

Focus On

Transportation

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NORDREG now Mandatory Within the Northwest Passage

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Although the Northwest Passage is generally inaccessible to all but the most ice-capable vessels, in recent years, the navigable ice-free season in Canada's Arctic has become more pronounced. The current 2010 ice-free season has proven to be busier than most in terms of vessel traffic, and with a great deal of media attention now directed toward Arctic shipping, the trend appears likely to continue. Offering a reduction of about 4,000 nautical miles on voyages between Europe and Asia, the Northwest Passage represents a potential savings of nearly two weeks and hundreds of thousands of dollars per transit.³ Accordingly, the Canadian Government's recent decision to enact mandatory vessel registration under NORDREG – the Canadian Coast Guard's Arctic Canada Traffic System – is of particular interest to Arctic mariners.

NORDREG is a creature of the Canada Shipping Act, ⁴ and defines a vessel traffic system for ships operating in Canadian waters north of 60°N, as well as in the Hudson Bay, James Bay, Kigmallit Bay and Ungava Bay. The stated objectives of NORDREG are the enhancement of safety and movement of traffic, the strengthening of Canadian sovereignty in Arctic waters and the prevention of pollution of Arctic waters.⁵ Although NORDREG was originally implemented in 1977 as a voluntary scheme, as of July 1, 2010, compliance is mandatory. 6 All vessels with a gross tonnage of 300 or more,⁷ and those vessels involved in towing or pushing operations with a combined gross tonnage of 500 or more, 8 are subject to mandatory reporting under NORDREG.9 Mandatory reporting also applies to all vessels of

any size that carry, tow or push cargos of pollutants or dangerous goods. 10

To comply with the scheme, Masters operating vessels within the NORDREG zone are required to submit four different types of reports: a Sailing Plan ("SP"), which is required prior to entering the zone; Position Reports ("PR"), which are required upon entry and then daily thereafter; a Final Report ("FR"), which is required upon berthing or departure; and Deviation Reports ("DR"), which are required whenever a vessel deviates from its Sailing Plan. Contravention of the NORDREG requirements constitutes an offence under the *Canada Shipping Act* and carries a maximum penalty of a \$100,000 fine and one year's imprisonment.

Prior to July 2010, virtually all vessels operating in Canada's Northern waters voluntarily complied with NORDREG, as doing so permits access to a number of services including ice information, routing, icebreaker assistance, and search and rescue response.¹⁶ It remains the case that

vessels operating in Canadian Arctic waters are afforded these services, ¹⁷ but with NORDREG registration now mandated by the Canadian Government, mariners are reminded to also be cognizant of the penalties under the *Canada Shipping Act* for non-compliance.

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For further information, please contact a member of our National Transportation Group.

http://www.reuters.com/article/idUSTRE65L63I20100622>.

Notes

¹ See, for example, Siku News (21 Sept. 2010) "Traffic in NW Passage rises" <online: http://www.sikunews.com/News/Canada-Nunavut/Traffic-in-NW-Passage-rises-8024> and CBC News (30 July 2010) "Ill-equipped sailors attempt Northwest Passage" <online: http://www.cbc.ca/canada/north/story/2010/07/30/north-northwest-passage-traffic.html>.

² Although the number of transits of the Northwest Passage in 2010 is relatively modest when compared to prime shipping routes, such as the Suez and Panama Canals, an increase in transits in the Canadian North is significant considering the high-profile that has been given to maritime Arctic shipping through the Russian Northeast Passage, or "Northern Sea Route" in 2010. Russia has had a successful commercial shipping season in 2010 with at least a dozen commercial vessels transiting its Arctic waters between Europe and Asia, c.f. Fast Company (17. Sept. 2010) "Northern Sea Route Opens Up to Non-Russian Vessel, Makes Maritime History" <online: http://www.fastcompany.com/1689637/northern-sea-</p> route-opens-up-to-non-russian-vessel-makes-maritime-history>. One carrier, for example, recently estimated a savings of \$180,000 in fuel costs alone for shipping through Russia's Northeast Passage, The Foreigner (Norway) (20. Sept. 2010) "Norway sends first non-Russian vessel through Northeast Passage" <online: http://theforeigner.no/pages/news/norway-sends-first-non-russianvessel-through-northeast-passage/>. But note there may be little demand for shipping through Canada's Northwest Passage as a recent survey has suggested, The Record (29 June 2010) ' Survey finds little shipping interest in using Northwest Passage" <online: http://news.therecord.com/article/737651>.

⁴ Northern Canada Vessel Traffic Services Zone Regulations, SOR 2010-127 [NCVTSZ], which is enacted pursuant to the Canada Shipping Act, S.C. 2001, c. 26 [Canada Shipping Act].

⁵ Canadian Coast Guard "Vessel Traffic Reporting Arctic Canada Traffic Zone (NORDREG)" <online: http://www.ccg-gcc.gc.ca/eng/MCTS/Vtr_Arctic_Canada>. as cited in Standing Senate Committee on Fisheries and Oceans (June 2008) "The Coast Guard in Canada's Arctic" at p.31.

⁶ c.f. Reuters (22 June 2010) "Canada set to track ships using Northwest Passage" <online:</p>

⁷ *NCVTSZ*, s. 3(a).

⁸ *NCVTSZ*, s. 3(b).

⁹ NCVTSZ, s. 4.

¹⁰ *NCVTSZ*, s. 3(c).

¹¹ *NCVTSZ,* s. 6.

¹² *NCVTSZ*, s. 7.

¹³ *NCVTSZ*, s. 8.

¹⁴ *NCVTSZ*, s. 9.

¹⁵ Canada Shipping Act, ss. 126, 138.

¹⁶ It has been suggested that historically 98% of vessels voluntarily reported, c.f. Standing Senate Committee on Fisheries and Oceans (June 2008) "The Coast Guard in Canada's Arctic" at p.32.

¹⁷ These services are generally free of charge in the Arctic, c.f. Canadian Coast Guard, "Marine Services Fees ... the Icebreaking Services Fee" <online: http://www.ccg-gcc.gc.ca/eng/Ccg/ice_Icebreaking_Service_Fees>.