$MEMORANDUM\ OF\ UNDERSTANDING\ (MoU)$

BETWEEN

THE CANADIAN NUCLEAR SAFETY COMMISSION

AND

THE NATIONAL ENERGY BOARD
ON COOPERATION ON SAFETY AND SECURITY

WHEREAS pursuant to the *National Energy Board Act* (NEB Act), the *Canada Oil and Gas Operations Act* and the *Canada Petroleum Resources Act*, the National Energy Board (the Board or NEB) regulates aspects of the energy industry in Canada including the construction and operation of interprovincial and international pipelines; pipeline traffic, tolls and tariffs; the construction and operation of international and designated interprovincial power lines; the export and import of natural gas; the export of oil and electricity; and the exploration and drilling for, production, conservation, processing and transportation of petroleum in the non-Accord frontier¹ offshore areas;

AND WHEREAS pursuant to the *Nuclear Safety and Control Act* (NSCA), the Canadian Nuclear Safety Commission (CNSC) regulates the production, possession and use of nuclear substances; prescribed equipment defined under section 2 of the *Nuclear Substances and Radiation Devices Regulations*; and prescribed information defined under section 21 of the *General Nuclear Safety and Control Regulations*, to prevent unreasonable risk to the health and safety of people, the environment and national security, and to achieve conformity with Canada's international obligations on the peaceful use of nuclear energy;

AND WHEREAS the CNSC regulates the possession, transfer, transport, import, export, and use of nuclear substances in accordance with the General Nuclear Safety and Control Regulations, Nuclear Substances and Radiation Devices Regulations, Radiation Protection Regulations, Packaging and Transport of Nuclear Substances Regulations 2015, Nuclear Non-Proliferation Import and Export Control Regulations and the Transportation of Dangerous Goods Act;

AND WHEREAS under section 24 of the NSCA, the CNSC issues licences for the possession, transfer, import, export, and use of nuclear substances, such as those used in industrial radiography and sealed-source logging applications (CNSC-regulated activities in which nuclear substances are used to perform non-destructive testing of objects and oil well logging, respectively);

AND WHEREAS any records received by or from the participants for the administration of this MoU are subject to the *Access to Information Act* and the *Privacy Act*;

AND WHEREAS the Board and the CNSC have independent but related regulatory responsibilities towards the health and safety of people and the environment;

AND WHEREAS the *Cabinet Directive on Streamlining Regulation* requires that, when managing risks on behalf of Canadians, regulatory authorities are to identify and consult with other federal departments and agencies that have a specific interest in the proposed regulations, and are to coordinate the implementation and management of regulations to minimize complexity and duplication;

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¹ The National Energy Board has regulatory responsibilities for oil and gas exploration and activities in frontier lands not otherwise regulated under joint federal/provincial accords.

AND WHEREAS the CNSC is authorized pursuant to paragraph 21(1)(a) of the NSCA to "enter into arrangements" to attain its objects;

AND WHEREAS the Board is authorized under subsections 26(3) and (4) of the NEB Act to "utilize agencies of the Government of Canada to obtain technical, economic and statistical information and advice" and to "on request, provide advice about energy matters, sources of energy and the safety and security of pipelines and international power lines to ministers, officers and employees of any government department, ministry or agency, whether federal, provincial or territorial."

THEREFORE, the Board and the CNSC ("the participant") undertake to consult and cooperate in accordance with the provisions of this MoU to minimize regulatory duplication and to use government resources effectively.

1. PRINCIPLES

- 1.1. The participants, in carrying out their respective mandates, will cooperate and support each other, as appropriate, in meeting their responsibilities.
- 1.2. The participants will endeavour to maintain regular communication by phone or email, and to meet at least once annually, for the purposes of identifying potential future opportunities for information sharing, cooperation and coordination as well as training and exercise opportunities.
- 1.3. The participants will foster strong working relationships by establishing mechanisms and links for information sharing, taking into account any legal constraints on the sharing of protected, classified, privileged and prescribed information, including confidential business information.

2. AREAS OF COOPERATION

General

- 2.1. The participants will endeavour to cooperate through ongoing information exchanges on their respective regulatory requirements, guidelines, best practices, development, oversight and processes.
- 2.2. The Participants will consult and cooperate with each other through information exchanges on proposed regulatory amendments, policies and programs (e.g. emergency management, integrity, energy information) that are of mutual interest and may affect the discharge of the other participant's respective mandate.
- 2.3. The participants will cooperate and share information, where practical, on opportunities for alignment between their respective policies, procedures and processes.

