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The Ongoing Saga of the Nanisivik Naval Facility, 2005-2025

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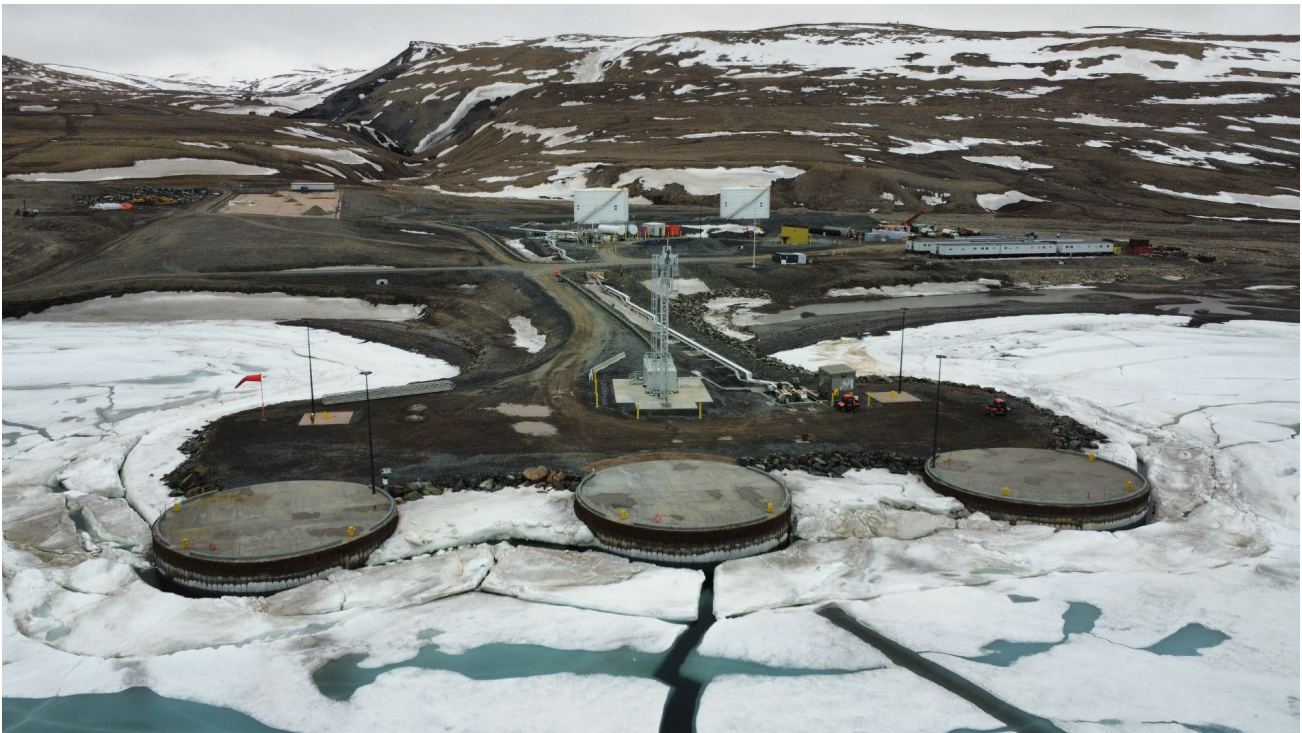


Figure 1: Drone shot of the NNF site, 2023. Defence Construction Canada, “Nanisivik Naval Facility (NNF) Construction 2022 Annual Report Revision 1,” 15 November 2023.

INTRODUCTION

The Nanisivik Naval Facility, a planned logistics hub on Baffin Island, Nunavut, has long been touted as “a strategic asset for Canada” that will operate as a seasonal docking and refueling station to support the Royal Canadian Navy’s Arctic Offshore Patrol Ships and other government vessels.¹ Originally announced in 2007, the project has been significantly scaled back from what was initially envisaged as a year-round, deep-water port, and its operational date has been repeatedly pushed back (from 2012 to 2018, 2022, 2023, 2024, and then 2025) due to various challenges from complex logistics, to a washed-out access road, to a construction company entering receivership, to recent concerns over microbial-induced corrosion in the existing jetty. As of mid-2025, the Department of National Defence (DND) admitted that it still has no firm opening date. “While construction of the infrastructure for the Nanisivik Naval Refueling Facility is complete, the facility itself is not yet operational due to ongoing concerns with the condition of the accompanying jetty structure,” National Defence spokesperson Nick Drescher Brown disclosed in May 2025. “We are still finalizing the work plan for the site, and we will have more information to share in due course.”²

Although DND states that Nanisivik's long-delayed operational status has not hindered Arctic operations, the ongoing saga has attracted critical media coverage and expert commentary since it was announced in 2007. Decried as a “white elephant” mired in significant delays, budget cuts, and reduced scope, commentators have charted how the facility has been downscaled to a summer-only refuelling station with unheated tanks that are limited to operating for only four to six weeks a year. The Auditor General of Canada and various experts have repeatedly questioned the value and operational effectiveness of the scaled-back facility, suggesting that it may be unnecessary and an example of the sunk cost fallacy.

The following policy primer charts the history of the Nanisivik Naval Facility project based primarily on official government statements, news media, and academic and think tank commentary. Prime Minister Stephen Harper originally announced his plan for a year-round, deep-water port to assert Canadian sovereignty, with an expected operational date of 2012 and a budget of \$258 million. Reporting quickly highlighted numerous problems, however, including the discovery in 2008 of microbial-induced corrosion on the existing jetty – a challenge which DND has struggled to mitigate ever since. Subsequent reports detailed how, as part of cost-cutting measures around 2011-2012, the federal government cancelled plans for a “jet-capable” airstrip, year-round staffing, and heated fuel tanks, limiting the

¹ Department of National Defence (DND), Parliamentary and Committee Appearances, Arctic Waters Surveillance, OAG Report 6, PACP, “Procurement,” 6 March 2023, <https://www.canada.ca/en/department-national-defence/corporate/reports-publications/proactive-disclosure/pacp-march-6-2023-arctic-waters-surveillance-oag-report-6/procurement.html>.

² Todd Coyne, “Naval facility in Canadian Arctic stalled by ‘concerns’ with jetty,” CTV News, 15 May 2025, <https://www.ctvnews.ca/vancouver/article/naval-facility-in-canadian-arctic-stalled-by-concerns-with-jetty/>.

operational intent for the facility to a summer-only refuelling station. The media has frequently cited these decisions, along with a washed-out access road, extreme weather, and supply chain issues, as evidence of poor planning and a lack of commitment.

Recent media coverage continues to emphasize the facility's non-operational status and DND's inability to announce an official opening date. Reports in 2025 indicated the DND is still addressing "ongoing concerns" with the jetty structure, with DND's successful mission to "reactivate" the site "after years of dormancy" and consolidate 500,000 litres of stored diesel fuel for donation to the Government of Nunavut and distribution by bulk carrier to local communities. Despite challenges like extreme weather and lack of connectivity, the team achieved its objectives, marking a rare period of military activity for the facility which still awaits a fixed timeline as to when it will facilitate full naval operations at the site.³

Background

Nanisivik was established in 1975, the product of the 1974 Strathcona Agreement between the Government of Canada and Calgary-based company Mineral Resources International. Nanisivik Mines Ltd. was an "experiment" in High Arctic mining, formed to develop the lead-zinc deposits 30 km east of the predominantly Inuit community of Arctic Bay, on the Northern coast of Baffin Island in what was then the Northwest Territories (and is now Nunavut).⁴ In exchange for a government investment of \$31.4 million, Nanisivik Mines Ltd committed to build a town around the mine site with an aim of achieving sixty percent employment of northern residents, training them in trades programs and environmental studies. The mine had a minimum twelve-year production life,⁵ which ultimately was extended several times.⁶

Federal government investment supported the construction of the Nanisivik townsite, an all-season road to Arctic Bay, an airport, and a deepwater dock to support the mine. The company owned the mine, its supporting facilities, storage buildings, an emergency power plant, a cafeteria, and a fuel tank farm. Additional buildings grew to include a town centre, a recreational centre, a church, a post office, and a hockey rink. The company and the Government of Nunavut (created in 1999) eventually owned the residential units, an apartment complex, and a bunkhouse. Up to four hundred people could be

³ Archana Cini, "Nine Days in Nanisivik: DND Team Successfully Reactivates Remote Arctic Facility," *The Lookout*, 22 October 2025, <https://lookoutnewspaper.com/314444/>.

⁴ Tee Wern Lim, Arn Keeling and Terre Satterfield, "We Thought It Would Last Forever" The Social Scars and Legacy Effects of Mine Closure at Nanisivik, Canada's First High Arctic Mine," *Labour/Le Travail* 93 (2023): 116-7.

⁵ Lim et al, "We Thought It Would Last Forever," 125.

⁶ Jon Pierce and Robert Hernal, "Aboriginal People and Mining in Nunavut, Nunavik and Northern Labrador," Report prepared for the Royal Commission on Aboriginal Peoples (October 1994), 13.

accommodated. In practice, most residents were southern workers in their families,⁷ indicating that the project proved unsuccessful as an “experimental prototype” seeking to involve mostly Northerners.⁸

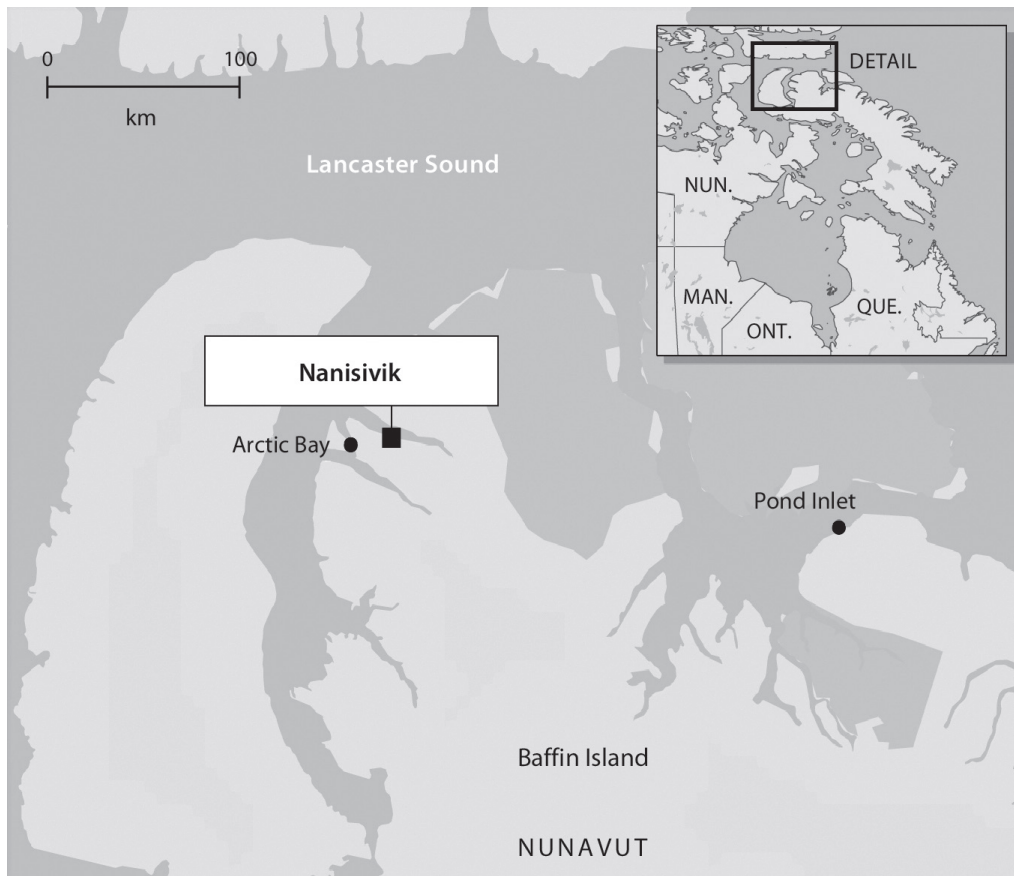


Figure 2: Map of Arctic Bay and Nanisivik. Tee Wern Lim, Arn Keeling and Terre Satterfield, “We Thought It Would Last Forever” *The Social Scars and Legacy Effects of Mine Closure at Nanisivik, Canada’s First High Arctic Mine,* *Journal of Canadian Labour Studies* 93 (2023): 117.

⁷ David Moll, “Lancaster Sound Community Profile: Nanisivik,” Northern Land Use Planning Office, (February 1987), 4-5; Jon Pierce and Robert Hornal, “Aboriginal People and Mining in Nunavut, Nunavik and Northern Labrador,” Prepared for the Royal Commission on Aboriginal Peoples (October 1994), 25-7; Thierry Rodon and Francis Lévesque, “Understanding the Social and Economic Impacts of Mining Development in Inuit Communities: Experiences with Past and Present Mines in Inuit Nunangat,” *The Northern Review* 41 (2015): 17-8; and Tee Wern Lim, Arn Keeling and Terre Satterfield, ““We Thought It Would Last Forever” The Social Scars and Legacy Effects of Mine Closure at Nanisivik, Canada’s First High Arctic Mine,” *Labour/Le Travail* 93 (2023): 126.

⁸ Scott Midgley, “Contesting Closure: Science, Politics, and Community Responses to Closing the Nanisivik Mine, Nunavut,” in Arn Keeling and John Sandlos (eds) *Mining and Communities in Northern Canada: History, Politics, and Memory* (Calgary: University of Calgary, 2015), 297.

