

MEMORANDUM OF UNDERSTANDING (MOU)

BETWEEN

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

AND

THE CANADIAN COAST GUARD (hereinafter referred to as "CCG")

(HEREINAFTER REFERRED TO COLLECTIVELY AS THE "PARTICIPANTS")

WHEREAS the Canada-Nova Scotia Offshore Petroleum Board is the independent joint agency of the Governments of Canada and Nova Scotia responsible for the regulation of petroleum activities in the Nova Scotia Offshore Area;

WHEREAS pursuant to the *Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act* and the *Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation (Nova Scotia) Act* (the "Accord Acts"), the Board is the lead agency responsible for the oversight of, and potential intervention for, spill response from an offshore installation;

WHEREAS the operator to which the authorization has been granted must respond to and report the spill to the Chief Conservation Officer in accordance with the requirements in Part III of the Accord Acts;

WHEREAS the Canadian Coast Guard, a Special Operating Agency of the Department of Fisheries and Oceans, is the lead federal agency responsible for ensuring an appropriate response for ship-source pollution and mystery-source pollution in Canadian waters;

WHEREAS the Canadian Coast Guard's mandate is stated in the *Oceans Act* and the *Canada Shipping Act, 2001*. As a Special Operating Agency of the Department of Fisheries and Oceans Canada (DFO), the Canadian Coast Guard helps DFO meet its responsibility to ensure safe and accessible waterways for Canadians. The *Oceans Act* gives the Department responsibility for providing: aids to navigation; marine communications and traffic management services; icebreaking and ice-management services; channel maintenance; marine search and rescue; marine pollution response; and support of other government departments, boards and agencies by providing ships, aircraft and other services. The *Canada Shipping Act 2001* provides powers, responsibilities and obligations concerning: aids to navigation; search and rescue; pollution response; and vessel traffic services;

AND WHEREAS the Participants agree that implementation of this MOU will be subject to the capabilities of the Participants and the availability of relevant resources, specifically with respect

to Operational field monitoring and/or surveillance or active response operations by CCG on behalf of the Board as described in Annex 1.

THEREFORE, the Participants agree as follows:

1. Purpose:

- 1.1. The purpose of this MOU is to coordinate activities related to safety and environmental response in areas of mutual interest and benefit, and to cooperate and share information to promote safety and environmental protection through effective spill preparedness and response, and training and exercising.
- 1.2. Any terms not otherwise defined in this MOU have their meaning as set out in the Accord Acts.
- 1.3. If the name of any Participant changes after the signing of this agreement, the new entity is bound by this agreement.
- 1.4. This MOU is not legally binding and does not impose, nor is it intended to impose, any legal commitments on, or give rise to any legal rights not otherwise held by, the Participants.

2. Scope of Application:

- 2.1. This MOU applies to all spills occurring in the Offshore Area. It does not apply to any spill or discharge from a supply or support vessel for which *the Canada Shipping Act, 2001* applies.

3. Roles and Advice

- 3.1. The Participants agree to provide mutual support, cooperate, exchange information, and maintain regular contact to discuss their working relationship, respective areas of responsibility, and potential changes to their respective regulatory and/or legislative frameworks, processes, and best practices. See Annex 1. The Participants understand that activities may also include participating in emergency management planning, exercises and response, joint training initiatives, meetings, and any other activities that are of mutual benefit and interest. See Annex 1, sections 2 and 3 for details.
- 3.2. The Participants may identify and declare any information as Confidential especially respecting the privilege provisions in the Accord Acts. The Participants will retain the confidentiality of this declared information shared under this MOU and will not disclose or allow such declared information to be disclosed without consent of the other, unless otherwise requested by law, and will inform the other immediately on becoming aware

of suspecting that an unauthorized person has become aware of such declared information.

3.3. The Participants will generate an annual work plan and have an annual planning meeting. The purpose of the annual work plan and meeting is to identify anticipated expectations for assistance and expertise, and to identify training and exercise opportunities.

3.4. The Participants intend to jointly review this MOU every three (3) years and amend it as required.

4. Designates for Notification:

4.1. The following is the title of the designate and contact information for the purposes of giving notice as required by this MOU:

For the Board

Title: Director, Operations/Health, Safety and Environment
Address: 8th Floor TD Centre, 1791 Barrington Street
Halifax, Nova Scotia B3J 3K9
Phone: (902) 422-5588

For the CCG

Title: Director, Operational Support
Address: 200 Kent Street, 6th Floor
Ottawa, Ontario K1A 0E6
Phone: 613-990-0341

5. Amendments and Annexes

5.1. This MOU and its supporting Annexes may be amended upon the mutual consent of the Participants. Unless another date is agreed upon, an amendment will become effective upon the date of the last signature.

