



Arctic Sovereignty Policy Review

“Canada has a choice when it comes to defending our sovereignty over the Arctic. We either use it or lose it. Make no mistake, this Government intends to use it. Because Canada’s Arctic is central to our national identity as a northern nation. It is part of our history. And it represents the tremendous potential of our future.”

**Prime Minister Stephen Harper
July 9, 2007**

“(…) we strongly believe that we need to do all that we can to prevent the militarization of the Arctic.”

**Standing Committee on National Defence
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By Anneta Lytvynenko

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Introduction

Canada is a Northern nation. While in the past, no significant attention was paid to the Arctic region, gradual climate change, in particular the melting of the multiyear ice caps, made the Canadian Government more vigilant towards Canada's North. Not only does climate change have a significant effect on Northern Canadians' way of living, it already renders possible the discovery and extraction of natural energy resources and minerals, which are in abundance in the Arctic. The instability in the Middle East as well as the price increase of hydrocarbons drive the economic interest of circumpolar nations and major economic powers in the Arctic. New maritime routes through the Northwest Passage will become navigable within two or three decades. Once seen as a barren land, the Arctic is rapidly gaining in strategic importance. Canada owns the second largest Arctic shoreline and is, therefore, at the forefront of this new reality.¹ The Arctic five coastal states - Canada, Denmark, Norway, Russia, and the United States - have increased their military presence in the region and are disputing territorial claims. Environmental degradation, the prospects of increased shipping in Canadian Arctic waters, and the new natural resources race in the High North triggered the Canadian government to shape a firm domestic and foreign policy meant to protect and strengthen Arctic sovereignty. Consequently, the purpose of this policy review is to evaluate current geopolitical issues facing Canada in the North and pinpoint crucial missing elements in Canadian Arctic sovereignty policy.

¹ Greenspon, E. (2010). 'Open Canada: A Global Positioning Strategy for a Networked Age'. Canadian International Council, p.57

Context

Current situation, Issues and Indicators

Navigation

The Arctic has always been perceived as inhospitable because of its harsh climate. In the past decade, the ice in the Arctic Ocean has been melting at an unprecedented speed.² In 2007, the Arctic sea ice reached its lowest level ever recorded, opening the historically ice-clogged Northwest Passage for shipping.³ Climate change will eventually contribute to the opening of new sea-lanes that have the potential to dramatically modify global trade patterns. Shipping companies will be in a position to save billions of dollars as the Northwest Passage would shorten their trips by thousands of nautical miles. Therefore, the Northwest Passage could become a shorter and less expensive alternative to the Panama Canal.⁴

Sovereignty and militarization

Recent poll data suggests that Canadians consider the Arctic a central part of their national identity and that the efforts to ensure Arctic sovereignty should be funded accordingly.⁵ Sovereignty is a legal concept which entails ownership and the right to control over a specific area regulated by a clearly defined set of international laws.⁶ Two principles guide Canada's policy on Arctic sovereignty: the exercise of its military responsibilities in the area and stewardship. In the past decade, Arctic littoral states – including Canada – have invested in building military capacity in the region. Today, experts warn of the potential of armed conflicts.⁷ Even though the Arctic states do cooperate in such areas, as environmental protection and sustainable development through the Arctic Council, currently there is a

² Borgerson, S. (2008). 'Arctic Meltdown'. Foreign Affairs, Vol. 87, No. 2: pp. 63-77.

³ National Snow and Ice Data Centre. (2008) <http://www.nsidc.org/arcticseaicenews/2008/082508.html> Retrieved on March 13, 2011. See Figure 1 in the Appendix.

⁴ Borgerson, S. (2008). 'Arctic Meltdown'. Foreign Affairs, Vol. 87, No. 2: pp. 63-77.

⁵ Munk School of Global Affairs. (2011) 'Rethinking the Top of the World: Arctic Security Public Opinion Survey'. <http://www.munkschool.utoronto.ca/news/view/33/> Retrieved on March 21, 2011.

⁶ Carnaghan M., Goody, A. (2006) 'Political and Social Affairs Division, Canadian Arctic Sovereignty'. Ottawa: Library of Parliament, p.2.