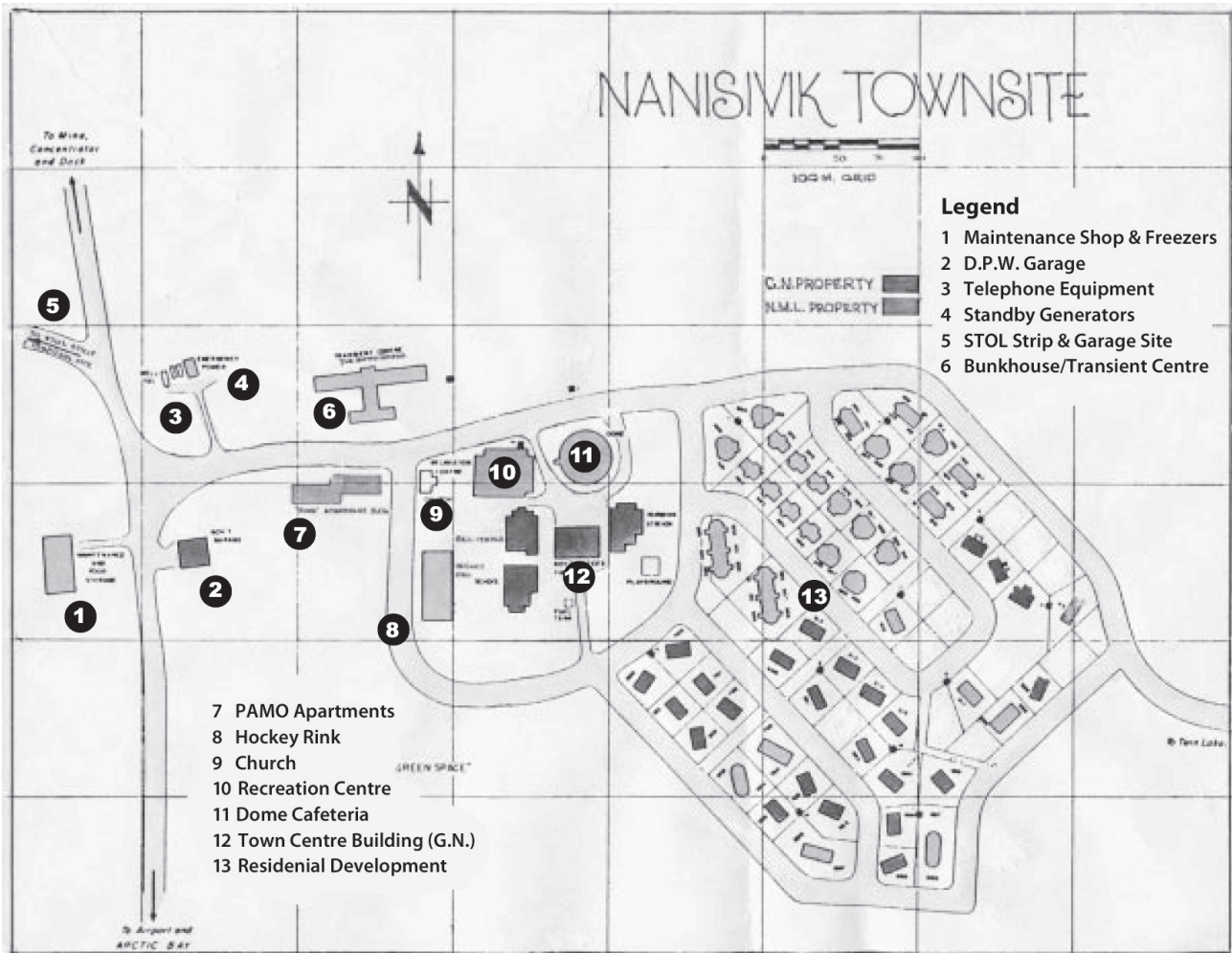


Figure 3: Map of Nanisivik townsite. Consilium Nunavut Inc., “Alternative Use Options for the Nanisivik Mine Facilities: Final Report,” Iqaluit: Consilium Nunavut Inc., 2002, 14.

The zinc mine that the community of Nanisivik supported opened in 1976. The mine operated year-round, with annual production averaging 125,000 tons of ore. The ore was sent to Belgium during the summer shipping season of July to November. Silver and lead were also collected as by-products.⁹ Strathcona Mineral Services Ltd. set up the mine, with Mineral Resources International owning it until 1989 when it was bought by Conwest Exploration Ltd. The mine was bought again in 1996 by Breakwater Resources

⁹ Robert I. Gait, George W. Robinson, Karen Bailey, and Doug Dumka, “Minerals of The Nanisivik Mine,” *The Mineralogical Record* 21, no. 6 (1990); and Jeff G. Gilmour, “The Nanisivik Naval Facility,” *Canadian Naval Review*, 26 February 2025, <https://www.navalreview.ca/2025/02/the-nanisivik-naval-facility/>.

Ltd., which created CanZinco Ltd. to operate the mine until its closure in 2002.¹⁰ During this 26-year period the mine operated profitably and employed approximately 200 people.¹¹

A 1987 Department of Indian and Northern Development report considered additional uses for the town to diversify its economy.¹² Amongst these uses was the establishment of a “vocational or multi-purpose training centre,” a corrections centre, and a northern training centre for the Canadian Armed Forces.¹³ The 1987 white paper *Challenge and Commitment* had promised the government would establish such a centre in the 1990s “to ensure that forces for the defence of Canada are maintained at an appropriate level of combat readiness.” The training centre would be located at a place “that comprises all the essential elements for our military purposes and for support of sea, land and air training in Arctic conditions.” The site would be selected taking “into account the views of native peoples, existing facilities and local land uses.”¹⁴ Nanisivik seemed fit for purpose.



Figure 3: Nanisivik, circa late 1970s. Thomas Rohner, “Abandoned Nunavut mine site to be studied for contaminants,” *Nunatsiaq News* 31 August 2015 at https://nunatsiaq.com/stories/article/65674abandoned_nunavut_mine_site_to_be_studied_for_contaminants/

Despite this 1980s effort at establishing alternative uses for Nanisivik after the mine was depleted, “apparently no progress was made in addressing this issue” over the next fifteen years.¹⁵ Only in 2001, when CanZinco Ltd. announced the mine’s imminent closure, were efforts renewed to find uses for Nanisivik’s significant supporting infrastructure. Nearby Arctic Bay wanted the town to be turned into the vocational training centre mentioned years earlier, “similar to the one at Fort Smith in the Northwest Territories, where many Nunavummiut have received trades training over the years.”¹⁶ Additionally, Arctic

¹⁰ Lim et al, “We Thought It Would Last Forever,” 125n.

¹¹ Scott Midgley, “Contesting Closure: Science, Politics, and Community Responses to Closing the Nanisivik Mine, Nunavut,” in Arn Keeling and John Sandlos (eds), *Mining and Communities in Northern Canada: History, Politics, and Memory* (Calgary: University of Calgary, 2015), 297.

¹² Department of Indian and Northern Development. *Alternative Uses for the Nanisivik Site. Nanisivik. Mine Abandonment Plan: Background Report Series* (Ottawa: Department of Indian Affairs and Northern Development, Mining Management and Infrastructure Division, 1987).

¹³ Lim et al, “We Thought It Would Last Forever,” 133.

¹⁴ National Defence, *Challenge and Commitment: A Defence Policy for Canada* (Ottawa: Minister of Supply and Services Canada, 1987), 60.

¹⁵ Brubacher & Associates Ottawa, “The Nanisivik Legacy in Arctic Bay A Socio-Economic Impact Study,” Department of Sustainable Development Government of Nunavut (April 2002), 87. See also Lim et al, “We Thought It Would Last Forever,” 133.

¹⁶ Jim Bell, “Arctic Bay impatient with slow Nanisivik transfer talks,” *Nunatsiaq News*, 1 November 2002.



Figure 4: Nanisivik circa 2002 with town in foreground and dock in background. Garnter Lee Limited, "CanZinco Ltd. Nanisivik Mine Closure and Reclamation Plan, Vol 1" February 2002, ix.

Bay wanted as many homes, buildings, and vehicles as possible moved from Nanisivik to their community. CanZinco agreed, stating that "there was still some life left in those buildings."¹⁷

Nunavut, however, was driven by two major concerns. First and foremost was the fear of site contamination. The new Territorial government was aware of past abandoned mining projects that had damaged the environment and had enacted a "Mine Site Reclamation Policy for Nunavut" to address this threat. The policy applied a "polluter pays" principle through the enforcement of a security bond to be posted by CanZinco. Nanisivik's water license set the terms for the site reclamation and thus influenced the size of the bond to be paid. This would be established through a series of public hearings between Nunavut, CanZinco, and other parties with an interest such as Arctic Bay. Nunavut hoped that Nanisivik's cleanup would set a precedent for the new territory.¹⁸

The Government of Nunavut's second concern related to preserving the transportation infrastructure supporting Nanisivik. A government representative at the time stated that "a lot of the potential for that site resides in that dock facility." He elaborated that the dock was "a strategic asset for the country. It's the only dock and jet port in the Arctic."¹⁹ Nunavut was encouraged that the Canadian Coast Guard (CCG) was using the dock and its supporting facility for refueling but was nervous because they had not revealed any plans for the infrastructure to the Government of Nunavut.²⁰

¹⁷ Lim et al, "We Thought It Would Last Forever," 134.

¹⁸ Midgley, "Contesting Closure," 299-300.

¹⁹ Bell, "Arctic Bay impatient."

²⁰ Bell, "Arctic Bay impatient."

The focus of the hearings and the liability surrounding the larger reclamation efforts was on the toxicity of the mine tailings and how deep they would have to be buried. CanZinco estimated that reclamation would cost \$9,224,608 while Indian and Northern Affairs Canada (INAC) estimated that it would cost \$27,536,028.²¹ CanZinco's hope to conclude a quick settlement with Nunavut to limit maintenance expenses and transfer infrastructure to reduce the bond were dashed by the territorial government. Other than the dock, Nunavut put aside its socioeconomic concerns and focused on the environmental concerns around tailings management.²² From the onset, Arctic Bay's local government was exasperated by the process, publicly stating that Nunavut had already decided to "bulldoze" Nanisivik "and not turn it into something."²³

Former mine employees and residents of Arctic Bay raised concerns about their exposure to toxic chemicals at the public meetings.²⁴ They feared that Nanisivik's buildings had been contaminated.²⁵ Despite CanZinco's assertion that the infrastructure could still be used, many of the structures at Nanisivik had exceeded their lifespan and those still in a useable condition would require a four-year, \$50 million renovation effort.²⁶ In 2004, Nunavut announced that none of the buildings would be moved to Arctic Bay due to their age and contamination – it was simply too expensive to clean and bring them up to current building codes.

In June 2004, CBC News reported that high levels of lead, silver, and zinc contamination at the closed Nanisivik mine site were raising serious health concerns among former employees from various communities. "There hasn't been an actual explanation to those who once worked in there before about what they can be exposed to at Nanisivik mine," the Member of the Legislative Assembly (MLA) for Arviat, David Alagalak, observed. "The concern is multiplying up to the point where it's become a very strong concern for them." The MLA for Quttiktuq, Levi Barabas, noted that while there was no solid evidence of health problems, people wanted more answers from both the mining company and the government. For his part, David Simailak, the Minister of Finance (who was responsible for the Nanisivik file), warned that the site was highly contaminated and that this led his government to decide against relocating buildings from there to Arctic Bay. CanZinco agreed with the government's decision to demolish the buildings.²⁷

²¹ Midgley, "Contesting Closure," 300, 304.

²² Lim et al, "We Thought It Would Last Forever," 134, 136. For more on Nunavut's reclamation goals, see Government of Nunavut, "Government will continue seeking positive legacy from Nanisivik mine closure, minister says," *Press Release* 1 October 2002.

²³ Jim Bell, "Arctic Bay impatient with slow Nanisivik transfer talks," *Nunatsiaq News*, 1 November 2002.

²⁴ "Contamination concerns grow at Nanisivik," *CBC News*, 4 June 2004.

²⁵ Lim et al, "We Thought It Would Last Forever," 137.

²⁶ Midgley, "Contesting Closure," 308.

²⁷ Contamination concerns grow at Nanisivik," *CBC News*, 4 June 2004,

<https://www.cbc.ca/news/canada/north/contamination-concerns-grow-at-nanisivik-1.513863>

The Government of Nunavut set the security bond for CanZinco at \$17.6 million, with the latter agreeing to cover the mine tailings in 1.25 metres of rubble, and the two parties approved the closure and reclamation plan in 2004. The company sold the mill, concentrate storage facility, power generation installation, conveyors, and ship-loading equipment to Wolfden Resources. Wolfden already owned another property in Nunavut, and in return for this equipment did the environmental cleanup of Nanisivik's mill and storage facilities. The reclamation was completed in 2008, with the security bond lowered to \$2 million to cover a 5-year monitoring period of the site.²⁸

While the town was demolished, Nunavut had worked from the beginning of the process to protect the transportation infrastructure of Nanisivik: most importantly the dock, but also the supporting airport and all-season road from Arctic Bay.²⁹ The Department of Fisheries and Oceans (DFO) owned the dock at Strathcona Sound. The Government of Nunavut owned the roads connecting the town to Arctic Bay, the dock, and the airport, along with the Nanivisik airport. All this infrastructure was not part of the reclamation effort.³⁰ Nonetheless, the loss of the buildings left Arctic Bay with a “deep disillusionment” over the “sheer waste,” given their own community had “long [been] compromised by poor-quality infrastructure and housing.”³¹

2005

While the Nanisivik reclamation process was underway, Conservative leader Stephen Harper resurrected the 1987 plan to build a military training centre in the Arctic. However, unlike the earlier government promise to setup a centre to support of sea, land, and air force training in Arctic conditions to improve military readiness,³² the Harper Conservatives reworked the concept into an army training centre of “around 100 regular force personnel in the area of Cambridge Bay on the Northwest Passage.” The air training requirement would



Figure 5: Nanisivik circa 2005. Jim Bell, “Nanisivik: Nunavut’s incredible shrinking naval facility,” *Nunatsiaq News*, 22 March 2012.

²⁸ Midgley, “Contesting Closure,” 301, 308.