5.2. Any document describing a co-operative arrangement affecting this MOU which may, from time to time, be concluded between Participants, or any other document to which the Participants agree, may be annexed to this MOU.

6. Other

6.1. Participants will notify each other, upon discovery, of any changes to their legislation or policy that may impact this MOU.

6.2. Either Participant may discontinue this MOU upon providing sixty (60) days written notice to the other Participant.

6.3. This MOU will commence and take effect upon the date of the last Participant signature.

**FOR THE CANADA-NOVA SCOTIA
OFFSHORE PETROLEUM BOARD**

**FOR THE CANADIAN COAST
GUARD**



**Stuart Pinks
Chief Executive Officer**

Date: 2014/05/12



**Marc Grégoire
Commissioner**

Date: 2014/04/30

ANNEX 1 – Environmental Response

1. Cooperation and Exchange of Information

- 1.1. The Board will ensure that CCG is provided with a current copy of its emergency response plan, and controlled copies of spill response and contingency plans of all operators active in the Offshore Area.
- 1.2. CCG will ensure that the Board is provided with current copies of relevant CCG marine spill contingency plans.
- 1.3. The Participants will keep each other informed of spills and emergencies that may be reported to them with respect to oil and gas activities being conducted in the Offshore Area using existing mechanisms (e.g., CCG 24/7 line).

2. Exercises and Training

- 2.1. The Participants will inform each other of spill response exercises and training that are planned within their respective jurisdictions that may be of interest to the other.
- 2.2. The Participants will promote cooperation and coordination by endeavouring to participate in the Board / operators' response exercises and, where appropriate conduct tabletop/communications exercises at least once every two (2) years.

3. Requests for Assistance, Coordination and Cooperation in Response Operations During an Emergency Situation

- 3.1. As described in relevant CCG marine spills contingency plans, marine spill response services could be provided by CCG to the Board in their capacity as a Resource Agency, upon formal request for assistance by the Board's Chief Conservation Officer.
- 3.2. CCG assistance may include advisory services, technical support, monitoring and surveillance, equipment or personnel, for the purposes of responding to an oil pollution incident in the offshore upon the request of the Board. Examples of requests for assistance from the Board include, but are not limited to the following:
 - 3.2.1. Spill response plan review at request of the Board;
 - 3.2.2. Review and provision of advice on emergency preparedness;
 - 3.2.3. Operational advice to, and liaison with, staff of the Board via phone, email, or on-site at the Board offices regarding spill response activities, as part of monitoring of an operator's spill response; and,
 - 3.2.4. Operational field monitoring, and/or surveillance or active response operations by CCG on behalf of the Board.
- 3.3. The Board and CCG will coordinate communication efforts to ensure consistent messaging to the public.

4. Reimbursement of Costs of Assistance

- 4.1. Pursuant to the *Marine Liability Act*, costs incurred by the CCG to monitor or respond to marine pollution incidents are recoverable either from the polluter or from national and international compensation regimes. This ability to recover costs from the polluter forms the basis of the “polluter pay” principle.
- 4.2. During an emergency, any operational field monitoring and/or surveillance or active response services provided by CCG at the request of the Board, will be on a cost recovery basis. All fees or charges are not to exceed the cost of providing the services or products. Costs incurred include, but are not limited to, hourly rate for any vessels, fuel costs, related crew expenses, travel costs, per diems and overtime (as incurred).
- 4.3. Other reasonable expenses that may be mutually agreed upon will be billed as incurred.

Annex 2 – Terms and Definitions

For the purposes of this MOU, the following terms and definitions apply:

- i. *Contingency Plan* is a possibility that must be prepared for; a future emergency described in a scheme, program, or method worked out beforehand for the accomplishment of minimizing or nullifying the effects of the emergency.
- ii. *Formal request for assistance* could mean a phone call from the Board's Chief Conservation Officer or Incident Commander to the CCG 24/7 emergency line, which would be followed up in writing, as per the Board's emergency response plan.
- iii. *Installation* means a drilling, diving, accommodation or production installation as defined in the *Nova Scotia Offshore Petroleum Installation Regulations* (SOR/95-191) as amended from time to time, where the Board is responsible.
- iv. *Lead Agency* means the organization designated by statute, inter-agency agreement, treaty or Cabinet decision to ensure appropriate management of the emergency response functions.
- v. *Monitoring* means to keep track of systematically with a view to collecting information.
- vi. *Offshore Area* means the lands and submarine areas defined in the *Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act* (S.C. 1988, c.28).
- vii. *Resource Agency* means any agency that owns, controls and/or has access to resources required by a lead agency for the conduct of a response, A resource agency may be any federal, provincial, or local government department, agency or board, any commercial or private organization, any individual in Canada or any commercial or private organization or individual in another country.
- viii. *Surveillance* is the act of observing or being observed.