations comply with the helicopter operation's manual, the AOG, the Aviations Operations Guide and all relevant guidelines and regulations and close liaison with Cougar regarding the provision of safe and efficient helicopter transportation services, so the services supervisor is the person responsible for the day-to-day helicopter operations. So the services supervisor reports to me and they talk to Cougar obviously every day and they have a short teleconference just to go through what the plan is for the day on Monday to Friday type flying and then the rest of the people, we'll talk about the rest of the roles here, report up to the services supervisor.
ROIL, Q.C.:
Q. Okay, so this is the senior person right on the helideck, if you will, or responsible for the helideck.
MR. FRASER:
A. He's on the Platform, there's other people on

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the helideck, but he's the supervisor that reports to me of all this helicopter operations, the logistics on the Platform, vessels and helicopters are his responsibility.
ROIL, Q.C.:
Q. Tell me, who would on the vessel--on the vessel, on the facility, sometimes they're vessels, sometimes they're not, yours floats very poorly I take it, it sits at the bottom. Who is responsible for making decisions about weather? We all know that the weather is sometimes sketchy in Newfoundland and if flights are cancelled or, you know, if attempts are made, those kind of things, who is the person that gets engaged in that on a daily basis from the HMDC perspective?
MR. FRASER:
A. So what happens is the weather information, the radio operator and we'll talk about the radio operator on Hibernia, the radio operator is the person that gives the weather observations.
ROIL, Q.C.:
Q. Uh-hm.

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MR. FRASER:
A. That information gets relayed to Cougar and the pilots and the dispatch at Cougar make the decision on whether they can fly and whether they will fly and the services supervisor deals with that on a day-to-day basis, like they would keep him informed on whether they were going to fly or not fly, but, you know, it's primarily the weather that guides that, whether they fly or not.
ROIL, Q.C.:
Q. So the Platform services supervisor doesn't make any decisions on whether to fly or not or does he or she?
MR. FRASER:
A. Well he can make a decision on whether, you know, he can talk to me about whether we're going to fly a flight or not, but usually if a flight is scheduled -
ROIL, Q.C.:
Q. Yes.
MR. FRASER:
A. Then unless there is a weather issue or an issue with the aircraft, then it flies. So the weather can stop it or obviously a

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maintenance issue with the helicopter can stop it, but if it's scheduled to fly, it will fly.

ROIL, Q.C.:

Q. Yeah, I think I, you know, we'll hear from Cougar later as to who their persons are that are engaged in that discussion, so you're saying in terms of the HMDC side of things, it would be the radio operator would be providing information.

MR. FRASER:

A. The radio operator would provide the information on the weather conditions on the Platform. So if a flight is scheduled to come today and unless the weather cancels it or delays it or there's an issue with--that Cougar has an issue that they can't fly, then normally that flight would fly out, I guess we could cancel the flight, myself or the services supervisor could cancel the flight if there was another issue, but that's usually not--it's usually the weather.

ROIL, Q.C.:

Q. Okay, thank you.

MR. FRASER:

A. The next, we'll talk about the helicopter

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landing officer, so the helicopter landing officer is responsible for the on-site supervision of the helideck crew, so he's the person in charge of the helicopter deck, hands on, he's got a radio, he stands out on the helideck and guides the crew and supervises, stands back, he's a kind of a hands-off person that watches what's going on. He's got a radio, he's in communication with the captain of the helicopter and also with the radio operator down below, right, so responsible for getting the bags on and off, the people on and off and the refuelling done. All right?

ROIL, Q.C.:

Q. Yes, thank you.

MR. FRASER:

A. Okay, and the next slide is the helideck crew and the helideck crew, they're the folks on the helideck that there will be two when the helicopter comes, there will be two people dressed in firefighters bunker gear, same as you see the City of St. John's Fire Department wear and they're trained to be offshore firefighters and they standby for the firefighting equipment and then the rest of

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the crew under the guidance of the HLO stands by. The helicopter lands and we'll go through the process of how we do that, but they're the people that move the baggage, refuel the helicopter, do the safety standby.

ROIL, Q.C.:

Q. Okay, how many people would be involved in the helideck crew, including the fire safety--fire sensitive people and the baggage handlers and that sort of thing.

MR. FRASER:

A. So you have the HLO in charge, you'd have two firefighters with the bunker gear on and then you would have at least three people there to handle the fuel and the baggage and stuff like that. Typically we'll try to get a few more people up there. They're all trained and we have a pool of people that we draw on and usually we like to turn the helicopter around and get everybody off the helicopter and get them headed back to town as expeditiously as we can, right.

ROIL, Q.C.:

Q. What happens in terms of the helicopter being shut down or not shut down during a stop? Is

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there any rule or any practice that governs that?

MR. FRASER:

A. There's rules around restarting the helicopter, but as far as shutting it down, normally we don't shut it down, the helicopter lands and we take the passengers off and refuel it and put the passengers back on all while the machine is running.

ROIL, Q.C.:

Q. So the rotors are turning.

MR. FRASER:

A. Rotors are turning, yeah.

ROIL, Q.C.:

Q. And how long would that process take, approximately?

MR. FRASER:

A. Twenty minutes, half an hour kind of timeframe. Obviously if it's in bad weather or something like that, it might take a little bit longer, it would depend on how much fuel and how many people. Okay, the next slide, this is the radio operator slide, so we talked about that a little bit already. All helicopter related communications, so the

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radio operator is in the radio room in communications with town, with the helicopter and does the monitoring reporting of the actual weather conditions on the Platform, so they're a pretty key person in this whole operation.

ROIL, Q.C.:

Q. They report the actual weather conditions, is the radio operator also the weather monitor or is the monitor another person?

MR. FRASER:

A. Yes. No, on Hibernia it's a single person.

ROIL, Q.C.:

Q. Same person, okay.

MR. FRASER:

A. Okay, the next slide is the heli-admin clerk and basically the heli-admin clerk has two functions, we talked about the Hibernia Platform is like a big hotel, 280 person hotel and they're the check-in clerk, so they check in people from that perspective from giving them a room and they also have a safety function in that that they make sure that everybody that gets on board has their induction that we talked about earlier, that

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you get the video induction and they're part of that process. They also do the manifesting and the weighing of the people before they go to town, so if it's your turn to go back to town, then he'll handle checking you in, weighing your baggage, getting your information on the manifest, that type of stuff.

ROIL, Q.C.:

Q. What happens to the Helly Hansen, another use of the word heli, the Helly Hansen suits, is there somebody in heli-admin that has responsibility for the travel suits, the transportation suits?

MR. FRASER:

A. No, you take your suit back to your room. When you arrive on the Platform, you take the HUEBA and the PLB come off, they get turned into heli-admin.

ROIL, Q.C.:

Q. So those are the parts that go into heli-admin.

MR. FRASER:

A. They go into heli-admin and we'll talk about that a little bit next couple of slides.

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Okay. Just to--all of these people that we talked about earlier all have training, depending on what their role is, specialized training, so the radio operator has the radio operator's license in weather training and everybody in this, that we just talked about, we talked about earlier a road map, so they're all trained, there's certain courses that they all have to take and they're all competent and there's verification of their competency.

ROIL, Q.C.:

Q. And all that training is provided where, by whom?

MR. FRASER:

A. Some of it is on-the-job training, some of it is at the Marine Institute and some of it is, like the helideck crew goes to Cougar as part of their competency, they go into Cougar and spend time with a pilot and a machine so they can, you know, have lots of time to look at everything in the quiet, in the hanger, and see how all the doors work and all that kind of stuff. So we do a portion of it there, so there's a range, some of it's at the Marine Institute, some of it is other specialized

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trainers and some of it's on the job.

ROIL, Q.C.:

Q. Okay, thank you.

MR. FRASER:

A. The standby vessel, the last component of that, the standby vessel and we talked about that already, that they have a duty to standby in certain locations when the helicopter is arriving and departing the Platform.

ROIL, Q.C.:

Q. I think we discussed what close proximity means in terms of the ten percent off and within, I think you said half a mile approximately?

MR. FRASER:

A. Yeah, that's the standard location for them, yes. So the next one is a little bit on helicopter refuelling arrivals and departures. I think Mr. Sacuta talked about aviation fuel, that we had some for Search and Rescue, so we store aviation fuel on the Platform for refuelling our helicopters. We're responsible for the maintenance and quality control of the offshore refuelling facility and the fuel delivered to us. It comes out in tote tanks,

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transit tanks for bulk delivery and we have a direct to aircraft fuel delivery system, so the transit tanks come, sit on the Platform, we have a pumping and filtering skid that pumps the fuel up to the helicopter as needed.

ROIL, Q.C.:

Q. Directly from the tanks.

MR. FRASER:

A. Directly from the tanks, yes, sir. So the next slide -

ROIL, Q.C.:

Q. I'm sorry, the arrangement of fuel to be held is 4500 litres, in terms of usage, how many refuellings would that give you?

MR. FRASER:

A. It depends on the weather, but usually three to four hundred litres of fuel, I would say, you know, sometimes it's none, and sometimes it's more than that, but that's around the average.

ROIL, Q.C.:

Q. So there's always more--sorry, there's always a quantity sufficient for four, five or maybe up to 10 flights.

MR. FRASER:

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A. Yeah, well one tank will hold 4500 litres and we have space for four tanks.

ROIL, Q.C.:

Q. Okay.

MR. FRASER:

A. So fuel is not an issue. I'll just go through the next slide, we'll just go through what happens when a helicopter arrives, the process for a helicopter arrival on the Platform and this is a condensed version of what's in the Helicopter Operations Manual.

ROIL, Q.C.:

Q. So these are the kinds of things any person would see if they were taking a flight -

MR. FRASER:

A. Well some of it occurs before you, so some of it you might not see, but yeah, this will be kind of an overview of what goes on behind the scenes and in front of the cameras, I guess. Helicopter arrives on the Hibernia Platform, so the helicopter landing officer, the HLO and crew inspect the helideck and emergency response equipment and make ready for the incoming helicopter. The HOL gives the incoming helicopter final clearance to land

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and the HLO and the helideck crew standby fully suited and prepared for firefighting duties. So the HLO when the helicopter is distant from the Platform, the HLO is radioed, he can't talk to the helicopter until the helicopter gets within close proximity, so the radio operator keeps the HLO and the crew informed on what's going on, where the helicopter is, what the ETA, estimated time of arrival for the helicopter and then when it gets within a close, a certain range, then that responsibility is turned over to the HLO and he can communicate directly to the -

ROIL, Q.C.:

Q. And so the radio operator stands aside once it gets that close.

MR. FRASER:

A. Yeah, they're involved, they're still there and they're listening and watching and they have it on close circuit TV, they have a camera that watches the helideck, so it's kind of a team effort, but the handover goes to the HLO when it gets close enough.

ROIL, Q.C.:

Q. Good.

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MR. FRASER:

A. Okay, after landing, the pilot indicates the all clear by switching off the helicopter's anti-collision light, so that's a flashing light on the helicopter. The HLO gives permission for the helideck crew to approach the aircraft and insert the wheel chock, so the helideck crew stands back off the helideck a distance because the helideck is not that big really, in terms of the helicopter, so the helicopter can land, they stand back off to the side and then once they get the all clear, then they approach the helicopter. The helideck crew remove the baggage from the cargo compartments and direct the passengers to remove their seatbelts and depart the aircraft. So they go up and actually open the door, the passengers don't open the door, you sit in the helicopter and the door gets opened and then you get waved out of the helicopter if you can remember, we did that. So the helideck crew members escorts the arriving passengers to the heli-admin reception area for processing, so we make sure that everybody, like most people have been there

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many times, they know their way, but we'd make sure that somebody takes everybody down the stairs and down to the heli-admin's arrival area.