⁷ Huebert, R. (2010). 'The Newly Emerging Arctic Security Environment'. Canadian Defence & Foreign Affairs Institute, Calgary.

lack of cooperation among circumpolar states on Arctic security. At the insistence of the US, security was not added to the Arctic Council's mandate, when the forum was created in 1996.⁸

While its new military equipment may be necessary to strengthen its sovereignty claim over the Arctic waters, Canada also needs to address the issue of security cooperation among the Arctic states to avoid conflicts that could arise from outstanding disputes. Canada will be chairing the Arctic Council in 2013. This will be a great opportunity for Canada to take on a leadership role in commencing negotiations on security.⁹

Outstanding disputes in the Arctic involving Canada¹⁰

Hans Island

Canada and Denmark are disputing this small island in the Arctic Strait. Both parties had agreed in 1973 to delay the settlement of this issue. The parties have recently agreed to commence negotiations and are currently conducting a joint mapping exercise. Officials have indicated that an agreement could be reached before 2013.¹¹ The size of respective maritime zones is at stake.¹²

Beaufort Sea

The United States would prefer that the maritime boundary between Alaska and Canada be equidistant, while Canada advocates for it to be on the 141th meridian. Canada is eager to resolve this dispute diplomatically. Both parties are jointly mapping the ocean floor. However, the officials suggest an agreement is unlikely before 2014.¹³ Access to oil and gas deposits is at stake.

The Northwest Passage

Canada claims control over navigation and access to the Northwest Passage as it considers the Passage to be its internal waters. The United States challenge that claim, stating that the waters constitute an

⁸ A Canadian initiative, the Arctic Council was founded in 1996 by the Ottawa Declaration, as a high level intergovernmental forum to provide a means for promoting cooperation, coordination and interaction among the Arctic States on common Arctic issues, in particular issues of sustainable development and environmental protection in the Arctic. In addition to 'Arctic five', the Council member-states include Finland, Iceland, and Sweden. The Arctic Council also includes six permanent non-state participants: Aleut International Association, Arctic Athabaskan Council, Gwich'in Council International, Inuit Circumpolar Council, Raipon, and the Saami Council. Five non-Arctic states are currently permanent observers—France, Germany, Poland, Spain, the Netherlands, and the United Kingdom. <http://arctic-council.org/article/about> Retrieved on March 25, 2011.

⁹ Consult the Appendix for the Canadian government's past policies and the chronology of focusing events.

¹⁰ InfoSeries. (2008). 'The Arctic: Geopolitical issues'. Ottawa, Library of Parliament: p. 2. as well as Grant, S. (2010). 'Polar Imperative: A History of Arctic Sovereignty in North America'. Douglas & McIntyre, Vancouver: ch. 13. See Figures 2, 3, 4,5, 6 for illustration.

¹¹ Ibbitson, J. 'Danish-Canadian agreement nears for Hans Island'. The Globe and Mail, January 27, 2011.

¹² In addition, Canada and Denmark have an outstanding dispute over two small ocean zones of 31 and 34 square nautical miles in size in the Lincoln Sea. A disagreement exists over the way in which the equidistance line between Ellesmere Island and Greenland should be drawn.

¹³ Ibid.

international strait, which allows foreign states a free right of passage. Currently, no discussions on the issue are taking place between Canada and its opponents. The control of the passage by Canada, its security and the protection of the Arctic environment are at stake.

The United Nations Convention on the Law of the Sea (UNCLOS) will be instrumental in determining the extent of Canada's continental shelf and may help resolve outstanding disputes.¹⁴ The UNCLOS treaty, signed in 1982, grants sovereignty to countries up to 200 nautical miles from their coasts in Exclusive Economic Zones (EEZ). The five Arctic littoral states have sovereignty within their respective EEZ. The treaty also allows states to extend their EEZ if they can prove that underwater ridges are a geological extension of their continental shelf. Canada has until 2013 to prepare its submission to UNCLOS and is currently mapping its continental shelf in cooperation with Denmark, Russia, and the United States.¹⁵ The UNCLOS commission will confirm the area over which Canada has sovereign rights, thus, determining where it could start exploration of natural resources. It is important to note that all five Arctic coastal states signed the Ilulissat Declaration in 2008 reiterating their commitment to the existing legal framework for the settlement of conflicting territorial claims.¹⁶

