



The Big Three in the Arctic

China's, Russia's and the United States' strategies for the new Arctic

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Sammanfattning

Den arktiska regionen förändras snabbt som följd av isavsmältning på land och till havs. Klimatförändringen i Arktis är dubbelt så snabb som i resten av världen. Det sammanlagda utfallet är svårt att förutse. En rad statliga och icke-statliga aktörer intresserar sig alltmer för Arktis. Fokus för studien ligger på Kina, USA och Ryssland och hur de agerar i det framväxande nya Arktis. Studien täcker utvecklingen fram till slutet av 2015.

De i studien tre undersökta statliga aktörerna har mycket olika profil, beslutssystem och grad av öppenhet om sina respektive strategier och handlingslinjer för Arktis. Geografisk placering och formuleringen av nationella intressen i Arktis skiljer sig åt mellan länderna och påverkar hur utvecklingen av respektive studerat lands politik för Arktis prioriteras.

Ryssland har omfattande planer för utvecklingen av Arktis genom utbyggnad av infrastruktur för energi- och mineralutvinning, sjöfart samt av militär förmåga. Ryssland har också den längsta kuststräckan bland Norra ishavets kuststater. Landets förmåga att påverka i Arktis borde därmed på lång sikt ytterligare öka. Den militära komponenten utvecklas relativt väl medan energisektorn utmanas av låga priser. Rysslands agerande gentemot Ukraina har lett till en omfattande förtroendeförlust i omvärlden och kommer sannolikt att skada det internationella samarbetet i Arktis.

Kina kommer sannolikt att försöka dra långsiktiga fördelar av dynamiken i Arktis. Faktorer helt eller delvis utanför Kinas kontroll kommer att påverka i vilken grad man kan agera. Kinas bilaterala relationer med kuststaterna i Arktis är avgörande för inflytandet på utvinningen av naturresurser där. Kinas naturvetenskapliga satsningar i Arktis kommer att fortsätta. Arktis är en arena där Kina kan framställa sig som en ansvarstagande internationell aktör. Kinas försök att få tillträde till Grönland och Island genom olika samarbetsprojekt ökar dock misstron mot denna politik bland andra statliga aktörer i Arktis, i synnerhet i väst. Kina får också övertaget i relationen till Ryssland, något som ytterligare förstärkts i och med den ryska aggressionen mot Ukraina från 2014 och framåt.

USA har som världsmakt med globala intressen en avsevärd potential att påverka utfallet av utvecklingen i Arktis. Detta bromsas av den nuvarande inrikespolitiska polariseringen och element av byråkratiska strider och försvarsgrensmotsättningar. USA:s strategiska dagordning är lång och skiftande, men Arktisfrågorna är viktigare än tidigare. Den långsamma ratificeringsprocessen för FN:s havsrättskonvention (UNCLOS) och anskaffningen av nya isbrytare är två exempel på faktorer som påverkar USA:s internationella inflytande i Arktisfrågorna negativt. Samtidigt är strategi- och policyutveckling bättre underbyggd av vetenskapliga analyser, strategier och policydokument än för fem år sedan.

En förändring av Arktis strategiska roll och betydelse kan komma till följd av externa utvecklingar medan klimatförändringarna fortsatt påverkar regionen. Med betydligt lägre energi- och mineralpriser har det akuta behovet av att lösa de territoriella frågorna minskat, men dessa kommer att förbli en viktig bakgrundsfaktor. Klimatförändringarna ligger till största delen utanför politisk kontroll annat än indirekt och på lång sikt, men kommer att fortsätta vara en drivkraft för geostrategisk förändring i Arktis.

Ryssland och USA är de två stater som kommer att avgöra mycket av det strategiska mönstret i Arktis. Både Ryssland och Kina är på olika sätt konstanta faktorer i Arktis; Ryssland tack vare sitt geografiska läge och Kina genom sina ekonomiska intressen i regionen. Det är USA som har den största potentialen och kapaciteten att influera den framtida dynamiken i det framväxande nya Arktis genom att vidareutveckla sin politik för regionen.

Nyckelord: Arktis, USA, Kina, Ryssland, Ukraina, Grönland, Island, UNCLOS, FN:s Havsrättskonvention, energi, geostrategisk förändring, klimatförändring, isbrytare, Norra ishavet, Arktiska rådet, Alaska.

Executive summary

The Arctic region is changing fast as a consequence of ice-melt on land and at sea. Climate change in the Arctic region is about twice as fast as in the rest of the world. A number of follow-on effects can already be observed, but the final outcome is hard to foresee. A number of both state and non-state actors have, as result taken an interest in the Arctic. The focus of this study is on three state actors – China, Russia and the United States – and how they respond to the emerging new Arctic. The study covers developments up to the end of 2015.

The three states in this study have very different profiles, decision-making systems and a greatly varying degree of openness on their strategies and policies. Geography, national interest and how they set their priorities differ.

Russia is positioning itself in the Arctic and has ambitious plans with regard to the energy and mineral sector, shipping and the build-up of its military capabilities. While the military component in the strategy seems to be developing reasonably well, plans concerning energy are facing considerable challenges as the economic rationale for extraction projects due to lower energy prices is weakening. Russia's actions with regard to Ukraine have undermined Russian standing and confidence internationally and are likely to damage cooperative relations for the Arctic.

Chinese actions will probably aim to take advantage of the new dynamic in the Arctic while its interests will likely remain unchanged over the long term. Factors partly or completely outside of China's control will influence to what extent these interests can be pursued. The status of Beijing's bilateral relations with Arctic littoral states will have a decisive impact on China's ability to exploit natural resources in the region. The climate change and ice and permafrost melt will continue and so will Chinese natural science efforts in the Arctic. The Arctic offers China an arena and an opportunity to develop and project its image as a responsible stakeholder in international affairs. Chinese attempts at gaining access and influence with different types of cooperative projects on Greenland and in Iceland feed into already existing mistrust, particularly in the West. China is increasingly gaining the upper hand in its relation to Russia. Russian aggression towards Ukraine from 2014 has accentuated this development.

A world power such as the United States has the potential to profoundly influence the development of the Arctic. This is impeded by the current domestic political climate of polarization, elements of bureaucratic infighting and elements of inter-service rivalry. The overall strategic agenda of the United States is long and its priorities shift, leading to competition for attention and resources. The Arctic is today higher on the United States policy agenda than five years ago and its policy development is today underpinned by better scientific research, analyses and policy statements up to and including the presidential level. The slow ratification process of UNCLOS and lacking federal funding for enhanced icebreaker capabilities detracts from United States Arctic influence internationally.

A change in the state of Arctic affairs may come as a result of shifts in factors external to the Arctic while climate change will continue to change the region. With energy and mineral prices significantly lower, the acute pressure to solve the territorial issues has lessened, but it will still remain a significant factor. Climate change lies mostly outside of political control other than in a very long-term perspective and will remain a driver for geostrategic change in the Arctic.

Russia and the United States will determine much of the strategic pattern in the new Arctic. Russia and China are in different ways constant factors in the emerging new Arctic; Russia due to its geographic position and China through its long-term economic and trade interests. However, it is the United States that has both the choice and the potential to influence much of the future dynamic of the emerging new Arctic.

Keywords: Arctic, United States, China, Russia, Ukraine, Greenland, Iceland, UNCLOS, energy, geostrategic change, climate change, Icebreaker, Arctic Ocean, Arctic Council, Alaska

Foreword

FOI has studied the changes taking place in the Arctic region since 2008. Gradually, the knowledge of the geopolitical dynamic of the region as well as several other aspects have been built up. The changing Arctic is not something for a distant future, it is happening now. Today, this attracts attention both in Sweden and in the international debate and has prompted analysis on the emerging new Arctic region. One major aspect of the changes is that several state actors, are taking an interest in the region. This forms part of the backdrop for this study. The interests among state actors vary, decision-making processes differ greatly and geography still matters when national strategies and policy for a fast changing region are to be crafted and executed. The Arctic is increasingly turning into a region connected with the rest of the world. Moreover, the interplay with other developments outside the Arctic region will influence the priorities of major actors and thus effect the outcome in the region. What happens in the Arctic doesn't stay in the Arctic and what happens elsewhere might well end up in the Arctic.

This study, undertaken by Märta Carlsson, Kaan Korkmaz and Niklas Granholm, mainly during the autumn of 2014 and with a long hiatus during most of 2015, looks at three of the major state actors in the Arctic with the most potential of influencing the future of the region. Three of FOI's research programs have contributed; The Russia Studies Programme (RUFS), the Asia and Middle Eastern Security Studies Programme and the Nordic and the Transatlantic Security Studies Programme (NOTS). The three perspectives in the study have hopefully contributed to an increased understanding of the Arctic regional dynamic underway.

The finished manuscript was reviewed by Dr. Richard Langlais and Dr. Johannes Malminen, both with FOI. Senior Analyst Jerker Hellström contributed with critical comments on the draft manuscript.

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1 Introduction – a New Arctic Attracts Major Powers

The primary driver in the ongoing geostrategic change in the Arctic is the climate change. It is twice as fast there as in the rest of the world. Change in the Arctic is real and it is happening now. There are numerous follow-on effects. The ice-melt on land and at sea leads to improved possibilities for extraction of the substantial energy and mineral resources in the region. New transoceanic shipping lanes through the region open up gradually, offering substantially shorter transit times for sea-borne trade. The Arctic region also holds some of the world's best fisheries, important protein sources which are affected by the rapidly changing conditions. The unique natural environment is sensitive to pollution and environmental change. The permanently ice-covered Arctic Ocean has not been contested, but with the ice-melt and the prospect of extraction of natural resources, this issue has come to the fore in recent years. A number of notifications with substantial territorial overlaps from Arctic states for extension of Exclusive Economic Zones (EEZ) are under review by the Committee on the Limits of the Continental Shelf (CLCS), the organ that under the United Nations Convention of the Law of the Sea (UNCLOS) handles delineation of sea-territories. The rights of the indigenous populations inhabiting the Arctic has also come to the fore. Increased human activity in the region entails an increased need for surveillance of territory, fisheries control and issues of maritime safety.

The military strategic role of the Arctic region is also under change. The Arctic Ocean ice-cap continues to play a role for nuclear second-strike capability, upheld by strategic submarines operating under or close to the ice-edge since the 1960s. Outside of the region, the worsening geopolitical situation slows, limits or inhibits further build-up of international cooperation to manage the emerging new Arctic. The Russian aggression towards Ukraine is a case in point, leading to damage to the climate of cooperation and generally increasing mistrust that is likely to affect the Arctic region.

One of the more important international bodies that exclusively addresses Arctic issues is the Arctic Council (AC). Established with the Ottawa Declaration in 1996, and with eight permanent member states, it has developed into a central multilateral forum for Arctic issues.¹ Initially a low-key setup, the AC until recently did not have its own budget. Instead, the member states, rotating the chairmanship of the council every two years, financed its activities. Typical activities at the biennial ministerial meetings, usually attended by ministers for the

¹ The permanent eight members of the Arctic Council are: The United States, Canada, Denmark (with Greenland and the Faroe Islands), Iceland, Norway, Sweden, Finland and Russia. The statutes of the council expressly exclude discussion of military matters.

environment, or their deputies, are the presentation and discussion of the results of advanced scientific studies and the distribution of new funding for continued research. During 2007-2008, this state of affairs began to change. The realisation that rapid changes occurring in the Arctic would lead to far-reaching geopolitical implications began to affect the AC. A concern that gradually became part of the agenda was that rapid developments could get out of hand, with the risk of a political maelstrom where unforeseen and uncontrolled events could lead to an action-reaction pattern, exacerbating tensions and environmental risks. This seems to have focused policy-making circles in the AC member states, and more effort was put into making the Council *the* central forum for Arctic affairs. Gradually, the increased interest in the AC led to attendance by foreign ministers and even prime ministers at the summit meetings.

The AC, being an intergovernmental cooperative body, succeeded in agreeing on two legally binding agreements on search and rescue and oil-spill countermeasures for the Arctic region. The AC was also given a secretariat and a proper budget, and it increased its information efforts. A number of permanent observer states and organisations were also admitted, increasing the number of observers to twelve non-Arctic states, one of which is China.²

It is fair to say that the AC, in the years from 2007 and onwards, went from a bottom-up and decision-shaping approach to more of a top-down and decision-making organisation, without changing its remit. The AC today counts for more than it did ten years ago, which reflects the increased attention being paid to the changes in the Arctic region.

The factors outlined above develop according to their own speed and inner logic. Their interaction, or lack thereof, makes the outcome for the Arctic hard to foresee since they may reinforce or cancel each other out in unexpected ways. If, for instance, a lower world market price of oil slows investments in the Arctic, it might in turn lead to less shipping through the region since the infrastructure needed to support development of the sea-borne traffic will not be sufficiently developed. To meet environmental challenges, a reasonable level of trust between states in the region is needed, which might suffer as result of inter-state tensions, lack of cooperation or at worst open conflict.