ROIL, Q.C.:

Q. So a brand new person couldn't wander off to the side?

MR. FRASER:

A. That's the idea, yeah, so everybody--and part of the induction is follow the deck crew when you get off the Platform. So that's in the video that people are told to follow the deck crew. In heli-admin the passengers are assigned rooms and muster stations, so the muster station is where you go in an emergency if the alarms go off, you're instructed on what to do. Personnel arriving at Hibernia for the first time get the safety orientation by the heli-admin staff and we talked about that process this morning.

ROIL, Q.C.:

Q. Yes, indeed.

MR. FRASER:

A. Once all passengers are clear of the helideck, any additional cargo, baggage has been

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unloaded, the aircraft refuelling takes place. So there's a process there that--I won't go into great detail, but basically the pilot gets out, one of the pilots, two pilots will get out and they will do a check of the fuel sample, the HLO takes a sample of the fuel and the helicopter pilot will verify that it's a good sample and they'll proceed with the refuelling. The next slide, just kind of the reverse of this while process. We'll talk about departures from the Hibernia Platform, so one hour prior to the aircraft arrival, all departing passengers report to heli-admin departure lounge, so typically the radio operator will be the first to know that the helicopter has left town and he will make a PA throughout the whole Platform so that everybody knows the helicopter is on its way.

ROIL, Q.C.:

Q. Okay, and the approximate flight time is?

MR. FRASER:

A. Is an hour and thirty minutes, an hour and twenty minutes, somewhere in that range. Again, it's weather dependant, right.

ROIL, Q.C.:

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Q. Yes.

MR. FRASER:

A. So that announcement will go out and if you're waiting to go home, you're listening for it, so that announcement will go out and then an hour before, there will be another announcement go out to tell people to report to the heli-admin and passengers, cargo and baggage are all weighed, departing passengers sign a security declaration declaring their baggage is free of hazardous or unauthorized material. Passengers are issued a personal locator beacon, a PLB, and a helicopter underwater escape breathing apparatus and shown a Transport Canada approved pre-flight safety video. So the same video that they see on the way out at the heliport, we show them that same video on the way in and we talked about that already. The passenger and cargo manifest is prepared by the heli-admin clerk, so the clerk in heli-admin, we have a computerized system that does that for us, keeps track of what room people are in and all that kind of information, and that's part of that process, the names will go in and the

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weights will go in there and that information will be given to the pilots. Once refuelling is completed, departing passengers are escorted to helideck where they hand over their baggage to the helideck crew and then board the aircraft. The baggage is loaded into the aircraft and a helideck crew member ensures that seatbelts are properly fastened, so one of the helideck crew will go into the helicopter and assist people, make sure everybody has got their seatbelt fastened correctly and adjusted correctly. When everybody is ready, then he will step out of the helicopter and they will close the--the helideck crew closes the door and the helicopter landing officer will give the pilots the "all clear" for departure and the process then, the pilots will, when they're ready, they will get the helideck crew, they'll give the HLO a signal and he will remove the wheel chocks, everybody will move off the helideck and the helicopter will depart.

ROIL, Q.C.:

Q. Now, I think you mentioned earlier in this

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explanation of what happens, particularly on a departure where you said about an hour before the aircraft arrives, it's known because it has departed from St. John's already -

MR. FRASER:

A. Yes

ROIL, Q.C.:

Q. And you said subject to weather, you know, it should get there in an hour and a half. You also indicated with a smile and I understand that, that you know, everybody knows when a helicopter is going home because "home" has a meaning for all of us.

MR. FRASER:

A. Yes.

ROIL, Q.C.:

Q. What percentage of flights and you can break this up by season if it's more appropriate, what percentage of your scheduled flights actually get there and get back without any major weather interruptions? Is it two percent or twenty percent or eighty percent?

MR. FRASER:

A. What percent get there? I don't know, eighty percent?

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MR. SACUTA:

A. I think yeah, the majority of flights we get there are scheduled--we certainly have during fog season challenges with getting the flights out, so--and that's in the April, May, June timeframe is when the most fog is, so under normal circumstances, provided we've got helicopter availability, the majority of times the helicopters would get there under the schedule. There are times during the winter if there's a storm in St. John's, like a snow day for the kids, that also normally means there isn't helicopter flying on those days.

ROIL, Q.C.:

Q. Right. So weather in St. John's and the weather at the facility both impact -

MR. SACUTA:

A. Yes.

ROIL, Q.C.:

Q. But your difficult season is the April to June season, is it, in terms of fog or weather conditions?

MR. SACUTA:

A. Fog is the big issue then.

ROIL, Q.C.:

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Q. And again, I don't want to pin you because I don't think I've indicated in advance I would ask this question, so it's unfair to pin precise numbers, but what sort of, you know, do--in that period are you down significantly below your eighty percent estimate for the rest of the year?

MR. SACUTA:

A. I can speak from my experience when I was the installation manager years ago, the longest stretch that I ever experienced where we didn't get helicopter flights was two weeks. We went a Friday to a Friday without a helicopter flight due to fog. Now that would be considered highly unusual, that was a unique circumstance, we had a weather pattern that had a dense spot of fog that never moved off because there was no wind, which in Newfoundland, no wind is very unusual, but that's the worse that I've ever known that we've had a continuous two-week stretch without being able to get a flight offshore. It's typically a couple of days.

ROIL, Q.C.:

Q. I guess typically it's a matter of days.

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MR. SACUTA:

A. Yeah.

ROIL, Q.C.:

Q. And I think we may have addressed this, Mr. Sacuta, in the joint panel and so Mr. Fraser to the extent that you are more there all the time now, or at least 50 percent of the time, how many are dedicated flights that just go to and from Hibernia? Is that the vast majority as opposed to -

MR. FRASER:

A. Vast majority, yeah, the scheduled flights Monday to Friday go to, typically just go to Hibernia, it's not very often that we deviate from that. Sometimes what we call an ad hoc flight, a flight that's a non-scheduled flight, sometimes they will stop at other places, but we have such a large POB that it's very rare that our helicopters aren't full.

ROIL, Q.C.:

Q. Yeah. So if your flight is full with your people, then there's no reason for it to go anywhere -

MR. SACUTA:

A. There's no reason for it to go anywhere else,

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yeah.
ROIL, Q.C.:
Q. Okay, that's it for your portion now, thank you very much and we turn back to Mr. Sacuta.
MR. SACUTA:
A. Okay, I'm going to move into aviation contract management. In this section I am going to describe OIMS Element 8, which is third party services. I'll talk about the process by which Cougar was selected as HMDC's helicopter service provider. I'll talk about how we monitor Cougar's performance and then I'll also have a sort discussion on the selection of the S-92A aircraft. So HMDC hires contractors to provides goods and specialized services required to support the operation. We require as contractors to comply with all applicable legislative requirements, including those of the Board and other applicable regulatory agencies, Transport Canada, for example. Helicopter transportation is carried out by a specialized service provider and that specialized service provider for us is Cougar Helicopters.
ROIL, Q.C.:

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Q. Is that the norm for the oil industry in your experience as you've travelled throughout the world that helicopter services are provided by outside contractors, as opposed to -
MR. SACUTA:
A. Every place I've worked, that's been the case.
ROIL, Q.C.:
Q. Every place.
MR. SACUTA:
A. Yes. And lastly, HMDC's contractors are evaluated, selected and monitored in compliance with OIMS Element 8. So here's OIMS Element 8, third party services. The purpose of OIMS Element 8 is to ensure third party service providers perform in a manner that is consistent and compatible with HMDC's policies and our business objectives. The objective is that third party services are evaluated and selected using criteria that include an assessment of capabilities to perform the work in a safe and environmentally sound manner, that third party performance requirements are defined and communicated, such as contract, interfaces between organizations providing the receipt of

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services are effectively managed and third party performance is monitored and assessed, feedback is provided and deficiencies are corrected. So the processes and procedures we use is that we have an evaluation and selection of third party service providers, certainly a performance monitoring system and a reporting and feedback process. So the competitive bid selection process, there is a detailed description of a scope of work. We develop a set of rigorous pre-qualifications to identify potential service providers. Formal bid proposals are requested from pre-qualified global service providers. A detailed analysis is completed on each formal bid package to identify the preferred service provider, which consists of a safety and environmental assessment, a technical analysis and an economic and benefits analysis. The helicopter services contract was awarded to Cougar in 1995 and the contract award was reviewed and validated by the Board at the time of that award. I'd just like to highlight that the safety and environmental assessment is a screening which identifies the

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minimum requirements from an SH&E perspective. This could include reviewing the company's total recordable incident rate performance, checking their training programs, seeing how they handle safety meetings, if they've got a safety meeting process, seeing if they have an accident investigation process, those are the types of things that would go in a SH&E screening. If a potential bidder does not meet HMDC's SH&E expectations, they would not progress to the potential bidder expression of interest process and would not be given the opportunity to bid. So we always check compliance with our expectations on SH&E. If a contractor does not meet those expectations, they would not even be given the opportunity to bid on our contracts.
ROIL, Q.C.:
Q. Do you have any personal or corporate history familiarity with the bid in 1995; in other words, my question that comes out of that preamble is were there other bidders for the contract at that time, do you know?
MR. SACUTA:
A. Other bidders than Cougar?

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ROIL, Q.C.:
Q. Yes.
MR. SACUTA:
A. Yes, I believe there were three bidders, I don't have any specific knowledge, but I believe there was three bidders at the time.
ROIL, Q.C.:
Q. And is Cougar living into the same contract now or have there been renewals of the contract?
MR. SACUTA:
A. There have been extensions and renewals of the contract over that period.
ROIL, Q.C.:
Q. And I think we have an exhibit 00132, if I could ask the Registrar to bring up. For those who are not in the room, I've asked for the exhibit which appears to be a contract between ExxonMobil Canada Properties and Cougar Helicopters Inc. This is the current Cougar contract?
MR. SACUTA:
A. That's correct. Originally we had a contract between HMDC and Cougar. Based on the relationship that we've established with

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ExxonMobil, as I talked about earlier, and the fact that there were -- there was the potential for ExxonMobil to have other activities in the Newfoundland basin, potential for some exploratory drilling, it was decided to move to a contract between Cougar and ExxonMobil, which would allow us to use this contract for ExxonMobil dedicated operations and for the Hibernia operations. So it was ability to increase the flexibility for future work that may happen in the Newfoundland basin.
ROIL, Q.C.:
Q. Okay. Let's just keep that document available, but we'll go back to the slide presentation, please.
MR. SACUTA:
A. Okay. So the scope of services. Helicopter transportation services using only aircraft and equipment that is fit for purpose and meets all regulatory and industry standards was a condition of the contract. It also included passenger terminal services, administration and cargo transport, flight tracking services, Blue Sky, a first response