²⁹ Government of Nunavut, “Government will continue seeking positive legacy from Nanisivik mine closure, minister says,” *Press Release* 1 October 2002.

³⁰ Garnter Lee Limited, “CanZinco Ltd. Nanisivik Mine Closure and Reclamation Plan, Vol 1” February 2002, vii-viii.

³¹ Lim et al, “We Thought It Would Last Forever,” 136.

³² National Defence, *Challenge and Commitment: A Defence Policy for Canada* (Ottawa: Minister of Supply and Services Canada, 1987), 60.

be dropped and a separate “combined military civilian deep water docking facility in the Iqaluit region” would be built. This dock and army training centre’s primary objective was not military readiness but “to ensure sovereignty over our land, waters, and airspace in Canada’s North.”³³

The army training centre and combined military civilian deep-water dock were two of eight initiatives that the Conservatives promised Canadians they would pursue if elected. These measures included an Arctic sensor system to monitor northern waters, deploying new fixed wing search-and-rescue aircraft to Yellowknife, and deploying new unmanned aerial vehicles to CFB Comox and CFB Goose Bay as well as upgrading the existing maritime patrol aircraft for “continuous surveillance of all three of our coasts.” A new 650-strong battalion would be stationed at CDB Trenton capable of “providing emergency response anywhere in the Arctic,” and the Canadian Rangers would be expanded and revitalized.” Lastly, a Conservative government would build three heavy naval icebreakers capable of carrying troops, and these ships were closely associated with the deepwater port. “At least 500 sailors will be committed for operating these icebreakers,” Harper announced, “and the docking facility.”³⁴

2006

Stephen Harper’s Conservatives won a slim minority government in the federal election on 23 January 2006. After the election, DND began analyzing sites for the port, based on ice, tide, and strategic location.³⁵ For his part, Prime Minister Harper returned to the notion of establishing a deep-water port in the Arctic on two occasions in August of that year. During a 12 August 2006 speech in Iqaluit, he told his audience that the government was now “actively exploring options for the establishment of a deep water port in the Arctic that will extend the Navy’s reach even further.”³⁶ He elaborated on the proposed deep-water port during a speech to military and Environment Canada personnel at Canadian Forces Station (CFS) Alert the following day, which he presented as one of four measures marking the Government’s commitment to “defending” and “strengthening” Arctic sovereignty. Missing from both speeches was any reference to the new military icebreakers originally linked to the port project.³⁷

³³ Conservative Party of Canada, “Harper Stands Up for Arctic Sovereignty,” News Release, December 22, 2005.

³⁴ Conservative Party of Canada, “Harper Stands Up for Arctic Sovereignty,” News Release, December 22, 2005.

³⁵ Elinor Sloan, “Something Has to Give: Why Delays Are the New Reality of Canada’s Defence Procurement Strategy,” *CGAI Policy Paper* (October 2014) at https://www.cgai.ca/something_has_to_give_why_delays_are_the_new_reality_of_canada_s_defence_procurement_strategy

³⁶ Speech: “Securing Canadian Sovereignty in the Arctic,” Address by Prime Minister Stephen Harper, 12 August 2006 Iqaluit, Nunavut. PAGE 10 ON DCASS

³⁷ News Release: Prime Minister Pays Tribute to Canadian Forces in Asserting Northern Sovereignty, 13 August 2006, Alert, Nunavut. PAGE 11 ON DCASS. After mentioning the port first, Harper went on to list the new Arctic training centre, increased surveillance in the North, and revitalizing the Canadian Rangers.

2007

The federal government did not mention the proposed deep-water again for nearly a year. On 9 July 2007, Prime Minister Harper announced that the Royal Canadian Navy (RCN) would be receiving new Arctic Offshore Patrol Ships (AOPS).³⁸ The three heavy naval icebreakers had morphed into six to eight offshore patrol ships with ice-strengthened hulls capable of operating in all three of Canada's oceans.³⁹ Harper explained that the "second element of our coastal security and Arctic sovereignty strategy will involve the construction of a deep water port in the far North," which he looked forward to specifying its specific location in "the not-too-distant future." While acknowledging that the port would be a forward operating base for the AOPS, he stated it would "have important civilian and commercial applications as well."⁴⁰

A month later, Prime Minister Harper announced that the new deep-water port would be located at Nanisivik. An extensive backgrounder outlined three initiatives the government was undertaking to expand CAF operations in the Arctic.⁴¹ The purpose for "a docking and refuelling facility" at Nanisivik was to help the CAF, "and in particular the new Arctic/Offshore Patrol Ships," maintain a federal presence in Canada's Arctic waters during the navigable season (approximately June to October). Nanisivik would serve as "a staging area for naval vessels" by allowing them "to re-supply, refuel, embark equipment and supplies, and transfer personnel." Other government agencies



Figure 6: Prime Minister Stephen Harper, left, and Minister of Defence Gordon O'Connor at Nanisivik, 10 August 2007. Arty Sarkisian, "Long-promised Nanisivik Naval Facility's opening date still unknown," *Nunatsiaq News*, 26 February 2025.

³⁸ Speech: Prime Minister Stephen Harper Announces New Arctic Offshore Patrol Ships, 9 July 2007 Esquimalt, British Columbia DCASS PAGE 27

³⁹ For a comprehensive history of the AOPS program, see Adam Lajeunesse, "Canada's Arctic Offshore and Patrol Ships (AOPS): their history and purpose," *Marine Policy* 124 (2021): 104323, <https://doi.org/10.1016/j.marpol.2020.104323>.

⁴⁰ "Speech: Prime Minister Stephen Harper Announces New Arctic Offshore Patrol Ships," 9 July 2007, <https://www.canada.ca/en/news/archive/2007/07/speech-prime-minister-stephen-harper-announces-new-arctic-offshore-patrol-ships.html>.

⁴¹ These included a Canadian Forces Arctic Training Centre in Resolute Bay, an expansion of the Canadian Rangers, and lastly the deep-water port at Nanisivik. Office of the Prime Minister, "Backgrounder – Expanding Canadian Forces Operations in the Arctic," 10 August 2007 at <https://web.archive.org/web/20081008083217/http://www.pm.gc.ca/eng/media.asp?id=1785>.

such as the CCG might also use the facility, which ultimately would extend the range of ships operating in Canada's Arctic.⁴²

Nanisivik was chosen as the site for this facility due to its location along the eastern entrance to the Northwest Passage. "As a deep-water berthing facility already exists at this site," the government argued that "start-up costs will be significantly reduced." Nanisivik was in a "sheltered harbour" and had a "nearby jet-capable airstrip." These factors led the government to conclude that "Nanisivik offers an ideal location for the docking and refuelling facility."⁴³

Official statements in August 2007 estimated that it would cost \$100 million to reinvigorate Nanisivik as a deep-water port. The government expected that maintenance and operating costs would reach approximately \$200 million over twenty years. The Prime Minister's announcement indicated that the project-definition phase would begin in summer 2007, which would include detailed planning "in consultation with local stakeholders," followed by technical and environmental studies in summer 2008, and construction beginning in summer 2010. This would bring initial operating capability by summer 2012 and full operational capability by summer 2015.⁴⁴

Breakwater Resources provided an update on the reclamation efforts at Nanisivik. The company stated that the area was contaminated with heavy metals owing due to 25-years of mining operations, but that remediation efforts were progressing well. By this point, Breakwater had "removed all the contaminated soil that was associated with the dock cell," and it had excavated "some hydrocarbons" the previous year. A company spokesperson told *CBC News* that the port was ice-filled during the winter, but "gets a lot of use in the summer." They explained that "there's 50 feet of water right at the port side," so that "all the big cargo ships use it." Accordingly, press reports suggested that the port would be fit for purpose for government ships.⁴⁵

2008

The 2008 Federal Budget tabled on 29 February packaged the deep-water Arctic docking and refuelling facility with the larger AOPS program. The ships and the dock were estimated to cost \$7.4 billion.⁴⁶ The federal budget allocated \$5 million dollars to send an engineering team to Nanisivik that summer to

⁴² Office of the Prime Minister, "Backgrounder – Expanding Canadian Forces Operations in the Arctic."

⁴³ Office of the Prime Minister, "Backgrounder – Expanding Canadian Forces Operations in the Arctic."

⁴⁴ Office of the Prime Minister, "Backgrounder – Expanding Canadian Forces Operations in the Arctic."

⁴⁵ "Harper announces northern deep-sea port, training site," *CBC News*, 10 August 2007, <https://www.cbc.ca/news/canada/harper-announces-northern-deep-sea-port-training-site-1.644982>.

⁴⁶ Government of Canada, "Budget 2008," 29 February 2008, reprinted in *Canada's Northern Strategy under Prime Minister Stephen Harper: Key Speeches and Documents on Sovereignty, Security, and Governance, 2006-15*, eds. P. Whitney Lackenbauer and Ryan Dean, Documents on Canadian Arctic Sovereignty and Security (DCASS) No. 6 (Calgary: Arctic Institute of North America, 2016), 47.

provide a preliminary onsite assessment of what by then was described as a “rudimentary docking platforms, a fuel tank farm and not much else,”⁴⁷ with the reclamation efforts wrapping up.⁴⁸

Lieutenant-Commander (LCdr) Clive Orford, the National Defence project manager for the Nanisivik Naval Facility (NNF), led a small environmental engineering team to the site that summer to look “specifically for any residual contamination left over from the former mine.” He told *CBC News* that the navy was also looking at whether to refurbish the existing fuel tank farm which, given the “shutdown state on the property,” might require a complete rebuild or might allow DND to “utilize some of the existing infrastructure.” Plans included adding “probably a helicopter landing pad, fence off a little area for a secure compound, that sort of thing.” Orford anticipated that, when completed in 2015, Nanisivik would “likely be a small seasonal facility” with “a small staff on site.”⁴⁹

Despite DND’s promise that it would consult with stakeholders (and presumably rightsholders) in 2007, residents of Arctic Bay had “not heard about any new developments” by August 2008. Defence officials told *CBC News*, however, that they were “looking forward to working with Nunavut residents in the near future.”⁵⁰ The RCN also learned that the project would be subject to an environmental review by the Nunavut Impact Review Board (NIRB), which required detailed information on the facility’s potential environmental impact before it would grant a construction.⁵¹

On 14 November 2008, DND submitted the first version of its Nanisivik Naval Facility (NNF) project proposal to the NIRB. In this initial dock plan, the department would upgrade a berth-and-wharf structure left behind by Breakwater Resources. They planned to build a tank farm comprising five large tanks of naval distillate fuel, three large tanks of diesel fuel, sixty drums of aviation fuel, and sixteen drums of gasoline. DND also planned to erect a “shore support building,” a helicopter landing site, and a cargo landing and marshalling area. The plan suggested that a construction camp, at its peak, would have housed about 100 workers, who would have used the airport at Arctic Bay to get to and from the work site via the old road between Arctic Bay and Nanisivik.⁵²

⁴⁷ “Preliminary work underway on High Arctic naval port,” *CBC News* 5 August 2008, <https://www.cbc.ca/news/canada/north/preliminary-work-underway-on-high-arctic-naval-port-1.705514>.

⁴⁸ Midgley, “Contesting Closure,” 301.

⁴⁹ “Preliminary work underway on High Arctic naval port.”

⁵⁰ “Preliminary work underway on High Arctic naval port.”

⁵¹ Bob Weber, “Promised Arctic naval port lags,” *Winnipeg Free Press*, 30 May 2011, <https://www.winnipegfreepress.com/canada/2011/05/30/promised-arctic-naval-port-lags>.

⁵² Jim Bell, “Nanisivik dock scheme runs aground after Nunavut board gives DND a failing grade,” *Nunatsiaq News*, 18 April 2013, https://nunatsiaq.com/stories/article/65674nanisivik_naval_dock_scheme_runs_aground_after_nunavut_board_gives_dnd/.

2009

The Harper Government mentioned Nanisivik in its *Statement on Canada's Arctic Foreign Policy*, released 11 March 2009. The “berthing and refuelling facility” was presented as one of the “tools” that the CAF needed “to provide an increased presence in the Arctic.” Infrastructure would support AOPS that could “closely monitor our waters as they gradually open up and maritime activity increases” and other “Government of Canada vessels operating in the North.”⁵³ Mentioned in the press release under the “sovereignty” section, Nanisivik was listed as one of the initiatives that the government was undertaking to “help the country’s military take action in exercising Canadian sovereignty in the North.”⁵⁴ In his speech delivering the policy, Minister of Foreign Affairs Lawrence Cannon reiterated that “work on the [Nanisivik] site is expected to begin in 2011, with anticipated initial operating capability in 2012 and final capability in 2015.”⁵⁵

In August 2009, Minister of National Defence Peter MacKay updated two audiences about the status of Nanisivik, indicating that “an engineering assessment of existing facilities has already been completed” and that “environmental studies are underway.”⁵⁶

In late October, Lieutenant Commander David Forestell, project director in the Directorate of Maritime Infrastructure and Director General Maritime Force Development, gave an interview to *The Maple Leaf* that provided background on Nanisivik and an update on the project’s status. “It was determined a northern naval presence was necessary to maintain Canada’s Arctic sovereignty,” he explained, and “Thus was born the Arctic Offshore Patrol Ship, of which Nanisivik Naval Facility is a key support component.” He elaborated that no ships would be stationed at Nanisivik, and that it would only serve the AOPS and other government ships during the navigable season from July to October.⁵⁷

LCdr Forestell noted that Nanisivik Naval Facility was in the project definition and development stage, with project managers set to choose a design consultant in the coming weeks. The consultant would “start surveying the site, and come up with some recommendations for us,” Forestell explained. Subsequently, the government would choose a construction contractor through an open competition in early 2011 and construction would begin soon thereafter. “We hope to commence operations in 2013,”

⁵³ Government of Canada, *Statement on Canada's Arctic Foreign Policy* (Ottawa: Government of Canada, 2009), 5.