The resolution of the dispute over the status of the Northwest Passage demands a will to cooperate both on the part of Canada and the United States. In its current state, the Northwest Passage cannot be described as an international strait, since it only satisfies one of the two criteria used in international law to define this type of channel.¹⁷ The Northwest Passage does connect two bodies of waters – the Atlantic and the Pacific Oceans. However, it does not yet constitute a route for navigation and cannot be considered an international strait. As the sea ice continues to melt, the Northwest Passage will become more accessible and Canada may lose its sovereignty over the Passage if it does not act promptly.

¹⁴ Côté, F., Dufresne, R. (2008). 'Infoseries - The Arctic: Canada's legal claim'. Ottawa, Library of Parliament. <http://www2.parl.gc.ca/Content/LOP/ResearchPublications/prb0806-e.htm> Retrieved on March 7, 2011. See Figure 6 in the Appendix.

¹⁵ UNCLOS outlines many aspects of ocean governance, including: navigational rights, territorial sea limits, economic jurisdictions, the legal status of resources on the seabed beyond the limits of national jurisdiction, passage of ships through narrow straits, management of living and non-living marine resources, protection of the marine environment, a marine scientific research regime, as well as a binding procedure for settling disputes between nations.

¹⁶ Arctic Council. The Ilulissat Declaration (2008) <http://arctic-council.org/filearchive/Ilulissat-declaration.pdf> Retrieved on March 12, 2011.

¹⁷ Côté, F., Dufresne, R. (2008). 'Infoseries - The Arctic: Canada's legal claim'. Ottawa, Library of Parliament. <http://www2.parl.gc.ca/Content/LOP/ResearchPublications/prb0806-e.htm> Retrieved on March 7, 2011.

Issues	Concerns	Indicators
Navigation	<ul style="list-style-type: none"> - Risk of intrusion, drugs and weapons smuggling, illegal immigration and terrorism; - Need for a greater protection of the fragile Arctic environment. 	<ul style="list-style-type: none"> - Ability to exercise full control over shipping; - Resolution of the dispute in regards to the status of the Northwest Passage.
Sovereignty	<ul style="list-style-type: none"> - Risk of a loss of sovereignty over parts of the Arctic; - Need for a resolution of the Northwest Passage dispute. 	<ul style="list-style-type: none"> - Increased military presence; - Cooperation with the United States to resolve the Northwest Passage dispute.
Militarization	<ul style="list-style-type: none"> - Risk of conflicts; - Lack of cooperation on security issues in the Arctic; - Need for a regime to address the security issues of the Arctic. 	<ul style="list-style-type: none"> - Canada's involvement in adding security as part of the Arctic Council's responsibilities; - Canada's call for cooperation.

Policy Process

Goals and Objectives

To meet the challenges and opportunities of a changing North, the Government has established a comprehensive Northern Strategy, which consists of four pillars: exercising Arctic sovereignty, protecting environmental heritage, promoting social and economic development as well as improving and devolving Northern governance.¹⁸ Exercising Arctic sovereignty has become indispensable for Canada's security in light of the emergence of new security threats from non-state actors.¹⁹ Another

¹⁸ 'Canada's Northern Strategy' <http://www.northernstrategy.gc.ca/index-eng.asp> Retrieved on March 20, 2011.

¹⁹ As the Arctic generally becomes more accessible due to climate change, there is an increased risk of illegal migration and trafficking in persons to North America through the Arctic. There are also fears of the North being used as a thoroughfare for drug trafficking as well as a destination for illegal narcotics. In the post-September 11 era, fears have been raised concerning the increased vulnerability of the Arctic as a passage for terrorists,

objective of the Canadian government in the domain of Arctic sovereignty is to resolve outstanding maritime boundaries disputes in order to provide certainty for investment in oil and gas exploration, hence sign lucrative contracts.