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standby helicopter and personnel. That was a requirement of our contract and it's certainly a requirement of our operations plan. Training for all pilots and flight dispatchers as determined by the helicopter operations manual and the aviation operations guide. The aviation operations guide is actually attached to the contract we have with Cougar. An aircraft hangar and workshop facility to do maintenance on the Cougar aircraft. Aircraft maintenance in accordance with the manufacturer's maintenance schedule performed by trained, licensed aircraft engineers. Support aircraft and engineers to undertake aircraft repair offshore in the event of an aircraft becoming unserviceable. So in other words, they had to be able to mobilize personnel to transit offshore should we have an aircraft on the helideck in the parking area that required service before returning to town. And a provision of an alternate landing site with all necessary personnel and facilities to support flight operations. There are times when, it may be hard to believe, but the St. John's airport is fogged

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in, and they have an alternate which is Long Pond is the designated alternate for Cougar's operations.
ROIL, Q.C.:
Q. Okay. So the alternate landing site is something other than the other facilities that are in the basin?
MR. SACUTA:
A. Yeah. We need an alternate landing site for onshore as well as the fact that we have the opportunity for other landing sites offshore when we transit offshore.
ROIL, Q.C.:
Q. Okay. So there is an alternate land-based landing site at Long Pond?
MR. SACUTA:
A. At Long Pond.
ROIL, Q.C.:
Q. Okay. Now just if we can take a moment to go back to the document, first response standby helicopter and personnel. I just want to have a look to see how that gets defined in the contract. I'd ask the Registrar, if she could, to go to page 30.
REGISTRAR:

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Q. Exhibit number?
ROIL, Q.C.:
Q. Sorry, the one we just called up.
REGISTRAR:
Q. 132?
ROIL, Q.C.:
Q. 132, please.
REGISTRAR:
Q. And the page number?
ROIL, Q.C.:
Q. Page 30 of our pagination, which is page 13 of the contract, but page 30, and I think the alternate landing site is mentioned there and then below that, I believe, is first response capability.
MR. SACUTA:
A. That's correct, under Section 11 of the contract.
ROIL, Q.C.:
Q. Okay, if we could just get Section 11.1? We're not quite -- just scan up a tiny bit. Okay, that's fine. Now because there are people who are not able to see this, perhaps Mr. Sacuta, if you could read the contractual requirement with respect to first response

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capability?
MR. SACUTA:
A. Sure. "The contractor shall provide all personnel, equipment, permits and/or authorizations required to provide first response to owner-specific incidents on a 24-hour, 7-day-a-week basis. During non-core hours, wheels up response time shall be at most one hour," and as we've testified last week, it's a 24/7 one hour wheels up response time for the Cougar first response search and rescue capability.
ROIL, Q.C.:
Q. I was going to ask you, during non-core, earlier in the contract it defines the core hours, I think it's seven a.m. to ten p.m.
MR. SACUTA:
A. Um-hm.
ROIL, Q.C.:
Q. Sorry, that's eight p.m., 700 hours to 2000 hours.
MR. SACUTA:
A. Right.
ROIL, Q.C.:
Q. Use the 24-hour clock. So the expression

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"during non-core hours, wheels up response time shall be at most one hour."
MR. SACUTA:
A. Yes.
ROIL, Q.C.:
Q. Are you telling us that the way this contract is lived is that that is the -
MR. SACUTA:
A. It's 24/7 the response time is one hour wheels up.
ROIL, Q.C.:
Q. Is there a hope or an expectation that during the core hours, that that time would be shorter?
MR. SACUTA:
A. I mean, I -
ROIL, Q.C.:
Q. Or has any thought been given to whether or not it would be shorter during other periods?
MR. SACUTA:
A. I think Cougar has demonstrated the ability to exceed or be less than that one hour. On March 12th, they were in the air wheels up 40 minutes roughly after the helicopter hit the water. So Cougar is going to do the best and

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the fastest job that they can, but contractually, the maximum time they can take is one hour.
ROIL, Q.C.:
Q. Yeah. So if they're longer than an hour, they're in breach of your contract?
MR. SACUTA:
A. Absolutely.
ROIL, Q.C.:
Q. And I think 11.2 defines, and perhaps we should read that in as well, to what exactly first response is in support of.
MR. SACUTA:
A. Sure. "Contractor shall be staffed and equipped to respond to an incident by locating the casualty, assisting with air deployable equipment, and recovering personnel through the use of a rescue winch and a winch operator. Potential first response missions shall include, but not be limited to, Platform or other drilling platform vessel medevacs, support vessel medevacs." So in other words, if one of our supply vessels had a medevac. "Tanker medevacs," supporting the tankers that operate in our jurisdiction, "a helicopter

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ditching, the location and potential recovery of personnel and a location of lifeboats and fast rescue craft and potential recovery of personnel."

ROIL, Q.C.:

Q. So first response includes at least those kinds of services?

MR. SACUTA:

A. That's right.

ROIL, Q.C.:

Q. And do I take it that some of those services would require the rescue winch and some of those services might not require the rescue winch?

MR. SACUTA:

A. That's correct. For example, a medevac on the Platform wouldn't require the winch, but it would require the ability to put a stretcher on the helicopter, for example. And up until March 12th, essentially all of our first response requests were due to medevacs.

ROIL, Q.C.:

Q. Medevacs from the facility?

MR. SACUTA:

A. From the facility, yeah.

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ROIL, Q.C.:

Q. But as I read it here, so that we are all clear, because I think we tend to talk in terms of first response as being a SAR-type activity. So medical evacuations from the drilling platform or the vessels, support vessel medevacs, so that's from the standby vessels that we spoke of. Tanker medevac is from the -

MR. SACUTA:

A. Yeah, there could be a circumstance where we've got a tanker loading oil and they have somebody that gets injured or somebody that has a medical condition, appendicitis or something, that requires them to be medevac'd. That would be included in Cougar's responsibility as part of this first response capability.

ROIL, Q.C.:

Q. And then helicopter ditching, we are all too familiar with what is exactly involved there. And then location of lifeboats, fast rescue craft. What's the fact scenario that would drive that?

MR. SACUTA:

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A. If we had an abandonment situation, for example, where we actually had to abandon the Platform.

ROIL, Q.C.:

Q. Yes.

MR. SACUTA:

A. People abandon using the lifeboats. There could be a case where we would have a man overboard where we may have a fast rescue craft trying to go around the area to locate the individual. In those circumstances, we may want to call out a helicopter to aid in that search as well.

ROIL, Q.C.:

Q. Right, okay. Okay, that's all, I think. Thank you for the -- for right now. So I think we've dealt with slide 70, yeah.

MR. SACUTA:

A. Yeah. As far as performance monitoring goes, third party performance is monitored and periodically assessed to confirm that the performance meets the established criteria and that feedback is provided and deficiencies are corrected. The aviation operations guide review requirements states that all aviation

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operators should be subject to initial and periodic technical and operational reviews conducted by an external qualified aviation adviser, and I'll talk a little bit about how we do that in our operation in subsequent slides. All ongoing long-term aviation operations should be reviewed annually. Just for you information, the aviation operations guide actually defines what a long-term aviation operation is, as continuous operations greater than one year in length.

ROIL, Q.C.:

Q. So anything longer than one year is long term?

MR. SACUTA:

A. It would be considered a long-term aviation operation.

ROIL, Q.C.:

Q. Okay.

MR. SACUTA:

A. HMDC does conduct performance reviews, audits of Cougar in accordance with Element 8 and the aviation operations guide, and we'll talk about those performance reviews in the subsequent slides.

So annual audits. Now we have completed

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11 aviation audits since the Hibernia Platform start up in September of 1997. We have contracted ExxonMobil's corporate aviation services to conduct the annual audits. We have been fortunate enough that the individual that has done the audits has been the same one during that 11-year period. What we've highlighted here is the findings in the last five years. You can see that in the period between 2005 and 2009, there were no significant findings. The medium findings ranged between five and zero over the various years, and then the lower, we had eight in 2005 and then one, three, three, and two, and I have a summary of some of those findings in my subsequent slides. It should be -- we'd like to note that the 2006 audit was actually completed in February of 2007, due to some scheduling issues with the aviation advisor.

ROIL, Q.C.:

Q. Yes, okay. But these are separate annual reports. It's just that that report came in a little later?

MR. SACUTA:

A. That's correct.

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ROIL, Q.C.:

Q. Okay.

MR. SACUTA:

A. It was done in February of 2007 and then the 2007 audit was done later that year.

ROIL, Q.C.:

Q. Okay, and when did the new airframe, the S-92, come into use for your operation?

MR. SACUTA:

A. 2007.

ROIL, Q.C.:

Q. 2007 was the year that the S-92 was introduced.

MR. SACUTA:

A. Yes.

ROIL, Q.C.:

Q. Okay. Now we'll move to number -

MR. SACUTA:

A. So I'm not planning to review all of these findings, but what I've done is selected a couple or three on each of the next set of slides.

ROIL, Q.C.:

Q. Okay. So just so we look at the slide in an overview, the first 1-2-3-4-5, those are the

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five medium findings that were referred to on the earlier page?

MR. SACUTA:

A. Yes.

ROIL, Q.C.:

Q. Okay, and then the 6 is the one that was done a little late into the year.

MR. SACUTA:

A. Right.

ROIL, Q.C.:

Q. And then we have the 7's, the 8's and the 9.

MR. SACUTA:

A. Correct.

ROIL, Q.C.:

Q. Okay, and we're now looking at only the medium.

MR. SACUTA:

A. These are the medium, all the medium findings during that five-year period.

ROIL, Q.C.:

Q. Okay. What is the nature of significant, medium and lower, in terms of your understanding of the relative importance or sensitivity?

MR. SACUTA:

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A. I've actually got a definition that the aviation advisor stewards findings to, so if I could, I'd like to read it.

ROIL, Q.C.:

Q. Yeah.

MR. SACUTA:

A. A significant finding is a recommendation to correct, repair or improve an item of equipment, a document, a process or a situation that in the opinion of the advisor, if not undertaken near term could affect the integrity of operations in the near future or that possesses a higher risk to safety, health and environment.

A medium finding is a recommendation to correct, repair or improve an item of equipment, document, process or situation that in the opinion of the advisor can be reasonably expected to further reduce associated risk to a level as low as reasonably practicable.

And a low finding is a recommendation to correct, repair or improve an item of equipment, document, process or situation that in the opinion of the advisor could improve

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efficiency, reduce costs or eliminate risk exposure entirely.

I'd like to comment that all the findings are sent to Cougar for their action and they're tracked to closure and the aviation advisor must endorse the closure prior to the HMDC president approving any closure.

ROIL, Q.C.:

Q. And this advisor you tell us is the same person that you started with in 1997?

MR. SACUTA:

A. Yeah, he's done all 11 audits over the years.

ROIL, Q.C.:

Q. Okay, and I believe that we may have seen that gentleman's work also in the HOTF. Was he involved?

MR. SACUTA:

A. Yeah, he was on the aviation safety review team. There was a person that led that aviation safety review. That individual is our aviation advisor that we use for these audits.

ROIL, Q.C.:

Q. And that's the Exxon -

MR. SACUTA:

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A. The ExxonMobil aviation advisor, that's correct.