⁵⁴ Department of Foreign Affairs and International Trade (DFAIT), “News Release: Minister Cannon Outlines Canada’s Arctic Foreign Policy,” 11 March 2009, in *Canada’s Northern Strategy under Prime Minister Stephen Harper*, 79.

⁵⁵ DFAIT, “Speech: Speaking Notes for the Hon. Lawrence Cannon, Minister of Foreign Affairs,” 11 March 2009, in *Canada’s Northern Strategy under Prime Minister Stephen Harper*, 84.

⁵⁶ DND, “Speech: Stand Up of the Yellowknife Company, Hon. Peter MacKay, Minister of National Defence,” 17 August 2009, and DND, “Speech: Operation NANOOK, Address by Hon. Peter MacKay – Community Day,” 22 August 2009, in *Canada’s Northern Strategy under Prime Minister Stephen Harper*, 120, 124.

⁵⁷ Mary Ellen Green, “Nanisivik naval depot project on schedule,” *The Maple Leaf*, 28 October 2009.

LCdr Forestell noted, “with full operational capability in 2015.” He concluded that, “as of now, the progress of the Nanisivik Naval Facility project is on schedule.”⁵⁸

On 26 November, the Government of Canada awarded the first of four design contracts to architectural and engineering design consultant firm WorleyParsons Westmar Ltd., from North Vancouver, B.C. Pursuant to the \$900,000 contract, the company would “establish the various requirements for construction, as well as preliminary design work that will lay the foundation for the remaining design phases.” The other three design phases would involve detailed plans, drawings, and construction estimates for the NNF. The government news release stated that construction work at the site “could possibly begin in 2011 and is forecasted to be operational by 2014,” with the “construction portion” of the project projected to “benefit communities within the region by creating jobs and enhancing the safety and security of the people.”⁵⁹ Of note, the project had already fallen at least two years behind schedule.⁶⁰

Nanisivik Naval Facility

Project Summary (2009)

The proposed Nanisivik Naval Facility (NNF) will be located on federally owned land. The primary objective is to provide a “docking & refueling facility” for Her Majesty’s Canadian (HMC) Ships and to other Government of Canada (GOC) vessels, including the Canadian Coast Guard (CCG). The Nanisivik Naval Facility may also be used to receive, marshal, hold and distribute cargo and goods from commercial sea vessels and to provide appropriate shelter, work areas and amenities for personnel during the navigable season of the year. The facility will be unmanned and shut down from November to June, each year. However, minimum power and heat will be maintained for proper maintenance of equipment and to guarantee site security monitoring. The Arctic/Offshore Patrol Ships (AOPS), which are part of Her Majesty’s Canadian (HMC) ships for the GOC, will be delivered in 2013 and operational in 2014. The Nanisivik Naval Facility has a target Initial Operational Capability post 2010 in order to provide support to vessels in the North. Full Operational Capability of the Nanisivik Naval Facility will be in 2015.

During the construction and operation phases, the primary means of transportation for material and equipment to and from the Nanisivik Naval Facility will be by cargo ship, barge or airplane. Vehicles will be used to and from the site and the Arctic Bay community for transfer, re-supply of goods, movement of personnel and to access the health centre, police and other community services.

Permanent structures that will be erected at the Nanisivik Naval Facility include:

1. Berthing Infrastructure (existing berthing facility will be retrofitted);
2. Bulk Fuel System (may reuse some of the existing fuel tanks or erect more);
3. Shore Support Building(s);

⁵⁸ Green, “Nanisivik naval depot project on schedule.”

⁵⁹ Government of Canada, “Canada’s Government Awards Contract for Arctic Infrastructure Project,” *News Release*, 26 November 2009, <https://www.canada.ca/en/news/archive/2009/11/canada-government-awards-contract-arctic-infrastructure-project.html> and Government of Canada, “Canada’s North: The Nanisivik Naval Facility,” *Backgrounder*, 17 July 2015, <https://www.canada.ca/en/news/archive/2015/07/canada-north-nanisivik-naval-facility.html>.

⁶⁰ Elinor Sloan, “Canadian Defence Commitments: Overview and Status of Selected Acquisitions and Initiatives,” *SSP Research Papers* 6, no. 36 (2013): 36.

4. Outdoor Secure Vehicle Parking Area;
5. Indoor Secure Winter Storage;
6. Secure Material Lay Down Area;
7. Cargo Marshalling Area;
8. Helicopter Landing Area;
9. Beach Landing and Launching/Recover Area;
10. Flag Mast;
11. Site Signage;
12. Site Roadway(s) (the existing roads will be repaired and reused);
13. Site Services/Utilities.

Temporary structures during construction (mobilization to demobilization), will consist of a camp and warehouse. The warehouse will provide shelter for material and equipment storage. All structures for the work camps will be transported to the site pre-fabricated; these will be demobilized upon work completion.

Alternatives considered

The Nanisivik location was selected for the following reasons:

- Convenient steaming distance off the Northwest Passage;
- Offers access to Eastern Arctic (Hudson/Davis Strait) waters;
- Acceptable steaming time from Halifax & St. John's;
- Good seasonal at-sea presence opportunities;
- Existing facilities available for "ownership transfer", i.e.: federally owned and administered land.

An objective of the Nanisivik Naval Facility is to build a sustainable relationship with the community of Arctic Bay. DND is exploring employment to Arctic Bay residents who could provide site support during the operational season. Specific details of the arrangement have yet to be determined. The civilian service providers would collaborate with DND in planning and preparing on-site activities during the "off-season" for the subsequent operational season.

Other initiatives include constructing (or leasing, if possible) a Project Management Office (PMO) in Arctic Bay. It will serve a three-fold purpose:

1. A window into the community for the Nanisivik Naval Facility, from which to conduct business;
2. A place for the Nanisivik Naval Facility staff to go to and work on occasion when activities at the facilities are less active;
3. A place that may be used by the local detachment of the Canadian Rangers Patrol organization and Joint Task Force North (JTFN).

The Nanisivik Naval Facility's infrastructure, excluding the berthing facility, shall have an economic service life of 40 years, using the Industrial Scale. This means that the buildings and works shall not require major structural recapitalization for that period of time. Mechanical and electrical systems and services may require recapitalization in 20 years. The berthing and fuel facilities will be designed to be operational for not less than 50 years without recapitalization. All components, services and fixtures will be designed and built for a long-term life-cycle.

Source: NIRB file 090326-09DN018-Project Summary-IMAE 2009

2010

In February 2010, project manager Rodney Watson of the Directorate Construction Project Delivery at National Defence Headquarters in Ottawa delivered a presentation to the Mayor and Council of the Hamlet of Arctic Bay about the NNF project. He provided an overview of on-site and off-site infrastructure requirements, followed by a project schedule and update on recent activities: the hiring of a design consultant for the wharf, fuel farm, and buildings; the solicitation of an environmental consultant to assist in completing NIRB and Nunavut Water Board (NWB) permitting requirements; discussions with the Government of Nunavut about the road; and plans for sites studies (particularly consultant visits to site to confirm conditions and plan the next phases of design work, coupled with formal geotechnical work) that summer. In terms of environmental remediation, Watson’s slides conveyed that “DND has no interest in the old infrastructure at site. Refurbishing the equipment will cost more than the cost to build new. All infrastructure will be new and in compliance with all modern codes and standards.” They also explained that “Breakwater Resources Inc. has submitted a remediation plan to the Nunavut Water Board and according to their schedule, they will start work in 2010. Both DFO and DND want the fuel farm area to be completely remediated,” and would monitor the process. DND also committed to work closely with “all stakeholders,” who included: the Hamlet of Arctic Bay, Government of Nunavut, Hunters and Trappers Association, federal departments (INAC, DFO, Environment Canada), Qikiqtani Inuit Association, Nunavut Tunngavik Inc., NIRB, the Nunavut Planning Commission, and the NWB.⁶¹

Overall Project Schedule

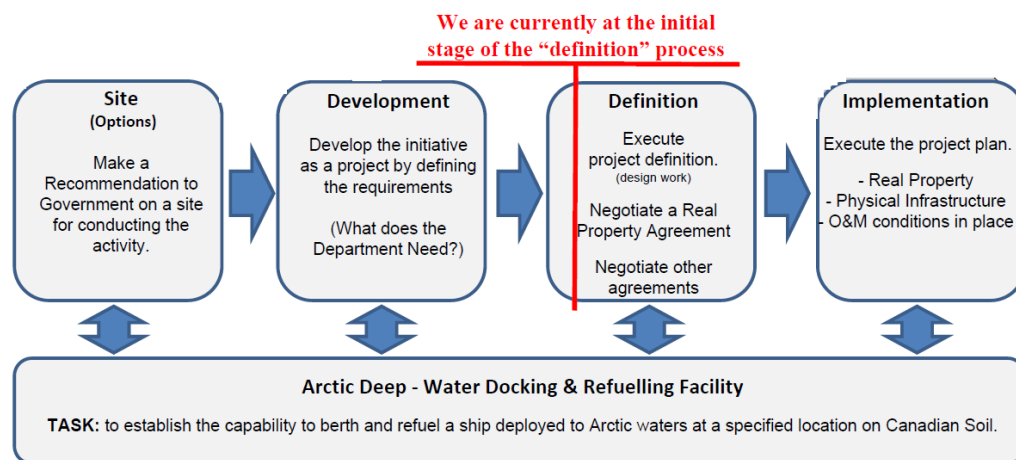


Figure 7: “Overall Project Schedule,” Rodney Watson, “Nanisivik Naval Facility (Arctic Deep Water Berthing and Refuelling Facility),” PowerPoint presentation to the Mayor and Council of the Hamlet of Arctic Bay, February 2010.

⁶¹ Rodney Watson, “Nanisivik Naval Facility (Arctic Deep Water Berthing and Refuelling Facility),” PowerPoint presentation to the Mayor and Council of the Hamlet of Arctic Bay, February 2010, NIRB 100826-10DN055-NNF Presentation for Mayor and Council of Arctic Bay-IT3E.

In July 2010, environmental consultant Stantec Consulting Ltd. (Stantec) applied to the Nunavut Water Board for a water license to complete a geotechnical drilling program at the existing mine port facility at Nanisivik in support of the NNF construction project. The project activities primarily involved land-based small diameter drilling at various locations around facility and a test pitting program at potential borrow areas. The proposal noted that marine-based drilling might be required around the existing wharf facilities, depending on what the land-based drilling at the wharf in August/September 2010 revealed. Marine-based drilling would take place on the sea ice, likely in 2011. Subcontractor Logan Geotech Inc. would assist with the drilling.⁶²

By November 2010, project manager Rodney Watson of the Directorate Construction Project Delivery at National Defence Headquarters in Ottawa reported to the NIRB that the NNF project was in Phase 2 (concept design and design development) of the design process. At a workshop in Ottawa, defence officials reviewed the site design concepts from WorleyParsons Westmar, who had prepared drawings for two site layout options, including building and tank layout, jetty upgrades, mechanical systems, water and wastewater treatment. After reviewing the options and providing feedback, the selected a concept for the site and engaged with Stantec to begin work on a more detailed proposal. “I realize that this is taking much longer than expected,” Watson explained. “We were affected by the recession, and our design work was put on hold for nearly six (6) months earlier this year due to funding limitations. We were only able to re-start in August 2010.”⁶³

2011

Nanisivik’s airport and its 6,400 ft jet-capable gravel runway, located about halfway between Nanisivik and Arctic Bay, closed in early 2011. Air service was rerouted to Arctic Bay’s airport which had opened a new 3,935 ft long gravel runway which can handle light aircraft and smaller turboprop aircraft. The new airport, which cost the Government of Nunavut \$22 million and was completed in 2010, was built to “directly serve the needs of the community.” The “airport improves access to cargo, domestic and medical travel,” a government press release reported, and “the new airport is expected to reduce costs for individuals, the business community and government.” Having the airport adjacent to Arctic Bay would save residents between \$80 to \$100 dollars round trip to the Nanisivik airport. By reclassifying the

⁶² Stantec Consulting Ltd., “Application for Water License for Geotechnical Investigation at the Nanisivik Naval Facility, Application Summary,” 9 July 2010, NIRB 100812-10DN055-Non-technical Summary English-ITE.

⁶³ DND email to NIRB, 25 November 2010, NIRB 101124-09DN018-DND Eml to NIRB Re Update on Nanisivik Proposal-IT2E. Other alternatives that WorleyParsons had initially considered and rejected included: the piping of raw lake water to the Shore Support Building via a heat-traced pipeline, which was considered impractical due to the large electrical power consumption and potential for freezing during power interruptions; and raw water extraction from groundwater wells, an alternative that was not pursued owing to the lack of information on availability of groundwater from below permafrost. Stantec, “Nanisivik Naval Facility: Project Specific Information Requirements,” report to Defence Construction Canada, 31 March 2011, NIRB 110429-09DN018-Project Description Part 1-IDTE.

all-weather road between Arctic Bay and Nanisivik as a Community Access Road and thus no longer having to maintain it, the Government of Nunavut expected to save close to \$600,000 a year.⁶⁴

Stantec delivered its project description report to Defence Construction Canada (DCC) in March 2011. Designed to satisfy the Project Specific Information Requirements (PSIR) of the NIRB Screening Part 2 Form, this document provided a detailed overview of the project (including specific infrastructure plans), descriptions of the physical, biological, and socio-economic environments, and potential environmental impacts and proposed mitigation measures. It also provided an updated plan, stating that the NNF would be “constructed over a four year period starting in June 2012, with commissioning by October 2015 and final acceptance by summer 2016.” This indicated yet another delay in when it would be operational. In terms of capacity, the facility would be “manned and operated from June through October, and normally unmanned from November to June each year, although it is capable of supporting up to seven people throughout the winter if required.”⁶⁵

March 2011: General Schedule for Construction and Operation of Nanisivik Naval Facility⁶⁶

Stage of Project	Component	Schedule
Site Preparation	20-30 person pioneer camp	06/2012 - 10/2012
	Quarry development	06/2013 - 10/2013
	Road maintenance/upgrades	08/2013 - 10/2013
	100-person construction camp	06/2013 - 10/2015
Construction	Wharf	07/2014 - 09/2015
	Bulk fuel facilities	07/2013 - 09/2015
	Buildings	08/2013 - 10/2015
	Utilities	09/2014 - 09/2015
	Camp demobilization	10/2015
Operation	Berthing and fuelling facilities	2015 - 2065

Email correspondence between reporter Bob Weber and the Nunavut Impact Review Board (NIRB) suggested that “extra years have been added to the [NNF] project through a combination of bureaucratic delays, funding problems and environmental liabilities lingering from the site’s previous life as a lead-zinc mine. The RCN had “missed a series of deadlines” on submitting information to the NIRB on the potential environmental impact of the facility, and it could not begin construction until that data had been

⁶⁴ Government of Nunavut, “Arctic Bay Airport Officially Opens,” *Newsroom*, 7 February 2011, <https://www.gov.nu.ca/en/newsroom/arctic-bay-airport-officially-opens-2011-02-07>.