The list of examples can be made longer, and it is not the object of this study to develop them further here. Suffice it to say that the Arctic region is affected by developments elsewhere and it affects developments beyond it. The changes in the region – leading to a new and more important Arctic – are attracting the interest of

² Since the Kiruna Summit meeting in May 2013, the 12 permanent observer states are; China, France, Germany, India, Italy, Japan, Republic of Korea, Netherlands, Poland, Singapore, Spain and the United Kingdom. The European Union and Turkey have also applied for permanent observer status, but have so far not been admitted, but hold the status of “ad-hoc observers,” meaning that they have to apply for attendance before each AC meeting.

several actors both in the region and outside it. State and non-state, international multilateral organizations, commercial ventures and NGOs of different types are now either active actors in the Arctic, or are considering activities there.

The states with perceived direct and indirect interests in the Arctic all have different sets of assets and resources – political, economic and military – for addressing and influencing the wide range of changing factors there. How might these state actors then use and coordinate their respective assets and resources? Moreover, these assets and resources are unevenly distributed and present a new dynamic challenge when applied to the Arctic.

Given this set of circumstances – an uneven distribution of resources and a geopolitical and climatological dynamic Arctic – three state actors stand out, due to their pivotal role in the international system; China, the United States and Russia – “the Big Three”. A reasonable assumption is that these three actors with a global outlook will strongly influence much of how the strategic pattern in the Arctic develops, either through their activities and initiatives, or through the absence thereof. While these three pivotal actors are the focus of this study, other actors important to the Arctic region, the coastal states around the Arctic Ocean, the other Arctic states and the European Union among them, also influence the Arctic region. However, the three major powers at the center for this study hold a combination of resources that other actors cannot match. They are simply vastly more powerful as actors in the international system. Knowing more about how the three major powers relate to the Arctic region and how this might affect the region is central in assessing current and future developments there. This forms the main rationale for selecting them as the focus of the present study.

The purpose of this study can then be formulated as being to analyse the strategies of three state actors, Russia, China and the United States, regarding the Arctic region. Three main questions are addressed. Firstly, what are the issues and goals that they prioritise in relation to the Arctic? Secondly, what is being done to achieve them? Thirdly, what might these priorities mean for the dynamic in the Arctic region?

Consideration of the study’s three main questions proceeds on the understanding that Russia, China and the United States are very different as great powers. This shapes their respective Arctic strategies and policies accordingly. In order to assess the latter, a cursory overview of their basic positions serves as a useful starting point.

The United States is, and will for the foreseeable future remain, the globally pre-eminent state, given its resources, economy, soft power assets and military hard power. The United States is relatively new as an Arctic power. With the Alaska purchase in 1867, Arctic dimensions became a factor in US foreign policy and have remained so ever since.

For Russia, the Arctic has for centuries been part of the national identity. With the longest coastline towards the Arctic Ocean and the potential of vast Arctic natural resources, Russia's focus on the Arctic forms part of its long-term national interest. New strategies on how to develop the energy, transport and security sectors have been published in 2008 and 2013, followed by deployments of military assets and construction of infrastructure for extraction of natural resources.

China, although situated outside the Arctic, is eyeing the Arctic from the perspective of a rising great power. With increasing economic resources, the calculus of what can be done on the international stage changes – it is more of seeing possibilities rather than limitations. China can venture out into the wider world in ways previously not possible and the Arctic is one more region where this can be observed. In recent years, an increased interest in Arctic economic affairs, mainly focused on shipping, extraction of natural resources and to an extent fisheries, has been discerned. The possibility of a gradually opening Northern Sea Route between Europe and Asia has also attracted Beijing's attention. Politically, China has gained Permanent Observer status at the Arctic Council. China is also spending resources on Arctic research, particularly in the natural sciences. In spite of those and other activities, though, China has yet to formulate publicly a coherent Arctic strategy.

The preceding cursory overview of "The Big Three" leads to an outline of how to conduct the study and some methodological issues. Although indications are clear that they engage with the Arctic in different ways and that those differences may appear to pose a methodological dilemma, the authors reasoned that this would be addressed by dividing the study into distinct state-centric parts. While the differences are clearly observed, some factors are common to all three study objects: geography provides different basic circumstances, the formulation of national interest and setting of policy priorities will have to be met in the different policy-making circles in each national system and with differing starting points and experiences. This state-centric approach to the analysis, undertaken separately and in parallel, is followed by a comparison of the results of the analyses. The drafts were then discussed jointly and informed the discussion and conclusions in the concluding chapter.

The three analytical processes differed somewhat. The two chapters on Russia and China rely exclusively on a thorough analysis of available publications, official statements, published strategy documents and previous studies within the respective programs as the main body of their sources.

The author of the chapter on the U.S. had a similar approach, but had also the opportunity to complement the analysis with interviews and attend conferences *in situ* in Washington D.C.

The study is designed so that reading the concluding chapter may suffice for some, while others can choose to read each chapter individually, in any order, depending on time and interest.

2 To develop the Arctic – a Russian perspective

From a Russian perspective, the current world order, where the United States has the foremost position, is in decline and about to be replaced by an arrangement where a few strong countries will rule and solve the problems that might occur. China and Russia would together with the United States, according to this line of thinking, dominate the world in the future.³

The United States is the most significant country in Russian foreign policy formulation. That relationship has followed a negative trend, with the exception of the years around the dissolution of the Soviet Union, the period immediately following September 11, and a brief time after the United States' launch of the so-called "reset policy." This negative trend was further exacerbated by the Russian aggression towards Ukraine. Since the ties with the West were severely damaged by the Russian involvement in Ukraine, Russia has attempted to increase cooperation with China. This development is more to the benefit of China, which takes the opportunity to advance its position in relation to Russia. The elements of competition and distrust that have always been present in that relationship continue to prevail.⁴

The Arctic is a vital region to Russia. In the beginning of 2013, Russia launched a new Arctic Strategy. To further its claims in the Arctic, Russia submitted a revised application to the UN Commission on the Limits of the Continental Shelf (CLCS) in August 2015.⁵ Russia first handed in an application in 2001, but was requested to provide additional scientific evidence that the Lomonosov and Mendeleev underwater mountain ridges are extension of the continental shelf.⁶

President Putin has described the region as a part of the Russian "sphere of special interests", due to its importance from military, economic and natural resources

³ Lo, Bobo (2008) *Axis of Convenience: Moscow, Beijing and the New Geopolitics*, Harrisonburg, Royal Institute of International Relations, pp. 43–44; Ministry of Foreign Affairs (2013) 'Konceptsiya vneshnei politiki Rossiiskoi Federatsii', *Ministry of Foreign Affairs*, 12 February 2013, on the Internet: http://www.mid.ru/brp_4.nsf/0/6D84DDEDED7DA644257B160051BF7F (retrieved 13 November 2013), §§ 5–6.

⁴ Carlsson, Märta; Oxenstierna, Susanne and Weissmann, Mikael (2015) *China and Russia – A Study on Cooperation, Competition and Distrust*, FOI-R--4087--SE (Stockholm, FOI).

⁵ Koivurova, Timo; Kämpylä, Juha and Mikkola, Harri (2015) 'Continental Shelf Claims in the Arctic: Will Legal Procedure Survive the Growing Uncertainty', *FIIA Briefing Paper*, No. 178, August 2015, p. 4.

⁶ Carlsson and Granholm (2013) *Russia and the Arctic: Analysis and Discussion of Russian Strategies*, p. 18.

perspectives.⁷ At times, Russia's aspirations in the Arctic come into conflict with each other. Russia wishes to open up the area to increased commercial activities, but strong security interests in the Arctic make Russia want to keep the area under close control. Increased attention from China and the United States to the region would in Russian eyes make it even more significant, but at the same time, there is limited state presence in the region.

The purpose of this chapter is to analyse how Russia promotes its interests in the Arctic and the challenges it faces in doing so. The chapter analyses the 2013 Arctic Strategy with regard to energy, the Northern Sea Route, and security, as those three fields stand out as Russian priorities for the region. In most recent years, developments within the security field have been more accentuated than in the other two fields and are, therefore, the focus of this chapter.

The Arctic Strategy

The 2013 Arctic Strategy is an elaboration of the policy document from 2008, *Foundation of the State Politics of the Russian Federation on the Arctic until 2020 and in the Longer Perspective*.⁸ In line with the Strategy, Russia has the ambition of strengthening its position in the Arctic by increasing the exploitation of natural resources and shipping along the Northern Sea Route and, as a result of that stronger commercial presence, improving the monitoring of the area by using the Armed Forces, the Border Troops and the Ministry for Civil Defence, Emergencies and Elimination of Consequences of Natural Disasters (EMERCOM). Generally speaking, the 2013 Arctic Strategy takes many of the challenges connected to the Russian ambition of developing the Arctic into account. The tight 2020 timeframe stipulated in the Strategy is best understood as sign of determination rather than a realistic assessment of the time needed to reach the goals.

Energy

Russia continues to have strong ambitions with regard to exploitation of natural resources, primarily oil and gas. The 2015 National Security Strategy describes a harsher international climate with an increased competition for resources, access to markets and control over transport routes. In this context it is of special importance to be the primary player in developing the resources in, among others,

⁷ President of Russia (2014) 'Zasedanie Soveta Bezopasnosti po voprosu realizatsii gosudarstvennoi politiki v Arktike', *President of Russia*, 22 April 2014, on the Internet: <http://news.kremlin.ru/news/20845> (retrieved 23 April 2014).

⁸ See Carlsson, Märta and Granholm, Niklas (2013) *Russia and the Arctic: Analysis and Discussion of Russian Strategies*, FOI-R--3596--SE (Stockholm, FOI) for information on the 2008 policy document.

the Arctic.⁹ The 2013 Arctic Strategy sets the goal of further exploration of the continental shelf and improvement of the infrastructure connecting the oil and gas fields of the Arctic with the rest of European Russia.¹⁰

In 2014, off-shore exploitation was conducted at the Prirazlomnoe Oil Field, in the Pechora Sea, while the development of onshore oil and gas resources was concentrated to the Yamal Peninsula.¹¹ Russia faces significant challenges with regard to extraction of oil and gas in the Arctic. It involves considerable time and investment, as well as high risk, due to the harsh climate and the long distances to relevant infrastructure.¹² For the off-shore projects, the lead times are very long, which implies that it can take more than 20 years before it is possible to start producing high volumes. It can be questioned whether their potential will ever be realized.¹³ Adding to the challenges is the fact that Gazprom and Rosneft – the two leading energy companies in Russia – lack the experience and technology required for offshore drilling, and depend on international cooperation to exploit the continental shelf. The Russian government has given the companies an exclusive position in prospecting the shelf, so that domestic and international companies that are interested in such endeavours are compelled to cooperate with them.

Developments elsewhere in the world have put further obstacles in the way of oil and gas exploitation in the Arctic. The global financial crisis, in 2008, resulted in sharply lower oil and gas prices. The price of gas was moreover affected by the boom in the development of shale gas¹⁴ and the export of cheap liquefied natural gas (LNG) from the Middle East and North Africa to Europe,¹⁵ which is Russia's primary market. The lower world market prices of hydrocarbons removed the economic rationale for some of the projects in the Russian Arctic. Norwegian Statoil and Italian Eni withdrew from the Shtokman Field, in the Barents Sea, one of the richest gas deposits in the world; in August 2012 exploitation was put on

⁹ President of Russia (2015) 'Strategiia natsionalnoi bezopasnosti Rossiiskoi Federatsii', *President of Russia*, on the Internet: <http://static.kremlin.ru/media/events/files/ru/18iXkR8XLAtxeilX7JK3XXy6Y0AsHD5v.pdf> (retrieved 7 January 2016), § 13.

¹⁰ The Russian Government (2013) 'Strategiia razvitiia arkticheskoi zony Rossiiskoi Federatsii i obespecheniia natsionalnoi bezopasnosti na period do 2020 goda', *The Russian Government*, on the Internet: <http://government.ru/news/432> (retrieved 4 September 2014), § 11.

¹¹ Klimenko, Ekaterina (2014) *Russia's Evolving Arctic Strategies*, SIPRI Policy Papers No. 42 (Sweden, SIPRI), pp. 5–6.

¹² Zysk, Katarzyna (2011) 'The Evolving Arctic Security Environment: an Assessment' in Stephen Blank (ed.) *Russia and the Arctic* (Carlisle, US Army War College Strategic Studies Institute), p. 98; Zonn, Igor and Zhiltsov, Sergei (2012) 'Zakhvatit i razburit', *Nezavisimaia gazeta*, 10 April 2012, on the Internet: <http://www.ng.ru/printed/267577> (retrieved 5 July 2012).

¹³ Mikkola, Harri and Käpylä, Juha (2014) 'Russian Arctic sanctioned', *FIIA Comment*, 2014:16.

¹⁴ Klimenko (2014) *Russia's Evolving Arctic Strategies*, p. 6–7.

