

# U.S. Strategy in the Arctic: Energy, Security, and the Geopolitics of the High North

**U.S. Senator Lisa Murkowski (R-AK)**

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## **U.S. Senator Lisa Murkowski began the event by characterizing the Arctic both as an area of intense international interest and as the planet's "last frontier."**

- Though the United States has been an Arctic nation since the 1867 purchase of Alaska, the U.S. public does not yet understand how critical the Arctic is for the country.
- Climate change in the Arctic is occurring at an "unprecedented" rate, and the Far North is the most appropriate place to study global warming.
- Until recently, experts saw Arctic hydrocarbon resources as too expensive and too difficult to extract. This has changed as technology has progressed and the price of oil has continued to increase, and countries are now staking their claims.
  - The Arctic may contain up to 100 billion barrels of oil, accounting for 25 percent of the earth's remaining oil and gas.
  - Canada has recently moved to assert its Arctic sovereignty by announcing plans to build a military base and deepwater port near the Northwest Passage, and to develop six to eight patrol boats to enforce to manage its territorial waters.
  - Russia's much-ballyhooed flag-planting expedition at the North Pole in August 2007 focused international attention on the Arctic. Russia has recently begun construction on the first oil rig designed to withstand temperatures up to 50 degrees Celsius below zero.
  - Tourism, commerce, and scientific research are also increasing in the region.
    - To be a viable option for large-scale shipping, the Arctic requires a comprehensive, multilateral plan to address safety, security, and economic considerations.

**In May 2008, representatives from Canada, Denmark, Norway, Russia, and the United States met in Ilulissat, Greenland, and issued a declaration of cooperation for the Arctic.**

- The agreement noted the fragility of the Arctic ecosystem, and the potential for development to have profound effects, both positive and negative, on the environment and the region's indigenous peoples.
- The declaration supported the United Nations Convention on the Law of the SEA (UNCLOS) as a legal framework for the governance of the Arctic.

**U.S. opponents of UNCLOS claim that the U.S. currently enjoys the benefits of the treaty despite not having ratified it, leaving the country free to “pick and choose” which provisions it wants to follow.**

- Under UNCLOS, Russia submitted in 2002 an extended continental shelf claim of 460,000 square kilometers. A UN Commission rejected this claim for lack of evidence, but Russia has since resubmitted it with new evidence.
- U.S. ratification of UNCLOS would give the United States a “seat at the table” in maritime negotiations, enhancing the country's credibility and leverage.
- Ratification of the treaty would also allow the U.S. to make a territorial claim for an area of approximately the size of California.
- The United States has the largest budget of any country participating in the International Polar Year, a collaborative scientific effort encompassing over 100 projects to learn more about the Arctic and its unique environment.
- In terms of energy resources, climate change, and sustainable development, the international community “may have only one chance to get it right” with regard to the Arctic.
- Murkowski noted that it may be difficult to spur ratification of the treaty in an election year, as many legislators are wary of taking stances on something not of vital importance to their reelection efforts.

**David Pumphrey explained that part of the recent rapid increase in oil prices is the result of what he called “supply pessimism”: the belief that oil supplies will diminish and become unavailable in the future, due both to nationalization of oil assets and to diminishing returns in existing fields.**

- Increased hydrocarbon exploitation in the Arctic could help alleviate these concerns, as the Arctic promises increased access.
- Companies have engaged in onshore development in the Arctic for quite some time. Alaska's North Slope and Canada's Mackenzie River delta are two established areas for onshore hydrocarbon extraction.
- Offshore development is more difficult, because infrastructure must contend with ice flows, extreme cold, and generally inhospitable conditions. The Shtokman Field north of Russia, which Gazprom is developing in concert with Total and StatoilHydro, will be “a major step out” in terms of Arctic resource development.
- The actual amount of hydrocarbon resources in the Arctic is unknown, though the United States Geological Survey will be making new estimates for the region in the coming years.

- Technological limitations, costs, and the thawing of permafrost, which hinders the construction of infrastructure, are all challenges to continued energy development in the Arctic. One further challenge is the implication of policy decisions emphasizing alternative energy sources, since most Arctic hydrocarbons will not begin flowing for at least 30 years, by which time U.S. demand for oil may have decreased (or increased).

**Caitlyn Antrim gave a brief overview of the post-World War II effort to revamp the three-century-old idea of the “freedom of the seas.” This process led to three United Nations conventions, producing UNCLOS in 1982, which was revised and came into effect in 1994.**

- UNCLOS is almost entirely applicable to the Arctic. It addresses navigational and territorial issues, assigns culpability for pollution, and provides standards for environmental cooperation and collaborative scientific research.
- Coastal states have more control over ice-covered areas in their Exclusive Economic Zones (EEZs) than they do in open water areas in their EEZs.
- UNCLOS defines the Arctic as an “enclosed sea,” and the five nations surrounding it have a responsibility to collaborate and coordinate in its development and management. The Arctic Council, a high-level intergovernmental forum, has been a reliable medium for dealing with Arctic issues.
- UNCLOS provides exceptions for military activities and guarantees the sovereign immunity of warships.
- For Russia, the Arctic is a key source of wealth. Antrim likened the importance of the Arctic to Russia as akin to the importance of the Gulf of Mexico for the United States, and similarly noted the comparable roles played by the Panama Canal for the United States and the Northern Sea Route for Russia.
- The Lena, Ob, and Yenisey River systems all feed into the Arctic Ocean, and any industrial pollution in their waters will eventually affect the entire High North, not merely Russia’s portion. The United States should thus help Russia to develop a clean water act for its rivers.
- The United States cannot effectively remain outside of UNCLOS and pick and choose its provisions, as territorial title and exclusivity are often necessary prerequisites for financial institutions to invest in businesses developing new regions.
- The European Union has an interest in transport across the Northern Sea Route to reduce shipping times, and the development of Arctic energy resources to help alleviate the strain on global oil markets.

**Dwight Mason stressed that ratification of UNCLOS would be the best way to protect U.S. interests in the Arctic. He also identified three points of contention between the United States and Canada in the Far North:**

- Due to the countries’ use of differing standards for maritime boundaries, Canada and the United States dispute ownership of a large wedge of the Beaufort Sea. With the status quo, “both countries are losing”; appropriate U.S. policy would

therefore be to accept the Canadian claim in return for substantial economic considerations in the disputed area.

- Canada has drawn straight baselines around its Arctic islands, but the U.S. does not recognize these baselines, and they do not meet UNCLOS standards. As the United States and Canada defend North America jointly, it is in the countries' interests to agree on the precise boundaries of the continent.
- According to UNCLOS, the Northwest Passage is an international strait because it connects two oceans. Due to the route's current lack of use, the Canadian government defines it as an internal waterway, but has not made regulations for safe navigation and environmental protection. Sovereignty disputes over the passage could become important as Arctic commerce increases.