Stakeholders, Allies, Beneficiaries, Detractors

The list of stakeholders having an interest in Canada's Arctic sovereignty is extensive. Given the current whole-of-government approach to investment and development of the Arctic region, many Federal Government's and Territorial governments' departments are the primary stakeholders.²⁰ In addition, oil companies, such as Exxon and BP, have a voracious appetite for offshore exploration in the Beaufort Sea. The companies have failed so far to surmount the legal and regulatory hurdles necessary to commence drilling.²¹ Thus, energy companies are also considered to be stakeholders, in whose interest it is for Canada and the US to resolve the ongoing maritime boundary dispute in order to operate in certain legal settings.

The US is by far the greatest Canada's ally in the Arctic. Not only did the two nations sign an agreement on "Arctic Cooperation" in 1988, they also agreed to renew and extend NORAD Command agreement, which now includes the Arctic region. Canada also has an extensive ally network with NATO. Furthermore, in recent years, there has been a joint effort between Canada and Denmark in conducting the mapping exercise of the continental shelf. Thus, this Scandinavian nation has been a particularly reliable ally for Canada in the Arctic.

whether for illegal entry into North America or for the transport of illegal weapons, including biological and chemical devices. Source: Mychajlyszyn, N. (2008) 'The Arctic: Canadian Security and Defence' <http://www2.parl.gc.ca/Content/LOP/ResearchPublications/prb0813-e.htm> Retrieved on March 20, 2011.

²⁰ Consult Table 1 for the list of Federal Government Departments having programs in Canada's North.

²¹ Vanderklippe, N. (2011). 'BP-Rosneft deal a challenge for Canada in Arctic' <http://www.theglobeandmail.com/report-on-business/industry-news/energy-and-resources/bp-rosneft-deal-a-challenge-for-canada-in-arctic/article1873712/> Retrieved on March 22, 2011.

The main beneficiaries of Canada's Arctic sovereignty policy were and remain the Inuit, First Nations residing in Canada's three Northern territories as well as the Canadian public North and South of the 60th parallel. By pursuing the Northern Strategy (including exercising sovereignty), the Federal Government fulfills its obligation, as stipulated in the West Arctic Inuvialuit Land Claim Agreement as well as Nunavut Land Claim Agreement.²²

Due to outstanding maritime boundaries disputes, significant natural resources deposits at the Arctic seabed, which would potentially yield a secure supply of energy sources to the world's economic powers, there are a number of detractors who pose an impediment to exercising Canada's Arctic sovereignty rights. The Arctic Council members oppose Canada's claim to the Northwest Passage as its internal waters.²³ It is in every Arctic Council member's national interest to maintain the Northwest Passage as an international strait with a right of free navigation. Since there is a high likelihood of the Northwest Passage becoming navigable year-round within the next two decades, the Arctic Council members will remain Canada's detractors in the future.

Moreover, non-Arctic EU nations, such as Germany, are on the outside of addressing the Arctic issues, but badly wanting to get in. The Arctic Ocean's fisheries and mineral resources are of great appeal. Besides, as the EU nations are also some of the world's largest exporters, they are interested in keeping the sea lanes like the Northwest Passage open.²⁴

²² See Figure 7 for the map of Indigenous Land Claim Agreements in the Arctic.

²³ The Arctic Council's member-states include Denmark, Finland, Iceland, Norway, Russia, Sweden, the US.

²⁴ Bennett, M. (2011) 'Germany and Russia in Arctic News'. <http://arctic.foreignpolicyblogs.com/>

China, another non-Arctic state, is trying to bolster its position in the High North by seeking observer status on the Arctic Council (which was denied). Given vast natural resources deposits in the region, China's involvement in the Arctic is only likely to aggrandize.²⁵

Policy Analysis

Alternatives

1) Status Quo (Increase Military Presence in the Arctic)

The Arctic is seen as a crucial ingredient to the Canadians' sense of national identity. Approximately 42% of Canadians believe that their country should "pursue a firm line in defending its sections of the Arctic."²⁶ The current Federal Government makes strengthening Canada's military presence in the North its number one priority in the pursuit of the Arctic sovereignty policy. In 2007, Prime Minister Harper announced the establishment of a deep-water port facility with an airfield to be constructed in Nanisivik on Baffin Island, Nunavut, and a northern Canadian Forces' training base in Resolute Bay. The construction of Nanisivik deep-water port is set to begin in 2013. The site is to be completed by 2016.