⁶⁵ Stantec, “Nanisivik Naval Facility: Project Specific Information Requirements,” report to Defence Construction Canada, 31 March 2011, NIRB 110429-09DN018-Project Description Part 1-IDTE.

⁶⁶ Stantec, “Nanisivik Naval Facility.”

submitted. The RCN made its first submission on 29 April 2011, but “the board found the submission incomplete, listing 16 areas requiring more information.”⁶⁷

Weber also learned from the environmental consultants had that soil at Nanisivik “exceeded guidelines for contamination by hydrocarbons and the potentially toxic metals copper, lead, zinc, arsenic and cadmium. Similar problems exist in surface water.” Breakwater Resources explained that “the environmental cleanup is ongoing,” and that “reclamation of that facility is under way.” Despite these setbacks, DND informed Weber that “there are many challenges operating in the North and DND now has a better understanding of the site condition.”⁶⁸



Figure 8: Stantec, Project Design (March 2011), NIRB 110429-09DN018-Figures 2.1 to 2.6-IT2E.

A July 2011 Library of Parliament Report examining Arctic marine and intermodal infrastructure stated that while the primary intent behind the NNF was to support the AOPS, “it would likely support civilian activities only in unique cases or in emergencies.” While Nanisivik is not “intended for civilian cargo activities,” it would provide “a valuable base for search and rescue, patrol and environmental protection activities.” The report noted that “delays related to the environmental assessments and funding meant construction will not begin until 2013 and the facility will not be running until 2016.”⁶⁹

In an October 2011 letter, the Qikiqtani Inuit Association (QIA) expressed significant concerns about the NNF project, citing potential adverse eco-systemic and socio-economic impacts, particularly on the community of Arctic Bay. Key concerns included the use of the Arctic Bay airport and all-weather road, which might disrupt local transportation, as well as a lack of clarity around employment opportunities for residents. Arctic Bay's limited emergency services also raised safety concerns, with residents questioning the adequacy of fire suppression systems and emergency response plans at the proposed facility. QIA also anticipated that the project would negatively impact local wildlife and Inuit harvesting activities, with increased naval traffic potentially disturbing seals, whales, and other marine species. Accordingly, it emphasized the need for mitigation strategies to address these issues, including

⁶⁷ Bob Weber, “Promised Arctic naval port lags,” *Winnipeg Free Press*, 30 May 2011, <https://www.winnipegfreepress.com/canada/2011/05/30/promised-arctic-naval-port-lags>

⁶⁸ Weber, “Promised Arctic naval port lags.”

⁶⁹ Dean Ruffilli, “Arctic Marine and Intermodal Infrastructure: Challenges and the Government of Canada’s Response,” *In Brief*, Library of Parliament Publication No. 2011-77-E, 21 July 2011, 3.

hiring local wildlife monitors and compensating Inuit for any loss of wildlife or harvesting opportunities. Other concerns involved a lack of clarity about the use of local aggregate and carving stone deposits, the risk of introducing invasive species, and the absence of plans for a spill response and search-and-rescue center at the NNF.⁷⁰

QIA also highlighted inadequate communication and consultation between DND and Arctic Bay residents, which led to unresolved issues. It indicated that previous consultations had proven inadequate, with plans frequently changing and promises to the community left unfulfilled. The Inuit regional association emphasized the importance of meaningful engagement with Arctic Bay rightsholders to address these concerns and to ensure that the project aligned with the Nunavut Land Claims Agreement, which holds developers accountable for any harm caused to wildlife or harvesting activities. Until these issues are resolved, QIA indicated to NIRB that it could not support the project.⁷¹

2012

By February 2012, DND had completed its review of the infrastructure requirements of the NNF and had decided to reduce its scope by limiting the storage of naval distillate fuel to one season of operation, thus calling for a small tank farm. Furthermore, the geotechnical investigation of the jetty the previous summer led DND to implement a monitoring program for “several years” before making any further decisions on upgrading it, thus halting further construction efforts. DND also decided to reduce the building specifications to an “unheated storage building that will contain the necessary supplies for a refuelling facility.” DND concluded that it would continue to access the site through the Nanisivik dock as well as through the Arctic Bay airport (via the all-weather road connecting that community).⁷²

The following month, the DND project manager notified NIRB that, “although the NNF will remain a berthing and refuelling facility for Arctic Offshore Patrol Ships (AOPS) and other Government of Canada vessels, the functionality of the site will be reduced. These scope changes will likely have an effect on some of the points raised in the review of the details provided in 2011.” While DND responded to stakeholder concerns, it also provided new “information that would be relevant to the project’s reduced scope.” Because it did not yet have a detailed design of the scaled-back NNF, “as these changes have very recently been mandated,” the information was sparse. Several of the stakeholders had expressed

⁷⁰ Qikiqtani Inuit Association (QIA) to NIRB, 13 October 2011, NIRB 111013-09DN018-QIA Comments-IT4E.

⁷¹ QIA to NIRB, 13 October 2011.

⁷² Rodney Waton to Amanda Hanson, 24 February 2012, NIRB 120224-09DN018-DND Ltr to NIRB Re Reduced Project Scope-IDTE.

concern about ship operations, but the project manager explained that “the operation of the ship at sea is outside of the mandate of this project, which is infrastructure only.”⁷³

DND’s announcement that it was rescoping the NNF made regional and national media headlines. *CBC News* noted that the fuel storage was “slashed”⁷⁴ due to the “high cost of building in the north.” Despite the multiyear jetty monitoring program, 2016 was still being circulated as the operation date for the NNF.⁷⁵ Although DND officials had never suggested that this would be a year-round facility, media now chastised the NNF for becoming “a part-time summer-only gas station” that would be dependent on Arctic Bay. Editor Jim Bell of *Nunatsiaq News* lamented that the “jet-capable” Nanisivik airport had closed, and fewer buildings at the Nanisivik site meant that water and waste would be removed to Arctic Bay. A flat area of land could be used as a helicopter landing pad if budget permitted, but the telecommunications systems would be cut, making staff dependent on mobile phones and radios. Furthermore, the NNF was at the NIRB screening stage, “awaiting comment from a long list of stakeholders.”⁷⁶ This intimated that it might not proceed at even the reduced status now being articulated by DND.

Colonel (ret’d) Sylvain Lescoutre, who had served with the RCAF for thirty-seven years, noted in a commentary for *Canadian Military Journal* that the facility’s reduction in scale was due to less funding and “challenges encountered during the environmental review.”⁷⁷ Even in its reduced configuration, he emphasized that the NNF could meet its goal of offering a fueling station for vessels operating in the North. This was largely irrelevant, however, because Halifax was the principal shore base for CCG operations and the Canadian Forces Maritime Warfare Centre at CFB Halifax would be the AOPS Centre of Excellence. Lescoutre contended that the Nova Scotia maritime hub, not Nanisivik, was actually “poised to become the future mounting base and gateway to Canada’s Arctic.”⁷⁸

2013

Media paid increased attention to the NNF in 2013, further uncovering the various delays affecting the project. Primary amongst these delays was friction between DND and the NIRB. Despite initial contact between DND and NIRB in 2008, the NNF was still in the screening stage as of 2013: the first step of a

⁷³ Watson to Hanson, 6 March 2012, NIRB 120305-09DN018-DND Cover Ltr to NIRB Re Response to Comments-IDTE. See also detailed responses in NIRB 120305-09DN018-DND Response to NIRB Re Opportunity to Address Comments-IDTE.

⁷⁴ “DND backtracks on Arctic naval facility,” *CBC News* 22 March 2012.

⁷⁵ “Arctic naval facility downgrade due to high cost, says DND,” *CBC News* 27 March 2012 at <https://www.cbc.ca/news/canada/north/arctic-naval-facility-downgrade-due-to-high-cost-says-dnd-1.1249276>

⁷⁶ Jim Bell, “Nanisivik: Nunavut’s incredible shrinking naval facility,” *Nunatsiaq News* 22 March 2012.

⁷⁷ Sylvain Lescoutre, “Forward Operating Location Nanisivik – Halifax’s Gateway to Canada’s Arctic,” *Canadian Military Journal* 13, no. 1 (2012): 68.

⁷⁸ Sylvain Lescoutre, “Forward Operating Location Nanisivik – Halifax’s Gateway to Canada’s Arctic,” *Canadian Military Journal* 13, no. 1 (2012): 68.

project before it enters the actual environmental review process. *Nunatsiaq News* editor Jim Bell observed that NIRB documents released to media suggested that DND’s “foot-dragging” was largely responsible for the delays of the project, noting that there was even a two-year gap from 2009-11 when the department did not respond to “repeated requests for information.” In 16 January 2013, NIRB had decided that the “project proposal remains insufficiently developed to permit proper screening,” owing to information gaps on issues ranging from socio-economic implications for Arctic Bay to the NNF’s potential impacts on marine wildlife. Furthermore, DND had failed to provide “adequate answers” to numerous stakeholders like the Qikiqtani Inuit Association, the Government of Nunavut, Environment Canada, Transport Canada and the Department of Fisheries and Oceans.⁷⁹ NIRB sent the NNF proposal back to DND for additional work to address these gaps in the screening process.⁸⁰

While NIRB cast the blame on DND, that military’s documents focused on Breakwater Resources Ltd and its lack of progress in remediating the fuel tank farm at Nanisivik. Breakwater did not want to assume the cost of removing it and had lobbied DND to accept the tank farm as part of the NNF. DND did not want the existing tank farm, however, or to assume responsibility, liability, and cost for cleaning it up. DND noted that Breakwater not completed its remediation work by 2013 as promised,⁸¹ which posed “a major risk to the project schedule and cost” of the NNF. Compounding matters, DFO still owned the dock and tank farm, and remediation of this legacy infrastructure was necessary before ownership could be transferred to DND. While DFO had sent legal notification to Breakwater to fulfill its cleanup obligations, NIRB insisted that DND submit a new environmental impact assessment.⁸²

DND wanted to replace the old fuel farm with a new “Bulk Liquid Storage” facility capable of containing a season’s worth of fuel for ships, aircraft, and facility operations. A paper examining the NNF specific requirements from July 2013 expected two 22-m diameter single-walled vertical tanks would be needed to hold 7.5 million liters of naval distillate, along with two 2-m diameter double-walled tanks to store 100,000 liters of diesel fuel to operate the site. 3,000 liters of aviation fuel could be kept in 15 drums. This fuel was expected to support two AOPS conducting operations largely expected to be confined to Baffin Bay, the Beaufort Sea, Lancaster Sound and Hudson Bay with “occasional visits to Arctic communities for community relations and other types of support operations.” Beyond government ships, the NNF was

⁷⁹ Jim Bell, “Nanisivik dock scheme runs aground after Nunavut board gives DND a failing grade,” *Nunatsiaq News*, 18 April 2013, https://nunatsiaq.com/stories/article/65674nanisivik_naval_dock_scheme_runs_aground_after_nunavut_board_gives_dnd/.

⁸⁰ “Federal Minister Sends Arctic Naval Facility Plans Back to DND,” *CBC News* 19 April 2013.

⁸¹ Fred Chartrand, “Harper’s vaunted Arctic naval refuelling station delayed over slow-moving environmental clean up,” *National Post*, 1 September 2013, <https://nationalpost.com/news/canada/harpers-vaunted-arctic-naval-refuelling-station-delayed-over-slow-moving-environmental-clean-up>.

⁸² Fred Chartrand, “Harper’s vaunted Arctic naval refuelling station”; and Sloan, “Canadian Defence Commitments,” 36.

now expected to “serve to receive, marshal, hold and distribute cargo and goods from commercial vessels for the Government of Canada.”⁸³

The NIRB and Breakwater delays drove up NNF costs. In 2010, the RCN had approved a budget of \$258 million for the NNF: more than two and a half times its original budget from three years earlier.⁸⁴ The 2013 federal budget set aside \$116 million over five years to pay for the project,⁸⁵ which represented a \$16 million increase from the original NNF budget.⁸⁶ Despite this, Arctic expert Dr. Rob Huebert commented that this was not surprising and that high costs was “the price of doing stuff in the North.”⁸⁷ While the government had estimated that the construction costs for the NNF would amount to \$56 million of that funding envelope, it was not clear as to if, when, or entirely how the new budget would be spent.⁸⁸

While the expected completion of the NNF had been pushed back to 2017, the project continued to advance.⁸⁹ In July, the federal government issued a “Request for Qualifications,” seeking a company with experience building in the Arctic to assemble the NNF. This was the first step in the tendering process.⁹⁰ In September, DND submitted its detailed response to the stakeholder feedback received the year before, noting that both the Hamlet of Arctic Bay and the QIA were satisfied with the department’s responses.⁹¹ By October, the NIRB had decided to give the NNF the green light to proceed without having to undertake a full environmental review. This did not wave DND accountability to the NIRB – the department still had to fulfill 38 terms and conditions and 24 other requirements to minimize the pressure on Arctic Bay’s municipal water system, waste management, and surrounding wildlife – but would enable construction to proceed in the meantime.⁹²

⁸³ Alexis Fast, “Nanisivik Naval Facility Project Specific Information Requirements,” Revision 3 for Defence Construction Canada by Stantec Consulting Ltd, July 2013, 2.2.