ROIL, Q.C.:

Q. And I think we have his credentials in the -

MR. SACUTA:

A. In the HOTF report.

ROIL, Q.C.:

Q. - HOTF report, thank you.

MR. SACUTA:

A. 40 years experience, among a whole bunch of other things, including being a helicopter pilot in Vietnam.

ROIL, Q.C.:

Q. I take it that you're impressed with his credentials.

MR. SACUTA:

A. Extremely impressed, yeah.

ROIL, Q.C.:

Q. I think they are, they're quite credible. Okay.

MR. SACUTA:

A. Okay, so I'll just -- I've got three that I'd like to talk about. In 2005, the finding was Cougar to ensure that S-92 passenger seats are properly aligned with the window exits. Now

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you know that we did not move to the S-92 until 2007, but PetroCanada began the S-92 in 2005. So as part of the review, the aviation advisor actually took a look at the aircraft and there were no indications that the seats weren't aligned with the windows, but you have the ability to position the seats, move them in and out. He just wanted to make sure that it was -- that Cougar was aware that our expectations were when you have the seats put in the aircraft, the seats will line up with the windows. It wasn't because he had observed the seats not being lined up in the window. He just wanted to be sure they understood that from HMDC's perspective, each and every time that aircraft would be used sometime in the future, we would like those seats to line up with the windows.

The second one is assess the ability to comply with the aviation operations guide regarding night currency for pilots. Night currency requirements for pilots, the AOG recommends that you have three landings in a 90-day period which is more onerous than Transport Canada's which is five landings in a

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90-day or in a six-month period. So it was difficult for Cougar to meet the requirements during the summer months due to extended daylight hours. So during those summer months where we have days where the sun gets -- comes up at five and sets after ten, there's a limited number of night time flying hours. So what Cougar has done has been able to demonstrate an equivalent level of competency using a simulator, which basically when you're in the simulator, it's just like you're flying an aircraft. So they presented that as a way to meet this -- or close this finding which was endorsed by the aviation advisor.

The third one I wanted to talk about was recommend Cougar incorporate homing devices in the cockpits of airframes designated for SAR. You can see that -

ROIL, Q.C.:

Q. That's the second last one there?

MR. SACUTA:

A. Second last one. That was done during the recently completed 2009 audit. That is still shown as an open action. The current status - - a homing device, just so you understand, has

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the ability to track the signal from a PLB. So it gives you direction of signal with a homing device. Currently, one of the three aircraft that Cougar has, one of the three S-92s actually has a homing device and the other two don't. So the other two would have to kind of fly a pattern and measure location based on the strength of the signal. So he's recommended that we put the homing device in all three aircraft, which would be you'd be able to more quickly identify the location of an individual if he was in the water and his PLB was activated. Cougar has provided a cost estimate to provide the other two aircraft and we're currently reviewing the cost estimate with the other area operators. We expect a decision and this item to be closed some time in the near future. So we've progressed it with Cougar and now it's with the operators to make this happen.

ROIL, Q.C.:

Q. And then at some point in time, again will the solution that is found be signed off by the gentleman who's your aviation advisor?

MR. SACUTA:

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A. Yeah. He would endorse it. Normally we do the endorsement process by e-mail because he's located in Dallas, and then we would attach his endorsement to the close out form and then I would sign off for closure.

ROIL, Q.C.:

Q. I've made a note here. It isn't tied into this page, but I know in the earlier evidence, we talked about the auto hover feature and I think that was indicated to be something that was being sought.

MR. SACUTA:

A. Correct.

ROIL, Q.C.:

Q. For the Cougar equipment.

MR. SACUTA:

A. Yes.

ROIL, Q.C.:

Q. To enable it to, I guess, my understanding of it, very much of a layperson's, to measure the distance from the water in a night time restricted visibility -

MR. SACUTA:

A. What the auto hover -

ROIL, Q.C.:

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Q. - retain height, I guess.

MR. SACUTA:

A. What the auto hover capability does is removes the pilot having to be the person that maintains station. In order for a pilot to maintain a height, they have to have a visual reference to know where they are. Auto hover removes the requirement for that visual reference, and auto -- as we mentioned in the joint panel, auto hover needs to be certified by Transport Canada and then we are planning to install that on our aircraft, so that we've got full auto hover capability, which will allow us to winch in night time hours.

ROIL, Q.C.:

Q. Right, and that would include any or all of the airframes that are dedicated to SAR or sorry, first response issues?

MR. SACUTA:

A. That would be correct. Any airframe that was in a SAR configuration to be the first response SAR helicopter would be equipped with auto hover.

ROIL, Q.C.:

Q. Okay. So if more than one helicopter was

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being configured and set aside -

MR. SACUTA:

A. That's correct.

ROIL, Q.C.:

Q. - then more than one would have to have it?

MR. SACUTA:

A. That's correct.

ROIL, Q.C.:

Q. Okay, and that's different than the homing device? That's a different -

MR. SACUTA:

A. That's different. The homing device is basically once you're in the air and somebody's in the water and their PLB goes off, it points you in the direction of where they are.

ROIL, Q.C.:

Q. Okay. That's the aviation medium findings, and then, I think the next page we get to the lower findings.

MR. SACUTA:

A. Yeah, I've got a couple of lower findings, a couple of pages of lower findings, so I'll talk about just a couple. By nature of the classification, obviously lower findings are

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less significant. In 2005, Cougar was to provide evidence of renewable liability insurance, which was due to expire November 1st, 2005. At the time of the audit, it was before November 1st, but the aviation advisor noticed that their liability insurance was going to expire, so he wanted to make sure that Cougar provided evidence to us that they had extended that liability insurance and that was done by Cougar and that item has been closed.

ROIL, Q.C.:

Q. Okay. So we should not take it that there was ever a period of time that -

MR. SACUTA:

A. No.

ROIL, Q.C.:

Q. - there wasn't liability insurance?

MR. SACUTA:

A. It was just that at the time he did this audit, it was so close to November 1st. He wanted almost to remind Cougar that, you know, your liability insurance expires November 1st. You need to demonstrate to the HMDC that you have new liability insurance available prior

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to November 1st.

ROIL, Q.C.:

Q. Okay. So even though there was not a deficiency -

MR. SACUTA:

A. No.

ROIL, Q.C.:

Q. - at the time of the inspection, he would still describe that as a lower finding?

MR. SACUTA:

A. Exactly.

ROIL, Q.C.:

Q. Just trying to get a sense as to what lower findings might include.

MR. SACUTA:

A. That's right, and I mean, I talked about in the definition that, you know, reduce costs, eliminate risk exposure entirely, could improve efficiency. They're very lower level significance findings and this was just more of a highlight by the aviation advisor to Cougar to remind them that their liability insurance -- and there was no indication that they didn't know, but he just wanted to make sure that they let us know that they had

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extended that liability insurance.

Now the second one is to recommend HMDC consider replacing the current yellow helideck lighting with green perimeter lights. So green, my understanding is that green perimeter lights have more visibility than yellow, so that was done. It was in order to enhance visibility and that's been closed as well, as having been implemented on the Hibernia. So you can see that the aviation advisor's findings aren't just with Cougar. They're also findings associated with our helicopter operations on the Platform itself.

ROIL, Q.C.:

Q. So his view of helicopter is not just the airframe or the operator? It's the holistic operation of helicopters to and from?

MR. SACUTA:

A. That's correct.

ROIL, Q.C.:

Q. Okay. If he were -- this may be a question that you can't answer, but would something like the suits that people wear and the gear that they wear, would that be a part of the things that he would look at?

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MR. SACUTA:

A. I mean, he would look at that as part of compliance with the helicopter operations manual or the aviation operations guide. So he would look to ensure that we were using suits.

ROIL, Q.C.:

Q. Yes, okay.

MR. SACUTA:

A. The second set of lower findings, I've got a couple here. In 2008, when he reviewed Cougar's emergency action plan, he noticed that there were no contact numbers, telephone numbers for HMDC in that action plan. So he recommended that Cougar update their emergency action plan and make sure there were contact numbers for various people at HMDC. So that has been done. And also in 2008, no random drug and alcohol testing for Cougar safety sensitive positions, which is a requirement in our contract, and he discovered that there hadn't been the random drug and alcohol testing. So Cougar has now implemented that for safety sensitive personnel. A pilot, for example, would be considered a safety

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sensitive personnel and they now have a random drug and alcohol testing program in place. The offshore logistics superintendent -- sorry, the onshore logistics superintendent is the focal point between the aviation advisor and Cougar to ensure findings are tracked. I approve any closure forms after endorsement by the aviation advisor. As you know, Mr. Roil, and Commissioner Wells, we had an audit completed in October of 2009, and I would like to read a comment from the cover letter, based on the fact that we did have the accident in March.

ROIL, Q.C.:

Q. Actually, we have -- I'm going to jump back a little bit. We have actually two audits that I have asked you to pull up the reports of, and they are Exhibits # 135 and 136. I'll ask the Registrar to take up Exhibit 135 first of all, and this is the report of your --

MR. SACUTA:

A. The 2006 audit that we received the report in March of 2007, because it was done in February.

ROIL, Q.C.:

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Q. So this is an audit before the March incident?

MR. SACUTA:

A. Correct.

ROIL, Q.C.:

Q. And then the second one which we'll look at later is one after the incident?

MR. SACUTA:

A. That's correct.

ROIL, Q.C.:

Q. Okay. Now just perhaps if we take the front page of this, and again because there are people who will hear who will not be able to read this document, I'd ask you to read just the first two paragraphs so we'll get a sense as to what it is that -- this is from Mr. James Such, who's your aviation advisor.

MR. SACUTA:

A. Correct, "The undersigned completed an aviation safety review of Cougar Helicopters Incorporated, CHI, during the period, 12th to 15th of February, 2007. As per task order, EMCETO-019, as Hibernia Management and Development Company, HMDC, authorized this work under WAF, which is a work authorization form, 2007-037, the aviation safety review

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action plan, ASRAP, is attached. The overall recommendation is that aviation services recommends CHI for continued use. The operator should address the items tabulated in the attached action plan. The advisor recommends HMDC forward the plan to Cougar Helicopters, together with a request that it return a written response within a reasonable time frame".

ROIL, Q.C.:

Q. And under "significant findings"?

MR. SACUTA:

A. "No significant findings". There are no significant items.

ROIL, Q.C.:

Q. And I think in the next paragraph, we'll just stop there, we won't read the whole thing, under the first line of safety, what does it say?

MR. SACUTA:

A. It says, "Since the last visit in the fourth quarter of 2005, CHI has not had any accidents".

ROIL, Q.C.:

Q. And then attached to that two page report,

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there's a number of schedules, including a list of items. Do I take it that those are the list of items that the advisor wanted addressed?

MR. SACUTA:

A. That's correct.

ROIL, Q.C.:

Q. Okay, and to your knowledge, have all of those items been addressed since that audit?

MR. SACUTA:

A. Yes, they have.

ROIL, Q.C.:

Q. Now then there's also another audit which was done in November of 2009, Exhibit 136.

MR. SACUTA:

A. This was addressed to myself, and what I was going to do is read a paragraph.

ROIL, Q.C.:

Q. Okay, again you might read the opening paragraph.

MR. SACUTA:

A. Okay, I'll do that.

ROIL, Q.C.:

Q. Yeah, just so we have the context of the letter and the tone that it's written in.

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MR. SACUTA:

A. "The undersigned complete an aviation safety review of Cougar Helicopters Incorporated, CHI, during the period 22nd to 24th of October, 2009, as per task order, EMCETO-029, and HMDC WAF, 2009-101. Attached is the aviation safety review action plan, the ASRAP, Cougar Helicopters". Do you want me to carry on?