Another initiative meant to strengthen military presence in the North, which garnered a wide support of the Canadians, is the expansion of the Canadian Rangers.²⁷ Many Canadian Rangers are Aboriginal, which not only helps them to draw high levels of support in the North, but also to secure well-paying jobs and utilize their invaluable knowledge of the Great White North. Joint Task Force North

²⁵ China also attempts to increase its presence in the Arctic via competing for offshore resources exploration contracts. The state's gigantic industrial economy is 70% fueled by coal. The Arctic possesses 10% of the world's coal deposits, which explains China's heightened interest in the region. Source: Bennett, M. (2010) 'China, Democracy, and the Arctic' <http://arctic.foreignpolicyblogs.com/>

²⁶ Munk School of Global Affairs. (2011) 'Rethinking the Top of the World: Arctic Security Public Opinion Survey'. <http://www.munkschool.utoronto.ca/news/view/33/> Retrieved on March 21, 2011.

²⁷ The Rangers perform national security and public safety missions in those sparsely settled northern, coastal and isolated areas of Canada, which cannot conveniently or economically be covered by other elements or components of the Canadian Forces.

announced the addition of 300 Rangers, bringing the total up to 1900 in the North.²⁸ However, even a large expansion of the force's size will still yield a small presence in the three territories, which span almost 4,000,000 square kilometers.

Benefits

Arctic security would certainly bolster Canada's claim to its sovereignty rights. Nanisivik is fairly close to Resolute Bay, the location of the planned year-round multi-purpose Arctic Warfare training base, accommodating up to 100 personnel.²⁹ In addition, Nanisivik is located on Strathcona Sound, which leads directly onto the Northwest Passage, giving an opportunity to thoroughly patrol what is claimed to be Canada's internal waters.

Costs

The cost of the Nanisivik deep-water facility is estimated to cost the Canadian taxpayers \$175 million.³⁰ Furthermore, supplying naval operations in the High Arctic could pose logistical difficulties and put an additional pressure on the locals. Northern communities rely on semi-annual "sealifts" of fuel and goods. The Canadian Forces could be competing for space on the re-supply ships and tankers. This could make the North a less appealing place to live for civilians which, in turn, will damage Canadian claims in the Arctic. Inadvertently, a Naval presence may actually weaken those claims it is

²⁸ Standing Senate Committee on National Security and Defence. Proceedings.(Issue No. 2, April 12, 2010, p. 67). <http://www.parl.gc.ca/40/3/parlbus/commbus/senate/com-e/defe-e/rep-e/rep07mar11-e.pdf> Retrieved on March 26, 2011.

²⁹ 'Prime Minister announces expansion of Canadian Forces facilities and operations in the Arctic'. (2007) <http://www.pm.gc.ca/eng/media.asp?category=1&id=1784>

³⁰ Existing facilities at Nanisivik would be able to refuel and re-provision the planned CF fleet of 6-to-8 Arctic/Offshore Patrol Ships (A/OPS) intended for this new base. The AOPS project has now been postponed indefinitely pending a new Canadian shipbuilding strategy.

meant to bolster.³¹ In addition, increased militarization can also trigger other Arctic states to assemble troops at their Northern borders, which would create unnecessary tensions in the circumpolar region.

2) Increase Canada's peaceful presence in the Arctic

The lesson learned from the Danes in Greenland is that sovereignty is as much about inhabiting the North as it is about defending the North. Some experts on the Arctic are of the opinion that the answer lies in the people of the North – living on the land establishes sovereignty far more dramatically than a modest military presence. Were the government to make the Arctic a better place to live, Canadian sovereignty in the North would be assured.

The Arctic population is facing social, climatic and economic challenges. There is a need to address issues, such as housing shortages, low educational attainment, drug and alcohol abuse. By providing human security to the local indigenous communities, Canada's Arctic sovereignty can be strengthened.