¹⁵ Socor, Vladimir (2012) 'Gazprom's Shtokman Project: Relic of a Past Era', *Eurasia Daily Monitor*, 10 August 2012, Vol. 9, Issue 153.

hold.¹⁶ In November 2013, Gazprom announced that it would reduce the volume of its gas extraction in the Bovanenkov Field, on the Yamal Peninsula, by 30–50 percent, due to a decrease in demand.¹⁷ The continued low price of oil during the last few years has further accentuated the situation in the Russian Arctic.

In response to the Russian aggression towards Ukraine in 2014, the EU and the United States introduced sanctions that, among other things, targeted the exploitation of Arctic oil deposits. The sanctions were mainly focused on a suite of prohibitions regarding the export of products and services for deep-water and shale oil exploration and production, generally, and including the Arctic, where drilling was also specifically targeted. The sanctions focused only on the exploitation of new deposits, without affecting those deposits where exploitation was already underway.¹⁸ ExxonMobil was, as a result, forced to end its cooperation with Rosneft regarding drilling in the Kara Sea (Universitetskaya-1) in September 2014.¹⁹ According to Finnish experts, the sanctions will, however, not have an impact on Russian oil and gas revenues in the short term perspective, but have to be in force for several years before they can have a major impact on the Arctic projects and on Russian revenues. In their view, it is not the sanctions, but the lack of an economic rationale, that has the greatest risk for jeopardizing Arctic offshore projects.²⁰

¹⁶ Carlsson and Granholm (2013) *Russia and the Arctic: Analysis and Discussion of Russian Strategies*, p. 21.

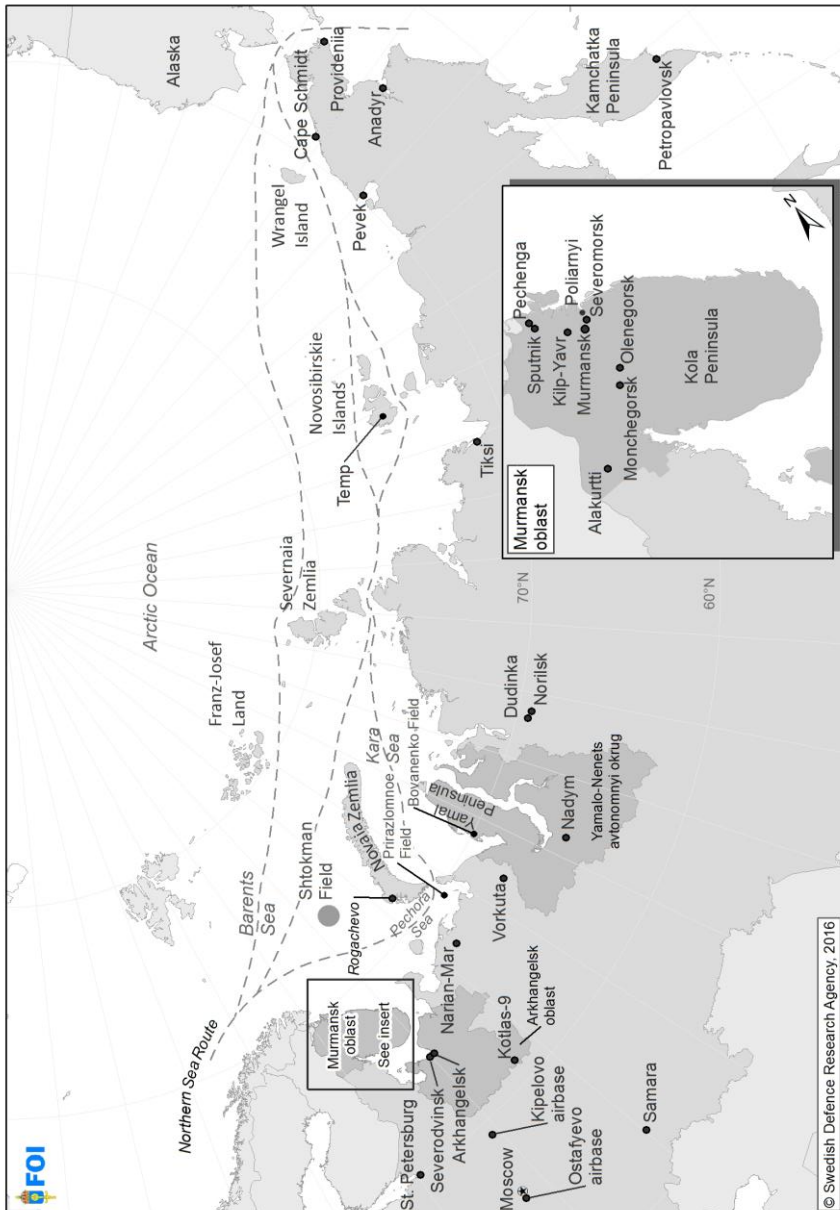
¹⁷ Klimenko (2014) *Russia's Evolving Arctic Strategies*, p. 7.

¹⁸ Council of the European Union (2014) 'Reinforces restrictive measures against Russia', *Council of the European Union*, 11 September 2014, on the Internet: http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/EN/foraff/144868.pdf (retrieved 18 September 2014); European Union (2014) 'EU sanctions against Russia over Ukraine crisis', *European Union*, on the Internet: http://europa.eu/newsroom/highlights/special-coverage/eu_sanctions/index_en.htm (retrieved 18 September 2014); Reed, Stanley and Krauss, Clifford (2014) 'New Sanctions to Stall Exxon's Arctic Oil Plans', *The New York Times*, 12 September 2013, on the Internet: <http://www.nytimes.com/2014/09/13/business/energy-environment/new-sanctions-to-stall-exxons-arctic-oil-plans.html> (retrieved 16 September 2014).

¹⁹ Offshore Energy Today (2015) 'Reuters: No Kara Sea drilling for Rosneft this year', *Offshore Energy Today*, 30 January 2015, on the Internet: <http://www.offshoreenergytoday.com/reuters-no-kara-sea-drilling-for-rosneft-this-year/> (retrieved 7 December 2015).

²⁰ Mikkola and Kämpylä (2014) 'Russian Arctic sanctioned'.

Map of Northern Russia and the Arctic



percent, due to a decrease in demand.²¹ The continued low price of oil during the last few years has further accentuated the situation in the Russian Arctic.

In response to the Russian aggression towards Ukraine in 2014, the EU and the United States introduced sanctions that, among other things, targeted the exploitation of Arctic oil deposits. The sanctions were mainly focused on a suite of prohibitions regarding the export of products and services for deep-water and shale oil exploration and production, generally, and including the Arctic, where drilling was also specifically targeted. The sanctions focused only on the exploitation of new deposits, without affecting those deposits where exploitation was already underway.²² ExxonMobil was, as a result, forced to end its cooperation with Rosneft regarding drilling in the Kara Sea (Universitetskaya-1) in September 2014.²³ According to Finnish experts, the sanctions will, however, not have an impact on Russian oil and gas revenues in the short term perspective, but have to be in force for several years before they can have a major impact on the Arctic projects and on Russian revenues. In their view, it is not the sanctions, but the lack of an economic rationale, that has the greatest risk for jeopardizing Arctic off-shore projects.²⁴

The Northern Sea Route

The greatest obstacle to the development of the Arctic is the lack of infrastructure in the region. The Northern Sea Route and related transport infrastructure on land are key to address this issue.²⁵ The route is seen as vital for the exploitation and export of the natural resources in the region.²⁶ In addition, Russia aims at increasing its importance for international shipping between Europe and Asia. In the Russian view the Northern Sea Route should remain a national transport route

²¹ Klimenko (2014) *Russia's Evolving Arctic Strategies*, p. 7.

²² Council of the European Union (2014) 'Reinforces restrictive measures against Russia', *Council of the European Union*, 11 September 2014, on the Internet: http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/EN/foraff/144868.pdf (retrieved 18 September 2014); European Union (2014) 'EU sanctions against Russia over Ukraine crisis', *European Union*, on the Internet: http://europa.eu/newsroom/highlights/special-coverage/eu_sanctions/index_en.htm (retrieved 18 September 2014); Reed, Stanley and Krauss, Clifford (2014) 'New Sanctions to Stall Exxon's Arctic Oil Plans', *The New York Times*, 12 September 2013, on the Internet: <http://www.nytimes.com/2014/09/13/business/energy-environment/new-sanctions-to-stall-exxons-arctic-oil-plans.html> (retrieved 16 September 2014).

²³ Offshore Energy Today (2015) 'Reuters: No Kara Sea drilling for Rosneft this year', *Offshore Energy Today*, 30 January 2015, on the Internet: <http://www.offshoreenergytoday.com/reuters-no-kara-sea-drilling-for-rosneft-this-year/> (retrieved 7 December 2015).

²⁴ Mikkola and Käpylä (2014) 'Russian Arctic sanctioned'.

²⁵ Krivoschapko, Yulia (2012) 'A my poidem na Sever', *Rossiiskaia Gazeta*, 5 April 2012, on the Internet: <http://www.rg.ru/printable/2012/04/05/arktika.html> (retrieved 20 September 2012).

²⁶ Klimenko, Ekaterina (2016) *Russia's Arctic Security Policy: Still Quiet in the High North?*, SIPRI Policy Papers No. 45 (Sweden, SIPRI), p. 10.

under Russian jurisdiction, which stand in contrast to the United States' claim of free navigation. According to the 2013 Arctic Strategy, the necessary land-based infrastructure, such as seaports, railways, roads and airports will be built in order to facilitate the increased use of the Northern Sea Route.²⁷ Except for the ports in Murmansk and in Petropavlovsk, on the Kamchatka Peninsula, the ports along the route are not equipped to service modern shipping. The improvement of the port infrastructure has been initiated, but might not be fulfilled as planned until 2017. This is due to the route's remoteness and severe climate, which place special demands on construction.²⁸ In June 2015, the Russian government launched the Comprehensive Project for Developing the Northern Sea Route, parts of which were secret. Judging from available information, the programme further highlights the measures needed to facilitate shipping along the route.²⁹ Despite the high ambitions shipping along the Northern Sea Route is decreasing from 1.35 million tons in 2013 to 0.04 million tons in 2015, and is far from the target set by the Ministry of Transport of 64 million tons in 2020.³⁰

For the Northern Sea Route, Russia plans to establish search-and-rescue centres, to develop systems to direct, control and monitor shipping as well as to improve the icebreaker fleet.³¹ This is a precondition in order for Russia to open the route to commercial shipping. In line with official information the EMERCOM would have 18,000 men in the Arctic region. The EMERCOM would, according to the plans, build ten search-and-rescue centres along the Arctic coast (in Dudinka, Murmansk, Narian-Mar, Arkhangelsk, Vorkuta, Nadym, Tiksi, Pevek, Provideniia and Anadyr).³² The centres in Murmansk, Narian-Mar and Arkhangelsk were operational in October 2015, whereas the construction of the others was delayed.³³

The Border Troops has among its assignments to protect hydrocarbon installations and the shipping along the Northern Sea Route as well as the biological resources in the Barents Sea. With an increased level of activity in the Arctic it has been given additional assignments, such as protection of. In 2015 the Federal Security

²⁷ The Russian Government (2013) 'Strategiia razvitiia arkticheskoi zony Rossiiskoi Federatsii i obespecheniia natsionalnoi bezopasnosti na period do 2020 goda', § 12, a, z, k, l, m.

²⁸ Gorenburg, Dmitry (2014) Russian Interests and Activities in the Arctic, CNA Paper, July 2014, p. 11.

²⁹ The Russian Government (2015) 'Spravka o Kompleksnom proekte razvitiia Severnaia morskogo puti', 8 June 2015, on the Internet: <http://government.ru/orders/18405/> (retrieved 7 March 2016).

³⁰ Kämpylä, Juha; Mikkola, Harri and Martikainen, Toivo (2016) 'Moscow's Arctic Dream Turned Sour?', *FIIA Briefing Paper*, No. 192, March 2016, p. 5.

³¹ The Russian Government (2013) 'Strategiia razvitiia arkticheskoi zony Rossiiskoi Federatsii i obespecheniia natsionalnoi bezopasnosti na period do 2020 goda', § 12d, e, zh.

³² RiaNovosti (2015) 'Chislennost' gruppirovki MChS v Arktike dostigla 18 tysiach chelovek', *RiaNovosti*, 13 August 2015, on the Internet: <http://ria.ru/society/20150813/1181723313.html> (retrieved 8 December 2015).

³³ RiaNovosti (2015) 'Puchkov otkryl v Murmanske Arkticheskii avariino-spasatelnyi sentr MChS', *RiaNovosti*, 21 October 2015, on the Internet: <http://ria.ru/arctic/20151021/1305683317.html> (retrieved 8 December 2015).

