Memorandum of Understanding

Among

the Government of Canada, the Government of the Republic of Finland, and the Government of the United States of America

Regarding a Trilateral Framework for the Production of Arctic and Polar Icebreakers and other Capabilities

Introduction

The Government of Canada, the Government of the Republic of Finland, and the Government of the United States of America ("United States") (collectively, the "Participants"):

Recognizing that the strategic context of the polar regions and meeting the challenges of the twenty-first century require deeper economic and security cooperation;

Recognizing the enduring importance of the polar regions to our collective economic, climate, and national security;

Recognizing that icebreaker support, as well as other capabilities, is required to ensure the safety of maritime navigation in the polar regions;

Recognizing that the Republic of Finland and Canada have signed reciprocal defense procurement instruments with the United States of America;

Underscoring their intention to deepen their cooperation to ensure the polar regions remain peaceful, cooperative, and prosperous;

Acknowledging that the trilateral economic and security partnership, defined as the "Icebreaker Collaboration Effort" or "ICE Pact," builds on longstanding and ongoing bilateral ties and deepens and expands practical cooperation;

Affirming the shared vision outlined in the Joint Statement by the Prime Minister of Canada, the President of the Republic of Finland, and the President of the United States of America on July 11, 2024 (the "Joint Statement") regarding the capabilities of like-minded nations to uphold international rules, norms, and standards to sustain peace and stability in the Arctic and Antarctic regions for generations to come;

Underscoring that this partnership is about more than the collective production of arctic and polar icebreakers and other capabilities, including other Arctic and polar-capable ships;

Acknowledging their intention to advance the combined industrial capacity and cooperation to build and maintain arctic and polar icebreakers and other capabilities among Participants, allies, and partners while addressing current and emerging strategic challenges, strengthening the shipbuilding industries in each country, and generating economic benefits, including good paying jobs in shipyards in all three countries;

Underscoring their shared interest in achieving the highest standards of vessel design, construction, and interoperability when applicable;

Underscoring their shared commitments under relevant international instruments, including the Declaration on the Establishment of the Arctic Council, signed in Ottawa on 19 September 1996 (the "Ottawa Declaration"), the Agreement on Cooperation on Aeronautical and Maritime Search and Rescue in the Arctic, done at Nuuk on 12 May 2011 (the "SAR Agreement"), the Antarctic Treaty, done at Washington on 1 December 1959, the Protocol on Environmental Protection to the Antarctic Treaty, done at Madrid on 4 October 1991, the International Code for Ships Operating in Polar Waters, and the North Atlantic Treaty, done at Washington on 4 April 1949;

Desiring to create a framework for collaboration that will also advance the interests of Northern and Arctic peoples, including Indigenous Peoples and Northern communities and rights-holders, so they can continue to thrive and be safe well into the future;

Understanding that tools and mechanisms under this Memorandum of Understanding ("MOU") do not undermine other relevant legal instruments, frameworks, and bodies that support polar collaboration, and as such enhance these commitments;

Have reached the following understanding:

1: Purpose

This MOU outlines the Participants' mutually developed framework to enhance their collective capacity to design, produce, and maintain arctic and polar icebreakers, as well as other capabilities, by collectively increasing information exchange, industrial collaboration, and operational know-how. The Participants recognize that the production of icebreakers and other capabilities extends beyond the shipbuilding industry and into the value chain comprising shipyards, engineering companies, marine equipment manufacturers, turnkey suppliers, system suppliers, and software providers, as well as other capabilities. This MOU further states the non-legally binding trilateral intentions and timeframe needed to achieve mutually established milestones.

2: Legal Status

1. This MOU sets out political understandings and the overarching policy commitments of the Participants; it is not an international agreement and does not give rise to any rights or obligations under international law or under the laws of any Participant.

- 2. This MOU is not intended to authorize any specific procurement, awarding of a contract or contracts, cooperative development programs, disclosure, authorizations for performance of work, or transferring of funds among the Participants.
- 3. This MOU is not eligible for registration under Article 102 of the Charter of the United Nations.

3: Financial Arrangements

1. This MOU does not impose any financial commitments on the Participants, except that each Participant intends to be in charge of the funding costs it incurs in its own interests, related to the activities contemplated in this MOU.