The government of Canada has already begun addressing these challenges by investing in the region's economic and social foundations, including the establishment of the Canadian Northern Economic Development Agency in 2009 (the Department that fosters business development in the North, provides strategic investment in infrastructure, and advocates for the Northerners' interests within the Federal Government) and the involvement of INAC, HRSDC, Health Canada, Infrastructure and Transport Canada, Public Safety, Fisheries and Oceans Canada, etc.

Benefits

The whole-of-government approach and commitment to rapid social and economic development of the Northern communities as well as the implementation of nation-building land-claim settlements with indigenous peoples will have a positive spill-over effect on exercising Arctic sovereignty.

³¹ 'Canadian Initiatives in the Race to Assert Sovereignty and Control over Northern Sea Lanes' . (2007) <http://casr.ca/id-arctic-empires-2.htm> Retrieved on March 22, 2011.

Costs

Substantial federal financial commitments destined for the North are indispensable in the near and distant future. These allocations might reduce investments elsewhere in Canada and cause protests from various provinces.

3) Get the United States' support

Given that the September 11 attacks changed the perception of security in the US, America might be less interested in pursuing the international waterways claim to the Northwest Passage in the interest of having a more secure North American perimeter. Moreover, although the U.S. is an Arctic nation, it's about to spend the next two years without its heavy icebreaker, the *Polar Sea*. That is why, Canada is given a great chance to act now and convince the US, its biggest ally in the Arctic, to recognize the Northwest Passage as Canada's internal waters. That way, Canada will be the only country to patrol the Passage and enforce its domestic regulations (fiscal and smuggling laws as well as laws intended for environmental protection and the safety of shipping).³² Unlike other nations, who would have to pay for the right of transit, American commercial and naval ships can be offered an exclusive right of free passage, provided they notify Canada. The notification would be a small price to pay by the American ships for the security of the Northwest Passage as well as the entire continent.³³

Benefits

With a support of a hegemon, Canada will be in a better position to defend its legal claim to the Passage, thus the opposition from other states will likely subside. This would yield fully exercised

³² Current International Maritime Organization's guidelines for international shipping have no legal repercussions. Canada's laws would be enforceable.

³³ Another option is for Canada to recognize the Northern Sea Route as Russia's internal waters in exchange for Russia's recognition of the Northwest Passage as Canada's internal waters.

Canadian Arctic sovereignty as well as potential annual revenues of \$2 - 4 billion in fees collected from the ships passing through the Northwest Passage.³⁴

Costs

Foregone potential revenue from the American vessels' transit as well as possibly substantial incurred costs associated with building new ice-breakers for year-round patrol of the Northwest Passage.

Canada should also actively pursue lobbying the US via diplomatic channels in Washington to ratify UNCLOS, since by remaining outside the Convention, the United States complicates negotiations with maritime partners for coordinated search and rescue operations in the region. Besides, the failure of the US to ratify UNCLOS is a factor that could undermine UNCLOS' effectiveness and any confidence in its capacity to manage expectations about continental shelf extensions.³⁵

4) Joint management of the Northwest Passage

In case the US is firm in its current position on the status of the Northwest Passage, Canada and the US could set aside their respective claims and sign a bilateral treaty to jointly manage the Passage.³⁶ This initiative could be modeled on the St. Lawrence Seaway management, which is jointly operated by Canadian and American public corporations, overseen by respective governments.

Benefits

By being jointly managed, the security of the Northwest Passage would certainly be enhanced. There would also be a better enforcement of maritime regulations. Moreover, both countries would share operating costs.

³⁴ The revenue estimate is comparable to that generated by Panama Canal annually.

³⁵ Mychajlyszyn, N. (2008) 'The Arctic: Geopolitical issues'.

<http://www2.parl.gc.ca/Content/LOP/ResearchPublications/prb0806-e.htm> Retrieved on March 20,2011.

³⁶ Flemming, B. (2008). 'Canada-U.S. Relations in the Arctic: A Neighbourly Proposal'. Canadian Defence & Foreign Affairs Institute.

Costs

Joint management of the Passage for Canada would translate into a partial loss of sovereignty over its waters. This option could also have an adverse impact on cooperation with other Arctic Council members.

