



File OF-Surv-Gen 1301
2 June 2014

To: All NEB Regulated Companies and Interested Parties

Dear Sir/Madam:

The National Energy Board (NEB or the Board) puts safety and environmental protection at the forefront of its responsibilities in protecting Canadians. The Board has a leadership role to improve safety awareness and direct change when and where it is needed.

The NEB exercises regulatory oversight of its regulated companies. This continues throughout a project's lifecycle. To achieve safety and environmental protection the NEB implements compliance verification activities, including:

- management system audits,
- emergency procedures manual reviews,
- construction and safety inspections,
- compliance meetings,
- emergency exercise assessments, and
- investigations.

The NEB requires the development and adoption of management system approaches within regulated companies because they are the most effective way of achieving safety and environmental protection. The NEB also expects regulated companies to develop a strong safety culture in concert with their management systems.

The analysis of historical and more recent major hazard accidents has revealed that organizational culture, specifically the values, assumptions, beliefs, and behaviours related to safety and risk, may positively or negatively influence safety and environmental protection outcomes. For this reason, the Board has embarked on a path to strengthen and improve industry-wide performance and awareness of the role that culture plays in contributing to or building defenses against accidents.

As part of this effort, the NEB, the Canada Nova Scotia Offshore Petroleum Board, and the Canada-Newfoundland and Labrador Offshore Petroleum Board collectively developed a safety culture discussion paper with draft definition and framework, which was released for public comment in October 2013.

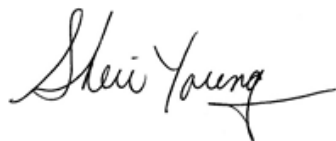
.../2

The consultation process ended on 30 January 2014. Many stakeholders and interested parties provided comments and recommended improvements to the background material and draft safety culture framework.

Many of the recommendations informed the Statement on Safety Culture being released today.

This Statement is intended to promote learning and a shared understanding of safety culture across the oil and gas sector in Canada. It is also intended to express the Board's expectations of regulated companies to build and sustain a positive safety culture. Finally, the Statement defines actions that the Board intends to take as part of its ongoing commitment to the advancement of safety culture.

Yours truly,

A handwritten signature in black ink, reading "Sheri Young". The signature is fluid and cursive, with a long horizontal stroke extending from the end of the name.

Sheri Young
Secretary of the Board

Attachment