

MEMORANDUM OF UNDERSTANDING

BETWEEN:

**HER MAJESTY IN RIGHT OF CANADA, as represented by
the Department of Transport of Canada
(hereinafter referred to as "TCMSS")**

AND:

**THE CANADA-NOVA SCOTIA OFFSHORE PETROLEUM BOARD
(hereinafter referred to as "the Board")**

(hereinafter referred to as the Participants)

WHEREAS, pursuant to the *Accord Acts*, the Board has legislative and regulatory responsibilities for work and activities related to the exploration, development, production and transportation of petroleum in the Nova Scotia Offshore Area;

AND WHEREAS, pursuant to the *Canada Shipping Act, 2001*, TCMSS has legislative and regulatory responsibilities respecting Vessels, including over their operation, marine personnel and pollution prevention and environmental protection;

AND WHEREAS, TCMSS is prepared to assist and support the Board in carrying out its mandate respecting the safety of Marine Installations or Structures and other Vessels engaged in petroleum activities by providing advice and assistance in marine matters when requested;

AND WHEREAS, the Participants share a common perspective that, in the first instance, the safety of Marine Installations or Structures and other Vessels is the responsibility of the owner and Operator;

AND WHEREAS, the Participants wish to clarify and coordinate their respective roles and activities, and in particular, how they will cooperate to ensure that those carrying on petroleum related activities maintain a prudent regime for achieving marine safety;

NOW THEREFORE the Participants concur as follows:

1.0 Definitions

In this Memorandum of Understanding (MOU) unless the context otherwise requires:

"*Accord Acts*" means the *Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act* (S.C. 1988, c.28) as amended from time to time, and the *Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation (Nova Scotia) Act* (S.N.S. 1987, c.3), as amended from time to time;

"*Access to Information Act*" means the *Access to Information Act*, R.S.C. 1985, c. A-1, as amended from time to time;

"Authorization" means an authorization issued by the Board pursuant to the *Accord Acts*;

"*Canada Shipping Act, 2001*" or "CSA, 2001" means the *Canada Shipping Act, 2001*, S.C. 2001, c. 26, as amended from time to time;

"Canadian Vessel" means a Canadian Vessel as defined in the CSA, 2001;

"Certificate of Fitness Regulations" means the *Nova Scotia Offshore Certificate of Fitness Regulations* (SOR/95-187), as amended from time to time.

"*Coasting Trade Act*" means the *Coasting Trade Act*, S.C. 1992, c. 31, as amended in 2012 and as may be further amended from time to time;

"Installation" means a drilling, diving, accommodation or production Installation as defined in the *Nova Scotia Offshore Petroleum Installations Regulations* (SOR/95-191), as amended from time to time.

"Marine Installation or Structure" means a marine Installation or structure as defined in the *Accord Acts*;

"*Marine Personnel Regulations*" means the regulations made under the CSA, 2001 (SOR/2007-115), as amended from time to time.

"Offshore Area" means the Nova Scotia Offshore Area as defined in the *Accord Acts*;

"Operator" means the holder of an operating licence and an Authorization issued pursuant to the *Accord Acts*;

"*Privacy Act*" means the *Privacy Act*, R.S.C., 1985, c. P-21, as amended from time to time;

"Regulatory Queries" means equivalent standards and exemptions as may be authorized or granted by the chief safety officer or chief conservation officer, pursuant to the *Accord Acts*; and

"Vessel" means a Vessel as defined in the CSA, 2001.

2.0 Authority and Purpose

- 2.1 This MOU is entered into pursuant to section 46 of the *Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act* and section 50 of the *Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation (Nova Scotia) Act*.
- 2.2 The purpose of this MOU is to facilitate coordination of the activities between the Participants, where it is possible, and to avoid duplication of work in relation to the following areas relating to oil and gas activities in the Offshore Area:
- (a) marine safety;
 - (b) occupational safety and health;
 - (c) environmental protection
- 2.3 It is not intended, nor will it be interpreted, that this MOU creates, imposes, or implies any statutory or legal duties, rights, obligations, liabilities, claims or actions on or against the Participants. It is further not intended, nor will it be interpreted that this MOU gives to the Participants any power or authority that they do not otherwise hold nor does it relieve, exclude or prohibit the Participants from performing any duties that they are responsible for under the applicable statutory authority by which they operate. For greater certainty, this MOU is not legally binding.
- 2.4 This MOU does not address any marine security issues.