Service (FSB), which has the Border Troops under its purview established two border guard commands, the western border command in Murmansk and the eastern border command in Petropavlovsk.³⁴ There are plans to establish 20 border stations along the Arctic coast by 2020,³⁵ partly in connection to EMERCOMS's search-and-rescue centres. The Border Troops' ability to monitor the coast and the Exclusive Economic Zone (EEZ) and to enforce regulations is limited as few of its ships are suited for Arctic operations. According to the plans the Border Troops will however receive new ships. Three ice-going vessels (Okean-class) are destined for the western Arctic command by 2019 at the very latest and a new ice-class standard ship is being developed.³⁶

The possibilities for using the Northern Sea Route in the near future also depend on the condition of the icebreaker fleet. In 2015, Russia had four to five nuclear-powered icebreakers. By 2019, all except one will be decommissioned.³⁷ Three nuclear-powered icebreakers and three diesel-electric icebreakers are on order.³⁸ According to plans three will be delivered until 2020.³⁹ The question is whether those will suffice, but also whether they can be delivered in time to keep the Northern Sea Route open for shipping.⁴⁰ Despite the reduction in the extent and thickness of Arctic sea ice due to climate change, icebreaker escort will remain a requirement along the Northern Sea Route in order to ensure safe shipping.⁴¹

Nature constitutes the main obstacle to increased use of the Northern Sea Route. The severe weather conditions make transit times difficult to predict. Icebergs make navigation in the Arctic waters hazardous, which slows shipping. The ice pack breaks up at a different time each year, which forces shipping companies to estimate the period when the Northern Sea Route can be used.⁴² As Finnish experts conclude, this makes the Northern Sea Route "not suitable for the precise logistics

³⁴ Pettersen, Trude (2015) 'New vessels for Russia's Coast Guard', *Barents Observer*, 2 June 2015, on the Internet: <http://barentsobserver.com/en/security/2015/06/new-vessels-russias-coast-guard-02-06>, (retrieved 8 December 2015); FSB Border Administration in the Eastern Arctic Region (2015) 'Khronika vazhneyshikh sobytii istorii Pogranichnogo upravleniia FSB Rossii po vostochnomu arkticheskemu raionu', *FSB Border Administration in the Eastern Arctic Region*, on the Internet: <http://www.svrpu.ru/istoria/hronika.shtml> (retrieved 8 December 2015).

³⁵ Gorenburg (2014) *Russian Interests and Activities in the Arctic*, p. 15.

³⁶ Pettersen (2015) 'New vessels for Russia's Coast Guard'.

³⁷ Klimenko (2016) *Russia's Arctic Security Policy: Still Quiet in the High North?*, p. 25; President of Russia (2015) 'Soveshchanie s chlenami Pravitelstva', *President of Russia*, 27 May 2015, on the Internet: <http://www.kremlin.ru/events/president/news/49539> (retrieved 1 December 2015).

³⁸ Chernov, Ivan (2011) 'Stavki na ldu', *Vzgliad*, 22 September 2011, on the Internet: <http://vz.ru/society/2011/9/22/524454.html> (retrieved 26 September 2012).

³⁹ President of Russia (2015) 'Soveshchanie s chlenami Pravitelstva'.

⁴⁰ Carlsson and Granholm (2013) *Russia and the Arctic: Analysis and Discussion of Russian Strategies*, p. 23.

⁴¹ Klimenko (2014) *Russia's Evolving Arctic Strategies*, p. 10.

⁴² Lasserre, Frédéric (2009) 'High North Shipping: Myths and Realities' in Sven G. Holtsmark and Brooke A. Smith-Windsor (eds.) *Security Prospects in the High North: Geostrategic Thaw or Freeze?* (Rome: NATO Defence College), pp. 194–195.

upon which global trade relies”.⁴³ All in all, those conditions make other transport routes more attractive.

Military Assets

From the perspective of its strategic deterrence capability, the Arctic is of great military importance to Russia. The region is the staging ground for its strategic aviation; missile trajectories to and from the United States cross the region; and the strategic submarines of the Northern Fleet are based there.

In line with the 2013 Arctic Strategy, the Armed Forces should “maintain the necessary level of combat readiness (...) to correspond to current and future military dangers and threats against Russia in the Arctic.” The Armed Forces, it continues, should be able to defend Russia against aggression in the Arctic and, in time of war, be prepared for the use of its strategic deterrence. In line with the Strategy, bases and functions such as Logistics and Rear Service, should be established for the Armed Forces and other types of forces so that they can, if necessary, deploy to the region.⁴⁴

The Arctic is also mentioned in key documents such as the 2014 Military Doctrine and the 2015 Naval Doctrine. The former gives the Armed Forces as well as other forces, such as the Border Troops, the role of safeguarding Russian national interest in the region in peace time.⁴⁵ Along with the 2015 Naval Doctrine Russian naval policy should in the Arctic direction aim at securing the access of the Navy to the Atlantic and Pacific Oceans. The goal of the policy is, furthermore, to “reduce the level of threat to Russian security and to facilitate the strategic stability” in relation to the United States, as well as to improve the capability of the Northern Fleet, which is given a decisive role in defending Russia in the region.⁴⁶

The presence of the Armed Forces in the Russian Arctic is limited, concentrated as it is to the western part of the region. At the most western end, on the Kola Peninsula, are the Northern Fleet’s headquarters in Severomorsk, north of Murmansk. The Northern Fleet also constitute the main military asset in the Arctic.

⁴³ K  pyl  ; Mikkola and Martikainen (2016) ‘Moscow’s Arctic Dream Turned Sour?’, p. 5.

⁴⁴ The Russian Government (2013) ‘Strategiia razvitiia arkticheskoi zony Rossiiskoi Federatsii i obespecheniia natsionalnoi bezopasnosti na period do 2020 goda’, § 18 a–v.

⁴⁵ President of Russia (2014) ‘Voennaia Doktrina Rossiiskoi Federatsii’, *President of Russia*, 26 December 2014, on the Internet: <http://static.kremlin.ru/media/events/files/41d527556bec8deb3530.pdf> (retrieved 18 March 2015), § 32u.

⁴⁶ President of Russia (2015) ‘Morskaiia doktrina Rossiiskoi Federatsii’, *President of Russia*, 26 July 2015, on the Internet: <http://static.kremlin.ru/media/events/files/ru/uAFi5nvux2twaqjftS5yrIZUVTJan77L.pdf> (retrieved 3 December 2015), §§ 59–60.

The next major military base is the Pacific Fleet's, in Petropavlovsk, some 6,000 km away.

According to information in Russian media, the Ministry of Regions, one of the stakeholders in the development of the Arctic, has voiced concern regarding what it perceives as the Armed Forces' limited, if not complete lack of experience and ability to fight in Arctic conditions. Its concern was also raised by the absence of an instant response system, in the event of aggression by another country, and by the transparency of Russia's Arctic border.⁴⁷

In order to increase its presence the Armed Forces has taken several measures. It has commenced a process of establishing a chain of bases along the Arctic coast and on the islands, in many instances probably co-located with EMERCOM and the Border Troops. Furthermore, the Armed Forces attempts to improve command and control, air defence capabilities as well as the radar coverage in the region.

A New Joint Strategic Command

On 1 December 2014, a fifth Joint Strategic Command was established, which according to the plans should be fully operational by 2017.⁴⁸ Russia had until that point four Joint Strategic Commands (West, South, Centre and East), which in peace and war are responsible for the command of all military units within their geographical area, with the exception of joint federal resources, the Strategic Nuclear Forces and the Airborne Forces. The new Joint Strategic Command is headed by the Northern Fleet and will eventually include all troops based in the region.⁴⁹ That means the units in the Murmansk and Arkhangelsk oblast, that is the surface-to-air missile (SAM) regiments on the Kola Peninsula and in Severodvinsk, parts of the 1st aerospace brigade, also on the Kola Peninsula (based in Severomorsk, Poliarnyi and Olenegorsk), the 331st and the 332nd radar surveillance units (in Severomorsk and Arkhangelsk, respectively). It would furthermore encompass all new and restored bases, as well as parts of, or the entire, 1st Air Force and Air Defence Command, in Samara. The Northern Command will

⁴⁷ Litovkin, Viktor (2013) 'Sergei Shoigu zakrepil Arktiky za Rossiei', *Nezavisimaia gazeta*, 7 November 2013, on the Internet: http://www.ng.ru/armies/2013-11-07/1_arctica.html (retrieved 26 November 2013).

⁴⁸ Gundarov, Vladimir (2014) 'Rossia gotovitsia k territorialnym izmeneniiam', *Nezavisimoe voennoe obozrenie*, 28 November 2014, on the Internet: http://nvo.ng.ru/nvoevents/2014-11-28/2_news.html (retrieved 1 December 2014); Vzgliad (2014) 'Putin: Strategicheskoe komandovanie v Arktike dolzhno zarabotat s 1 dekabria', *Vzgliad*, 24 November 2014, on the Internet: <http://www.vz.ru/news/2014/11/24/716839.html> (retrieved 2 December 2014).

⁴⁹ Miasnikov, Viktor (2014) 'Minoborony sashshitit Arkticheskii shelf', *Nezavisimaia gazeta*, 26 November 2014, on the Internet: http://www.ng.ru/armies/2014-11-26/1_arctic.html (retrieved 1 December 2014).

receive logistical support from the Central and Eastern Strategic Commands. It will cooperate with the Interior Troops and the Border Troops in the area.⁵⁰

Naval Forces

The Northern Fleet's primary assets are its strategic submarines and, with regard to surface vessels, destroyers and frigates (see Table 1). Most of the ships in the Northern Fleet have not been designed according to ice-class standards, which limits their ability to operate in Arctic waters. Even with icebreaker escort, it is considered hazardous to conduct operations there.⁵¹ The Northern Fleet increased its presence in the Arctic by establishing moorings in Novaia Zemlia and a permanent base on Novosibirskie Islands in September 2014.⁵² It is notable that the Northern Fleet not only performs military tasks, but also civilian for example shipping of building material for the new bases and cleaning of the environment. The reason for this is most probably the absence of civilian actors able to take on these tasks in the Arctic.

The Navy at large is experiencing a diminishing capability due to the lack of funding for maintenance, refurbishment and acquisition, since the dissolution of the Soviet Union. By 2025–2030, a majority of the Navy's vessels will have been decommissioned. In the 2020 State Armament Programme, which was launched in 2009, the Navy received a significant share, 23.4 percent. Since the programme is secret neither the number of ships that are destined for the Northern Fleet, nor whether they will be designed according to ice-class standards, have been made official. According to information in Russian media the Northern Fleet would receive six submarines (nuclear powered and diesel electric), one destroyer, five frigates, two large landing ships and five minesweepers by 2020.⁵³ It is, however, far from sure that this will be delivered within the designated timeframe. In general, many projects are delayed and has exceeded its budget due to problems in the shipbuilding industry. These are related to a lack of investment in research and development, difficulties in modernizing the industry, the economic downturn

⁵⁰ Gundarov, Vladimir (2014) 'Novyi rubezh oborony Rossii poidet po Severnomu poliosu', *Nezavisimaia gazeta*, 11 September 2014, on the Internet: http://www.ng.ru/armies/2014-09-11/2_north.html (retrieved 11 September 2014).

⁵¹ Antrim, Caitlyn L. (2011) 'The Russian Arctic in the Twenty-First Century' in James Kraska (ed.) *Arctic Security in an Age of Climate Change* (United States of America, Manchester University Press), p. 115.

⁵² Vladkyn, Oleg (2014) 'Nedelia v armii. Rossia vystraivaet oborony po perimetru', *Nezavisimaia gazeta*, 7 September 2014, on the Internet: http://www.ng.ru/week/2014-09-07/11_army.html (retrieved 10 September 2014).

⁵³ Khrolenko, Aleksandr (2015) 'SShA i Rossiia v Arktike: napriazhenie rastet', *RiaNovosti*, 23/30 October 2015, on the Internet: <http://ria.ru/analytics/20151023/1306967014.html> (retrieved 8 December 2015).

in Russia and the war in Ukraine, which has precluded vital cooperation with Ukraine and the West.⁵⁴

Given that the primary task of the Navy is strategic deterrence the renewal of the strategic submarines is the first priority.⁵⁵ Hence, the Northern Fleet has received the first of its four Borei-class strategic submarines. It will, however, take time before Northern Fleet receives additional strategic submarines, as the two under construction are intended for the Pacific Fleet, which eventually also will have four.⁵⁶ The second priority of the Navy is to rebuild its capability to secure the near seas.⁵⁷ This means the order of smaller ships, which will be of more advantage to other fleets than the Northern Fleet.⁵⁸ Larger combatants, such as destroyers and amphibious ships, to improve the blue water capability and relevant for Arctic operations, are more likely to start being delivered to the Navy around 2025.⁵⁹ This is rather late in order to maintain the capability of the Northern Fleet as it is around that point in time the majority of the vessels in the Navy are being decommissioned.