5) Convince the Arctic Council to add security to its mandate

Canada will chair the Arctic Council in 2013 and thus will have an opportunity to set the agenda. Its main priority should be to lobby member-states to cooperate on security issues as a way to avoid any future tensions created by the increased militarization in the region.

Benefits

By adding security to the Arctic Council's jurisdiction, there will be an official forum dedicated to addressing security related issues in the region. This initiative would strengthen the Council and push the members to cooperate. The long-term benefit would be increased security in the Arctic.

Costs

Pursuing such an effort may strain Canada's relationship with its biggest ally, the US, which vehemently opposed such an initiative when the Arctic Council was first created in 1996. The proposition may also lead to new alliances between Arctic Council members and non-member states, which could undermine cooperation in the long run. One may argue that there already exists an organization that deals with security issues - NATO. Since four out of five Arctic littoral states (except Russia) are NATO members, the Arctic Council states may be reluctant to add security to its mandate.

Constraints

harsh Arctic climate, which impedes Canadian North-South traffic as well as trade;

Federal budget limitations in light of substantial monetary sources required for social and economic development of the North;

sparsely populated Northern communities, which makes tackling infrastructure challenges more difficult;

the geology of Canada's Arctic seabed will define how successful and legitimate the country's claims to the extension of its continental shelf will be;

Canada is bound by international law provisions, in particular the United Nations' Convention on the Law of the Sea (UNCLOS);

the Arctic remains without a single, comprehensive and developed regime by which to govern state behavior in the region.

Recommendations

1) Canada must continue the implementation of the Northern Strategy

As outlined in a previous section, the Government is taking strides to exercise Arctic sovereignty, ensure economic development of the region as well as the protection of the fragile ecosystem. While the construction of the Navy patrol ships is postponed indefinitely due to the time of financial austerity, it is proposed to announce the increased icebreaker capabilities, i.e. construct another icebreaker with research capacity to increase Canada's presence in the Northwest Passage. The Canadian Forces should focus on developing search and rescue capabilities. That is why, it is recommended that SAR centres be established in the North and that new fixed wing SAR aircraft become the top military procurement priority.

Timeline: medium to long term course of action.

2) The Northwest Passage must be recognized as Canada's internal waters

Concerns about ensuring continental security and the necessity of policing the Passage are more likely to be addressed by Canada's legal claim over the Northwest Passage than by the allowances of an international strait. Canada has a strong legal case on the basis that the waters are on the landward side of straight baselines that the country draws around the Arctic Archipelago.³⁷ By increasing its icebreaker capability (possibly constructing another heavy duty, all-season vessel similar to CCGS Diefenbaker), Canada will be able to patrol the Passage more frequently and thoroughly. By striking a

³⁷ for the full explanation of Canada's legal claim to sovereignty over the Northwest Passage, consult 'Controversial Canadian Claims over Arctic Waters and Maritime Zones'

<http://www2.parl.gc.ca/Content/LOP/ResearchPublications/prb0747-e.htm>

deal with the United States, as outlined in the ‘Alternatives’ section, Canada will be in a better position to substantiate its claim.

Timeline: the next decade.

3) Convince the Arctic Council to add security to its mandate

There is no existing intergovernmental forum for cooperation on security issues in the Arctic and adding it to the Arctic Council’s responsibilities would create one. All five coastal Arctic states are already cooperating on sustainable development, environmental protection as well as SAR efforts. It is in the best interest of member states to enhance cooperate in the domain of Arctic security.

Timeline: during the course of 2013 (when Canada chairs the Arctic Council)

4) Canada must attempt to resolve its Beaufort Sea maritime boundary dispute with the United States

It is realistic to reach a mutually-beneficial resolution to the outstanding dispute, similar to that which was reached in 2011 by Russia and Norway in their 40-year long boundary dispute in the Barents Sea. In a similar fashion, Canada and the US can declare the disputed sector a joint hydrocarbon development zone, where two countries cooperate to issue drilling permits, provide environmental protection and collect royalties.

Timeline: the next decade.