ROIL, Q.C.:

Q. Yeah, carry on.

MR. SACUTA:

A. "The advisor acknowledges that one direct result of the Cougar accident of March 9th has been a heightened awareness and interest by multiple parties in many areas related to the transportation services CHI provides, and to demand a manufacturer and ongoing maintenance program of the Sikorsky S-92 helicopter. The customer demand for information from Cougar and Sikorsky has increased exponentially. The advisor believes CHI personnel are doing their best to meet this demand, but that one effect has been elevated stress in individual workers. While this may be unavoidable in the

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near term, the challenge for the customer groups and Cougar for the longer term is to establish an acceptable process to provide required information without significantly distracting individuals away from their primary responsibilities and focus areas".

ROIL, Q.C.:

Q. And the next paragraph, and then I'll stop you and ask you for some comment.

MR. SACUTA:

A. Okay. "Consistent with this goal, CHI suggested timing customer safety reviews to a single period when the customer advisors or consultants can visit and conduct their reviews concurrently. Aviation Services takes no exception to this idea provided it's able to offer and render to HMDC an individual, not a joint report".

ROIL, Q.C.:

Q. Okay, now as the senior person in Newfoundland responsible for the operation of helicopters to and from HMDC, what were you understanding this issue to be about here?

MR. SACUTA:

A. I think the issue is that there's a heightened

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awareness after March 12th, and so there's a lot of focus and attention paid on Cougar's helicopter operations by each of the three operators. We all have our own auditing processes, and I think it's placed a strain on Cougar in terms of having the time and the people -- taking their people away from their day to day responsibilities, which is to maintain helicopters. So what they recommended is that we consider doing not necessarily a joint audit, but schedule our audits all the same time so that the focus that we placed on Cougar during these audits all comes at one time instead of spread out at three different times during a year, and what we have done from my perspective is I've talked to my logistics coordinator about we need to look at that and see if we can work with the other operators and see if we can arrange that as part of our yearly audits, that we try to get each individual operator doing it at the same time.

ROIL, Q.C.:

Q. Okay, notwithstanding that challenge, and I think that's understandable in light of the

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incident on March 12th and the incredible focus on this company, what was the recommendation of the auditor?

MR. SACUTA:

A. "Aviation Services recommended CHI, Cougar Helicopters Incorporated, for continued use. The advisor recommends that HMDC forward the ASRAP to CHI, together with a request that it return a written response within a reasonable period. There are no significant items".

ROIL, Q.C.:

Q. Okay, and perhaps again the next two paragraphs, and then I'll -- I think we just need to get once again the factual background to this particular inspection.

MR. SACUTA:

A. I can't page down for some reason. Okay, this is actually what I wanted to talk about. "Since the last review in November, 2008, CHI experienced a significant fatal accident, March, 2009. Subsequent to the accident, an aviation safety review team, ASRT, made up of aviation advisors and consultants, conducted a joint aviation safety review by request of the end user companies. The focus of the aviation

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safety review team was to assess whether the organization was ready to return to service. The aviation safety review team report affirmed that the Cougar organization was ready. At the time of this review, the advisor was unable to discern any significant differences in the posture of the company with regard to safety of operations. It is the advisor's belief that safety of operations remains the foremost goal of Cougar personnel and that its systems, processes, and methodologies support that goal".

ROIL, Q.C.:

Q. The expression, "The advisor was unable to discern any significant differences in the posture of the company", do you take that as being a positive statement?

MR. SACUTA:

A. I take it as a positive statement, yes.

ROIL, Q.C.:

Q. I think the way it's worded, somebody might try to interpret it otherwise, but --

MR. SACUTA:

A. I didn't read it -- sorry, I didn't write it, so you'd have to talk to the aviation advisor,

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but I see that as a positive statement.

ROIL, Q.C.:

Q. Yes.

MR. SACUTA:

A. I mean, he speaks around the fact that his belief is that the safety of operations remains the foremost goal of Cougar personnel. I think that says it all.

ROIL, Q.C.:

Q. Yeah. Now that's scant -- well, not scant, I guess, in terms of the fact that flights are flying every day, but it's only done a month and a bit ago. Do you know the status of any of the outstanding items on the list at this point in time?

MR. SACUTA:

A. Yeah, as far as the findings go, there was a recommendation to review the company route book and aircraft MCH, which is the serial number of the aircraft. That has been completed. We're just working through the approvals and the sign off process. The management diagram in the low section, they're also working on that. I talked about the two medium findings, the fact that the homing

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devices and -- we are progressing and having Cougar look at the other medium finding, which was to recommend Cougar consider for the purposes of customer information, development of a spreadsheet listing the directives of the manufacturer and civil aviation authorities, together with an initial assessment of the relative importance and impact for the user group. So I know Cougar is looking at that as well.

ROIL, Q.C.:

Q. So for the purpose of customer information, what do you -- who are the customers that are being referred to there?

MR. SACUTA:

A. That would be us and our workforce.

ROIL, Q.C.:

Q. And your workforce.

MR. SACUTA:

A. Yeah.

ROIL, Q.C.:

Q. I think we spoke earlier in the joint presentation of the desire to provide more information to the workforce where they're travelling and just in relation to that.

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MR. SACUTA:

A. Yes, and we have done that as a matter of course. When Cougar received the alert service bulletin to change out the filter bowl assembly, that was communicated to our workforce because of the significance of that to the event of March 12th. So we have been working with Cougar to make sure we keep our workforce aware of those situations.

ROIL, Q.C.:

Q. Okay, thank you. I think that's all for the time being on the issue of audits and performance monitoring. We can now move perhaps through slide 76.

MR. SACUTA:

A. Okay, the Sikorsky S-92, as the next generation of helicopters, offered a number of technical improvements over the Super Puma. It was recommended by Cougar. The S-92 is fully compliant with the ExxonMobil Aviation Operations Guide and was indorsed by ExxonMobil's Corporate Aviation Services. As I mentioned, in 2005 Petro Canada was the first to go with the S-92. We wanted some more run time on it, we were very interested

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in the aircraft, but based on the consultation with Aviation Services, they wanted to see some more run time, and we got that additional run time and then we transitioned to the aircraft in 2007. So moving to a common aircraft type with Suncor and Husky will enhance synergies, improve safety and reliability, and it would be more cost effective.

ROIL, Q.C.:

Q. If you had determined -- in light of the pooling and sharing of this resource within the industry, if HMDC had concluded that it wanted to stay with the Super Puma or some other airframe, a 61 or a 76, would that have been logistically possible?

MR. SACUTA:

A. Yes.

ROIL, Q.C.:

Q. So you have the ability to control your airframe?

MR. SACUTA:

A. Absolutely.

ROIL, Q.C.:

Q. In terms of telling them we want this particular one?

MR. SACUTA:

A. That's right.

ROIL, Q.C.:

Q. I want to make sure that we understand that this is not when one person triggers it, the others have to go?

MR. SACUTA:

A. If we weren't satisfied wit the transition to the S-92, or if during that period between 2005 and 2007 we hadn't been satisfied with its performance, we would have stayed with the Super Puma, but we were very satisfied with the S-92's performance, and as I mentioned, it had a number of technical improvements over the Super Puma. So we thought it was the best aircraft for our service in Newfoundland.

ROIL, Q.C.:

Q. Okay, thank you.

MR. SACUTA:

A. So in this section I'm going to briefly describe HMDC's incident investigation and also the process. It will be a very brief description. It is Element 9, incident investigation. So the purpose is to facilitate the proper management of incidents so that valuable information and lessons learned are available to improve operations and avoid recurrence. The objective is safety, health, and environmental, security, process and equipment related incidents are reported, investigated, and analyzed to identify the root cause. Corrective actions are identified and implemented to prevent reoccurrence and lessons learned are communicated.

ROIL, Q.C.:

Q. So here you're speaking of generally incidents with which your company are involved?

MR. SACUTA:

A. Right, it can be a safety, health, environment incident, it could be an incident associated with equipment, with the process, a wide range of incident definitions.

ROIL, Q.C.:

Q. Perhaps we need to get into some definitions and some expressions here because I know that particularly with the aviation industry there are certain expressions that are used there that you may use in an entirely different context and I want to make sure that we understand the context in which you use them.

MR. SACUTA:

A. Sure, and I think I can maybe give some clarification that I had on this slide. So the incident notification and investigation reporting process, I would comment that helicopter related incidents are reported and investigated and analyzed in accordance with OIMS Element 9. So in this chart, you can see an unsafe event occurs. That could be a near miss or an incident, and I'll give you a very simplistic view of what a near miss and an incident or a hazard is. You've got a book shelf and you've got a book teetering on the edge, that would be a hazard, potential for the book to fall. If the book was to fall, land on the floor and hadn't hit anybody, that would be a near miss, and if the book was to fall and hit somebody and that individual was injured, that would be an incident. Very simplistic, but I can probably relay that to you as far as helicopter operations go. Let's say a helicopter landed on the helideck and when the helideck crew went to the baggage

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compartment, they found a bag or a box that was extremely heavy and it hadn't been marked properly, that would be a hazard and they'd report it as such. Let's say they're removing a box out of the helideck area and the bottom of the box fell out and whatever was in there fell onto the deck, that would be a near miss. Let's say when they were removing a box, whatever was in the box fell out and landed on somebody's foot and caused an injury, that would be an incident.

ROIL, Q.C.:

Q. So the expression, "near miss" doesn't take on the common jargon that we have in aviation culture, I guess, that near miss is two aircraft that are coming close to one another?

MR. SACUTA:

A. Exactly.

ROIL, Q.C.:

Q. You're not talking about that at all?

MR. SACUTA:

A. No, no. So after the unsafe event occurs, there is an incident notification and a report form initiated. The incident is classified and there's a reporting structure. So it could

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be classified as a near miss, it could be an incident that may be an injury type incident, it could be a gas release type incident. There are many different things that it could be. The investigation and root cause analysis is completed, corrective actions are identified and implemented. Any corrective actions have to be stewarded to closure, such that if it says you're going to do, A, B, and C, that each one of those activities are done and they're stewarded to closure and signed off as being completed. The communication concerning the lesson learned on the Hibernia Platform, it's part of our safety meeting structure that you review incidents that may have occurred in your area as part of the JOHS Committee. So whenever we've had an incident, we try to communicate with our workforce so that we avoid recurrence of that incident. Then there's a report goes out and a debrief. A debrief would be required, for example, with onshore. If we had had a significant incident, we would do a debrief with onshore management just to make sure that we were kept up to date with what were the circumstances

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under which that incident occurred.

ROIL, Q.C.:

Q. Now with respect to the March 12th incident in the broadest sense, would this kind of process had been undertaken by HMDC?

MR. SACUTA:

A. It was agreed after the March 12th incident that based on the fact that this was a Husky flight, scheduled flight, in discussions with the Board, it was agreed that Husky would take the lead on it, being a Husky incident. So Husky was responsible for completing the incident review and submitting the report to the Board.

ROIL, Q.C.:

Q. Would HMDC, in any of its efforts, have done any lessons learned or anything as a result of this incident to --

MR. SACUTA:

A. I think the aviation safety -- sorry, the HOTF Report had lessons learned in it. Husky kept us up to date throughout this whole process. As part of Husky's incident reporting, Cougar had done an incident investigation, and, of course, the TSB is still -- their

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investigation is still underway. So what Husky submitted to the Board wouldn't have been a final document because we're waiting for the TSB report to be issued.

ROIL, Q.C.:

Q. The next section takes us perhaps into the end. I know -- Commissioner, I see down here by the little note that is put in front of me that we normally don't have the afternoon break until 3:30, but I think this will be a good time, and I think, quite frankly, I need a bit of a break.