With higher ambitions the same number of ships as before (see table 1) is supposed to cover a greater area in the Arctic, which draws on the military capability of the Northern Fleet. This, in combination with ageing vessels, a State Armament Programme that in the medium-term seemingly prioritizes other fleets and deliveries of larger ships quite distant, make the future capability of the Northern Fleet quite uncertain.

⁵⁴ Gorenburg, Dmitry (2015) 'Russian Naval Shipbuilding: Is It Possible to Fulfil the Kremlin's Grand Expectations?', *PONARS Eurasia Memo*, No. 395, October 2015, pp. 3–4.

⁵⁵ Gorenburg, Dmitry (2015) 'No, the Russian navy isn't going to collapse', *War on the Rocks*, 2 February 2015, on the Internet: <http://warontherocks.com/2015/02/no-the-russian-navy-isnt-going-to-collapse/> (retrieved 9 December 2015).

⁵⁶ Heininen, Lassi; Sergunin, Alexander and Yaravoy, Gleb (2014) *Russian Strategies in the Arctic: Avoiding a New Cold War* (Moscow, Valdai Discussion Club), p 82.

⁵⁷ Gorenburg, Dmitry (2015) 'No, the Russian navy isn't going to collapse'.

⁵⁸ Le Mièrre, Christian and Mazo, Jeffrey (2014) *Arctic Opening: Insecurity and Opportunity* (Abingdon, Routledge), p. 85.

⁵⁹ Gorenburg, Dmitry (2015) 'No, the Russian navy isn't going to collapse'.

Table 1: Selected Operational Vessels in the Northern Fleet 2012-2013

Northern Fleet	
<i>Submarines</i>	<i>Number</i>
Strategic submarines (SSBN) Delta III Delta IV Borei	- 4 (6) 0 (1)
Nuclear-powered cruise-missile submarines (SSGN) Oscar I Oscar II	- 1-2 (3)
Nuclear-powered attack-submarines (SSN) Sierra I Sierra II Akula Victor III	2 (2) 2 (2) 4 (6) 2 (4)
Diesel-electric submarines (SSK) Kilo	? (7)
<i>Surface ships</i>	
Aircraft carriers Kuznetov	0 (1)
Cruisers and Destroyers Slava (C) Kirov (C) Udaloi (D) Sovremennyi (D)	1 (1) 1 (1) 2 (4) 2 (2)
Frigates	n/a
Corvettes	n/a
Large Landing Ships	n/a

Source: Carlsson, Märta; Norberg, Johan and Westerlund, Fredrik (2013) 'The Military Capability of Russia's Armed Forces in 2013' in Jakob Hedenskog and Carolina Vendil Pallin (eds) *Russian Military Capability in a Ten-Year Perspective – 2013*, FOI-R--3734--SE (Stockholm, FOI), p. 29.

Comment: The table shows the number of operational vessels, and the total number of vessels, in brackets. It does not cover the entire Northern Fleet, since information is scarce. "N/a" means information not available; "?" means that the number of vessels in operation is unknown.

Arctic Brigades

There are plans to improve the presence of the Ground Forces in the Arctic. It is not likely, though, that they will compose the nucleus of the Arctic military assets, due to the vast distances involved. The main plan has long been the establishment of an Arctic unit by 2015. It would, according to the initial plan, consist of the 200th motor rifle brigade, in Pechenga. That has been revised, so that it will now be complemented with another motor rifle brigade, which is to be based in the Yamalo-Nenets avtonomnyi okrug in 2016. The units will have, among other things, hovercraft, snowmobiles and all-terrain articulated tracked carriers at their disposal.⁶⁰ The Arctic brigades would be light and mobile, and partially serviced by air transport. According to the plans, a naval and an airborne forces component would be added to the one in Pechenga by 2020.⁶¹ The task of the Arctic brigades is to patrol and protect the coastal area, and to facilitate shipping along the Northern Sea Route.⁶² Furthermore, the 80th independent motor rifle brigade was established in the village of Alakurtti, about 260 kilometres south of Murmansk, in December 2014.⁶³ Moreover, the 99th tactical group was, according to the plans, to be deployed to Novosibirskie Islands by the end of 2014, although this seems to have been delayed.⁶⁴

Air Assets

The Air Force's assets in the Arctic are based around Murmansk, Arkhangelsk and Alakurtti. Close to Murmansk, the air base Kilp-Javr has Su-27 fighters and at Monchegorsk there are both Su-24MR attack aircraft and MiG-25RB reconnaissance aircraft. Meanwhile, interceptor MiG-31s are based at Kotlas-9, south of Arkhangelsk. In Alakurtti mainly transport helicopters (Mi-8) and attack helicopters (Mi-24) are stationed. Furthermore, the Northern Fleet has air assets;

⁶⁰ Khudoleev, Viktor (2014) 'O vnezapnykh proverkakh, arkticheskikh brigadakh i perevooruzhenii', *Krasnaia Zvezda*, 1 October 2014, pp. 1–2; Nikolskii, Aleksei (2014) 'V Arktike sozdaetsia gruppirovka voisk Minoborony', *Vedomosti*, 16 February 2014, on the Internet: <http://www.vedomosti.ru/politics/news/22911551/komu-komandovat-v-arktike> (retrieved 9 May 2014); Mukhin, Vladimir (2014) 'Rossiia razvernula boevye RLS vblizi Aliaski', *Nezavisimaia gazeta*, 3 October 2014, on the Internet: http://www.ng.ru/armies/2014-10-03/1_rls.html (retrieved 1 December 2014); Mukhin, Vladimir (2015) 'Minoborony beret Arktiky pod osobyi kontrol', *Nezavisimaia gazeta*, 19 January 2015 on the Internet: http://www.ng.ru/armies/2015-01-19/1_arctic.html (retrieved 26 May 2015).

⁶¹ Norberg, Johan (2012) 'Russia's Western Military District in Times of Military Reform' in Shinji Hyodo and Carolina Vendil Pallin (eds.) *Neighborhood Watch: Japanese and Swedish Perspectives on Russian Security* (Stockholm: FOI), p. 63.

⁶² Mukhin, Vladimir (2014) 'Rossiia razvernula boevye RLS vblizi Aliaski'.

⁶³ Vorobiova, Olga (2015) 'Ispytany Arktikoi', *Krasnaia Zvezda*, 19 January 2015, on the Internet: http://www.redstar.ru/index.php?option=com_k2&view=item&id=21132 (retrieved 9 December 2015).

⁶⁴ Vzgliad (2014) 'Rossiiskie voennye zaseleli vtoroi gorodok v Arktike', *Vzgliad*, 27 November 2014, on the Internet: <http://vz.ru/news/2014/11/27/717316.html> (retrieved 2 December 2014).

the fighter Su-33 as well as aircraft which can operate over long distances like the Tu-142 anti-submarine aircraft and the Il-38 maritime patrol aircraft (the Northern Fleet has 13 Tu-142M/MR and 14 Il-38).⁶⁵

Close to Murmansk there are two SAM regiments (the 531st, in Poliarnyi, and the 583rd, in Olenegorsk). Another SAM regiment is located close to Arkhangelsk (the 1528th, in Severodvinsk). In 2015 two new SAM regiments were formed in Rogachevo in Novaia Zemlia and in Tiksi, both equipped with S-400 surface-to-air missile systems.⁶⁶ At least one of the regiments in Murmansk oblast also have S-400 as of March 2015,⁶⁷ whereas the others are equipped with S-300P.

The plan to restore airfields in the Arctic has been in existence since at least the spring of 2012.⁶⁸ So far, Rogachevo and Temp, on Novosibirskie Islands, have been restored. Work has also been conducted at the airfields in Tiksi, Narian-Mar, Norilsk, Anadyr and Franz-Josef Land, in order to make them operational in 2016 and 2017 (See Map, on page X, and Table 2). Judging from the way Temp and Rogachevo are organized,⁶⁹ the airfields will probably also have a civilian purpose, either to host staff from EMERCOM and the Border Troops, in order to facilitate the use of the Northern Sea Route, or to support commercial activities in the Arctic. According to international experts, air force units will probably not be based there permanently, but will be deployed there for exercises or operations.⁷⁰ There are additional plans to restore or to build 10 new airfields by 2018 for the long-range aviation and the transport aviation.⁷¹ Moreover, in November 2015 an unmanned aerial vehicle (UAV) unit became operational at Anadyr, in the very eastern part

⁶⁵ IISS (2014) *The Military Balance 2014* (Abingdon, Routledge for the International Institute for Strategic Studies, IISS), pp. 187, 190 and 192.

⁶⁶ TASS (2015) 'Istochnik v Genshtabe: Rossiia v 2015 godu pazvernula v Arktike dva polka S-400', TASS, 8 December 2015, on the Internet: <http://tass.ru/armiya-i-opk/2507179> (retrieved 22 January 2016); Ministry of Defence (2015) 'Na boevoe dezhurstvo v Arktike zastupil novyi zenitnyi raketnyi polk PVO Severnogo flota', *Ministry of Defence*, 9 December 2015, on the Internet: http://function.mil.ru/news_page/country/more.htm?id=12071253@egNews (retrived 9 December 2015).

⁶⁷ Vorobiova, Olga (2015) 'Arkticheskii vektor PVO', *Krasnaia Zvezda*, 10 April 2015, on the Internet: <http://www.redstar.ru/index.php/component/k2/item/23025-arkticheskij-vektor-pvo> (retrieved 9 December 2015).

⁶⁸ Rotshtein, Danil (2012) 'Razmorazhivanie aerodromov v Arktike budet nosit simvolicheskii kharakter', *Kommersant*, 31 May 2012, on the Internet: <http://www.kommersant.ru/doc/1947639> (retrieved 3 September 2012).

⁶⁹ Mukhin, Vladimir (2014) 'Arkticheskaja samooborona', *Nezavisimaia gazeta*, 20 August 2014, on the Internet: http://www.ng.ru/armies/2014-08-20/1_arctic.html (25 August 2014).

⁷⁰ Rotshtein (2012) 'Razmorazhivanie aerodromov v Arktike budet nosit simvolicheskii kharakter'.

⁷¹ Izvestiia (2015) 'Minoborony RF zakanchivaet stroitelstvo voennoi basy v Arktike', *Izvestiia*, 22 October 2015, on the Internet: <http://izvestia.ru/news/593762> (retrieved 1 December 2015).

of the Arctic.⁷² The task of the unit would be to gather intelligence and to ensure the safety of the shipping in the area.⁷³

Since at least 2012, rumours have been circulating about a possible deployment of interceptor MiG-31s to the Arctic. In the autumn of 2012, there was information in Russian media that the Minister of Defence had decided to deploy a group of MiG-31s to Rogachevo airfield by the end of 2013. The aircraft were to be a part of the missile defence system and repel attacks from the north,⁷⁴ as well as escort the strategic submarines of the Northern Fleet from their base to the open ocean. The absence of radar stations, along with the lack of sufficient numbers of modernized MiG-31s, and an airstrip that was too short, prompted Minister of Defence Sergei Shoigu to reverse the decision in February 2013, according to Russian media.⁷⁵ However, in October 2014, the Air Force Commander, Colonel-General Viktor Bondarev, announced that the MiG-31s, together with front-line aircraft, would be permanently based at Tiksi, in 2017.⁷⁶ In addition, MiG-31s will according to the plans also be located to Anadyr.⁷⁷

The Armed Forces has initiated work to improve the air defence capabilities on the Arctic islands, at Novaia Zemlia (Rogachevo), Franz-Josef Land, Severnaia Zemlia, Wrangel Island and Cape Schmidt. The construction of air defence posts, which include radar stations and air traffic control were to be finished by October 2015, according to the plans.⁷⁸ Whether this goal was reached is unclear, but in April 2015 the installation at Franz-Josef Land was operational as well as the radar stations at Rogachevo, Wrangel Island and Cape Schmidt.⁷⁹ The construction of

⁷² RiaNovosti (2015) 'Eskadrilia bespilotnikov VVO pristupila k vypolneniiu zadach v Arktike', *RiaNovosti*, 23 November 2015, on the Internet: http://ria.ru/defense_safety/20151123/1326681882.html (retrieved 8 December 2015).

⁷³ Vzgliad (2014) 'Dlia sashchity Arktiki na Chukotke sformirovano podrazdelenie bespilotnikov', *Vzgliad*, 13 November 2014, on the Internet: <http://www.vz.ru/news/2014/11/13/715143.html> (retrieved 2 December 2014); *Vzgliad* (2014) 'Podrazdelenie bespilotnikov sformirovano na Chukotke', *Vzgliad*, 2 December 2014, on the Internet: <http://www.vz.ru/news/2014/12/2/718098.html> (retrieved 2 December 2014).

⁷⁴ Mukhin, Vladimir (2012) 'Yadernyi zontik dlia Arktika', *Nezavisimaia gazeta*, 28 September 2012, on the Internet: <http://www.ng.ru/printed/273791> (retrieved 28 September 2012).