Conclusion

As the North is becoming a focal point for international relations, Arctic sovereignty will surely dominate Canada’s foreign policy in the 21st century. Securing clarity as to the extent of Canada’s

sovereign rights and developing the capacity to assert and protect them is a national project for the next few decades to come.

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Annex

Chronology of Focusing Events³⁸

1880 – Arctic Islands order in council proclaims Canadian sovereignty over all British territories in North America.

1969 – Oil companies send the *S.S. Manhattan* through the Northwest Passage, but find the sea-lane impractical and costly.

1970 – Canada passes the Arctic Waters Pollution Prevention Act, declaring Canadian regulatory control over pollution within a 100-mile zone. The Act is not recognized as legitimate by the US government.

1973 – Canada and Denmark agree on “delimitation of the continental shelf” between Greenland and Canada.

1985 – Voyage of U.S. icebreaker CGS Polar Sea through the Northwest Passage without Canada’s permission highlighted the issue of Canada’s sovereign control over its Arctic territory and waters.

1985 – Government of Canada announces plans to acquire “Polar 8 icebreaker.”

1987 – Canada’s 1987 White Paper on Defence announces plans to acquire 10-12 nuclear submarines.

1988 – Canada and United States reach an agreement on “Arctic Cooperation,” which pledges that voyages of U.S. icebreakers should seek consent from Canada. This Agreement did not alter either country’s legal position vis-a-vis the Arctic waters.

1994 – Nomination of the first Canadian Ambassador of Circumpolar Affairs.

1996 – Creation of the Arctic Council with the signing of the Ottawa Declaration.

2000 – Government of Canada releases *The Northern Dimension of Canada’s Foreign Policy*, including policy of asserting Canadian sovereignty in the North.

2003 – Canada ratifies United Nations Convention on the Law of the Sea (UNCLOS).

2004 – Arctic Climate Impact Assessment (Arctic Council) is released.

2004 – Speech from the Throne, announcing a “northern strategy.”

2005 – Canada’s Minister of National Defence visits Hans Island in July.

2005 – A U.S. nuclear submarine voyages to the North Pole in December, possibly traveling through Canadian Arctic waters.

2006 – Canada's Joint Task Force North declared that the Canadian military will no longer refer to the region as the Northwest Passage, but as the Canadian Internal Waters. The declaration came after

³⁸ Carnaghan, M. (2006) ‘Canadian Arctic Sovereignty.’

<http://www2.parl.gc.ca/Content/LOP/ResearchPublications/prb0561-e.htm> Retrieved on March 14, 2011. Others events deemed relevant were added to the list.

the successful completion of Operation Nunavut, which was an expedition into the region by five military patrols.

2007 – Canada and Denmark agree to pursue active talks on the status of Hans Island. Both countries are likely to recognize the international border crossing through the middle of Hans Island.

2007 – Prime Minister Harper announced the establishment of a deep-water port at Nanisivik on Baffin Island and a northern army training base in Resolute Bay.

2008 – Canada signs the Ilulissat Declaration.

2008 – Prime Minister Harper announced a plan for the construction of a \$720 million Coast Guard icebreaker, CCGS John G. Diefenbaker that is expected to join the fleet in 2017.

2008 – Canadian government announces that it would become mandatory rather than voluntary for foreign ships, including cruise ships, sailing into the Canadian Arctic to register with NORDREG, the Canadian Coast Guard agency that tracks vessels.

2008 – Further announcement that the jurisdictional limit of the Arctic Waters Pollution Prevention Act will be extended from 100 nautical miles to 200 nautical miles (or 370 km).

2009 – The establishment of the Canadian Northern Economic Development Agency, the only Federal Department with a specific mandate for the North.

2010 – Foreign Affairs Minister, Lawrence Cannon, launches the Statement on Canada's Arctic Foreign Policy.

Table 1: The List of the Federal Government Stakeholders in the Arctic
Indian and Northern Affairs
National Defence
Privy Council Office
Environment Canada
Fisheries and Oceans/Canadian Coast Guard
Foreign Affairs and International Trade
Health Canada
Human Resources and Skills Development
Industry Canada
Natural Resources Canada
Transport Canada
Treasury Board
Parks Canada
Canadian Northern Economic Development Agency
Public Safety