

# **DECLARATION OF COOPERATION BETWEEN THE NATIONAL ENERGY BOARD OF CANADA AND THE MINISTRY OF THE ENVIRONMENT AND NATURAL RESOURCES OF THE UNITED MEXICAN STATES**

The National Energy Board of Canada (NEB) and the Ministry of the Environment and Natural Resources of the United Mexican States through its National Agency for Industrial Safety and Environmental Protection of the Hydrocarbons Sector (ASEA), hereinafter jointly referred to as "the Participants";

CONSIDERING that NEB is responsible for regulating pipelines, energy development and trade in the Canadian public interest, factoring in economic, environmental, and social considerations throughout the complete life cycle of a pipeline;

CONSIDERING that ASEA is responsible for the regulation and supervision of industrial and operational safety, as well as for environmental protection related to activities and facilities in the hydrocarbon sector in Mexico;

GIVEN that the challenges both Participants face as regulators are rooted in the need for trust in their public assurance role, the opportunity to compare how they deliver their respective mandates, and achieving deliverables in the areas of cooperation outlined below, may help in promoting best practices in their respective regulatory environments, may result in more efficient and effective regulatory practices, and may advance the Participants' achievement of regulatory excellence.

Have declared the following:

## **I – Purpose**

The purpose of this Declaration of Cooperation (DC) is to reflect the Participants' shared desire to collaborate and cooperate on areas of mutual interest and benefit, with a view to improve regulatory outcomes and achieve regulatory excellence in their respective jurisdictions.

## **II – Areas of Cooperation**

The participants intend to pursue terms of cooperation that may include the following, in order to promote safe and environmentally responsible transport of hydrocarbons:

- a) the culture of a regulatory body,
- b) safety culture,
- c) management systems and performance measurement,
- d) independence of regulators.

## ***The Culture of a Regulatory Body***

The Participants aspire to cooperate to identify the key cultural elements that are likely to improve the outcomes of the regulatory body.

While the NEB is a long-established organization, ASEA was set up very recently. Comparing and contrasting the organizational cultures of each Participant will help in identifying key factors that contribute to regulatory excellence.

## ***Safety Culture***

Both Participants are determined to use the Safety Culture indicators to improve regulatory outcomes. As Safety Culture indicators are new to both Participants, comparing and contrasting how they are being defined and rolled out to industry would provide extremely useful information to both Participants.

- Participants will endeavor to share their findings regarding the identification and definition of indicators.
- In particular, each Participant should assess and report on the initial roll-out of these indicators.
- Participants will discuss whether guidelines for the use of the indicators should be developed and/or whether a pilot program should be launched, based on experiences from other jurisdictions, such as Norway, where industry is made accountable for their practices.
- Both Participants understand that industry has a key role to play. Both Participants also understand that a strong Safety Culture helps support the competitiveness of industry and improves performance on the ground. Participants understand that, as regulators, they should keep promoting Safety Culture and support each other in that regard to foster a system-wide approach rather than a transactional approach.

## ***Management Systems and Performance Measurement***

Both Participants understand that cooperating on management systems and performance indicators would yield useful results for both Participants. They are looking forward to build an intelligent, results-based regulatory framework.

In the case of ASEA, it has established the use of third-parties for verification and oversight of performance, a measure that is more efficient and cost-effective. ASEA should share its experience in that regard with the NEB.

The NEB has developed a Departmental Results Framework which was recently approved by the Treasury Board as part of a first wave of new and improved outcomes-based performance measurement frameworks for departments and agencies in the federal government of Canada. As an early adopter, the NEB is pioneering new performance

indicators which will provide a measure of how well it is achieving its strategic outcomes. The NEB should share its experience in that regard with ASEA.

### ***Independence of Regulators***

Both Participants understand that a more practical approach is required for regulatory independence to be effective and conducive to public trust.

Both Participants should share knowledge on this topic, possibly by exchanging papers on the issue.