⁷⁵ Mikhailov, Aleksei and Balburov, Dmitrii (2013) 'Zapoliarie ostalos bez postoiannogo vozdushnogo prikrytia', *Izvestiia*, 2 February 2013, on the Internet: <http://izvestia.ru/news/544070> (retrieved 4 February 2013).

⁷⁶ TASS (2014) 'Russia to base interceptors, front-line warplanes at Yakutia airfield from 2017', *TASS*, 15 October 2014, on the Internet: <http://en.itar-tass.com/russia/754466> (retrieved 27 October 2014).

⁷⁷ *Izvestiia* (2015) 'Minoborony RF zakanchivaet stroitelstvo voennoi bazy v Arktike'.

⁷⁸ Krivoruchek, Aleksei (2014) 'Rossiia vosstanovit sistemy PVO i aerodromy v Arktike', *Izvestiia*, 2 July 2014, on the Internet: <http://izvestia.ru/news/573189> (retrieved 11 July 2014).

⁷⁹ Mukhin (2014) 'Rossiia pazvernula boevye RLS vblizi Aliaski'; Vorobiova (2015) 'Arkticheskii vektor PVO'.

another ten radar stations and points for air traffic control is planned.⁸⁰ The new radar stations will however not be able to cover the entire Arctic. The lack of radar coverage in the Arctic creates problems for military activities and shipping along the Northern Sea Route. During the Soviet Union era, there were about 40 radar stations along Russia's northern coast, but the lack of maintenance in the 1990s and 2000s led to a breakdown of the system.⁸¹

⁸⁰ Izvestiia (2014) 'Rossia planiruet postroit v Arktike 13 aerodromov i 10 RLS, *Izvestiia*, 28 October 2014, on the Internet: <http://izvestia.ru/news/578689> (retrieved 29 October 2014).

⁸¹ Antoshko, Daria (2012) 'Rossiia zadelaet arkticheskie dyry', *Izvestiia*, 16 April 2012, on the Internet: <http://izvestia.ru/news/522020> (retrieved 4 September 2012).

Table 2: Existing, restored and new military bases in Russian Arctic in 2014–5

	Navy	Naval Aviation	Naval Infantry	Land Forces	Air Force	UAV	Air Surveillance	SAM reg.	Radar Surv. Units	Aerospace Defence
Alakurti				PO	O					
Anadyr					RP	O				
Arkhangelsk									O	
Cape Schmidt							POUC			
Franz-Josef Land					RP		O			
Kilp-Yavr					O					
Kipelovo		O								
Kotlas-9					O					
Monchegorsk					O					
Narjan-Mar					RP					
Norilsk					RP					
Novaia Zemlia	E				R		POUC	O		
Novosibirskie Islands	E			P	R			O		O
Olenegorsk										
Ostafyevo		O								
Pechenga				O						
Poliamyi								O		O
Yamalo-Nenets				P						
Tiksi					RP			E		
Severnaia Zemlia							UC			
Severodvinsk								O		
Severomorsk	O	O							O	O
Sputnik			O							
Wrangel Island							PO			

Comment: The table provides an overview of Russian military assets in the Arctic, along with whether they are being planned, restored, established, are operational, or under construction.

E=established, O=operational, P=planned, PO=partially operational, R=restored, RP=restoration in progress, UC=under construction

Sources: Khudoleev (2014) 'O vnezapnykh proverkakh, arkticheskikh brigadakh i perevooruzhenii'; Krivoruchek (2014) 'Rossiia vosstanovit sistemy PVO i aerodromy v Arktike'; Ministry of Defence (2015) 'Na boevoe dezhurstvo v Arktike zastupil novyi zenitnyi raketnyi polk PVO Severnogo flota'; Mukhin, Vladimir (2015) 'Minoborony beret Arktiky pod osobyi kontrol'; Mukhin (2014) 'Rossiia razvernula boevye RLS vblizi Aliaski'; Mukhin (2014) 'Arkticheskaya samooborona'; Nikolskii (2014) 'V Arktike sozdaetsia gruppirovka voisk Minoborony'; RiaNovosti (2015) 'Eskadriliya bespilotnikov VVO pristupila k vypolneniiu zadach v Arktike'; TASS (2015) 'Istochnik v Genshtabe: Rossiia v 2015 godu pazvernula v Arktike dva polka S-400'; Vladkyn (2014) 'Nedelia v armii. Rossiia vystraivaet oborony po perimetru'; Vorobiova (2015) 'Arkticheskii vektor PVO'; Vorobiova (2015) 'Ispytany Arktikoi'; Vzgliad (2014) 'Rossiiskie voennye zaseleli vtoroi gorodok v Arktike'; Wikipedia.

Increased Military Activity

During recent years the Armed Force has increased its level of activity, in the form of exercises and patrols, in the Arctic. The Navy, Air Force, Army and the Airborne Forces all exercise in the region. In a surprise exercise in March 2015 the operational readiness of the Northern Joint Strategic Command and the capability to regroup units from other strategic commands to the Arctic was tested. Hence, not only units from the Northern Joint Strategic Command participated in the exercise, but also units from the Western Joint Strategic Command as well as the Airborne Forces, the Aerospace Defence Forces and the Border Troops.⁸² Surprise exercises are conducted on a regular bases in the Armed Forces since 2013. According to official sources 80,000 soldiers and officers as well as almost 12,000 pieces of combat equipment, including 65 surface ships, 15 submarines and 220 aircraft took part in the exercise in March 2015. The exercise involved elements of regrouping front-line aircraft and strategic bombers from the Western Joint Strategic Command,⁸³ reinforcement of units to Novaia Zemlia and Franz-Josef Land, the deployment of Special Forces over a great distance, protection of the border from the sea and air as well as the suppression of attacking NATO units.⁸⁴

In 2013, the Navy announced that it was resuming its patrols in the central part of the Arctic Ocean, after an interregnum that began in the early 1990s. The first patrol, to the Novosibirskie Islands, was conducted by approximately ten vessels from the Northern Fleet. Since March 2013, regular aviation missions along the Northern Sea Route and the northern Arctic Ocean, carried out by Tu-142 and Il-38 patrol aircraft, have also resumed.⁸⁵

Russian focus on energy, shipping and security

Russia's attempts to develop the Arctic is focused on three areas: energy, shipping and security. In the security field, Russia takes measures to improve the military infrastructure and command and control as well as to increase the number of units in the region. The Armed Forces conduct more exercises than before in order to

⁸² Telmanov, Denis (2015) 'Shoigu zachistit Arktiku ot diversantov', *Gazeta.ru*, 16 March 2015, on the Internet: http://www.gazeta.ru/politics/2015/03/16_a_6600969.shtml (retrieved 8 December 2015); Vladkyn, Oleg (2015) 'Territoriiia uchenii – vsia strana', *Nesavisimoe voennoe obozrenie*, 27 March 2015, on the Internet: http://nvo.ng.ru/nvoevents/2015-03-27/2_strana/2.html (retrieved 26 May 2015).

⁸³ Vladkyn, Oleg (2015) 'V armii. Strana narashchivaet boevye vozmozhnosti', *Nezavisimaia gazeta*, 22 March 2015, on the Internet: http://www.ng.ru/week/2015-03-22/11_army.html (retrieved 9 December 2015).

⁸⁴ Telmanov (2015) 'Shoigu zachistit Arktiku ot diversantov'.

⁸⁵ Vladkyn (2014) 'Nedelia v armii. Rossia vystraivaet oborony po perimetru' and Gorenburg (2014) *Russian Interests and Activities in the Arctic*, p. 12.

improve its capability to act in the Arctic. The possible impact of those efforts should, however, be seen from the perspective of the size of the territory that has to be covered, and the condition of the existing infrastructure, which presently is in poor state. In addition, the condition of the Northern Fleet's vessels is key. As the main military asset in the region, the Northern Fleet, with its ageing vessels, is currently facing demands to cover a greater area. It moreover performs task not necessarily directly related to a military mission, due to the fact that it constitute the primary state asset in the region. In the short term, the Northern Fleet might therefore have difficulties to live up to the ambitions in the Arctic Strategy. In the longer perspective one decisive question is whether the 2020 State Armament Programme will result in armaments systems that corresponds with the Arctic Strategy's ambitions, which currently does not seem the first priority. The delivery of large new large combatants, which are necessary to uphold an Arctic capability, by 2025 coincides with the point in time when the majority of the Navy's vessels will start be decommissioned. It will, therefore, probably be difficult for the Northern Fleet to fully contribute to the realization of Russia's ambitions with regard to the Arctic.

Russia is experiencing significant challenges in connection with energy and shipping, due to the severe climate and remote location of the Arctic. In the energy field, the lack of an economic rationale is a major obstacle to exploitation of oil and gas, making it uncertain whether it will be realized. This diminishes the role of the Northern Sea Route as a facilitator for exploitation and export of oil and gas. In addition, the lack of proper infrastructure along the route, as well as the absence of search-and-rescue centres and border stations, constitute significant obstacles that have to be overcome. As shipping will continue to depend on icebreaker escort, the pace and scope of the renewal of the ageing icebreaker fleet add to the question marks. The challenges connected to energy and shipping as well as the extensive measures that has to be taken in these fields make it probable that the level of activity in the coming years will be quite low.

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3 The United States and the Arctic: Is the wait-and-see policy coming to an end?

Introduction

This chapter describes and analyses developments in U.S. Arctic strategy and policy, primarily during the 2007-2014 period and attempts to draw some conclusions on how they might be expected to develop in the next few years, given observable current trends. It is based on earlier studies at FOI, official U.S. policy papers, national strategies, and interviews, discussions and seminars with U.S. officials and analysts.

The chapter begins with a brief historical synopsis of what has made the U.S. an Arctic nation and an explanation of what some of the main driving forces are in maintaining that role. This is followed by a discussion from a military-strategic perspective that also includes U.S.-Canada relations. An analysis of recent successive U.S. national strategies for the Arctic is followed by a consideration of the federal implementation plan and of analyses by two central federal agencies, the U.S. Coast Guard and the U.S. Navy. That discussion is succeeded by one about the role of the Arctic Council and U.S. policy towards the United Nations Convention on the Law of the Sea (UNCLOS). The chapter concludes with an analysis of how U.S. Arctic policy might develop, given its domestic political situation.

At the centre of this chapter is the question of what the prospects are for U.S. Arctic policy that evolves in pace with the continually changing Arctic. The conclusion from an earlier FOI study, that the Arctic can be seen as "...an American dilemma on hold...", is no longer fully valid.⁸⁶ A number of developments have occurred that accelerated U.S. actions vis-à-vis the Arctic. However, there remains a number of factors in the U.S. policy-making system that slow down, or even inhibit, the execution and further development of its policies. Although there is a clear awareness of the changing Arctic among policymakers, and much analytical work and preparation have been undertaken, the U.S. policy-making system is itself one factor that currently acts as an impediment to engaging with an emerging new Arctic. At the same time, external factors in the international strategic environment act as accelerators for policy development. Understanding the interaction of

⁸⁶ Granholm, Niklas, "*USA och Arktis. Ett amerikanskt dilemma i väntläge?*" (The US and the Arctic. An American Dilemma on Hold?), FOI-R—3286—SE, November 2011,

internal and external factors is key to the development of U.S. Arctic policy, and at the core of this chapter's discussion.

The United States as an Arctic Nation

The United States plays an increasingly central role in the developments that will lead to the Arctic becoming a new and different region.⁸⁷ As a world power with vast economic and military resources, and with decades of experience in formulating its interests and acting upon them, the policies that the U.S. chooses for the Arctic will be significant for the pattern of development in the Arctic region as a whole.

In geographic terms, the U.S. became an Arctic nation with its purchase of Alaska from Russia in 1867. From an energy perspective, Alaska has been central for much of federal energy policy since the oil crises in the 1970s. The Trans-Alaska Pipeline System (TAPS), which opened in 1973, runs from Prudhoe Bay in the north to the port of Valdez in the south, and currently transports approximately 800,000 barrels of oil a day. The oilfields in the north are slowly draining and the point where further extraction will no longer be economically viable is drawing nearer. Northern Alaska nevertheless remains relevant for energy reasons, due to the North Slope's oil and gas deposits, on land and at sea. Alaska also holds large areas of federally-owned lands that are protected from exploitation. There is a complex and built-in conflict between environmental conservation interests and indigenous populations on the one hand, and business interests on the other. Moreover, the interests of exploration companies versus tourism companies open up for combinations and alliances of different groups. The state of Alaska as the only U.S. Arctic state is an important driver in the development of U.S. Arctic policy in the areas of social policy, energy, security, infrastructure and environmental conservation.

An additional aspect is that two transoceanic sea routes, the Northwest Passage and the Northern Sea route, run through the Bering Strait. An increase in commercial shipping is expected as a result of the opening up of the Arctic. The issues of sea-traffic control, port capacity, search-and-rescue capabilities and overlapping territorial claims vis-à-vis Canada, in the Beaufort Sea, and Russia, in the Bering Strait, all form part of the picture. An extended U.S. Exclusive Economic Zone north of Alaska is also an issue for the U.S, but its resolution is hampered because the United States has not ratified UNCLOS.