4: Objectives

The objectives of this MOU are:

- 1. To establish a framework for continuous and ongoing collaboration among the Participants to collectively increase the capacity to design, produce, and maintain arctic and polar icebreakers, as well as other capabilities, by enhancing information exchange and procompetitive industrial collaboration to serve the sovereign needs of each Participant's country, while strengthening the marine industries and generating economic benefits for the shipbuilding industries in each country.
- 2. To outline the requirements for potential future participants to the framework to include considerations related to the promotion of economic and security cooperation; as well as the alignment with the objectives, resources and collaborative spirit of the existing Participants.
- 3. To acknowledge that all actions under this framework reflect a significant effort by the Participants to deepen their collective security, resilience, scientific research, emergency response capabilities, and industrial cooperation; as well as similar cooperation with allies and partners who share Arctic and Antarctic responsibilities and interests.

5: Framework

- 1. In order to facilitate Participants' ability to meet and expand their respective arctic and polar icebreaker needs, as well as other capabilities, design and production needs to meet international demand from allies and partners, as outlined in their respective shipbuilding strategies and budgetary, policy, or other guidance documents, the Participants have identified and intend to take the actions described below, subject to the availability of funds.
- 2. The Participants intend to pursue these actions in a manner that enhances their shared security, industrial capabilities and capacity, as well as the operational availability of arctic and polar icebreakers and other capabilities, by optimizing trilateral contributions to this initiative and augmenting ongoing production plans, including support for each respective Participant's shipbuilding industrial base and the shipbuilding workforces of all Participants.

- 3. The Participants' intended actions are outlined as follows:
 - A. The establishment of a mechanism to exchange best-in-class technical expertise and information about arctic and polar icebreakers, as well as other capabilities, design and production to increase interoperability, lower cost, and enhance Participants' collective industrial capacity:
 - (i) Each Participant intends to establish a formal technical exchange program among themselves and other stakeholders in order to (1) co-develop best-in-class design principles for the construction of arctic and polar icebreakers and other capabilities; (2) collaborate on new and existing arctic and polar icebreakers, as well as other capabilities' designs that emphasize commonality to encourage economies of scale in the construction, repair, and interoperability of future arctic and polar icebreakers, and other capabilities, and built in Participants' respective shipyards and approved by the Participants; (3) to establish guiding principles for production line sequencing and supply chain management; and (4) on a periodic basis, as determined by the Participants, coordinate Cabinet or Minister-level recommendations to drive down the production costs of arctic and polar icebreakers, as well as other capabilities, and to enhance operational capabilities and accelerate their delivery, consistent with relevant laws in their respective countries.
 - ➤ (ii) The Participants intend to inform one another of the lead point of contact for these actions within forty-five (45) days of the signature of this MOU.

B. Collaborate on a joint workforce-development program.

- (i) The Participants intend to work together to establish a workforce-development program between participating shipyards and partner networks engaged in the production of arctic and polar icebreakers, and other capabilities and the relevant governmental entities in each country to facilitate the international exchange of personnel between these yards for training and workforce development purposes; they also intend to share information on workforce development programs and exchange designated technical advisors. The Participants will partner with labor stakeholders on this program, as appropriate.
- > (ii) Each Participant intends to inform the others of its lead point of contact for these actions within forty-five (45) days of the signature of this MOU.
- C. Collaborate with on, and supply to, ally and partner nations worldwide best-inclass arctic and polar icebreakers, as well as other capabilities.

- (i) The Participants intend to invite allies and partners to procure arctic and polar icebreakers, as well as other capabilities, from shipyards identified by the Participants as shipyards with specialized capabilities and experience in arctic and polar icebreaker production, as well as other capabilities, based on objective, publicly available criteria. The Participants intend to name shipyards and consultants in each respective country within 270 days of the signature of this MOU, and to review the listing every three years thereafter. The Participants intend to support and encourage participating shipyards and consultants to collaborate on technical design and specifications and know how as appropriate, and subject to intellectual property rights, maximize commonality in design, and leverage shared design and production principles and materials, consistent with applicable laws, including competition laws, in each of the three countries.
- (ii) The Participants intend to use their respective diplomatic capabilities to seek commitments or letters of intent from allies and partners to procure arctic and/or polar icebreakers, as well as other capabilities. Each Participant intends to share information about interest expressed by allies and partners in the potential procurement of an arctic and/or polar icebreaker, as well as other capabilities, with the other Participants, consistent with applicable law and policy.
- (iii) The Participants intend to collaborate on branding and shared messaging for ICE Pact that articulates the importance and value of collaboration amongst allies and partners on the production of arctic and polar icebreakers, as well as other capabilities, to achieve economies of scale.
- > (iv) The Participants intend to inform one another of the lead point of contact for these actions within 45 days of the signature of this MOU.
- > (v) The Participants plan to develop a program that identifies key sources of products and services for the production of arctic and polar icebreakers, as well as other capabilities, that takes into account the integrity and confidentiality of these sources. Stakeholders and partners included on this "trusted supplier" list may include suppliers from allies and partners other than the Participants.