3.0 Roles and Jurisdiction Respecting Vessels and Installations

- 3.1 The respective roles and responsibilities of the Board and TCMSS are described in an associated document "Jurisdictional Roles and Responsibilities of the Canada-Nova Scotia Offshore Petroleum Board and Transport Canada Marine Safety and Security". This document, once finalized, will become part of this MOU.

4.0 Coordination of Activity

- 4.1 To the extent it is permitted by law, the Participants will keep each other informed of any inspection, compliance monitoring and/or enforcement activities that could impact the activities of the other.
- 4.2 TCMSS may conduct an announced or unannounced Port State Control inspection of any foreign flagged vessel in accordance with the International Port State Control Memorandum of Understanding requirements. TCMSS may also conduct inspections on foreign flagged vessels subject to the *Coasting Trade Act* which will be operating under a coasting trade license, for the purposes of the vessel obtaining a coasting trade license and will strive to provide advance notification of such an inspection to the Board, where the Vessel will be operating under an Authorization.

- 4.3 The Participants will make best efforts to coordinate and conduct joint inspections of Vessels. The specific areas of coordination between the Participants include:
- a) inspection/audits and compliance monitoring;
 - b) investigations; and
 - c) enforcement
- 4.4 Where an incident is under shared enforcement responsibility (as per the document called "Jurisdictional Roles and Responsibilities of the Canada-Nova Scotia Offshore Petroleum Board and Transport Canada Marine Safety and Security" and an investigation is required by either or both of the Participants, investigations should be conducted jointly, where possible.

5.0 Technical Advice and Consultation

- 5.1 The Participants will actively engage each other in the development or application of any regulation, standard, guideline, safety zone notice, directive, or policy pertaining to marine aspects of oil and gas activities, including personnel requirements and certification and the development and implementation of international codes.
- 5.2 The Board may request the technical advice and/or assistance of TCMSS in:
- a) the review of Regulatory Queries;
 - b) the certification and competency of marine personnel; and
 - c) the execution of its mandate (i.e. inspections, audits, investigations, oversight, compliance monitoring, enforcement).

TCMSS will use its best efforts to provide such assistance when it is requested.

- 5.3 In the cases where the Board requests technical advice and/or assistance in accordance with 5.2, the Board will identify the issue and specific requirements (e.g. deck, engine room, hull, electrical, International Safety Management Code (ISM), etc.) required for the Board to complete its inspection and TCMSS will make best efforts to provide them.
- 5.4 TCMSS agrees to provide a standing invitation to the Board to attend Regional and National Canadian Marine Advisory Council meetings and forums.
- 5.5 Where specific training courses and refresher training courses are identified, that are deemed mandatory by the Board, and such courses (and refresher) are not mandatory for TCMSS Inspectors, the cost of these courses (and refresher) will be paid by the Board. Any additional health assessments required for these Board specific courses are also to be paid by the Board. All such costs will be pre-approved by the Board.
- 5.6 When the Board requests technical advice or assistance in accordance with this MOU and specific medical requirements are identified (e.g. vaccinations) for visiting a foreign country, the TCMSS Inspector's cost for these medical

requirements shall be paid by the Board. All such costs will be pre-approved by the Board.

6.0 Information Sharing

- 6.1 Upon request, and subject to the provisions of this MOU or any Annex attached to this MOU, and to the extent permitted by law, the Participants will:
- (1) exchange copies and/or summaries of records of inspections, investigations enforcement actions, and other reports produced or provided for the purposes of enforcement and administration of their respective legislation and any other information listed in this MOU.
 - (2) share incident reports related to the following as soon as possible upon receipt:
 - (a) all incidents involving fatalities, missing persons or work related lost-time injury/illness to personnel working on a Canadian flagged Vessel or Canadian flagged Installation operating under an Authorization in the Offshore Area.
 - (b) all incidents in which a Vessel operating under an Authorization in the Offshore Area has sustained damage affecting the seaworthiness or efficiency of that Vessel.
- 6.2 TCMSS will provide the Board with information relating to actual or potential pollution events that are observed through Transport Canada's National Aerial Surveillance Program and that are associated with Installations that are on location in the Offshore Area.
- 6.3 The Board will provide TCMSS with information on the Board's follow-up of the information described in 6.2.