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- 2.4. The participants will share information, where practical and using a best efforts approach, on regulated activities under their respective mandates including:
 - 2.4.1. the general location and nature of construction activities on NEB regulated pipelines where CNSC-regulated activities may be occurring
 - 2.4.2. information on incidents and other trends that may impact the integrity or safety of NEB-regulated pipelines

Compliance, enforcement and incident reporting

- 2.5. The participants will cooperate and share information on the development of best practices, lessons learned, processes, technology use, and frameworks regarding the collection of compliance and incident information by the participants' respective personnel.
- 2.6. The participants will cooperate on compliance and enforcement matters, including the sharing of general information of mutual interest, and information on compliance and enforcement strategies and tools.
- 2.7. The participants will cooperate on promoting and creating public awareness for common regulated areas related to compliance activities.

Training

2.8. Activities coordinated under this MoU may also include any other activity that is of mutual benefit and interest to the participants, including joint training initiatives, which may address cross-training of the participants' respective personnel in the field, and making training courses available for the participants' respective personnel.

3. COSTS AND COST SHARING

- 3.1. To the extent practicable, a participant will provide or honour, without charge to the other participant, the arrangements made in this MoU.
- 3.2. Notwithstanding paragraph 3.1, the participants expect that the fulfilment of the arrangements made in this MoU will not result in either participant incurring additional costs.
- 3.3. Should financial arrangements be necessary, the participants will consult and cooperate to develop mutually satisfactory arrangements for cost sharing and/or funding.

3.4. Should travel or accommodation by either participant be required to fulfill the arrangements made in this MoU, the participant shall be responsible for their respective costs.

4. DISCLOSURE

- 4.1. The participants will treat information exchanged pursuant to this MoU in accordance with all applicable laws and with Government of Canada standards, as it relates to the collection, use, disclosure, retention, storage and disposal of such information.
- 4.2. Neither participant will disseminate or disclose information exchanged under this MoU to a third party unless as required by law or with the express consent in writing from the other participant.

5. NOTIFICATION OF INABILITY TO ACT UNDER THIS MoU

A participant will notify the other participant, as soon as possible, if the determination is made that they are unable to continue to act under this MoU, due to factors such as legislative or regulatory changes, court decisions, or changes under other domestic or international agreements or obligations.

6. PROBLEM RESOLUTION

The participants will make every reasonable effort to resolve at the working level any disputes on the interpretation of this MoU. Failing resolution at the working level, conflicts may be referred for resolution to each participant's respective primary point of contact, identified at the end of this MoU or, failing resolution between the primary points of contact, to the designated signing authorities for this MoU.

7. DURATION

This MoU shall be effective for five (5) years unless otherwise amended in writing and signed by the participants.

8. AMENDMENT

This MoU may be revised by mutual written consent of the participants at any given time during the five-year period.

9. RENEWAL

This MoU may be renewed following written consent by the participants' primary points of contact.

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10. EFFECTIVE DATE

This MoU becomes effective following signatures by the participants.

11. TERMINATION

- 11.1. Either participant may terminate this MoU by providing notice in writing to the other participant, specifying their intention to terminate this MOU and the effective date of termination.
- Each participant will endeavour, to the extent possible, to provide at least six (6) months notice to the other participant of its intention to terminate this MoU.

12. PRIMARY POINTS OF CONTACT

12.1. The primary points of contact under this MoU are:

Vice President

Field Operations

Director General

Directorate of Nuclear Substance

Canadian Nuclear Safety Commission

280 Slater Street, P.O. Box 1046, Station B

Regulation

Regulatory Operations Branch

National Energy Board

517 Tenth Ave SW

Calgary AB

T2R 0A8

Ottawa ON

K1P 5S9

Phone: 403-292-4800

Phone: 613-993-7699

- The points of contact for this MoU will: 12.2.
 - a. act as the official points of contact for the participants
 - b. meet as often as is mutually agreed to be appropriate, but no less frequent than on an annual basis
 - c. exchange contact information; and
 - d. inform of a change in point of contact as soon as is practicable, and provide relevant contact information for a new point of contact

13. SIGNATURES

Signed in duplicate in English and French, both versions being equally authentic.

For the National Energy Board:

For the Canadian Nuclear Safety Commission:

Peter Watson Chair and CEO

Signed on: Oct. 5/2016

Michael Binder President and CEO

Signed on: ____ AUG 2 6 2016