

Service fee to be scrapped

Jeanne Gagnon

Northern News Services

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Commercial ships resupplying communities North of 60 are set to be exempt from the marine navigation service fee starting this sealift season, as the Department of Fisheries and Oceans announced this month it intends to establish a permanent exemption.

Commercial ships had to pay the fee to the Canadian Coast Guard until a moratorium was put in place in 2008.

The exemption would apply to commercial ships traveling to and from North of 60 to resupply the communities. However, it would not, for instance, apply to refuelling vessels or cruise ships.

One shipping company and one retailer told Nunavut News/North the permanent exemption is good news. Nunavut Eastern Arctic Shipping Inc. resupplies a number of communities during sealift season and company president and chief executive officer Suzanne Paquin said the fee used to be a "tax" at the bottom of the invoice.

With the announcement, she said they can permanently remove this tax from the list. "We believe this is great news because it keeps inflationary pressures on the sealift rates down," she said.

"At NEAS, we felt the fee that was being charged in the North - it was much higher than everywhere else in Canada. We felt there had to be kind of a balance."

As for the North West Company, which owns Iqaluit's NorthMart and a number of Northern stores across the territory, the permanent exemption is good for everyone in the North, said Michael Sorobey, the company's vice-president of logistics and supply chain services.

"The good news is that cost is not going to come back into play," he said.

The Canadian Coast Guard will consult with the Arctic marine industry and shipping companies on the implementation of the permanent exemption prior to this year's sealift season.