7.0 Principal Contacts

The Technical Services Manager in Nova Scotia will be the TCMSS contact for the Board and the Director, Operations/Health, Safety and Environment will be the contact at the Board for TCMSS.

8.0 Notices

8.1 The address for service of notices to the Board is:

Canada- Nova Scotia Offshore Petroleum Board
1791 Barrington Street
18th Floor, TD Centre
Halifax, Nova Scotia B3J 3K9
ATTENTION: Director, Operations/Health, Safety and Environment

8.2 The address for service of notices to TCMSS is:

Transport Canada
Dartmouth District Office
14th Floor, 45 Alderney Drive
Dartmouth, NS B2Y 4K2
ATTENTION: Regional Director, Marine – Atlantic

9.0 Review

The Participants will meet as frequently as necessary, but not less frequently than once every five years to review the operation of this MOU and to consider and approve any amendment which may be required.

10.0 Amendments and Termination

10.1 Amendments of this MOU will be made in writing and signed by the Participants.

10.2 This MOU will remain in effect until one of the Participants gives written notice to the other Participant of its intention to terminate the MOU and 60 days elapse from the date the notice is received by the other Participant.

11.0 Settlement of Disputes

Any disputes regarding the interpretation or implementation of this MOU will be resolved only by consultation between the Participants and will not be referred to another entity or for settlement

12.0 Entire Understandings

This MOU replaces the 2001 MOU between the Participants and supersedes all previous discussions relating to the subject matter unless otherwise incorporated by reference in this MOU.

13.0 Effective Date

This MOU is intended to take effect on the date of the last signature by the Participants.

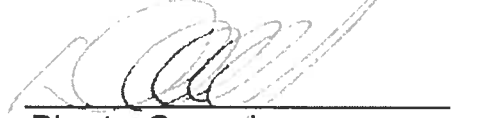
IN WITNESS THEREOF the Participants have signed, in duplicate, this MOU on the dates indicated below.

THE BOARD



Chief Executive Officer
CNSOPB

TCMSS



Director General
Marine Safety, Transport Canada

Date: February 1, 2013

Date: FEB - 4 2013

Jurisdictional Roles and Responsibilities of the Canada-Nova Scotia Offshore Petroleum Board and Transport Canada Marine Safety and Security

Vessel / Installation Type	Location & Status (within offshore area)	Applicable Act(s)				CTA - LoC or CoF	Enforcement Responsibility for:		
		Accord Acts Canada Oil and Gas Operations Act (with respect to ship Safety)	CSA 2001 Safety / Navigation	CLC	CTA		Marine/ Ship Safety ⁽³⁾	OSH	Environmental Protection
Installation ⁽¹⁾ (Foreign Flagged)	On Location in offshore area with valid authorization.	Y	N	N	Y	CoF	CNSOPB	CNSOPB + Flag State	CNSOPB
	Off location but in offshore area with a valid authorization	Y	Y ⁽²⁾	N	Y	CoF	CNSOPB ⁽⁴⁾ or ⁽⁵⁾ TCMSS ⁽⁴⁾	CNSOPB + Flag State	TCMSS
	Off location and in offshore area without a valid authorization.	N	Y ⁽²⁾	N	N		TCMSS ⁽⁴⁾	Flag State	TCMSS
Installation ⁽¹⁾ (not flagged)	On Location in offshore area with valid authorization.	Y	N	N	N	CoF	CNSOPB	CNSOPB	CNSOPB
	Off location but in offshore area with a valid authorization	Y	Y ⁽²⁾	N	N	CoF	CNSOPB ⁽⁴⁾ or ⁽⁵⁾ TCMSS ⁽⁴⁾	CNSOPB	TCMSS
	Off location and in offshore area without a valid authorization.	N	Y ⁽²⁾	N	N		TCMSS ⁽⁴⁾	⁽⁷⁾	TCMSS
Installation ⁽¹⁾ (Canadian flagged)	On Location in offshore area with valid authorization.	Y	Y ⁽⁶⁾	N	N ⁽¹⁰⁾	CoF	Both, CNSOPB is lead	CNSOPB	CNSOPB
	Off Location but in offshore area with a valid authorization	Y	Y	Y ⁽¹²⁾	N ⁽¹⁰⁾	CoF	Both ⁽⁴⁾ , TCMSS is lead	CNSOPB or ⁽¹²⁾ TCMSS	TCMSS
	Off location and in offshore area without a valid authorization	N	Y	Y ⁽¹³⁾	N ⁽¹⁰⁾		TCMSS ⁽⁴⁾	TCMSS	TCMSS
Supply, Support Vessel (Canadian flagged)	Engaged in support to authorized activity in offshore area	Y	Y	Y ⁽¹³⁾	N ⁽¹⁰⁾		Both, TCMSS lead	TCMSS ⁽⁸⁾	TCMSS