COMMISSIONER:

Q. Okay, we'll come back in fifteen minutes.

ROIL, Q.C.:

Q. Fifteen minutes. Thank you.

(RECESS)

ROIL, Q.C.:

Q. Okay, Mr. Sacuta, I understand that you're going to take us through the slides from page 81.

MR. SACUTA:

A. That's correct. The next up is emergency response. In this section, I'm going to discuss Hibernia's emergency and response

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process, so this will include the regulatory requirements, OIMS Element 10, which is community awareness and emergency preparedness, the Hibernia emergency response structure and how its activated, and the specific responses to March 12th, 2009. So from a regulatory perspective, the operators are required to prepare and submit a safety plan to the chief safety officer of the C-NLOPB for approval. The safety plan must provide for all matters related to the safety and health of personnel and the integrity of the installation. This includes contingency plans for emergency response to and mitigation of accidental events. The Hibernia Operations Plan references the Hibernia emergency response plan which contains operational guidance on emergency response activities. So within our operations plan we make reference to our Hibernia emergency response plan, which is a dedicated document.

ROIL, Q.C.:

Q. That's another dedicated HMDC document?

MR. SACUTA:

A. That's correct. So as you can see, community

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awareness and emergency preparedness --

ROIL, Q.C.:

Q. First of all, that combination of titles sounds a little odd to me, but perhaps not to you. Perhaps you could explain how they come to be related?

MR. SACUTA:

A. Yes. Although community awareness and emergency response are contained under Element 10 of the Operations Integrity Management System, they actually have their own management systems. So underneath Element 10, there's two management systems; 10-1, which is community awareness, and 10-2, which is emergency response. However, there are -- there may be times where these two management systems are tied closely together, such as at a refinery where an emergency could have an impact on the surrounding communities. So that's why they're basically covered under the same Element 10, although they have their own separate management systems.

ROIL, Q.C.:

Q. So each system is separate?

MR. SACUTA:

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A. Yes.

ROIL, Q.C.:

Q. But they talk to one another because of the fact that they could --

MR. SACUTA:

A. There could be that overlap or interface during an emergency response situation. So a key component of Element 10 is the emergency preparedness and response. The purpose is to ensure effective emergency response plans are established, that equipment is well maintained, and trained personnel are available to deal with emergency situations. The objective is the emergency response plans are documented, resourced, accessible, current, and clearly communicated. Required emergency response drills are conducted to test the adequacy of response plans. The process is to develop and update an emergency response plan which we have a document, as I mentioned, and to conduct emergency response drills. So we've got a little flow chart here. The first step in the flow chart is to understand the regulatory requirements and the response organization's training needs. From

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there, you develop a list of drill scenarios for the upcoming period. You would select a drill scenario.

ROIL, Q.C.:

Q. This is for a drill, for a practice?

MR. SACUTA:

A. This is for a practice, and I think the key component is on an annual basis, Hibernia completes a major exercise where we test both the onshore and offshore emergency response organizations. From an offshore perspective, the Platform holds weekly muster drills where they test fire teams, they do table tops. So this is an ever living process that we continually train and exercise our emergency response organizations. Now we also do onshore. We do table top exercises to provide additional training for people to fill positions because in any organization you have people move in and out. We want to make sure that if, for example, I, as the President, moves on to another opportunity, there's always somebody that's trained to do that role. So there's a number of people that can fill various emergency response duties in our

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organization. Certainly when you conduct a drill, there's always a debrief afterwards to evaluate the effectiveness. We document the drill just so that we can say here's what the specific situation was, the mobilization times, which -- and we'll talk a little bit later about the specific emergency response organizations we have related to HMDC. There's also -- you incorporate any learnings. There's always a debrief after an emergency response drill. For onshore -- and I'll talk about it a little bit later in the exercise. You get together and talk about what worked well, what needs to be improved. We incorporate those learnings into the emergency response plan, so it's an ever green document that continues to be updated as required. Then there's always the follow up and close out of improvement actions, and then we share learnings, and one of the things we did after March 12th, it was in the HOTF Report, was actually some learnings on the three operator's response to the March 12th incident.

ROIL, Q.C.:

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Q. So that wasn't a drill, that was the real thing?

MR. SACUTA:

A. That was a real thing. We do the same thing on real incidents.

ROIL, Q.C.:

Q. I was going to say, what kind of fact situations do you develop for your drills? Would you ever have -- prior to March 12th, would you have ever identified an incident with a helicopter or with a vessel or something as a part of what you would be drilling on -- drilling exercising, I mean.

MR. SACUTA:

A. In our emergency response are a number of scenarios that we will drill on a regular basis, and perhaps John can talk about the helicopter crash perspective. I think that's one of the scenarios that they look at offshore as part of their weekly exercises, the response to that.

MR. FRASER:

A. Yes. So part of our regular emergency exercises, we have a schedule, as Paul said, of different events that we could have happen

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and we go through -- one of them is a helicopter incident, and typically the exercise that we would do on the Platform would involve a helicopter emergency on the helideck because that would involve more people.

ROIL, Q.C.:

Q. Yes.

MR. FRASER:

A. And so we drill, and I can't remember the exact frequency of it, but we do it on a fairly regular basis that we -- we get the helideck crew and they simulate that there's an issue with a helicopter, and it can be various scenarios that we work out, and typically the SH&E lead will manage that and come up with some scenarios, so we -- somebody has to run the exercise and he'll do that, and we do that quite frequently.

MR. SACUTA:

A. So as far as Hibernia's emergency response goes, it's a multi-chaired system with well defined rules and responsibilities. Response teams are on call 24 hours a day. As I mentioned, routine drills are conducted to

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ensure response team readiness. Response teams have access to external resources, such as the RCMP, and the joint coordination centre, which we certainly communicated with during the March 12th incident, and the focus during emergency situations is to protect our people, protect the environment, safeguard our assets, and maintain our corporate reputation. So on the right hand side of this it shows the HMDC President, and underneath we've got the HMDC offshore emergency response organization. That's John, for example, his team would have an emergency response organization.

ROIL, Q.C.:

Q. So in the event an incident happened while he was on watch, he would be the offshore emergency response organization team lead?

MR. SACUTA:

A. Right, and I've got some slides on that coming up. We've got the onshore emergency response organization, which I would be the lead of, and then we have the opportunity as part of this relationship we have with ExxonMobil to utilize ExxonMobil's emergency support group, and there's some additional information on

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that as we move forward.

ROIL, Q.C.:

Q. Okay.

MR. SACUTA:

A. So from an offshore emergency response perspective, the emergency response team deals with all Platform emergencies, the OIM, Mr. Fraser, if he was out there as back to back, would be in overall command of the Platform emergency response. The primary consideration in any emergency response is the safety of the personnel on board, the protection of the environment, and the integrity of the Platform. So they have offshore what's called the emergency coordination centre which is a dedicated room offshore only used for emergency response purposes, which includes all the required communication equipment, so it would have satellite phones, the ability to do PA announcements. All the communications that you would need during an emergency are in that dedicated room, and that room's sole purpose is for emergency response.

ROIL, Q.C.:

Q. Okay, and where is that room in relation to

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the fire wall and the blast wall?

MR. SACUTA:

A. It's in the accommodations module on the same level of all the offices of the offshore leadership team, and on the same level of the central control room.

ROIL, Q.C.:

Q. And this room is dedicated solely to -- has no other use?

MR. SACUTA:

A. Has no other use.

ROIL, Q.C.:

Q. Other than for emergency --

MR. SACUTA:

A. For emergency response. So there's nobody ever sitting in that room, that room is -- it's always open, but there are no desks in there. It's a room that is used during emergency response situations. Underneath the OIM, in that room you may have the services supervisor who is responsible for the POB, or the personnel on board status, making sure we've accounted for all persons on board during an emergency. They communicate with the vessels and understand the helicopter status. The

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radio operator generally stays in the radio room upstairs on the highest level of the accommodations, and he would also be in communication with the vessels, any aircraft, and he does have a direct communication line into the emergency control centre, the ECC. We have an incident recorder who's in there writing down anything he hears that's happening, anything that comes in on the radio's communication with fire teams, for example. We have a ECC-CCR communications person. The CCR is the Central Control Room. These are two separate areas, but we need someone to communicate back and forth between the ECC where the OIM is located, and the CCR, which would be where all your distributed control systems, your fire and gas panels, all that. So there needs to be communication back and forth between those two centres. The drilling supervisor looks after the weather, the plot plan, making sure that we've got the weather conditions, sea state conditions all identified on the map, so that the OIM has that available to him, and then the maintenance supervisor is the communication

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between the offshore ECC and the shore communications, which I'll talk about next, but basically he would be the one that would be communicating with the emergency operations centre in town.

ROIL, Q.C.:

Q. Okay, so he's the link into the onshore?

MR. SACUTA:

A. Yes.

ROIL, Q.C.:

Q. Before we go on, I think the point needs to be made that it seems to me that while we in the Inquiry look at the use of helicopters in the offshore, there's really two issues in terms of emergency. One is, I think, that the helicopter can be the cause of the emergency, or it could be a support --

MR. SACUTA:

A. It could be a response.

ROIL, Q.C.:

Q. A response to an emergency.

MR. SACUTA:

A. Right, we could call our helicopters to downman the facility, for example. If you wanted to get non-essential personnel off the

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Platform, you could call Cougar and say, you know, send us out as many helicopters as you got available because we'd like to start precautionary downman of our facility. You'd have some options. You could downman them to some of the other facilities in the area, or you could send them back to town, depending on the situation.

ROIL, Q.C.:

Q. Have the helicopters ever been used in that kind of advance guard style of operation in terms of getting people off in anticipation of an incident or a problem arising?

MR. SACUTA:

A. I'm aware of one situation back in 1998 where we did a precautionary downman, but besides that, I'm not aware of any others.

ROIL, Q.C.:

Q. Was that precautionary down as a result of an operational problem?

MR. SACUTA:

A. It was an operational problem, yes. There was an operational issue at the time, and they decided to take non-essential personnel and they downmanned them to an adjacent facility.

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At the time I think there was a drilling rig drilling at the time, and we moved people to the drilling rig until we knew exactly what was going on on the Platform. That was the protocol was to get non-essential personnel off the Platform.

ROIL, Q.C.:

Q. But there wasn't ultimately an emergency at that time?

MR. SACUTA:

A. No. I mean, there was a situation that needed to be addressed, but very quickly after it was addressed, the workforce was brought back to the Platform.

ROIL, Q.C.:

Q. Okay, thank you.

MR. SACUTA:

A. So from an onshore emergency response perspective, we have what's called the emergency operations centre, which provides direct support the Hibernia Platform when required. The HMDC President, myself, or a designate manages the response in the EOC. There may be circumstances where I'm not available or I'm needed for other purposes, so

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there's always somebody who's adequately trained to stand in for me as the head of the emergency operations centre.

ROIL, Q.C.:

Q. And where is the emergency operations centre?

MR. SACUTA:

A. It's located in our office building in town on the 5th floor of Cabot Place.

ROIL, Q.C.:

Q. So it's in the same building that you operate your business from?

MR. SACUTA:

A. That's right. It is also a dedicated room that is used solely for emergency response. The EOCT members are selected based on experience, work skills, and leadership qualities, and they are trained in emergency response duties and conduct regular drills involving helicopter ditching, fire and explosion, and potential security threats. So there's two ways that we can do some training. We can do it in an interface training exercise with offshore where we have the full established communications, and then there's what we call "table top exercises", where

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we'll have a group of people in another conference room, for example, mimicking being the offshore Platform, just to train us separately. So we use that a lot to train our people that are new into the emergency response organization to provide that training prior to a real emergency happening.