⁸⁴ David Pugliese, “Nanisivik naval facility was originally supposed to cost \$258 million but DND balked at price tag,” *Ottawa Citizen*, 8 September 2014; and Steve Rennie, “Arctic naval base plans scaled back after costs soared: document,” *CBC News*, 8 September 2014, <https://www.cbc.ca/news/canada/north/arctic-naval-base-plans-scaled-back-after-costs-soared-document-1.2759743>.

⁸⁵ Bell, “Nanisivik dock scheme runs aground”; and “Nunavut regulator approves Arctic naval facility,” *CBC News*, 25 October 2013.

⁸⁶ Chartrand, “Harper’s vaunted Arctic naval refuelling station delayed.”

⁸⁷ Rennie, “Arctic naval base plans scaled back.”

⁸⁸ Bell, “Nanisivik dock scheme runs aground”; and “Tendering process begins for Arctic naval facility,” *CBC News*, 8 June 2013, <https://www.cbc.ca/news/canada/north/tendering-process-begins-for-arctic-naval-facility-1.1408047>.

⁸⁹ Alexis Fast, “Nanisivik Naval Facility Project Specific Information Requirements,” Revision 3 for Defence Construction Canada by Stantec Consulting Ltd, July 2013, 2.11, NIRB 130823-09DN018-NIRB PSIR-Pt 1-IA2E; and Rennie, “Arctic naval base plans scaled back.”

⁹⁰ “Tendering process begins for Arctic naval facility,” *CBC News*, 8 June 2013.

⁹¹ Rodney Watson to Sophia Granchinho, 26 September 2013, NIRB 130926-09DN018-DND Response to Comments-IA2E.

⁹² Phillip Kadlun to Bernard Valcourt and Rob Nicholson, 24 October 2013, NIRB 131024-09DN018-Screening Decision Report-OT2E; “Nunavut regulator approves Arctic naval facility,” *CBC News*, 25 October 2013; and Elinor

2014

By 2014 the government had settled on a revised design for the NNF. The design plans called for the existing wharf to have corrosion protection installed, along with new hardware such as foam-filled fenders, ladders, rails, and safety equipment. Little else was needed to be done to it other than the installation of 10 to 15 m high lights.⁹³ An 8,000 m² area southwest of the wharf would be graded level and aggregate material would be used to establish a cargo storage and marshalling area here (the aggregate for the NNF would be mined, crushed, and processed from a dolomite quarry 3km down the preexisting utility road⁹⁴). The Bulk Liquids Storage Facility would contain the naval distillate and diesel storage tanks, a Petroleum, Oil, & Lubricants (POL) storage area, generators and electrical house, a general-purpose storage building, and a secure laydown area. Pipelines constructed on concrete foundations would transfer naval distillate from the tanks to the wharf and diesel fuel from the ships to the Bulk Storage Facility. A wharf operator shelter would be built next to the dock, with the three DND trailers already onsite receiving minor upgrades to serve as living space for personnel and to house utilities. A Helicopter Landing Area would be located at the north end of the existing concrete slab.⁹⁵

A construction tender was issued for pre-qualified contractors in April 2014.⁹⁶ Almiq Contracting Ltd. of Iqaluit was awarded the construction contract shortly after.⁹⁷ It began construction that summer, transporting materials to the site, conducting survey work, and installing a sixty-person construction camp, garage, explosives cache, and telecommunications equipment. The company then met with the Arctic Bay Council on 27 November 2014 to answer questions.⁹⁸ The latest plans expected that most of the work would be carried out during the 2015-17 summer construction seasons, with the

Sloan, "Something Has to Give: Why Delays Are the New Reality of Canada's Defence Procurement Strategy," CGAI, October, 2014, 3, https://www.cgai.ca/something_has_to_give_why_delays_are_the_new_reality_of_canada_s_defence_procurement_strategy.

⁹³ "Executive Summary - The Nanisivik Naval Facility Construction Project" (2014), NIRB 140627-09DN018-Type B Executive Summary-IA1E.

⁹⁴ Richard Martin, "Quarry and Pit Management Plan," 29 October 2014, NIRB 141128-09DN018-Quarry Mgmt Plan-IA2E.pdf.

⁹⁵ "Executive Summary - The Nanisivik Naval Facility Construction Project," 1-2.

⁹⁶ Government of Nunavut, "Canada's North: The Nanisivik Naval Facility," 17 July 2015, <https://www.canada.ca/en/news/archive/2015/07/canada-north-nanisivik-naval-facility.html>.

⁹⁷ Beth Brown, "Access to fuel essential for Royal Canadian Navy's Arctic work," *Nunatsiaq News*, 5 September 2018, https://nunatsiaq.com/stories/article/65674fuel_access_key_to_canadian_navys_arctic_work/; and Sloan, "Something Has to Give."

⁹⁸ Government of Nunavut, "Canada's North: The Nanisivik Naval Facility," 17 July 2015, <https://www.canada.ca/en/news/archive/2015/07/canada-north-nanisivik-naval-facility.html>; and Defence Construction Canada (DCC), "Our Projects Through the Decades," <https://www.dcc-cdc.gc.ca/about-dcc/our-history/our-projects-through-the-decades#2010s>; DCC, "Nanisivik Naval Facility (NNF) Construction 2014 Annual Report," 30 March 2015, NIRB 150330-09DN018-2014 Annual Report-IA1E.



Figure 9: Almiq Construction Camp – Nanisivik Naval Facility Construction Project, Summer 2014, DCC, “Nanisivik Naval Facility (NNF) Construction 2014 Annual Report.”

“commissioning of the equipment and de-mobilization of the contractor[s]” in 2018.⁹⁹ Accordingly, DND expected the rescopeed NNF to be fully operational by 2018.¹⁰⁰

With the Harper Government seeing to balance the federal budget by imposing deep spending cuts,¹⁰¹ however, reporters suggested that DND “balked” at the growing price tag for Nanisivik.¹⁰² The project’s construction contract was valued at \$56 million.¹⁰³ This money would be drawn from the \$116 million budget allocated for the project the year before, which would pay for “design, construction, geotechnical and environmental studies, various contingency and allowances, inflation, travel, and other project

⁹⁹ 2014 NIRB-NNF, Executive Summary - The Nanisivik Naval Facility Construction Project, 1.

¹⁰⁰ Sloan, “Something Has to Give”; and 2014 NIRB-NNF, Executive Summary - The Nanisivik Naval Facility Construction Project, 1.

¹⁰¹ Rennie, “Arctic naval base plans scaled back.”

¹⁰² David Pugliese, “Nanisivik naval facility was originally supposed to cost \$258 million but DND balked at price tag,” *Ottawa Citizen*, 8 September 2014.

¹⁰³ Brown, “Access to fuel essential”; and DCC, “Our Projects Through the Decades.”

management costs associated with implementation of the overall project.” This meant that the budget had increased to \$130 million (\$146 million after tax).¹⁰⁴

2015

Almiq Contracting and DND representatives hosted a public information session on the NNF at the Arctic Bay Community Centre on 24 March 2015. About thirty people attended. Questions related to employment opportunities before and after the construction phase, whether local residents could fish off the dock and local artists could sell their work, the future of the quarry, and response measures in the case of an oil spill. When a community member asked if the site would bring more military activity, they were told that ships would come monthly to refuel, but there would be no icebreaking operations and “nothing will happen out of the space of the site.” The scale of AOPS and CCG activity would be nothing compared to the shipping traffic during the era of mining operations. In terms of heightening the military risk to the community, officials responded that “there is a risk everywhere there is a facility, may it be Halifax, Goose Bay, everywhere,” but the risk to Arctic Bay “is very low since the facility is far from the village and there is not a big concentration of people around. For example, if ever a bomb was thrown at the facility, the tanks would blow up and burn and nothing worse would happen.”¹⁰⁵

The NNF proceeded on (revised) schedule in 2015. That summer, construction began in earnest: anode installation and sheet pile repairs to the existing dock structure; building the berms and bases for the naval distillate tanks were constructed; upgrading NNF site access roads; and producing aggregate in the quarry area. Fifteen Arctic Bay residents were hired for a total of 6737 hours (including as wildlife monitors who carefully recorded their observations), with Arctic Bay companies receiving \$455,585 in contracts and Baffin Region companies at total of \$1,090,900.¹⁰⁶ Rod Watson, project manager of the NNF, told the media that “we have worked very closely with our design consultant and the construction contractor, and we all have agreement at this time that 2018 is a very realistic schedule.” Although the studies DND had undertaken had “perhaps a season or two longer than we had hoped,” he emphasized that “we are on schedule and we will be able to support the ships in 2018.” This contradicted media reporting that the NNF had been delayed yet again.¹⁰⁷

Government messaging began adjusting to address media criticism of the project owing to construction being pushed back from the original plan of 2010 to summer 2015. As a press release made clear, “further site investigations were required prior to construction” owing to issues raised by Breakwater, DFO, and

¹⁰⁴ “Executive Summary - The Nanisivik Naval Facility Construction Project,” 1.

¹⁰⁵ Almiq Contracting, “Questions and Answers From Arctic Bay Community Information Session Held at the Arctic Bay Community Center, March 24th, 2015, as Regards Construction of Nanisivik Naval Facility,” 6 April 2015, NIRB 160411-09DN018-2015 Annual Report-IA1E.

¹⁰⁶ DCC, “Nanisivik Naval Facility (NNF) Construction 2015 Annual Report,” 11 April 2016, NIRB 160411-09DN018-2015 Annual Report-IA1E.

¹⁰⁷ “Arctic naval facility at Nanisivik completion delayed to 2018,” *CBC News*, 4 March 2015.

NIRB. This led to “several detailed site studies” both environment and geotechnical on the site, as well as facility design and construction being conducted. These requirements had to be met and aligned before construction could commence. Furthermore, the government did point out that “infrastructure work in the Arctic poses a number of unique challenges due to the remote location and various other difficulties, such as a shorter construction season and permafrost.” DND assured the public that it had “completed all site studies required to support the design work for the Nanisivik Naval Facility” and that Julian Fantino, the Associate Minister of National Defence, participated in the official ground-breaking for construction of the Nanisivik Naval Facility on 15 July 2015.¹⁰⁸

Because of these factors that delayed construction, the government explained that it had reduced the scale of the project while increasing its overall budget. Nevertheless, the government was insistent that the NNF, despite being scaled down from the original 2011 plan, would meet its original requirements of providing military presence and a refuelling capability for government vessels during deployments to the Arctic during the summer shipping season. DND refuted persistent claims that the dock was originally intended for year-round operation, insisting that it had only ever intended for the NNF to operate during the summer months.¹⁰⁹

2016

Beth Brown’s critical analysis of the NNF for the Royal United Services Institute (RUSI) in February 2016 exemplified the developing discourse on the project, seeking both to better understand the difficulties in construction and questioning the actual operational need for the facility. She quoted political scientist Dr. Rob Huebert, who observed that much of the controversy surrounding the NNF “has a lot to do with poor transparency,” because the project remained “out of view and the government has a propensity not to share information.” Despite offering the prospect of the “first functional deep-water port in the territory,” Brown observed that the NNF was but “one node in Arctic infrastructure development.” Where did it fit into the overall Canadian Arctic strategy? Retired air force colonel Lescoutre, who had served a construction engineer at Canadian Forces Station Alert, explained that they always tried to keep two to three years of fuel supply there in case ice conditions prevented delivery. He concluded “the decision to keep only an annual supply of fuel on site is puzzling and potentially risky.” Retired naval Commander Colin Darlington also wondered how the future Joint Support Ships – designed to provide refueling at sea – would fit into Arctic operations. While acknowledging these ships were not designed to be ice capable, they represented a “very capable vessel, probably a lot more than is necessary for most of the operations up north.” Darlington also questioned the link between the NNF and the AOPS, especially given the tremendous range of these new vessels. “The ship [AOPS] is a lot more self-sustaining and capable of

¹⁰⁸ Government of Canada, “Backgrounder: Canada's North: The Nanisivik Naval Facility,” 17 July 2015, <https://www.canada.ca/en/news/archive/2015/07/canada-north-nanisivik-naval-facility.html>

¹⁰⁹ Canada, “Backgrounder: Canada's North: The Nanisivik Naval Facility.”

maintaining other ships than a normal warship,” he concluded, calling into question their need of a refuelling facility in the Arctic.¹¹⁰ Others argued that without a supply ship for northern waters, the NNF was “essential for routine and extended Arctic deployments.”¹¹¹ This debate would continue.

Construction activities at the NNF continued that summer. Workers produced approximately 3,700 cubic meters of armour stone, maintained access roads, and operated the construction camp. Infrastructure projects included the installation of naval distillate systems, diesel tanks, pipe racks, and a wharf with sheet piling and cathodic protection. Additionally, a general-use warehouse, electrical house, wharf operator shelter, and DND site office were installed or upgraded. Local engagement was significant, with 22 local individuals hired for over 7,500 hours, and contracts worth nearly \$1 million awarded to local companies, accompanied by on-the-job training opportunities for Inuit workers.¹¹²

2017

During the 2017 construction season, several key infrastructure components at the Nanisivik Naval Facility were completed, including the naval distillate infrastructure, diesel tanks, and the POL storage area and containment systems. Operational areas were enhanced with the completion of wharf operator’s shelter and the general use storage building. Ongoing efforts to upgrade and maintain the site access roads and the wharf, alongside the operation and maintenance of the construction camp, proceeded according to plan.¹¹³ The Government of Nunavut also applied to the NIRB to upgrade the existing 30-km road between the NNF and the community of Arctic Bay Airport, which included a road intersection realignment near the former airport and the removal and replacement of six culverts. “Physical impacts to the surrounding environment will be minor, and otherwise positive,” the proponent noted, and “the project will create employment and training opportunities in the short term, and improve safe travel along the road for the long term.”¹¹⁴

Of the roughly sixty-person construction crew on-site during the summer, eleven were local hires from Arctic Bay. Project manager Watson explained to a CBC reporter that “we’ve worked very hard to make sure people from the community are involved and are hired to work at the site and we expect to continue that as we move from construction into operation.” The NNF would enter “the home stretch of

¹¹⁰ Beth Brown, “Nanisivik Analysis,” *Royal United Services Institute of Nova Scotia Information Paper*, 16 February 2016, 1-3.