Jurisdictional Roles and Responsibilities of the Canada-Nova Scotia Offshore Petroleum Board and Transport Canada Marine Safety and Security

Vessel / Installation Type	Location & Status (within offshore area)	Applicable Act(s)				CTA - LoC or CoF	Enforcement Responsibility for:		
		Accord Acts Canada Oil and Gas Operations Act (with respect to ship Safety)	CSA 2001 Safety / Navigation	CLC	CTA		Marine/ Ship Safety ⁽³⁾	OSH	Environmental Protection
Supply, Support Vessel (foreign flagged)	Engaged in support to authorized activity in offshore area	Y	Y	N	Y	LoC	Both, TCMSS lead	Flag State ⁽⁸⁾	TCMSS
Vessels engaging in Seismic, Construction activities (Canadian flagged)	Engaged in Authorized activity in offshore area	Y	Y	N ⁽¹¹⁾	N ⁽¹⁰⁾		Both, TCMSS lead	CNSOPB	TCMSS
Vessels engaging in Seismic, Construction activities (foreign flagged)	Engaged in Authorized Activity in offshore area	Y	Y	N	Y	LoC ⁽⁹⁾	Both, TCMSS lead	CNSOPB + Flag State	TCMSS

Acronyms:

CNSOPB Canada-Nova Scotia Offshore Petroleum Board
 TCMSS Department of Transportation - Marine Safety & Security Division
 CSA Canada Shipping Act
 CLC Canada Labour Code
 CTA Coasting Trade Act

CoF Certificate of Fitness (issued pursuant to the Accord Acts)
 LoC Letter of Compliance (issued pursuant to the CSA)
 OSH Occupational Safety and Health


Jurisdictional Roles and Responsibilities of the Canada-Nova Scotia Offshore Petroleum Board and Transport Canada Marine Safety and Security

Footnotes:


- (1) Up to and including an offloading connection.
- (2) With respect to pollution events, or safety of navigation (reference Part 9, Section 186, CSA).
- (3) Includes navigation.
- (4) When any Installation that is under a valid authorization is under tow, or is loaded on a vessel as cargo, Marine/Ship Safety is responsibility of the tow or cargo vessel (refer to Supply, Support Vessel section of the table) and the OHS regulatory responsibility for the Installation would be within the jurisdiction of the CNSOPB.
- (5) Lead determined on case-by-case basis to be agreed between the Participants at the time a relevant incident has been brought to their attention.
- (6) Limited to where CSA augments the *Accord Acts*.
- (7) When Installation is not flagged and under tow, or is loaded on a vessel as cargo, OSH is responsibility of the tow or cargo vessel (refer to Supply, Support Vessel section of the table).
- (8) CLC applies to an employee (as defined in the CLC) who is employed on a vessel (extent of application determined by TCMSS on a case by case basis). OSH Requirements administered by CNSOPB apply to passengers in transit.
- (9) CTA process/LoC not required for vessels engaging in seismic activities.
- (10) Canadian non-duty paid installations and vessels do require CTA clearances and licenses.
- (11) In accordance with the *Accord Acts*, a seismic or construction vessel would be considered a marine installation or structure.
- (12) CLC (administered by TCMSS) applies to an employee (as defined under the CLC) who is employed on a vessel. OHS Requirements administered by CNSOPB apply to all other personnel on-board the installation.
- (13) Extent of application of CLC determined by TCMSS on a case by case basis.