⁸⁷ This section follows closely the discussion in two earlier FOI studies, "*Olja och gas i ett nytt och förändrat Arktis. Energifrågans utveckling mot bakgrund av regionens strategiska utveckling*" (Oil and Gas in a New Arctic. Energy Issues and Regional Strategic Dynamic). Granholm, Niklas, Kiesow, Ingolf, FOI-R-2971-SE, March 2010, and Granholm, Niklas, "*USA och Arktis. Ett amerikanskt dilemma i väntläge?*" (The US and the Arctic. An American Dilemma on Hold?), FOI-R-3286-SE, November 2011, p. 11ff.

From a military-strategic perspective, the United States has a long-standing continental perspective on the Arctic, in order to protect the North American continent from attacks from the north. Threats are to be discovered by an early-warning function, before they reach U.S. territory, and the northern regions are no exception to that coverage. During the Cold War, several advance warning radar lines were constructed in order to warn of Soviet attacks by, in the earlier years, strategic bombers and, later on, Intercontinental Ballistic Missiles (ICBMs). By 1958, when it became operational, the central component in this system was, and still is, the North American Aerospace Defense Command (NORAD). Air and ship patrols complemented the radar lines. NORAD also played an active part in the so-called "strategic triad," where nuclear-armed strategic bombers were continuously kept on high alert.⁸⁸ This level of readiness was significantly lowered after the end of the Cold War. Strategic bombers with nuclear missiles are no longer kept on airborne alert.

From the early 1960s, the Arctic also began to play an important role in what later became a nuclear second-strike capability, based on the use of strategic nuclear-powered, nuclear missile-armed submarines (SSBNs). Such submarines can operate for extended periods close to, or under, the Arctic ice-sheet. This ensures a nuclear second-strike capability, very difficult or even impossible to neutralise. That capability was mirrored by the Soviet Union, so that the cat-and-mouse game between strategic and attack submarines went on throughout the Cold War.⁸⁹ By the end of the Cold war, the number of submarine patrols had decreased significantly, but did not cease altogether. The underwater reconnaissance and surveillance systems that formed part of the operational setup in the Arctic and North Atlantic were not decommissioned; they continued to be developed and remain operative today. The submarine-based nuclear second-strike capabilities of the U.S. remain operative, as do those of Russia, the United Kingdom and France. The continuation of those activities remains important manifestations of national power.

The Arctic basing policies of the United States are another function of its long-term military-strategic interest in the region. Beginning in World War II, and on into the Cold War, the U.S. operated bases on Greenland and in Iceland. The U.S. also exchanged personnel and information with Canada, in order to build and maintain the early-warning function that Canada, on its own, did not have the resources for. This U.S.-Canada cooperation continues in the military field. The number of U.S. bases in the Arctic decreased gradually after the end of the Cold war. In Iceland, in 2006, the U.S. closed its Keflavik Naval Air Station (co-located

⁸⁸ The term strategic triad constitutes the deployment of air-launched, land-based and submarine based strategic nuclear weapons.

⁸⁹ For an overview of these activities from a U.S. perspective, see *Blind Man's Bluff: The Untold Story of American Submarine Espionage*. Sontag, Sherry and Drew, Christopher. Public Affairs, New York 1998.

with Keflavik international airport), which it had opened in 1941. The permanent presence of U.S. air assets was replaced by an intermittent relay of air-policing rotated between the NATO-members states. A modernised radar line was retained there, but the previous direct link to NORAD was switched to the European NATO command, located in Belgium. The base at Thule, in northwest Greenland, remains operational. Thule has a port and an airbase, and functions as a node in the ballistic missile early-warning system (BMEWS), and as a communications link with satellites in polar orbit.

The development of a Ballistic Missile Defence system (BMD) has also increased the Arctic's importance. This stems from the BMD's mission of detecting and intercepting intercontinental ballistic missiles. Since the potential trajectories of intercontinental missiles launched from Iran and North Korea against their hypothetical opponents also traverse the Arctic, the region has received added weight in the BMD project. In recent years, a shift in the project's focus, towards basing more of its components on ships rather than on land and with less technological ambitions, could also further increase the interest in deploying components of the system in the Arctic.⁹⁰ With accelerating ice melt, ships will increasingly be able to operate further to the north. The presence of such naval assets will most likely be seen by other Arctic states as not merely focused on BMD, but as a manifestation of sea power. This, taken together with other changing factors in the Arctic mentioned in the introduction to this study, will once more, over time, increase the Arctic's military-strategic significance.

A knowledge of US-Canada relations is central to understanding U.S. Arctic policy considerations. During the various phases of the Cold War, a *modus vivendi* developed between the two states. That both states could agree on the need to sustain a high level of readiness against a Soviet attack from the north led, among other things, to a pragmatic attitude about U.S. submarine operations in Canadian waters. For Canada, the situation was regarded as acceptable, but certainly not ideal. The initially unpublicized passages of the *SS Manhattan*, an ice-capable oil tanker, through the Northwest Passage in 1969 and 1970 were seen as a threat to Canadian sovereignty, and posing environmental risks. The "*SS Manhattan* incident" led to an open political confrontation over the status of the Northwest Passage. While the incident presented a challenge to U.S.-Canada relations, it did not change the overall relationship.⁹¹ With the end of the Cold War, this state of

⁹⁰ "A Better Missile Defense for a Safer Europe", Gates, Robert M., 19 September 2009, New York Times. Lennartsson, Anders, Lindvall, Fredrik, *USA:s bidrag till NATO:s missilförsvar* (The U.S. contribution to NATO Missile Defence). FOI-R—3226—SE, June 2011.

⁹¹ In 1986, the U.S. icebreaker *USCGC Polar Sea* passed through the Northwest Passage. That time, there was an agreement between the two governments beforehand. The purpose of the passage was to resupply the Thule base on Northwest Greenland, since the regular resupply had been delayed due to the breakdown of the U.S. ship that usually undertook these missions. Sailing through the Panama Canal would have taken approximately 30 days longer.

affairs began to change. The strong defining factor of Cold War strategic conditions, especially regarding issues of hard security, disappeared.

Canada was no longer willing to accept the previous state of affairs. While the ambiguous nature of the relationship and of the status of the Northwest Passage had suited both parties in the previous strategic situation, the issue was now open for discussion. The U.S., with its consistent, long-term policy of freedom of navigation, regards the Northwest Passage as an international strait, while Canada regards it as internal territorial waters. With an Arctic that is becoming increasingly open for shipping, this state of affairs is coming to the fore in U.S.-Canada relations.⁹² The two nations have agreed to disagree on the issue.⁹³ In addition to this, Canada's desire for an agreement on the delineation of sea territory in the Beaufort Sea, north-east of Alaska, is another factor indicating that the *modus vivendi* in U.S.-Canadian relations regarding the Arctic has changed.

⁹² The U.S. holds a similar policy towards the Northern Sea Route, north of Russia along the Siberian coast. In addition, there is also the U.S.-Russia delimitation in the Bering Sea, and the extent of the EEZ North of Alaska. Interstate Relations in the Arctic: An emerging Security Dilemma? Åtland, Kristian. *Comparative Strategy* 33:2, 2014, p. 161.

⁹³ Granholm, Niklas "Delar av ett nytt Arktis. Utvecklingar av dansk, kanadensisk och isländsk arktispolitik". (Components of a New Arctic. Developments in Danish, Canadian and Icelandic Arctic Policy) FOI-R—2861-SE, December 2009,

Map of North America and the Arctic



The 2009 Strategy – Increasing interest, but no firm commitment yet

In 2007, a new phase in Arctic policy development began. A Russian expedition placed a titanium Russian flag on the seabed beneath the North Pole. This led to a number of reactions, particularly from the other states with a coastline and territory around the Arctic Ocean, as well as other Arctic states. In policy speeches, a new urgency was given to new strategies and to the further development of the Arctic Council, which had been established in 1996. To make further use of and strengthen the cooperative functions already in place came to the fore. Coupled with increasingly firm scientific evidence of accelerating rates of ice and permafrost melt, the Russian flag-planting led to an intensified debate: how should the emerging challenges be met?

Gradually, the U.S. policy- and strategy-making system reacted.⁹⁴ The National Security Presidential Decision Directive/NSPD-66, and the Homeland Security Directive/HSDP-25, of January, 2009, replaced the earlier Clinton administration directive, from 1994 (PDD-26), in all aspects, except with respect to policy on Antarctica, which remained unchanged.⁹⁵ The way that the new and updated strategy was adopted revealed an interesting feature: the newly-elected Obama administration had not yet taken office when the strategy directives were adopted by the outgoing Bush administration. Apparently, contacts between the new and old administrations took place. This indicates, firstly, that the Arctic was not seen as a strongly partisan issue after the presidential elections, and, secondly, that Arctic issues were not high enough on the policy agenda as to merit further delay.⁹⁶

The central parts of the 2009 policy reflect Arctic developments during the preceding fifteen years, and indicate an increased interest in the Arctic region. They concern issues of national security, homeland security and defence, effects of climate change in the Arctic, the role of the Arctic Council and the availability of natural resources in the region. Border delineation, science and research, as well as energy and protection of the natural environment also form part of the strategy directive.

The policy also states that the United States will work to forward its own interests both through independent policy and various international cooperative efforts. All available fora may be used to this end, none are excluded. The Arctic Council

⁹⁴ This section is mainly based on the FOI study “*USA och Arktis. Ett amerikanskt dilemma i väntläge?*” (The US and the Arctic. An American Dilemma on Hold?), FOI-R—3286—SE, November 2011, p. 14ff.

⁹⁵ National Security Presidential Decision Directive /NSPD-66 and Homeland Security Directive/HSDP-25, 9 January 2009.

⁹⁶ The directives had been ready for almost a year when adopted, but no suitable time had been found to make them public, since it was deemed to risk coming into conflict with the presidential election campaign.

receives positive wording, but its current mandate and competencies should stay as they are. Moreover, the U.S. Senate should take steps to ratify UNCLOS, in order to further U.S. national interests in the Arctic.

Although the 2009 strategy outlines much of the policy and formulates a noticeable line, a number of elements of how the strategy is to be operationalised are absent. For instance, several of the relevant federal agencies are instructed to analyse aspects relating to the Arctic, and to think through how the changes in the region affect their tasks, but there is less detailed guidance on what should be done about them. The difficult budgetary situation in 2008-09 is also an important factor often mentioned in interviews. Studies and analyses are to be undertaken, while deferring commitments of costly investments in platforms and infrastructure until later. One way to describe the main thrust of the 2009 edition of U.S. Arctic policy is as a wait-and-see approach.

The New National Arctic Strategy

In May 2013, a new National Arctic Strategy was signed by President Obama.⁹⁷ This latest version was most likely timed to coincide with the summit meeting of the Arctic Council, held in Kiruna, Sweden, on the 15th of May of that year. The statements made by Secretary of State John Kerry at the Kiruna ministerial closely follow the wording and focus of the national strategy.⁹⁸

The 2013 edition of the National Strategy is focused on three lines of effort and four guiding principles.⁹⁹ The first of the three lines of effort is to advance US security interests by enabling vessels and aircraft to operate through, under and over the airspace and waters of the Arctic. This will be achieved in a manner consistent with international law. Commerce is to be supported, as is a better awareness of activities in the region. The infrastructure and capabilities, including ice-capable platforms, are to be “intelligently” evolved. The span of activities mentioned range from support of safe commercial interests to scientific operations and national defence.

The second of the three lines of effort regards the pursuance of responsible stewardship of the Arctic region. This is to be achieved through the protection of the Arctic and its resources; the creation of an integrated and institutionalized management system for the Arctic; the charting of the region; and the employment of scientific and traditional knowledge to increase understanding of the Arctic.

⁹⁷ National Strategy for the Arctic Region, May 10 2013, President of the United States, the White House.

⁹⁸ “Remarks at the Arctic Council Ministerial Session”, Secretary of State John Kerry, Kiruna City Hall, Sweden, May 15, 2013.

⁹⁹ Ibid. The White House, May 10 2013.

The third line of effort is the strengthening of international cooperation. By working through bilateral relationships and multilateral bodies, including the Arctic Council, collective interests are to be advanced, Arctic prosperity shared, its environment protected and regional security enhanced. Similarly to the 2009 Arctic strategy, the U.S. government is to continue to work towards accession to UNCLOS.

With regard to the four guiding principles, the first is to safeguard peace and stability by seeking to maintain and preserve the Arctic as an area that is free of conflict. This is to be achieved by acting in concert with allies, partners and other interested parties. International legal principles, of freedom of navigation and overflight, and other uses of the sea related to those principles, are to be central. The principles of unimpeded lawful commerce and the peaceful resolution of disputes for all nations are also included.

The second of the four guiding principles is that decision-making is to be based on the use of the best available information and the most current scientific and traditional knowledge.