¹¹¹ LCdr D. L. Moore, “Polar Bears Cannot Fix Ships - Canada’s Imperative Need to Broaden its Options for Available Naval Arctic Infrastructure,” *JCSP 43 Canadian Forces College* (2017), 1.

¹¹² DCC, “Nanisivik Naval Facility (NNF) Construction 2016 Annual Report,” 24 April 2017, NIRB 170424-09DN018-2016 Annual Report-IA2E.

¹¹³ DCC, “Nanisivik Naval Facility (NNF) Construction 2017 Annual Report,” 27 March 2018, NIRB 180328-09DN018-2017 Annual Report-IA2E.

¹¹⁴ Brian Duguay to Solomon Amuno, 1 June 2017, NIRB Nanisivik Highway Improvements Non-technical Summary; Keith Morrison to Duguay, 13 June 2017, NIRB 170613-17RN053-Notice of Screening and Comment Request-OT6E.

construction” during this summer, with final checks occurring next summer. “Much of the infrastructure will be near complete within the next month and a half,” Watson told reporters “and we expect that commissioning activities, that means our tests and trials, will begin.” He also expected the port to be on budget and on time for the 2018 deadline. Two changes, however, were communicated to the public: first, the operating period was contracted from August to October; second, the NNF would open in the fall of 2018.¹¹⁵

2018

DND messaging to the news media in 2018 emphasized that the NNF would enable a far greater persistence presence by government ships in the Canadian Arctic. Shifting from at sea refuelling to the NNF would bring “a ‘drastic’ change in maritime operations in Arctic waters.” From a logistics perspective, this would simply fuel planning for the RCN. Not only would access to the facility give vessels more range, but the NNF would allow these vessels to run at higher speeds (burning more fuel) when responding to emergencies in the North.¹¹⁶

Ironically, this messaging suggested that the AOPS, which had been tied to the NNF from its conceptualization, would benefit far less from the refueling facility than the frigates or Kingston-class coastal defence vessels. DND messaging was clear that the “ice-strengthened Harry DeWolf-class ships are designed for endurance and fuel economy,” giving the RCN “far more range” than it had with its existing fleet. Furthermore, DND acknowledged that primary responsibility for maritime search and rescue fell under the mandate of the CCG while noting that the RCN could assist when able. How often the frigates would be able to contribute to SAR was unstated, but this comment intimated that the AOPS and CCG icebreakers – the most frequent federal vessels in the region – would benefit from but did not require the NNF.¹¹⁷

Despite Defence Minister Harjit Singh Sajjan visiting Nanisivik in August 2018, the facility did not open on schedule. Equipment built for the NNF was still undergoing testing, the RCN told journalists.¹¹⁸ Furthermore, new steel plates and tension bands had to be installed over the face of the jetty because it was “deteriorating due to higher-than-expected levels of corrosion caused by microorganisms in the water.” Between \$20-49 million had been set aside for this repair, which officials anticipated would

¹¹⁵ Sara Frizzell, “Nanisivik naval refuelling facility in Nunavut on track and on budget for fall 2018 opening,” *CBC News* 10 July 2017.

¹¹⁶ This is particularly important for the Halifax-class frigates when operating their gas turbine engines to achieve high speeds (at 13 knots they burn approximately 1,000 litres per hour on diesel engines, but this fuel consumption triples achieving the same speed using gas turbine engines). Beth Brown, “Access to fuel essential for Royal Canadian Navy’s Arctic work,” *Nunatsiaq News*, 5 September 2018, https://nunatsiaq.com/stories/article/65674fuel_access_key_to_canadian_navys_arctic_work/.

¹¹⁷ Brown, “Access to fuel essential for Royal Canadian Navy’s Arctic work.”

¹¹⁸ Brown, “Access to fuel essential for Royal Canadian Navy’s Arctic work.”

extend the life of the dock for approximately fifteen years before a larger replacement could be built in its place.¹¹⁹

Despite this setback, messaging once again emphasized collaboration with Arctic Bay. During the Minister's visit, the Canadian and Nunavut flags were raised at the site, and he met with Arctic Bay's mayor and community elders. As project manager Watson again emphasized, "We put a lot of value on having a close relationship with Arctic Bay."¹²⁰

2019

Nanisivik Naval Facility became briefly and partially operational in 2019, with it testing its systems during a visit by the Halifax-class frigate *Ville de Quebec*. Reports on the visit highlighted how the NNF would provide an alternative fuel source in the Northeast Arctic to both Nuuk and Thule (now Pituffik), Greenland for the RCN and CCG. The two main fuel tanks of the Bulk Liquids Storage Facility each would contain 3.75 million litres of fuel.¹²¹ This fuel would be delivered to ships through a unique Spanwire Supported Fueling (SSF) system. Two towers would support a wire between the vessel and the NNF from which a 15cm fuel hose would be suspended – essentially a refuelling at sea mechanism in a first of its kind application from shore to ship. DCC explained that this unique system was implemented because it would take fewer people to use than to haul hoses across the ground, while lessening the risk of the hose



Figure 10: Nanisivik Naval Facility as seen in 2019 during a visit by HMCS *Ville de Quebec*. Photo Credit: Dave Mazur.

¹¹⁹ DND, *Defence Investment Plan 2018*, <https://www.canada.ca/content/dam/dnd-mdn/documents/reports/2018/defence-investment-plan-eng.pdf>.

¹²⁰ Brown, "Access to fuel essential for Royal Canadian Navy's Arctic work."

¹²¹ Stoker, Nanisivik Naval Facility, 17 October 2019 at <https://army.ca/forums/threads/nanisivik-naval-facility.130989/>.

being damaged and causing a fuel spill.¹²²

However, the *Ville de Quebec* did not receive any fuel in what is called a “dry fit” hookup. A section of piping was missing that would have allowed fuel to be moved from the tanks to the SSF to ship. Designing this missing section of piping was not done in time to get the necessary materials delivered on the supply ship that left southern Canada in June, missing the window with *Ville de Quebec*. Still, the dry fit proved the system could work without the risk of spilling fuel into the ocean.¹²³ DCC explained that the needed materials were later delivered by sealift to the site, and they could fabricate the needed piping during the 2020 construction season.¹²⁴

It was hoped that the NNF would be fully operational in 2020. While still under the administration of CFB Halifax, tenders were to be issued for a contractor to take over running the facility during the 2020 season.



Figure 11: Spanwire Supported Fueling (SSF) system during 2019 visit of HMCS *Ville de Quebec*. Photo credit: Stoker. Nanisivik Naval Facility 17 October 2019 at <https://army.ca/forums/threads/nanisivik-naval-facility.130989/>.

¹²² DCC, “One-of-a-kind ship fuelling system coming online in Canada’s North,” October 2019, <https://www.dcc-cdc.gc.ca/news/dcc-at-work/one-of-a-kind-ship-fuelling-system-coming-online-in-canadas-north>.

¹²³ DCC, “One-of-a-kind ship fuelling system.”

¹²⁴ DCC, “Nanisivik Naval Facility (NNF) Construction 2019 Annual Report,” 31 March 2020, NIRB 200730-09DN018-2019 Annual Report-IT7E.

This contractor would fuel the NNF at the start of the season with a tanker and this fuel would be expended on visiting ships over the course of the summer. The empty NNF would then be left unstaffed during the winter before repeating the process again in 2022.¹²⁵

2020

COVID-19 derailed the NNF becoming fully operational in 2020. The pandemic, combined with persistent inclement weather, effectively thwarted the short 2020 construction season. Consequently, thirteen years after it was announced by Prime Minister Harper, the NNF failed to open before the first of the AOPS was delivered to the Royal Canadian Navy that summer. DND pushed back the official opening of the NNF another two years to 2022.¹²⁶

2021

COVID-19 pandemic restrictions around travel to the NNF continued to stymie progress in 2021.¹²⁷ While the NNF was still slated for opening the following summer,¹²⁸ DND's messaging to the news media reinforced that "significant schedule uncertainty" remained. The "best-case scenario" was that construction of the NNF would be completed in September 2021. This possible outcome would have placed the NNF opening fifteen years after the project was announced,¹²⁹ and seven years past its initial operating date of 2015.

Critics noted that this sent the wrong strategic message to both allies and adversaries. The pandemic could not account for the NNF being seven years behind schedule, nor its significant reduction in scope since inception despite the \$130 million spent on it to date – \$30 million more than it was initially expected to cost. Military analyst David Perry noted that the delays marked a credibility issue for Canada

¹²⁵ Stoker, Nanisivik Naval Facility, 17 October 2019 at <https://army.ca/forums/threads/nanisivik-naval-facility.130989/>.

¹²⁶ "COVID-19 blamed as work on Canadian Arctic military port first promised in 2007 sees new delay," *Canadian Press*, 3 August 2020.

¹²⁷ Auditor General of Canada, "Arctic Waters Surveillance, Report 6," *Reports of the Auditor General of Canada to the Parliament of Canada* (2022), 21, https://www.oag-bvg.gc.ca/internet/English/par_oag_202211_06_e_44152.html; and Todd Coyne, "Navy facility in Canadian Arctic 'could be finished this season,' a decade overdue," *CTV News*, 28 June 2024, <https://www.ctvnews.ca/vancouver/article/navy-facility-in-canadian-arctic-could-be-finished-this-season-a-decade-overdue/>.

¹²⁸ DND, *Departmental Plan 2022-23*, <https://www.canada.ca/content/dam/dnd-mdn/documents/departmental-results-report/2022-2023/departmental-plan-2022-23.pdf>.

¹²⁹ Coyne, "Military hopeful new Arctic port will open in 2022."

with respect to continental defence. Furthermore, he suggested that it sent a message to Russia about how Canada failed to prioritize its investments in the North.¹³⁰

Compounding the uncertainty, severe flooding washed away the main 40-kilometre road connecting the NNF to the hamlet and airport of Arctic Bay in early 2021, leaving the site inaccessible to heavy vehicles and effectively halting work for the entire 2021 construction season.¹³¹ The sections of the road that survived the washouts, Minister of National Defence Bill Blair reported, were “in an advanced state of disrepair.”¹³²

A Defence Research and Development Canada (DRDC) Scientific Report on the use of rotary wing assets in the North to respond to a hypothetical cruise ship evacuation explored the NNF as a forward operating location during the summer months. It noted that Nanisivik’s defunct 1951m (6400ft) airstrip had been large enough for the CC-177 *Globemaster* III strategic lifter to land, allowing for the transport of heavy equipment to the NNF directly. The 642m elevation of the former air strip and the chronically poor weather conditions surrounding it, however, usually prevented visual flight rules (VFR). Nonetheless, the model used in the report projected that stationing even one CH-149 *Cormorant* search and rescue helicopter and its supporting ground crew out of the NNF on a typical 30-minute notice to move during on-call hours and at 2 hours’ notice was effective at limiting fatalities. According to this analysis, using the NNF as a forward operating location provided better results supporting the region stretching from Pond Inlet to Resolute Bay – essentially covering the eastern part of the Northwest Passage through Canada’s historic internal waters – than positioning the aircraft in Arctic Bay or Resolute Bay. The DRDC report assumed that the NNF would receive infrastructure upgrades to support the CH-149, given that its small helicopter pad and lack of JP-5 fuel for rotary-wing aircraft embarked on RCN and CCG vessels (and lack of accommodations for air and ground crews) prevented prepositioning them there.¹³³

2022

By January 2022, a \$37.5-million budget was approved to repair the NNF’s corroding jetties.¹³⁴ Furthermore, the road from Arctic Bay to Nanisivik “was deemed safe for use in 2022,” allowing work to

¹³⁰ Coyne, “Military hopeful new Arctic port will open in 2022.” As of July 2021, the latest cost estimate for the Nanisivik naval station was \$130 million before taxes according to DND.

¹³¹ Todd Coyne, “Navy facility in Canadian Arctic ‘could be finished this season,’ a decade overdue,” *CTV News*, 28 June 2024, <https://www.ctvnews.ca/vancouver/article/navy-facility-in-canadian-arctic-could-be-finished-this-season-a-decade-overdue/>.

¹³² “Nanisivik Naval Facility still has no opening date; minister cites lessons learned in planning,” *CBC News*, 19 March 2025 at <https://www.cbc.ca/news/canada/north/nanisivik-naval-station-update-1.7486929>

¹³³ D.G. Hunter, J. Chan, and M. Rempel, “Assessing the operational impact of infrastructure on Arctic operations,” Defence Research and Development Canada Scientific Report DRDC-RDDC-2021-R024, February 2021, 39-40, 47; and Ryan Blunt, “Long-Term Feasibility of the Nanisivik Naval Facility,” *JCSP* 47 (2020-1), Canadian Forces College, 8.