AGREED

THE BOARD

<u>Shant Pinker</u> (Name)	 (Signature)
<u>CEO</u> (Position)	<u>April 8, 2013</u> (Date)

TCMSS

<u>E.S. Kennedy</u> (Name)	 (Signature)
<u>RD</u> (Position)	<u>APR 27 2013</u> (Date)

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF CANADA, as represented by the Minister of Transport of Canada (hereinafter referred to as "TCMSS");

AND:

THE CANADA-NOVA SCOTIA OFFSHORE PETROLEUM BOARD (hereinafter referred to as "the Board")

WHEREAS:

TCMSS and the Board wish to amend the MOU to include the provision of aerial services from the National Aerial Surveillance Program (NASP).

NOW THEREFORE, TCMSS and the Board concur to the following:

ARTICLE 1- AMENDMENTS

1.1 Paragraph 6.0 Information Sharing is amended with the deletion of 6.2 and 6.3 and replacing them with the following:

- 6.2 TCMSS will provide the Board with information relating to actual or potential pollution events that are observed through Transport Canada's National Aerial Surveillance Program (NASP).
- 6.3 The NASP will also provide the Board with dedicated Aerial Surveillance services as required and as stipulated in Annex B.
- 6.4 The Board will provide TCMSS with information on the Board's follow-up of the information described in 6.2 and 6.3.

1.2 Paragraph 8.0 Notices is amended by adding the following after 8.2:

- 8.3 The Board's notification number is:
Telephone: 902-422-5588
E-mail: klandra@cnsopb.ns.ca
- 8.4 The TCMSS notification number is:
Telephone: (902) 426-3214
E-mail: TCMSDutyOfficer-TCSMOfficierdepermanence@tc.gc.ca
- 8.5 The TC contact for tasking the aircraft is the TC Situation Centre, as per the NASP Directive No. 2012-001 O:
Telephone: 1-888-857-4003 or 613-995-9737

1.3 Addition of paragraph 14.0:

14.0 Annex(es)

The Annex(es) form part of this MOU.

1.4 Addition of Annex B after Annex A:

ANNEX B

TCMSS through its National Aerial Surveillance Program (NASP) will provide the Board with information obtained during routine pollution patrols. This includes but is not limited to:

- Information gathered during routine patrols relating to actual or potential pollution events that are associated with Installations that are on location in the Offshore Area, as per **ANNEX A - Jurisdictional Roles and Responsibilities of the Canada-Nova Scotia Offshore Petroleum Board and Transport Canada Marine Safety and Security** fall under the jurisdiction of the Board.
- Information gathered during routine patrols relating to actual or potential pollution events that are associated with any other installation or any vessels observed in the offshore area which are described in **ANNEX A - Jurisdictional Roles and Responsibilities of the Canada-Nova Scotia Offshore Petroleum Board and Transport Canada Marine Safety and Security** fall under the jurisdiction of the Board. The Board will be made aware of the information gathered during the patrol as a courtesy.

The NASP will also provide dedicated aerial services at the request of the Board, on a cost recovery basis. When the Board requests dedicated aerial services, the Board will be charged the Other Government Departmental hourly rate for the aircraft, related crew expenses, travel costs, *per diems* and overtime (as incurred). Other reasonable expenses that may be mutually agreed upon will also be billed as incurred. The hourly rate will be emailed to the Board at klandra@cnsopb.ns.ca during the first quarter of each fiscal year. Discussions with regard to the tasking mechanism for the aircraft will be discussed at the operational level.

ARTICLE 2 - EFFECTIVE DATE

This MOU Amendment is intended to take effect on the date of the last signature by TCMSS and the Board.

ARTICLE 3 – ENTIRE UNDERSTANDINGS

In all other respects the MOU between TCMSS and the Board effective February 4, 2013 is confirmed as in full force and effect.

IN WITNESS THEREOF TCMSS and the Board have signed, in duplicate, this MOU on the dates indicated below.


THE BOARD



CEO for the Board
CNSOPB

Date: Dec 17, 2013

TCMSS



Director General
Marine Safety and Security, Transport
Canada

Date: 19 Dec 2013