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Top Five U.S. Policy Priorities for the Arctic in 2016

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2016 will be an important and challenging year for the Arctic region. It marks the final year of the U.S. chairmanship of the Arctic Council. In July 2016, NATO will hold a major summit in Poland that offers an opportunity for the Alliance to focus on the Arctic. Russia is expected to invest heavily in the Arctic region even with the fall in crude oil prices.

To ensure that the U.S. maximizes its leadership role on the Arctic region, the following issues should top its Arctic agenda for 2016:

1. U.S. Chairmanship of the Arctic Council.

The U.S. took over the chairmanship of the Arctic Council from Canada on April 24, 2014, during the Arctic Council Ministerial meeting in Iqaluit, Nunavut, Canada. Holding the chairmanship offers the U.S. an opportunity to shape the policy agenda in the region, but so far limited progress has been made.

The chairmanship of the Arctic Council is not a necessarily powerful position. However, the country holding the chair is offered the opportunity to set the council's agenda. The U.S. should focus its chairmanship on establishing realistic and achievable goals. To this end, the U.S. should promote economic freedom in the Arctic, raise awareness in the U.S. about the region and the Arctic Council, work to promote the needs of all Alaskans, work to find peaceful resolutions of all Arctic maritime border disputes, block

the European Union (EU) Commission's application for observer status, and improve capabilities for search and rescue (SAR) and disaster response.

The U.S. should also start working closely with Finland, which will take over the chairmanship from the U.S. in early 2017. This will ensure continuity of programs and initiatives started during the U.S. chairmanship.

2. Arctic Security and the 2016 NATO Summit in Warsaw. The next NATO summit will be held in Warsaw, Poland, in July 2016. One area that has been largely ignored by the alliance is the Arctic. NATO is a collective security organization designed to defend the territorial integrity of its members—which includes Arctic territory. Five NATO members (Canada, Denmark, Iceland, Norway, and the United States) are Arctic countries. In addition, two closely allied nations (Finland and Sweden) also have Arctic territory.

NATO has no agreed common position on its role in the Arctic region. Although NATO's 2010 Strategic Concept was praised for acknowledging new security challenges for the alliance—such as cyber and energy security—Arctic security was not included. In fact, the word “Arctic” does not appear in the 2010 Strategic Concept, the 2010 Lisbon NATO summit declaration, the 2012 Chicago NATO summit declaration, or the 2014 Wales NATO summit declaration.

It is time for NATO to develop a comprehensive Arctic policy to address security challenges in the region. This should be done in cooperation with non-NATO members Finland and Sweden. The U.S. should use the next summit to get the Arctic on NATO's agenda and ensure that the alliance agrees on a common policy toward the region's security.

This paper, in its entirety, can be found at <http://report.heritage.org/ib4505>

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3. Economic Freedom in the Arctic. Economic freedom should be one of the foremost driving principles of U.S. policy toward the Arctic region. Shipping, tourism, and resource excavation in the Arctic will likely increase in the future. The region is rich in minerals, wildlife, fish, and other natural resources. According to some estimates, up to 13 percent of the world's undiscovered oil reserves and almost one-third of the world's undiscovered natural gas reserves are located in the Arctic.

For the people who live in the Arctic, including the 10,000 people who live on the North Slope of Alaska, the best way to improve living conditions is by pursuing policies that promote economic freedom. Economic freedom spurs innovation, prosperity, and respect for the rule of law. Economic growth will help alleviate unemployment as well as many of the social and technological challenges faced in the region. Furthermore, economic freedom would promote the types of development that mitigate the likelihood and impact of environmental disasters.

Rather than hampering economic growth in the Arctic or ignoring it altogether, the U.S. should work to promote economic freedom as a way to better the lives of people living in the region and use transparency and free markets as a tool to encourage responsible development of the Arctic moving forward.

4. U.S. Arctic Waters. As stated above, economic interests will continue to grow in the Arctic. However, Alaskan Arctic populations face infrastructure challenges unique to the region, such as unpredictable sea ice, insufficient communications, port accessibility, and relatively frequent hurricane-force weather conditions.

Given these challenges and the likely increase in Arctic traffic, America's ability to provide adequate presence and response will only become more essential. Since 2010, the U.S. Coast Guard has argued that it requires three medium and three heavy polar icebreakers to fulfill its polar missions.¹ It currently sails only one of each. The *Polar Star*, America's only heavy polar icebreaker (and the only class of icebreaker capable of year-round Arctic operations), is over 40 years old and required major repair work a few years ago to keep operating. It is expected to be retired around 2020. A new heavy polar icebreaker

has been discussed for years, but with a price of roughly \$1 billion and a building-time estimate of 10 years, it has not gained traction. Congress should examine all options in rebuilding icebreaking capacity, including purchasing foreign-built vessels. Congress can also support the Coast Guard's ability to provide maritime domain awareness in Arctic waters through more investment in unmanned systems.

5. Russian Militarization of the Arctic. Russian President Vladimir Putin has made it clear that the Arctic is an important region for Moscow. Russia's new naval doctrine makes the Arctic region a top priority. The Northern Fleet, which already makes up two-thirds of the country's navy, is to be reinforced by the equivalent of a marine brigade. The force will be stationed near Pechenga, Murmansk Oblast, which is less than nine miles from the border with Norway.

A new Arctic command was established in December 2014 to coordinate all Russian military activities in the region. Soviet-era military facilities, including airfields and naval and border guard bases, are being reopened across the Arctic region. Russia is developing a 1.7 metric ton drone specially designed for Arctic use. The unmanned surveillance vehicle is expected to come into service in 2017 and have a flight range of 2,485 miles, enough to make the round trip from the Russian coast to the North Pole twice.

The U.S. needs to remain vigilant in the Arctic and invest in proper military capabilities that will defend and secure American sovereignty in the region. It is Russia's prerogative to freely place military assets within its national territory. Nevertheless, such deployments should be of concern to others because Moscow has recently shown its willingness to use force to achieve objectives beyond its borders. There is no reason to assume that the Arctic region will be any different.

The Way Ahead

The decisions and investments made now will greatly affect how the U.S. handles future Arctic challenges. As other nations devote resources and assets in the region to secure their national interests,

1. Ronald O'Rourke, "Coast Guard Polar Icebreaker Modernization: Background and Issues for Congress," Congressional Research Service Report for Congress, December 14, 2015, <https://www.fas.org/sgp/crs/weapons/RL34391.pdf> (accessed January 6, 2016).

America cannot afford to fall behind. With the Arctic becoming increasingly important for economic and geopolitical reasons, now is not the time for the U.S. to turn away from its own backyard.

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