ROIL, Q.C.:

Q. So in some emergencies they actually call from the Platform; in other cases, they call from the room next door?

MR. SACUTA:

A. Yeah, I mean, when we're doing a drill, sometimes we have a joint exercise where it involves the offshore organization and onshore, and sometimes we'll let offshore run the day to day business and we'll do a table top exercise, which basically just has a few people in a room that simulate the OIM and they simulate the maintenance supervisor, and they make the calls to tell you what's happening, but you're still acting in the EOC like it's a real emergency, just with role players.

ROIL, Q.C.:

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Q. Right.
MR. SACUTA:
A. And as I've already mentioned, these drills may involve major contractors and other support organizations, such as the JRCC, the RCMP, and other operators, and during the March 12th incident there was a lot of communication between the various operators. I was in direct communications with Husky's emergency response team, the JRCC was being contacted, we updated the Board, and I'll talk about that a little bit later in the slides as to the direct response of March 12th. Under the EOC, we've got a technical coordinator, a safety coordinator, human resources coordinator, public affairs, a logistics coordinator, and operations coordinator, an event recorder, and all of those people have dedicated responsibilities in that EOC centre. For example, the operations coordinator would be the one that was in communication with the Platform with the maintenance supervisor. There are times when I would be communicating with John directly if he was out there, just to make sure that we've got open communication

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between both.
ROIL, Q.C.:
Q. And who is the section manager that's in charge of the emergency operations centre?
MR. SACUTA:
A. That's me.
ROIL, Q.C.:
Q. That would be the -- if you were available?
MR. SACUTA:
A. If I was available -- generally it would always be me unless I was on vacation, and when I go on vacation, I designate an alternate, for example.
ROIL, Q.C.:
Q. Right.
MR. SACUTA:
A. So as I mentioned, we talked about ExxonMobil's emergency support group or the ESG. HMDC has contracted ExxonMobil Canada to be available to provide additional support services during incidents if requested by HMDC. Hibernia's EOC section manager, myself, has the ability to activate the ExxonMobil emergency support group at any time during any incident. It provides access to the resources

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of ExxonMobil Canada and its affiliates to support emergencies, and the HMDC President does retain the overall responsibility for Hibernia's emergency response activities. So this triangle shows the relationship. At the bottom of that triangle would be ExxonMobil Canada's ESG group. It is also in a dedicated room in the same office building as Hibernia. It's a -
ROIL, Q.C.:
Q. But a separate room?
MR. SACUTA:
A. Separate room.
ROIL, Q.C.:
Q. Yes.
MR. SACUTA:
A. It's generally staffed by ExxonMobil personnel or ExxonMobil personnel that have been seconded to HMDC. So we do have ExxonMobil only personnel that work in St. John's. So it's a combination of either dedicated ExxonMobil personnel or some ExxonMobil personnel that have been seconded to HMDC.
ROIL, Q.C.:
Q. Okay. So nobody who's a part of your

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organization in the EOC is the same person who's ascribed duties in the ESG?
MR. SACUTA:
A. That's correct. They're separate roles, separate organizations.
ROIL, Q.C.:
Q. And I think you said as president, you or the person who is president, retains control and responsibility?
MR. SACUTA:
A. Overall responsibility, yes.
ROIL, Q.C.:
Q. So this is a support, rather than -
MR. SACUTA:
A. It is a support organization.
ROIL, Q.C.:
Q. This is not decision making out here?
MR. SACUTA:
A. No, absolutely not.
ROIL, Q.C.:
Q. Okay.
MR. SACUTA:
A. So I mean, some of the things they would do is, you know, updating partners, for example. They do have access -- in the pyramid there at

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the bottom, they do have access to ExxonMobil production companies ESG which is in Houston and also access to ExxonMobil's corporate ESG, which is in Dallas. During the March 12th incident, we did activate the production companies ESG in Houston. We did not activate the ESG in Dallas, but they were kept aware throughout the incident of what was going on.

So the protocols for mobilizing emergency response teams. Hibernia has a 24-hour per day, 7-day per week activation capability for offshore emergency operations centre, the EOC team members.

ROIL, Q.C.:

Q. So how does that actually happen?

MR. SACUTA:

A. We use a company called Telelink and if I was to be informed of an incident offshore, for example, and based on whatever the circumstances of that incident are, I have the ability to contact Telelink and tell them to mobilize the EOC. I also have the ability to tell Telelink to mobilize the ESG, if I think it's required, and then they have a call list that goes out to all the various people that

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are on call during that period and then those individuals, if it was off hours, would come down to the Hibernia office and accumulate in the EOC centre.

ROIL, Q.C.:

Q. And if it's during on hours?

MR. SACUTA:

A. Usually you're just in your office and you hop up the stairs or down the stairs, depending where you are, to the actual location of the EOC.

ROIL, Q.C.:

Q. Okay. So once you go to the EOC centre, do you stay there?

MR. SACUTA:

A. You're dedicated. We do have people who can come in and relieve if you're there for an extended period of time, and that's one of the responsibilities of my job is to monitor the effectiveness of the team. If I see people are getting tired or they're getting stressed, then I would then look at the next person that's on the list and get them to come and spell the person and give them some time off.

So the onshore emergency coordination

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centre -- or sorry, the offshore emergency coordination centre, the ECC, can also initiate the EOC activation process. If they have a significant enough event offshore, John can inform the maintenance supervisor "activate the EOC. We don't need to talk to Paul. You just need to go activate and we'll get everybody in there."

As part of its emergency response procedures, Cougar Helicopters can also activate the EOC. If they have an incident that they would like to have us activated, they have the same capability to phone Telelink and say "can you please activate the Hibernia EOC" and depending on the nature of the incident, the onshore emergency support group, ESG, can also be activated at the request of myself.

So as a response to March 12th. During a routine aircraft monitoring, the Platform radio operator on Hibernia became aware that a Cougar helicopter was in trouble and as per normal protocol informed the OIM, who was Mr. Fraser at the time. The OIM immediately contacted myself to inform me of the

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situation. The radio operator reviewed the helicopter passenger list and noted that two employees of an HMDC contractor were on board the aircraft and notified the OIM, and the OIM updated myself. At the time of the initial discussion between John and I, we weren't sure whether or not -- we knew it was a Husky flight, but we weren't sure if there were any HMDC personnel or contractors on the facility. The radio operator confirmed that to John and then John updated me.

I immediately contacted our senior emergency preparedness and response advisor and informed him of the event. At the time, I was on by way to the C-NLOPB for a meeting, so I was walking down towards TD Centre when I got the first call.

ROIL, Q.C.:

Q. You do remember that day?

MR. SACUTA:

A. I remember that day. I'll remember it for the rest of my life. The decision was made to activate both the EOC and the emergency support group, based on the nature of the event, and the Hibernia senior EP and our

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emergency preparedness and response advisor initiated the emergency team call out.

ROIL, Q.C.:

Q. And what sort of a time frame would that have taken from first to that stage?

MR. SACUTA:

A. I think the first call that I received was around 10:04 and we had the response activated within a matter of minutes. Of course, I was a ways away, so I had to actually run back to the office, but -- so by the time I got to the EOC, it was fully staffed.

Given the location of the incident, the OIM determined that the Hibernia Platform was too distant to offer any direct support with the standby vessel. Personnel and equipment were put on standby to assist in any way possible. The helicopter had just been approximately 30 to 35 miles off of the coast of Newfoundland, so it was a long distance away from the Hibernia Platform. We weren't able to offer the assistance of our standby vessel, but we put all of our resources, both onshore and offshore, put them in ready status in case they needed to be used.

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Actually, the Platform had shut down the day before March 12th, in preparation for a major maintenance campaign. Based on that fact, all non-critical work activities on board the Platform were suspended. The workforce was not focused on their work. Obviously there was a lot of concern when this event happened and so we basically stood down all work at that time.

Communications between the onshore emergency operations centre and the OIM were conducted regularly through that process. As I got more information, I kept John available. If John got anything, he kept me informed, and the OIM kept the offshore workforce informed of the situation and the recovery efforts at that time. The OIM did hold a town hall meeting with all Platform personnel on the evening of March 12th. Obviously there was a lot of concern amongst the workforce. We got John all the information we could at that point in time, as to what had happened and what the status was, what the look ahead was, and he held that town hall. We provided information about the incident, the recovery

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efforts, were shared with the workforce.

ROIL, Q.C.:

Q. In our modern world where everybody has a computer and everybody has a cell phone and people are talking to and linking to the worldwide web, was the accuracy of information a challenge for you?

MR. SACUTA:

A. There was some stuff out like in the press. What we're trained to do is not listen necessarily to all the press and take it as for real. We wanted to get the accurate information and what we used for it is the communication between Husky's emergency response centre and ourselves and the communications we were having with the Coast Guard. When we had that communication, we knew that that interface would be accurate. There was a lot of stuff on the press. It was on CNN. It was on just about every channel and I know that the TVs offshore were all focused on that. So that's one of the reasons that we wanted John to do the town hall that night, was to make sure that he could relay to the workforce the accurate information that we

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had available as far as what had happened and what the plans were going forward.

So as far as the onshore emergency operations centre goes, at approximately 10:30, it says, March 12th, the Hibernia EOC mobilized. The actual call out, I believe, was before that. By the time everybody was in there and it was fully operational, it was close to 10:30. The HMDC family and media telephone response teams were activated to address incoming calls. Certainly during a situation like that, there's always going to be a stream of people calling, people whose work members were scheduled to fly that day or their family members. There was a lot of that type of call.

The communications links were quickly set up between the Hibernia EOC, the Coast Guard, the JRCC, Husky and other support organizations. HMDC's vessels were made available to the Coast Guard to support rescue efforts. Information was quickly provided to Hyflodraulic, who was the employer of the two passengers that were on board Flight 491 that were Hibernia contractors and updates were

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provided when information became available. We had a lot of communication with Hyflodraulic during that period to let them know what we knew, because, you know, they were devastated by this. It was a family run business.

We did make myself available to the media at news conferences that were held on the 12th and the 13th during those two days. Grief counsellor services were offered to employees of Hyflodraulic and employees of HMDC and we stood down the EOC at 5:30. We did do a debrief that day. That certainly didn't mean the end of the day for myself and a number of other people that worked in the office. You know, we were engaged through the night and the next day and through the weekend as we looked forward.

ROIL, Q.C.:

Q. So I take it that the stood down expression means that the entire structure that is in the EOC was no longer needed to be used as a resource?

MR. SACUTA:

A. That's correct. But as I mentioned, you know,

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there was a number of people that were in the office until very late hours on that night.

ROIL, Q.C.:

Q. Yes.

MR. SACUTA:

A. You know, getting information as we could. As I mentioned, the ESG was also activated at roughly the same time as the EOC. The ESG provided strategic planning and support to myself. They monitored the events. They monitored media coverage and they also communicated incident information to the co-venturers and to the Provincial Government during this window. So that took the burden off of the EOC to communicate and ESG took that on themselves and made sure that the co-venturers and the government were kept up to date through this process.

