

27 March 2015

**Regulatory Partnership Agreement Under the
United States - Canada Regulatory Cooperation Council
Between Transport Canada and the United States Coast Guard**

REGULATORY PARTNERSHIP AGREEMENT

This Regulatory Partnership Agreement (RPS) hereafter referred to as the "Agreement" confirms the mutual desire of both parties to work together and with their respective stakeholders, to promote regulatory cooperation and alignment. This will be achieved through joint consultations, collaborative policy and regulatory development, information and cost-sharing, research and technical collaboration, and/or reviews of existing regulatory processes and programs.

RCC VISION

Canada and the United States (U.S.) both have highly effective regulatory systems that achieve similar levels of protection and outcomes, and are based on generally compatible regulatory philosophies, institutions and also administrative and risk management practices. However, the regulatory systems of both countries have developed some regulations and regulatory programs with similar desired outcomes independently of each other over decades. As a result, the two countries do have some different approaches in some regulatory areas.

Given the relative state of the two regulatory systems, the vision of the Canada-United States Regulatory Cooperation Council (RCC) is to simplify and align Canadian and American regulatory approaches, where possible, in order to achieve a level of cooperation that advances regulatory alignment, facilitates trade and investment, and ultimately further enhances North American market integration. To achieve this, the United States and Canada believe that the RCC vision requires both countries to work collaboratively in developing and implementing regulations in areas in which it would be beneficial to do so. This would be done by minimizing duplication and leveraging each country's capabilities in research, testing, policy development, and regulatory development. The ultimate goal is therefore to develop regulations and regulatory programs that accommodate both country's public safety, health and environmental protection requirements, while recognizing and understanding that each country is independent and may have, from time to time, specific requirements to suit its own particular circumstances.

Transport Canada (TC) and the United States Coast Guard (USCG) support the Canada-United States Regulatory Cooperation Council vision and are committed to working more closely to align regulatory frameworks and approaches.

SECTION I – SCOPE AND OBJECTIVES

1.1. Scope

This Agreement represents the mutual desire of both countries to work more collaboratively in developing and implementing regulations in areas in which it would be beneficial to do so. It is meant to articulate a common desire to move forward, where practical and in accordance with each country's legislative requirements, under a structured framework that favours collaboration early in the regulatory process and

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affords stakeholders opportunities to provide input, inform strategies, identify priorities and discuss progress on the implementation of initiatives as appropriate.

This Agreement covers all commitments as agreed to by both parties according to the RCC Joint Forward Plan between TC and the USCG where all parties agree, other commitments may be made under the terms of this Agreement.

Annexes A-B (Annex A - Regulatory Development work plan and Annex B - Operational work plan) to this Agreement list the current USCG and TC commitments that fall under this RPS. These can be added to or adjusted by both parties as deemed appropriate.

1.2. Objectives

The objectives of this Regulatory Partnership Agreement are to:

- establish the overarching governance framework that will guide regulatory partnership work between the USCG and TC;
- establish predictable priority-setting and work planning processes;
- identify a publicly acknowledged role for Canadian and U.S. stakeholders in the collaborative work to be carried out under this partnership;
- develop a platform for consistent and direct communication and information sharing between the USCG and TC;
- develop a better understanding of common challenges in regulating the transportation sector;
- avoid unnecessary differences and/or duplicative requirements; and
- consider ways to better integrate key regulatory management and research tools.

SECTION II – GOVERNANCE AND OVERSIGHT

2.1. Governance

Leadership: Senior management of this regulatory partnership will be assumed by the Director General of Marine Safety and Security at TC in Canada and the USCG Assistant Commandant for Prevention Policy.

Management: The strategic guidance and oversight for the implementation of the activities under this Agreement, including those found in technical and other work plans shall be provided by senior officials.

Managers responsible for specific work plan activities shall report on their progress, including whether the project is on track to meet work plan milestones, stakeholder concerns that need to be addressed bi-nationally, or any systemic obstacles that require broader consultation.

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Meetings: There will be at least one senior-level meeting annually. The US Environmental Protection Agency will be invited to attend.

Meetings will be used to discuss current and long-term alignment and cooperation opportunities and to review the continued relevance and timeliness of the joint cooperation agenda.

Review of Work Plans: Meetings will be used to discuss priorities, to assess the progress of current work plan activities, and to identify other cooperation and alignment opportunities. It is understood that priorities established under this Agreement or in work plans do not supersede other regulatory priorities that may be established by the parties.

As commitments annexed to this Agreement do not capture all regulatory cooperation efforts, additional commitments, as well as updates and revisions to them, may be made in the course of regular planning between the parties, reflecting changing circumstances and the emergence of new opportunities.

Stakeholders: In addition to regular interactions with the USCG and TC, stakeholders will be given meaningful opportunities to provide input on operational and strategic issues to be addressed under the terms of this Agreement.

Specifically, key stakeholders from both countries are encouraged to provide:

- (a) their views to government officials on alignment opportunities; and
- (b) information on significant industry and consumer trends and the potential implications and impacts they may have on their business and regulators.

For greater efficiency and effectiveness, stakeholders from the U.S. and Canada will be invited to collaborate and to provide common views and advice to the degree possible.

The working group leads shall ensure that regular updates are provided to stakeholders at least one time during the calendar year.

SECTION III – OTHER AGREEMENTS

3.1 Existing MOUs and other agreements

This Agreement in no way displaces, alters or supersedes existing agreements under which the USCG and TC are currently working collaboratively. The deputy heads may elect, however, to consider such existing agreements as being subject to the principles contained in this Agreement.

Nothing in this Agreement is intended to give rise to rights or obligations under domestic or international law.

For greater certainty, this Agreement does not displace, alter, supersede or amend any existing bi-national or international agreements, treaties or protocols already ratified by the respective governments.

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SECTION IV – TERM AND DURATION

4.1. Effective Date and Duration

This Agreement takes effect immediately and, subject to section 5.1, shall have effect for 5 years. This Agreement shall automatically renew unless either party gives notice of discontinuation in accordance with section 5.1.

SECTION V – AMENDMENT

5.1. Amendment or Discontinuation

This Agreement may be amended at the request of either party. However, discontinuation may only take place subject to the approval of the deputy heads of the respective agencies.