¹³⁴ Auditor General, “Arctic Waters Surveillance.”

resume at the NNF – albeit under pandemic restrictions.¹³⁵ In addition to modest construction camp maintenance activities, sea-lift delivery, and concrete work on pads and curbs, much of the activity related to site monitoring. Although inaccessible in the fall and spring due to the closure of the highway from Arctic Bay and the inability to travel over the sea ice during the shoulder seasons, the construction contractor monitored the site on a weekly basis when the facility was accessible by road or ice travel. A local contact in Arctic Bay performed the site visits to ensure that site infrastructure and equipment was intact and that fuel tanks and equipment were not leaking, noting if any visitors having stopped by whether humans by foot, snowmobile tracks, or truck, or polar bears leaving tracks.¹³⁶

Despite this progress, the Auditor General of Canada’s report on Arctic Waters Surveillance noted that DND had pushed back the prospective opening of the NNF to 2025. This would be four years after the first AOPS voyage through the Arctic, and a full decade after its proposed original opening date. Furthermore, the report highlighted that the facility would be operational for only four weeks of the year, far less than the summer months (June to October) originally promised. Not heating the NNF’s fuel tanks forced this reduction in scope, as did the agreement between the Government of Nunavut and the RCN to ensure that the latter did not break ice around the facility to protect wildlife and Arctic Bay residents’ access to sea ice for transportation and subsistence harvesting. This restriction would make government ships “depend on commercial options or allies’ cooperation,” leaving “the navy at risk of not getting replenishment for its ships where needed.”¹³⁷ This called into question the very usefulness of the NNF.

Canadian Forces College student papers noted that there was “active discussion within the RCN” as to “whether the Nanisivik facility was the right decision in the first place.”¹³⁸ The NNF did not reflect a whole-of-government approach that would align military investment with benefiting local communities, missing out on a dual-use opportunity to promote northern development. The reduced status of the NNF – specifically the loss of the aviation support capacity – would “not be able to link RCAF and RCN capabilities in the same way the original plans would have allowed.”¹³⁹ Given the AOPS were operating successfully in the Arctic, was the NNF even needed? The Auditor General’s report and these papers called into question the utility of the NNF, suggesting that the scenario might reflect the sunk cost fallacy: continuing a failing course of action because of previous investments of time, money, and effort into it, despite clear evidence that abandoning would lead to a better outcome.

¹³⁵ Coyne, “Navy facility in Canadian Arctic ‘could be finished this season.’”

¹³⁶ DCC, “Nanisivik Naval Facility (NNF) Construction 2022 Annual Report Revision 1,” 15 November 2023, NIRB 231115-09DN018-Revised 2022 Annual Report-IT7E.

¹³⁷ Auditor General of Canada, “Arctic Waters Surveillance, Report 6,” 22.

¹³⁸ LCol Robert Arbuckle, “Maximizing CAF Arctic Capabilities by Building the Necessary Infrastructure,” JCSP 47 Canadian Forces College (2022). See also LCdr Ryan Blunt, “Long-Term Feasibility of the Nanisivik Naval Facility,” JCSP 47 Canadian Forces College (2021).

¹³⁹ Arbuckle, “Maximizing CAF Arctic Capabilities,” 8-9.

2023

By 2023, DND was cycling government talking points to defend its continuing efforts to make the NNF operational. The department continue to justify the facility as a logistics hub for the RCN and CCG. “The primary role of the facility,” the talking point explained, “will be to refuel the Royal Canadian Navy’s Arctic and Offshore Patrol ships during the navigable season.” The talking point stressed that the NNF was “nearing completion.” If pressed on delays for the NNF, officials were directed to respond that infrastructure work in the Arctic is complex, but that DND was “working to find solutions that could allow the Naval Facility to begin operations in 2025.”¹⁴⁰



Figure 12: Operational Area (Gensets, POL storage, Diesel tanks, Pump platforms). DCC, “Nanisivik Naval Facility (NNF) Construction 2022 Annual Report Revision 1,” 15 November 2023.

¹⁴⁰ Auditor General of Canada, “Arctic and Offshore Patrol Ships (AOPS) *Including Nanisivik Naval Facility,” *Arctic Waters Surveillance, OAG Report 6, PACP*, <https://www.canada.ca/en/department-national-defence/corporate/reports-publications/proactive-disclosure/pacp-march-6-2023-arctic-waters-surveillance-oag-report-6/procurement.html>.

The messaging around the heating of the NNF’s fuel tanks was a bit more nuanced. DND acknowledged the Auditor General’s observation that the unheated fuel tanks would limit the NNF’s “operation to approximately 4 weeks per year.” Military officials also acknowledged that by late September, dropping temperatures may start to thicken the fuel, meaning the tanks would have to be drained and the fuel shipped south again. They also conceded that the RCN’s agreement with the Government of Nunavut to not break ice near the NNF would restrict the RCN’s operational season to its current four to six weeks per year.¹⁴¹

However, DND made the point that the NNF, “as an Arctic facility,” would usually operate “from early August to as late as October, depending on ice-coverage and temperatures,” and that, “as the waters are navigable and the facility is accessible, the site will be open to ships.” Departmental speaking points emphasized that four to six weeks represented “a critical milestone” for operating in the High Arctic, laying the foundation for operating for longer periods in the future – parts of DND’s “longer term plan” once the NNF was operational and its capabilities established under the current model.¹⁴²

2024

Relatively little attention was paid to the NNF during 2024, with the project nearly a decade behind schedule at this point. The project faced a major setback when its primary contractor, Almiq Contracting Ltd., ceased operations in February when it went into receivership alongside its parent company, the Quebec-based Groupe Laval Fortin.¹⁴³ The facility was maintained by a maintenance contractor while the government determined how to complete the remaining work.

DND spokesperson Frederica Dupuis told a reporter in June that work at the NNF during the summer season was “minimal,” with contractors “fixing valves, painting buildings and replacing pipes.” She reported in June that it was possible that work could be finished this season, with DND having spent \$107.6 million of the Nanisivik facility’s anticipated \$114.6-million budget to date. Uncertainty remained around who would run the NNF when it became operational, as DND had yet to find a suitable contractor. Furthermore, media reports noted that, after offloading fuel into the tanks, there would be a delay of up to a week before positive test results would allow the NNF to be considered operational and ready to start fueling ships. This would cut into the four to five weeks DND anticipated the facility would be open for,

¹⁴¹ Auditor General of Canada, “Arctic and Offshore Patrol Ships (AOPS)”;
and Canada, “Key Issues – Briefing on High-Altitude Objects - Infrastructure in the North” House Standing Committee on National Defence, 7 March 2023, <https://www.canada.ca/en/department-national-defence/corporate/reports-publications/proactive-disclosure/nddn-7-march-23/key-issues.html#toc8>.

¹⁴² Auditor General of Canada, “Arctic and Offshore Patrol Ships; and DND, “Key Issues – Briefing on High-Altitude Objects.”

¹⁴³ McCarthy Tetrault, “Receivership proceedings of Groupe Laval Fortin and affiliates under the BIA,” 13 February 2024, <https://www.mccarthy.ca/en/experience/receivership-proceedings-of-groupe-laval-fortin-and-affiliates-under-the-bia>.

further restricting its season – and, in CTV reporter Todd Coyne’s assessment, raising “serious questions about its long-term viability.”¹⁴⁴

2025

In early 2025, DND admitted that it no longer had an opening date for the facility, was “still finalizing the work plan for the site,” would have “more information to share in due course,” and refused to commit to a specific timeframe. Nonetheless, departmental spokespersons were adamant that the delays “have not impacted the operational capability of the Royal Canadian Navy to operate in the Arctic.” Other fueling options were available and the AOPS, the primary vessel for which the NNF had been designed, “have excellent range and endurance” – again calling into question if the facility is even required for the ships to meet their mission sets in the Canadian Arctic.¹⁴⁵

During a visit to Iqaluit in early March to announce Northern operational support hubs in Iqaluit, Inuvik and Yellowknife, Minister of National Defence Bill Blair disclosed that challenges encountered with the Nanisivik project illuminated why the government had to find a better way forward to ensure that defence investments “benefit people and communities as well as the Armed Forces.” Noting that the naval “facility itself is inaccessible in many ways and is only usable for about four weeks a year,” Blair indicated that he wanted the government to proceed with the longstanding project and see it through to completion. This would entail completely replacing the jetty at Nanisivik – the main piece of pre-existing infrastructure that made the site originally so attractive – and heating the fuel tanks so that it could become operational.¹⁴⁶

As noted in the introduction, modest work continued at the site in the summer 2025. “A small but determined team from the Department of National Defence (DND) recently travelled to one of Canada’s most remote Arctic outposts to reactivate a facility long asleep under the snow,” a story in the RCN’s Pacific newspaper *The Lookout* recounted in October.

The mission began in July, when Barge Master Scott Kimmett of the Port Operations and Emergency Services Branch (POESB) joined DND colleagues from across the nation at the

¹⁴⁴ Coyne, “Navy facility in Canadian Arctic ‘could be finished this season.’”

¹⁴⁵ Arty Sarkisian, “Long-promised Nanisivik Naval Facility’s opening date still unknown,” *Nunatsiaq News*, 26 February 2025, <https://nunatsiaq.com/stories/article/long-promised-nanisivik-naval-facilitys-opening-date-still-unknown/>; and David Pugliese, “Opening of Arctic naval refuelling facility in limbo, DND acknowledges,” *Ottawa Citizen*, 24 Feb 2025, <https://ottawacitizen.com/news/national/defence-watch/opening-arctic-naval-refueling-facility-limbo>.

¹⁴⁶ Matisse Harvey, “Nanisivik Naval Facility still has no opening date; minister cites lessons learned in planning,” *CBC News* 19 Mar 2025, <https://www.cbc.ca/news/canada/north/nanisivik-naval-station-update-1.7486929>. This story highlights that Nunavut Premier P.J. Akeeagok, who had long argued that the NNF would not have much of a positive impact on his territory, emphasized how future projects to strengthen Arctic defence should also help meet community needs and create economic development in the North.

Nanisivik Naval Fueling Facility for a nine-day operation, the first of its kind. The mission continued into the fall with a second, two-week trip North to the facility in late September. Their goal? To de-winterize, reactivate, and consolidate stored diesel at the site ... “Upon arrival, we found the base fully winterized,” said Kimmitt. “With no team members having prior experience at the site and limited procedural documentation available, much of our efforts involved tracing systems, removing blanked piping, and reinstalling components.”¹⁴⁷

This was followed by “an extensive troubleshooting phase to program the facility’s systems and clear active faults,” with limited access to technical resources via internet or cellular services forcing the team to improvise. They managed to consolidate the remaining diesel fuel at the NNF “at just a fraction of the cost originally quoted by civilian contractors,” thus demonstrating military expertise and efficiency. “The deployment provided hands-on experience to our team, who are now familiar with the processes required to winterize, reactivate, and operate the plant — knowledge that will streamline future operations,” Kimmitt explained.¹⁴⁸

The navy’s story ended by highlighting the challenges of daily life during the operation. Without accommodations at the site, the team had to stay at a hotel in Arctic Bay and commute to the site “under the watchful eye of a bear monitor, an armed local hired to protect the crew from polar bears and other dangerous mammals.” During their return trip, weather delays and mechanical issues left the team stranded in Iqaluit for several days.¹⁴⁹ Their experience, like the odyssey of constructing the facility itself, dragged on for longer than anyone had anticipated.



Figure 13: Groupe SMTardif, “Nanisivik,” <https://groupesmtardif.com/en/achievements/naval-facility-nanisivik/>

¹⁴⁷ Cini, “Nine Days in Nanisivik.”

¹⁴⁸ Cini, “Nine Days in Nanisivik.”

¹⁴⁹ Cini, “Nine Days in Nanisivik.”

Conclusions

“Great White Nothing: How Harper’s naval station became an Arctic white elephant,” headlined a Global News story by Ashleigh Stewart on 14 March 2025. She painted a dismal picture:

Eighteen years ago, Prime Minister Stephen Harper issued a rallying cry for Canadians.

“Canada has a choice when it comes to defending our sovereignty over the Arctic,” he said on the shores of Esquimalt Harbour, B.C., while announcing plans for a fleet of new Arctic offshore patrol ships (AOPS) and a deep-sea port to be used as their base.

“We either use it or lose it.”

But two decades later, amid a flurry of Arctic-focused announcements, one project still languishes unfinished, more than a decade past its completion date — an unwelcome reminder of the challenges of building a military presence in the North, whose melting waterways are increasingly contested.

The Nanisivik Naval Facility, Harper’s deep-sea port meant to support the AOPS, is still not finished. It has become the white elephant in Canada’s north.

Now a part-time, summer-only maritime gas station, the significantly stripped-back Nanisivik port project is mired in construction delays, cost overruns and serious questions about its long-term viability.¹⁵⁰

By then linking the delays and reduced operational scope of the Nanisivik Naval Facility to broader discussions about Arctic security, the story uses it as a symbol of Canada's struggle to match ambitious rhetoric with the necessary infrastructure to assert its sovereignty amidst rising geopolitical competition.

As the detailed timeline in this *Policy Primer* elucidates, Prime Minister Stephen Harper announced the Nanisivik Naval Facility to great fanfare in August 2007 as part of his government’s larger Arctic sovereignty and security plan. The proximity of the site to the Northwest Passage and the presence of existing port infrastructure on federally owned and administered land made the prospect of a “docking & refueling facility” for government (and potentially commercial) vessels during the navigable season of the year particularly enticing. By utilizing preexisting infrastructure, the government aimed to save time and money, promising to rapidly establish the NNF and demonstration action on the Arctic sovereignty file. Instead, the short construction season and restricted logistics at the site, coupled with shifting budgetary commitments and structural issues with existing infrastructure, delayed the opening of the NNF from the promise of an initial operating capability in 2012 to somewhere beyond 2025. Consequently, the still-incomplete facility that currently exists is far smaller and less capable than what was originally envisaged

¹⁵⁰ Ashleigh Stewart, “Great White Nothing: How Harper’s naval station became an Arctic white elephant,” 15 March 2025, <https://globalnews.ca/news/11080534/nanisivik-naval-facility-arctic-stephen-harper/>. See also the video clip at <https://www.youtube.com/watch?v=GuB6TkDPsnM>.