ROIL, Q.C.:

Q. So if you didn't have the resource of an ESG, that would become part of the responsibilities of the EOC?

MR. SACUTA:

A. That's correct.

ROIL, Q.C.:

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Q. You've got me using all your acronyms now. It's getting scary.

MR. SACUTA:

A. We've got a spot for you on the EOC. So post incident activities, we assisted HMDC employees, contractors and employees and their families. We arranged grief counselling both onshore and offshore. We had a grief counsellor go offshore by boat to help with John and the guys offshore because obviously there was a lot of concerns. We monitored the search and rescue efforts and provided assistance where possible. As I previously mentioned, we provided support for JRCC, certainly for Husky and for Cougar during this period. We communicated with the government agencies, including the TSB and the Hibernia co-venturers. Supported the incident investigations, ensured accurate and timely information was supplied to the media, and we certainly suspended helicopter operations. There were no helicopter flights to be completed until we knew the circumstances under which Flight 491 had the accident.

ROIL, Q.C.:

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Q. Who actually made that decision or who was a part of it? How would it come about? Clearly the helicopter that ditched or crashed, more correctly put -- were there any other flights that were in the air at that time, to your knowledge?

MR. SACUTA:

A. There was a flight that was returning from the Terra Nova facility, I understand, and we had a flight that was getting ready to leave. Of course, our flight didn't leave. Cougar, their first response helicopter dispatched. Cougar, the returning flight from Terra Nova actually was the second helicopter to respond to the incident, so there were two helicopters that arrived on the scene prior to the JRCC actually or prior to the Coast Guard showing up, so the first two helicopters on the scene.

ROIL, Q.C.:

Q. So in terms of first response, there were two first response helicopters dispatched?

MR. SACUTA:

A. I mean, Cougar dispatched the first one immediately and when the second helicopter had returned from offshore, it was fully kitted up

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and also responded. So the first two helicopters on the scene on March 12th were both Cougar helicopters.

ROIL, Q.C.:

Q. Was there any debate or discussion as to whether helicopters should continue to fly personnel out there at that time?

MR. SACUTA:

A. As far as personnel goes, there was no debate. We weren't going to fly personnel. Cougar was focused on the rescue and recovery efforts and so -- and thereafter, once that was completed, Cougar made the decision that they were not going to fly their helicopters until they knew the circumstances under which Flight 491 had crashed.

As far as communications with the workforce goes, we held multiple town hall meetings to communicate with the workforce. As I mentioned, on March 12th, the OIM had a town hall meeting with the Platform personnel. On March 13th, I had two town hall meetings, one with the onshore HMDC and contractor personnel, and then later that afternoon, I had one for any offshore HMDC workforce who

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were off duty and invited their families and families of those members who were currently offshore at the time. Basically, it was just an information session to let them know what we knew about the accident and what the looking forward plans were. A lot of questions at those town halls, but we thought it was very important, based on what had happened, to keep our workforce up to date.

ROIL, Q.C.:

Q. Were you able to answer all the questions at that point?

MR. SACUTA:

A. Obviously not, because why did the helicopter crash, at that point in time the helicopter hadn't been recovered. So I was able to answer the questions that I could and there were some questions obviously that I couldn't answer.

So from the lessons learned perspective. Debrief sessions. All Hibernia emergency response teams held debrief sessions following the incident to review potential issues and areas of improvement. The Hibernia Management held a separate meeting to review all the

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debrief notes from the helicopter incident. So the ESG did a debrief session and the EOC did a debrief session and what we did is sat down and went around the room and asked everybody what worked well, what had you struggled with, what are the improvement opportunities, and those were all captured and then we got together to talk about all the improvement opportunities and assign, you know, actions for who would follow up on those.

ROIL, Q.C.:

Q. What sort of time frame would those debriefings take?

MR. SACUTA:

A. That would have happened -- the crash happened Thursday morning and that would have been late Thursday afternoon, around the 5:30 time frame.

ROIL, Q.C.:

Q. So it happens on the very day that the -

MR. SACUTA:

A. It happened on the very day in this situation.

ROIL, Q.C.:

Q. Yes.

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MR. SACUTA:

A. Prior to standing down the EOC, we would have done the debrief. What worked well? Hibernia's emergency response personnel performed their roles skilfully. Previous training received during drills provided to be effective, and I think that that's one of the things that HMDC does a lot of is we train for emergency response and that pays dividends we actually have an emergency. Hibernia's emergency response processes and procedures worked as planned. HMDC's management sit at meetings with employees on each floor in Cabot Place to keep them informed of ongoing rescue efforts. Aside from the fact that we had a fully staffed EOC and a fully staffed ESG, we had a number of employees that were still at work. So what we did is provide -- select an individual from each floor, give them an update so they could take them back to their own individual floors and provide their employees with an update, those that weren't part of the emergency response teams, but were still at the office.

ROIL, Q.C.:

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Q. How many HMDC employees would be in Cabot Place in St. John's?

MR. SACUTA:

A. It's a good question. I think you're talking somewhere between 100 and 200.

ROIL, Q.C.:

Q. Yeah. So not quite as large as the offshore work site, but a significant number of personnel.

MR. SACUTA:

A. Yes. And onshore employees were given the option to go home to their families or talk to grief counsellors on site, you know. We just thought "guys, work today is not important. If you want to help us" -- a lot of people stayed around to help and a lot of people decided to go home. From an improvement opportunities perspective, one of the key learnings was monitoring the stress placed on response team members. During the debrief of the EOC, there was a few people that talked about how stressed they were, how hard it was to do their roles as information came in about the circumstances, and that would certainly be one of my primary responsibilities in that

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role is making sure that if somebody is stressed, that we continue to monitor them and get somebody to spell them, and we also encouraged all our employees to, you know, to speak up if they were having problems focusing on the job they had at hand.

All operators have their emergency response teams activated by one service provider, as I mentioned a company called Telelink. With all operators mobilizing at one time, the service response time could be impeded. We have worked closely with our service provider to improve their response to initial activation. Equipment upgrades were not required, just a more structured approach was implemented and this has been tested and so this improvement opportunity has been closed.

ROIL, Q.C.:

Q. Okay. So all three of the producing operators out there use the same service to -

MR. SACUTA:

A. Right.

ROIL, Q.C.:

Q. - to activate emergency response.

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MR. SACUTA:

A. Right. So on March 12th, everybody would have bene trying to activate around the same time. So the last section I'd like to cover today is some summary and closing remarks. I'd like to talk about Hibernia's safety performance. I'd like to talk about helicopter transportation safety and then I have some closing remarks.

Hibernia has achieved its strong safety record by the following: utilizing mature, globally tested safety management systems to drive continuous improvement, the operations integrity management system; by maintaining our facilities and securing best available technologies; relying on comprehensive risk assessments and management processes to identify and eliminate or mitigate hazards; documenting and clearly stating safety policies and procedures; driving accountability for safety at every level in the organization, we are all responsible for our safety and the safety of those working around us; having a highly skilled committed and engaged workforce, and I fully believe we have that in the Hibernia organization; hiring

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industry leading specialized service providers, such as Cougar Helicopters; believing that it is possible to have a work environment without injuries, I believe that. It takes a lot of hard work, but I believe we can have a work environment where we do not have injuries; striving every day to learn from our past experiences, to achieve a reality where no one gets hurt. You've heard that a lot. We believe that we can work every day and no one will get hurt.

The safety of our workforce is our greatest responsibility. HMDC uses top quality service providers and leading edge technology for helicopter transportation. From an operational safety perspective, we've got a world class operator who's been certified by Transport Canada. We have highly skilled flight crews with pilot training exceeding the industry norms, which are already very heavy, the training requirements under the regulations. We have certified aircraft maintenance facility with skilled, licensed aircraft engineers. We clearly document and contractually require operational

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procedures. We have rigorous oversight and monitoring by HMDC and ExxonMobil's aviation services and we talked about our annual review, and we expect compliance with all regulatory requirements.

From an aircraft safety perspective, we have the latest generation twin engine harsh environment helicopter, the S-92. We have leading edge aviation technology, the helicopter usage monitoring system, HUMS as we've heard repeatedly over the last couple of weeks. We have flight tracking capability and emergency locator transmitters on our helicopters, the Blue Sky for the flight tracking and the E-PERBs for the transmitters, and the latest generation helicopter safety equipment.

From a personnel safety perspective, highly qualified basic -- high quality basic survival training and helicopter underwater escape training, certified survival suits appropriate for the Newfoundland environment, cold water environment, state-of-the-art personal protection equipment, which includes PLBs and the HUEBA. Helicopter and vessel on

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emergency standby staffed by skilled persons. We have a standby vessel on site 24/7 and a first response search and rescue helicopter in St. John's which we believe is a world class first response system, and we also have access to the Department of National Defence's search and rescue support.

In closing, Mr. Roil and Commissioner Wells, during this Inquiry and in particular in the media, there have been statements made that question the oil industry's commitment to safety. I find these statements inaccurate and there is nothing -- as there is nothing more important than the safety of our workforce. I realize we had a tragic event on March 12th and I realize the loss was great and that it impacted many people and changed many lives, but our industry is still a safe one. We have robust safety management systems in place. We have an engaged workforce, both offshore and onshore, and our injury statistics have been much lower than the provincial averages. In fact, prior to 2009, if you compared the offshore oil industry's safety performance against other industries in

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Newfoundland and Labrador, our safety performance was significantly better than other industries.

For example, in the five years between 2004 and 2008, Hibernia experienced only two situations that resulted in a lost time incident. During this period, we had between 200 and 250 personnel on board the facility on a daily basis. We completed three major shutdowns in this period where a significant amount of labour intensive work was completed and our total number of people on board increased from approximately 250 to near 350 during these shutdown periods. Just think about this. More than 200 people working on an offshore facility around the clock, seven days a week, out in the middle of the North Atlantic every day for five years, and we only experienced two situations where a Hibernia worker had to miss a day's work due to work-related injury. The system is working.

It is very sad that we experienced the tragedy of March 12th, but we can't lose sight of the focus and the effort that everyone has put into safety since we started producing in

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1997. Although I'm very proud of the effort and commitment of our workforce and the robust safety management system we have in place, we are always looking for ways to improve this performance. Quite simply, our goal is nobody gets hurt. I believe this is possible, but it will take the continued effort of everyone in the Hibernia organization. Said another way, safety is a journey not a destination and I am confident this Inquiry will help us move forward on that journey. Thank you very much.

ROIL, Q.C.:

Q. Thank you, Mr. Sacuta.

COMMISSIONER:

Q. Thank you, Mr. Sacuta.

ROIL, Q.C.:

Q. Commissioner, I have no further questions at this time.

COMMISSIONER:

Q. Thank you. Well, it's quarter past four. I don't think I'm going to invite anybody to ask questions now. You might want to think of it and we'll go through the list tomorrow morning at 9:30.

ROIL, Q.C.:

Q. That's fine. So we're adjourned until 9:30 tomorrow?

COMMISSIONER:

Q. Yes. I don't think it would be particularly productive to start now before people have a chance to think about what they might wish to ask. All right then, 9:30 tomorrow morning.

CERTIFICATE

We, the undersigned, do hereby certify that the foregoing is a true and correct transcript of a hearing heard on the 18th 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 18th day of January, 2010

Cindy Sooley
Discoveries Unlimited Inc.

Judy Moss
Discoveries Unlimited Inc.

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