D. The establishment of a framework to develop, share, and leverage Participants' research, development and innovation to support the design and implementation of future activities in the Arctic and polar regions.

> (i) Within a trusted, creative, and productive environment, the Participants intend to develop knowledge and collaborate on ideas that benefit the Arctic and polar regions while maximizing the effective and efficient use of resources, reducing duplication, and minimizing capability and capacity gaps in the polar regions.

- (ii) The Participants plan to work together to identify, design, and implement projects that promote innovation, sustainability, and mutual benefit.
- > (iii) The Participants may advance specific research and development efforts or initiatives.
- > (iv) To carry out specific cooperative activities, award contracts, or transfer funding, additional arrangements may be required. Any such arrangements will be consistent with the Participants' national laws, regulations, and policies.

6: Sovereignty

- 1. The Participants recognize that cooperation outlined in this MOU is subject to the Participants' national laws, regulations, policies, icebreaking needs, and requirements and intend to consult with and inform the other Participants of any national requirements that conflict with or obstruct a Participant's ability to carry out the activities outlined in this MOU.
- 2. Subject to obligations in any applicable future international agreements, as well as their domestic laws, the Participants intend for this MOU to enable Canada, the Republic of Finland, and the United States to design, build, operate, maintain, sustain, and dispose of their own sovereign polar and arctic icebreakers, as well as other capabilities, and for each Participant to make independent decisions on how their capabilities are employed, including all operational decision-making.
- 3. This MOU respects the autonomy of each Participant to define and pursue its own domestic priorities. All collaborative efforts will be structured to support the delivery of these sovereign outcomes while addressing current and emerging strategic challenges, strengthening the shipbuilding industries in each country, and generating economic benefits across all three countries.
- 4. The Participants intend to identify and communicate national priorities and work collaboratively to integrate these into the collective efforts, ensuring national and ICE Pact goals are achieved.
- 5. The Participants recognize that all Canadian, Finnish, and U.S. access to and use of facilities and areas in accordance with this MOU will be on an as-requested basis, as mutually determined by the Participants and at the invitation of the Participants, with full respect for the sovereignty of the Participants' countries and in accordance with applicable agreements and arrangements among the Participants.

7: Implementation and International Engagement

1. Within ninety (90) days of this MOU becoming effective, the Participants intend to establish a core trilateral working group to develop and maintain the international

engagement strategy and mechanisms to build understanding of, and support for, ICE Pact efforts among foreign governments and international organizations through public diplomacy. As well, the Participants plan to develop an implementation plan for the production of arctic and polar icebreakers, as well as other capabilities, including for design, construction and marketing.

- 2. The Participants intend to consult regularly with other allies and partners, particularly those with their own shipbuilding industries, to benefit from their knowledge, skills, and experiences.
- 3. The Participants also intend to collaboratively develop an engagement plan to promote effective communication and participation of industry in the initiatives.
- 4. This MOU allows for the inclusion of additional participants upon mutual decision of the existing Participants. The Participants intend to regularly review ICE Pact membership and may extend the invitation to additional participants to expand the trilateral economic and security partnership to promote economic and security cooperation. Future Participants may be added to specific sections of the framework outlined in Paragraph 5 of this MOU.

8: Security

- 1. The Participants intend to conduct their activities under this MOU in a manner consistent with relevant agreements and other arrangements and the highest appropriate standards pertaining to defense and security, including in relation to the protection of intellectual property, government procurement data, unclassified and classified build requirements, information (including Restricted Data), and other classified and controlled unclassified information, technology, and data.
- 2. The Participants may explore the feasibility of waivers and relaxation or changes to laws, regulations, and policies that restrict the required exchange of proprietary, sensitive and/or classified information between the Participants as well as participation in codevelopment, co-production and co-sustainment in shipbuilding programs. This includes, but is not limited to export control regulations for classified and/or unclassified information, products, and software under the U.S. International Traffic in Arms Regulations and Export Administration Regulations.