### **III – Liaisons and Follow-up**

The Participants designate staff from their respective agencies to serve as liaisons and to provide overall coordination for each Participant. The following are the titles of each designate and their contact information for the purposes of carrying out the activities under this DC:

#### **For the NEB:**

Principal:  
Chief Operating Officer

Supported by:  
Executive Vice-President, Regulatory Affairs  
Vice-President, Systems Operations  
Vice-President, Field Operations  
Vice-President, Integrated Energy  
Information and Analysis

517 10<sup>th</sup> Ave SW  
Calgary, Alberta  
T2R 0A8  
Telephone: 1-403-292-4800

#### **For ASEA:**

Principal:  
Planning, Strategic Stakeholder Engagement,  
and Processes Unit

Supported by:  
Chief of Staff of the Executive Director  
General Direction for International  
Cooperation

Melchor Ocampo 469, Col. Nueva Anzures,  
Delegación Miguel Hidalgo  
Ciudad de México, C.P. 11590  
México  
Telephone: 9126-0100  
[vinculacion@asea.gob.mx](mailto:vinculacion@asea.gob.mx)

The Participants may jointly schedule meetings, targeting at least one in-person meeting annually. Regular communication, by phone or email, will also be maintained.

The Participants may also encourage their respective staffs to cooperate on an ongoing basis within their areas of responsibility.

A teleconference presided by the Principal liaisons should be held every quarter to assess progress and to plan work.

#### **IV – Effects**

This DC is not intended to create binding obligations under national or international law and does not impose any legal commitments on, or give rise to any legal rights not otherwise held by the Participants.

#### **V – Funding**

Each Participant intends to pay for its own costs related to the activities under this DC.

#### **VI – Disclosure and Use of Information**

The Participants should treat information exchanged pursuant to this DC in accordance with all applicable laws and with Government of Canada and Government of Mexico standards, as it relates to the distribution, maintenance and storage of such information.

Information shared should normally be information that is in the public domain within the Participants' respective jurisdictions or that could be released without breaching any confidentiality or privacy concerns. If any confidential information is shared, such information should be identified as such and should be handled as confidential by each Participant, according to the applicable national laws.

#### **VII – Final Dispositions**

This DC is applicable upon the date of its signature.

The Participants intend to jointly review this DC three (3) years after its signature and renew or amend it as required, at that time or at any other time provided there is written approval by both Participants.

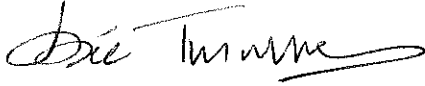
Any amendment to the DC becomes effective upon the date of the last Participant's signature, unless otherwise indicated.

Each Participant should notify by writing to the other Participant of any change to its enabling legislation, related regulations or policies that may impact this DC as soon as practicable after having discovered the change.

Any Participant may conclude its participation in this DC, by written notification addressed to the other Participant, with a notice of at least sixty (60) days in advance.

Signed in Paris, France, on this 27 day of April, two thousand seventeen, in duplicates, in the Spanish, French and English languages, all texts being equally valid.

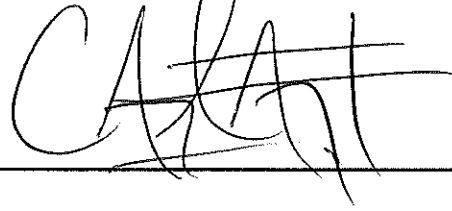
**FOR THE NATIONAL ENERGY  
BOARD OF CANADA**



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**Josée Touchette  
Chief Operating Officer**

**FOR THE MINISTRY OF THE  
ENVIRONMENT AND NATURAL  
RESOURCES OF THE UNITED MEXICAN  
STATES**



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**Carlos Salvador de Regules Ruiz-Funes  
Executive Director of the National Agency  
for Industrial Safety and Environmental  
Protection of the Hydrocarbons Sector**