

The Ripple Effect

The CAGC luncheon held in early March each year is also the association's (AGM) Annual General Meeting, when members gather to ratify the slate of Directors for the current year and receive an update on the association's financial state and industry activities, past and planned.

The association has managed to survive notably due to cost saving measures and the strong support of some key core members who have provided essential financial and in-kind support. Eagle Canada has provided office space for a few years now, that replaced the expenditures necessary for a downtown office and lease and TGS has provided financial support. We thank both of these companies for their past and continued support.

Most of our member companies will be coming to the end of, what is now, a very short work season as break up approaches and, due to the depressed state of the Oil & Gas industry over the past few years, the completion of fewer and fewer projects compared to previous years.

For each of the last 4 years of declining oil patch activity, the numbers of member companies has gradually dropped as seismic has been, arguably the most impacted of all sectors within the Oil & Gas industry.

There is a ripple effect at play.

When one data acquisition company finally closes its doors, all of the companies supplying services to that company (such as drilling, surveying, permitting, explosives, helicopters etc etc) are equally impacted. In turn all of the companies providing vehicles, materials, supplies and accommodation to those companies are also affected and so it goes on and on down the line.

All of these companies that have employees, many in Calgary, some working out of motels and camps in any one of the countless small resource towns across the western provinces are suddenly confronted with an inability to earn income, provide for, and support their families.

When enough programs are cancelled by E&P companies to push an acquisition company over the top, the hardest stories to hear are those with human impacts, such as the owner/operator forced into bankruptcy forced to sell off equipment at 10 cents on the dollar; or that felt by parents unable to provide for their children as their livelihood is suddenly taken away.

The multi-nationals can sometimes choose to move their investment in commercial and human assets to more active areas of the world, but usually the smaller companies will try to hang on until things "hopefully" bounce back by looking for work with other Client companies. This can only be achieved by aggressive competition for work and by dropping rates, which for a time benefits the Client companies until inevitably the ability just to cover basic costs eventually forces closure.

The unfortunate part of this sad story right now is that it only applies to Canada and that, with different leadership and political will, Canada and the entire energy industry could and should be the leading light

in exploration for a sustainable, ethical, energy supply for a world where demand is projected to grow for many years into the future.

Instead we seem to have thrown in the towel to the benefit of our neighbour to the south and others who aren't hamstrung by obstructionists with misguided environmental agendas and who don't have a stifling regulation regime to contend with. Take a trip to Texas or most other resource rich areas of the world and you will find exploration activities at full tilt with infrastructure being developed and pipelines being constructed as fast as they can be built.

Something is desperately wrong with this picture and it has to change and soon before the ripple becomes a tsunami. There are elections on the horizon, Provincial and Federal, my advice would be to "Vote Energy" and ask the politicians who will be out hustling for votes, how exactly they expect to pay for the "goodies" that they, no doubt, will be shopping around, when revenues from the energy industry have dried up.

On the Safety side, the (LSR) Life Saving Rules and (CSO) Common Safety Orientation task forces both completed their work over the past year. These were constituted at the request of the Energy Safety Canada's Standards Council.

The Standards Council is comprised of Senior Executives of many of the major E&P companies, larger drilling and service sector, pipeline and seismic companies. They provide direction to Energy Safety Canada for safety initiatives intended to harmonize and standardize programs to deliver procedures that will lead to improved yet cost effective safety outcomes.

These standards and the associated training courses are being adopted more widely by Oil & Gas which will be very positive for all industry including the contractors who will realize huge savings in money and time as the multitude of required Client orientations and training programs are replaced by one accepted standard. We urge all companies to get on-board with this effort for the benefit of all.

A new task force has been stood up to look at PSI's (potential serious injuries) as a new industry standard. It is defined as any event where a reasonable and informed person would determine that under slightly different circumstances, there would be a high likelihood for a serious injury to a person.

A PSI is not limited to workers and it does not require the occurrence of an injury. It is a serious form of near miss or near hit.

An injury is considered serious if it falls under section 40(2)(a) or (b) of the *OHS Act*, in that it: results in a fatality or causes an individual to be admitted to hospital as an inpatient.

The main intent is to collect data on actual injuries and potential injuries so that industry can better predict and prevent their occurrence. The more meaningful and the larger the quantity of the data collected, the better as it is as a means to improve the reliability of the analysis required to inform where safety training, programs, procedures, rules and regulations should be directed.

The challenge will be the reluctance of some companies to share data for the common good that could be perceived to have a stigma attached to it. Balancing confidentiality and privacy with reporting the full incident facts will be paramount for the success of any worthwhile industry repository of data.

If a workplace injury does occur, it can have devastating consequences, not only to the victim but to the family, friends, work associates, the company and more.

This is a negative ripple effect can endure for years