9: Transfer of Information

1. The Participants intend that all classified and otherwise sensitive information disclosed or transferred in support of the activities described in this MOU, will only be used, stored, handled, transmitted, safeguarded, and disposed of in accordance with applicable international agreements and arrangements between the Participants, and in accordance with the Participants' respective national laws, regulations, and policies.

- 2. Any information provided under this MOU will be intended for use only by the Participants, and then only for the purpose for which it has been provided, unless the prior written consent of the providing Participant has been obtained.
- 3. The Participants intend to cooperate to optimize trilateral information sharing, workforce exchange, export controls, and other collaboration to ensure no undue delays to cooperation on the activities outlined in this MOU.

10: Trilateral Governance

- 1. Upon this MOU taking effect, the Participants intend to form a trilateral governance structure to facilitate implementation and oversight of ICE Pact activities. The details of the management structure will be trilaterally determined. The Participants intend for the trilateral management structure to allow for the further definition and elaboration of products, schedule, and milestones necessary to implement the framework. The trilateral management structure will aim to promote, at the appropriate level and consistent with national authority, coherent oversight and implementation of the activities set out in this MOU.
- 2. The following departments or ministries in each respective government will consider forming or participating in a trilateral steering committee that supports and enables this effort:
 - A. The U.S. Department of State
 - B. The U.S. Department of Commerce
 - C. The U.S. Department of Homeland Security
 - D. The U.S. Department of Transportation
 - E. The U.S. Department of Defense
 - F. The Ministry of Economic Affairs and Employment of the Republic of Finland
 - G. The Ministry for Foreign Affairs of the Republic of Finland
 - H. The Ministry of Defence of the Republic of Finland
 - I. The Ministry of Transport and Communications of the Republic of Finland
 - J. The Privy Council Office of Canada
 - K. The Department of Foreign Affairs, Trade and Development of Canada
 - L. The Department of Public Works and Government Services of Canada
 - M. The Department of Fisheries and Oceans of Canada
 - N. The Department of National Defence of Canada
 - O. The Department of Industry of Canada
 - P. The National Research Council of Canada
 - Q. The Department of Transport of Canada
 - R. The Department of Employment and Social Development of Canada
- 3. For the purposes of implementation and implementation planning, the Department of Public Works and Government Services of Canada, the Ministry of Economic Affairs and Employment of the Republic of Finland, and the U.S. Department of Homeland Security are designated as the lead agencies.

11: Consultations

The Participants intend to consult regularly on questions of interpretation or application of this MOU, and to resolve any questions by consultation among the Participants. The Participants plan to hold regular trilateral engagements as determined by the trilateral steering committee, and one annual meeting that includes representatives from participating shipyards and consultants in support of the accelerated delivery of arctic and polar icebreakers, as well as other capabilities.

12: Duration

This MOU will take effect upon signature by all Participants and is intended to remain in effect until discontinued. This MOU may be discontinued at any time by the mutual decision of the Participants. Alternatively, any Participant may cease its cooperation in this MOU at any time, and in such case would ideally provide one hundred eighty (180) days written notice to the other Participants, with a minimum notice of thirty (30) days. The Participants intend to consult as soon as possible upon any Participant's decision to cease its cooperation in this MOU, ideally within two days.

13: Modification

This MOU may be modified after mutual written consent of the Participants.

14: Definitions

- Allies any nation that has engaged in a common military effort or with which the Participants have entered into a formal alliance.
- Partners a government, organization or individual with whom the Participants collaborate to achieve mutually decided objectives.

15: Resolution of Differences

Differences among the Participants arising under or relating to this MOU are expected to be clarified only by consultation among the Participants and are not expected to be referred to any individual, to a national court, to an international tribunal, or any other person or entity for settlement.

16: Ministerial Representation

Recognizing that each Participant may require national-level support across multiple ministries, agencies, and departments to achieve the goals envisioned by this MOU, the Participants have designated the following as their primary ministerial representative for their respective national efforts. Each Participant intends to notify the other Participants in writing of any change.

Government of Canada: Minister of Public Works and Government Services Government of the Republic of Finland: Minister of Economic Affairs Government of the United States: Secretary of Homeland Security Signed in triplicate in the English and French language. For the Government of Canada: Place: Washington Date: For the Government of the Republic of Finland: Washington Place: 13.11.2024 Date: For the Government of the United States of America:

Place: Washington DC

Date: 11-13-24