The third of the principles is that innovative arrangements should be pursued in all areas of development. Given an austere fiscal environment, partnerships with the State of Alaska, other Arctic states, international partners and the private sector are to be established. These measures are to more efficiently develop the resources and management capabilities that are to further U.S. strategic priorities in an austere fiscal environment.

Lastly, the fourth principle supports engagement with Alaska Natives in a consultation process that recognizes the tribal governments' unique legal relationships with the U.S. government. This engagement is meant to provide meaningful and timely opportunities for the tribal communities informing federal policy on issues that affects Alaskan native communities.

The strategy acknowledges that conditions in the Arctic are changing rapidly and that this presents challenges as well as opportunities. The "... reduction in sea ice has been dramatic, abrupt, and unrelenting. The dense multi-year ice is giving way to thin layers of seasonal ice, making more of the region navigable all year round."¹⁰⁰ The strategy further states that "... the technically recoverable conventional oil and gas resources north of the Arctic circle total approximately 13 percent of the world's undiscovered oil deposits and 30 percent of the world's undiscovered gas deposits as well as vast quantities of mineral resources including rare earth elements, iron ore and nickel." The energy and mineral assets, in combination with the increasing likelihood of navigable routes through the Arctic, present tangible commercial opportunities.

¹⁰⁰ Ibid. The White House, p.5.

These changes also present a number of “... very real challenges.” The rapid ice melt also affects climate in lower latitudes, risks the stability of Greenland’s ice-sheet and accelerates the thawing of the permafrost, which will in turn release large quantities of methane gas and pollutants, such as mercury. An increase in pollutants, such as black carbon or other substances from fossil fuel combustion, as a consequence of uncoordinated development, could have unintended consequences on climate trends, fragile ecosystems and Arctic communities. “It is imperative that the United States proactively establish national priorities and objectives for the Arctic region.”¹⁰¹

The 2013 U.S. Arctic strategy identifies a number of opportunities and risks, and outlines ways to further U.S. interests. But, as with any strategy, not all goals can be achieved simultaneously and fully; there has to be a set of priorities and a sense of the order in which the stated goals are to be met. Also, a strategy needs to convey a sense of how the changing factors interact. Although it states that change is coming to the Arctic and list what this would indicate, the strategy is in this respect lacking somewhat in clarity. If the balance of what goals to prioritise cannot be struck precisely at this time, does this then indicate that there is still a wait-and-see element remaining, due to the uncertainties in the multi-pronged developments that are observable in the Arctic? Whatever the case, the current version of U.S. National Strategy for the Arctic reflects the general complexity of strategy formulation in the face of a dynamic and multi-level problem such as that presented by the Arctic.

The implementation plan of January 2014

In January, 2014, seven months after the release of the national strategy, an implementation plan followed.¹⁰² The plan is a breakdown of the goals that were formulated by the strategy, and sets out the methodology, process and approach for its execution. It is focused on building on and complementing the existing initiatives on all levels set out in the national strategy. Its structure follows that of the national strategy’s three core lines of effort and is consistent with the guiding principles. The implementation plan is laid out in accordance with each of the three lines of effort and oversight by specified programs within a number of federal entities. Several areas of implementation support more than one line of effort and are therefore not reiterated here, even if they can be seen as complementing each other. Each of the goals in the plan has one or more stated objectives; it stipulates how the objectives are to be achieved and their progress measured, as well as which federal agencies should have the lead and which should have a supporting role, respectively.

¹⁰¹ Ibid. The White House, p.5.

¹⁰² Implementation Plan for the National Strategy for the Arctic Region. January 2014.

In each of the three lines of effort, a number of overarching goals are broken down into concrete tasks to be achieved and, if needed, their sub-tasks. The first line of effort – advance U.S. security interests – has four main goals and seven sub-tasks. The second – pursue responsible Arctic region stewardship – has four main goals and thirteen sub-tasks. The third line of effort – the strengthening of international effort – has four main goals and thirteen sub-tasks. This long list is an impressive testament to the multitude of different topics that the U.S. government considers it needs to concern itself with in meeting the emerging new Arctic.

Clearly, the different goals and sub-tasks in the implementation plan are not equally complicated. While some can be achieved relatively easily, quickly and at low or almost no cost, others are long-term and will entail highly complicated national and/or international negotiations, whereas others will demand substantial investments. It is obvious that measuring the success in achieving the goals set out in the implementation plan will depend on a more complex analysis; a simple counting of “targets met” would be insufficient. The implementation plan sets out an ambitious list of goals, some of which it states are linked, and supports more than one line of effort. With regard to the complex relationship between some of the goals, however, they may support or cancel each other out in ways not stated, and require a more advanced level of analysis. Such an analysis either has yet to be undertaken, or may lie in the realm of the classified, and therefore cannot be discussed openly.

The U.S. Coast Guard and the U.S. Navy – their analyses and views on the Arctic

Two of the federal agencies, excluding federal research bodies, where the changes to the Arctic region have had most effect, are the U.S. Coast Guard and the U.S. Navy. It is reasonable to assume that both of these agencies that have the Arctic region on their remit will have a strong influence on how the Arctic policy of the United States will be implemented. The studies, analytical papers and policies that they publish forms an important input in policy development and comprise one of the central parts in an understanding of the whole of the process that has led to an updated U.S. Arctic Strategy.

The U.S. Coast Guard

The U.S. Coast Guard (USCG) and the U.S. Navy have different and, to an extent, overlapping tasks in the Arctic. The icebreaking tasks of the Coast Guard are in part designed to support US Navy operations in ice-infested waters. Not least, the Polar-class icebreakers from the 1970s were partly designed and built to be able to assist the U.S. Navy’s strategic submarines in the event that they got “stuck”

(which can mean a number of complex circumstances) during Arctic patrols.¹⁰³ The Coast Guard also has the task of providing icebreaking services for resupply of distant ports, and upholding and resupplying the McMurdo Research Station in the Antarctic. That the United States is a signatory power to the Antarctic Treaty adds weight to that responsibility. The Coast Guard's fleet for fulfilling these tasks in the Arctic and Antarctic is ageing and, currently, barely able to sustain them.¹⁰⁴ Of the two heavy Polar-class icebreakers, one (USCGC Polar Star) is currently operational. The most modern icebreaker is the USCGC Healy, a medium icebreaker, commissioned in 1999. The Coast Guard has also pointed out that the statutory mission of ice management cannot be upheld as things currently stand. Moreover, since funding for the icebreaker operations has been seen as an issue for the agencies responsible for the natural sciences, most of the funding for operations has been allocated to the National Science Foundation (NSF). This in turn has had a detrimental effect on the USCG's upkeep of know-how for ice-operations in the Arctic and elsewhere. According to the Coast Guard, the Arctic expeditions undertaken on behalf of the NSF are too short and infrequent to uphold and develop Arctic know-how.

The Coast Guard's Arctic Strategy of May 2013 is an in-depth analysis of why the Coast Guard needs to operate in the Arctic.¹⁰⁵ It clearly points out that since the strategy is not an implementation plan, discussion of platforms, equipment and infrastructure is not included. Instead, the strategy presents the Coast Guard's reasons for being able to operate in the Arctic and links those with the relevant policy documents.

The strategy states three strategic objectives for operations in the changing Arctic. Firstly, there needs to be an improved awareness of the activities in the maritime domain, or Maritime Domain Awareness (MDA). This will enable identification of threats and information-sharing, and help in improving risk management. Since the Coast Guard has, since 2003, been a part of the Department of Homeland Security (DHS), coordination between DHS, the State Department, the Department of the Interior and other federal agencies, including the intelligence community, is seen as vital.

Secondly, governance needs to be modernized, and national and international cooperation require improvement. The Coast Guard is prepared to review its own structures and governance in order to be ready for future missions in the Arctic.

Thirdly, under the heading of Broadening Partnerships, all the organisations, national agencies and international bodies are listed as examples of who the Coast

¹⁰³ Interview, Washington DC, September 2014.

¹⁰⁴ The US Coast Guard also operates a number of smaller icebreakers, mainly designed to operate on the great lakes, which are of limited use or unsuitable for operations in the Arctic.

¹⁰⁵ United States Coast Guard Arctic Strategy, May 2013, Washington D.C.

Guard is prepared to cooperate with. The objective of increased cooperation is also linked to the U.S. chairmanship of the Arctic Council, beginning in May 2015.

The strategy also points out that while the Arctic is not new territory for the Coast Guard, the changing conditions in the region are, and will require adaptation and foresight.

The strategy's two concluding chapters ("Ensuring Long-Term Success," and "Conclusions") integrate the analysis of the changing Arctic, of the factors that are at play and what is needed in terms of internal and external cooperation, and the concept of operations, requirements and resources.¹⁰⁶ Under the heading "Current Gaps," the need for additional ice-breakers is mentioned but not discussed in any detail, along with aviation assets, long-range patrol vessels and improved communications. The icebreaker deficit is discussed further under a separate heading. The dependence on just one medium icebreaker is clearly pointed out, as is the fact that summer operations north of Alaska, using temporary basing of resources, would not be possible without it. This is also, albeit indirectly, linked to the proposed burden-sharing with Canada. With only one ice-breaker, the recurring resupply missions to bases in the eastern Arctic, and particularly to the Thule base on northwest Greenland, are used as examples of the difficulties implied. While Canada will provide support in the east, the USCG will provide support in the western Arctic Ocean. This arrangement is based on a 1970 U.S.-Canadian Memorandum of Understanding. Taken together, these circumstances highlight that the shortfall in icebreaker capacity – an icebreaker gap – is seen as one of the main deficits for the USCG's being able to undertake its missions in the Arctic.

The USCG's Strategy for the emerging new Arctic is comprehensive and based on an assessment of current trends for the future of the Arctic. Its main strength is the broad strokes with which it delineates the topics and the in-depth analysis it undertakes in the relevant areas. This provides a solid background for convincing decision-makers why the USCG should over time get what it thinks it needs to solve upcoming missions.

The U.S. Navy

In November 2009, the U.S. Navy's Task Force Climate Change (TFCC) released the U.S. Navy Arctic Roadmap.¹⁰⁷ The Task Force Climate Change had been formed in May 2009 to analyse operational effects of climate change. The TFCC is led by a Rear Admiral in the OPNAV (Office of the Chief of Naval Operations), who holds the office of Oceanographer and Navigator of the Navy. The working

¹⁰⁶ United States Coast Guard Arctic Strategy, May 2013, Washington D.C, p.36.

¹⁰⁷ The U.S. Navy Arctic Roadmap. Department of the Navy, 3140 SER N09/9U103038, 10 November 2009.

group is made up of personnel from the U.S. Navy and the Coast Guard and cooperates with several other federal agencies, among them the National Oceanic and Atmospheric Administration (NOAA). The Center for Naval Analyses (CNA), a federally funded research and development center (FFRDC), also plays a role in this process. The road map had as its objective to analyse developments in the Arctic until 2014, and to suggest how the U.S. Navy should develop its Arctic capabilities. In the tasking of the TFCC for work with The U.S. Navy Arctic Roadmap, it is pointed out that there was a need for increased cooperation nationally and internationally and for a better knowledge base of the Arctic for future decisions, to work on communication with the public and other agencies, engage in international cooperation that ensures that the Arctic remains a safe and stable region and that the right platforms, weapon systems, sensors and command and control structures are in place for a timely response to the changes in the region. Lastly, the head of the TFCC shall hold the process together and undertake cost estimates for implementation of plans.

In February 2014, a new edition of the Arctic roadmap was published.¹⁰⁸ The four strategic objectives are: 1) to ensure United States Arctic sovereignty and provide homeland defence; 2) provide ready naval forces to respond to contingencies and crises; 3) preserve the freedom of the seas; and 4) to promote partnerships within the United States government and with international allies and partners.

The roadmap, similarly to the U.S. Coast Guard's Arctic Strategy, analyses the natural resources in the Arctic, the evolving security environment and, not least, the geopolitical dynamic of the region. It notes that climate change itself is influencing navigational conditions towards longer periods with less ice, or even ice-free conditions. According to the roadmap, the cooperative arrangements within the Arctic Council, and the strong economic incentives for the Arctic nations to preserve the region's natural environment, both act as a guide for retaining the region as a stable one for commercial development. The road map further asserts that large-scale "intrastate" (sic, probably interstate) military conflict between the five Arctic Ocean littoral states remains unlikely. On the possible downsides, the potential for increased tensions due to misperception and rhetoric, as well as to the unforeseen dynamics of the economics of the region, is not ruled out. The staking of excessive claims on the continental shelf by states in the region may cause tension and create uncertainty. Taking into account the resource wealth that could be at stake, a stand-off might lead to disputes and military posturing by rival nations. Non-Arctic nations may also consider staking claims to areas outside those of the resource claims made by the Arctic nations, without acknowledging their obligations under UNCLOS. Migration of fish stocks from one nation's EEZ to that of another might also be a possible source of tension.

¹⁰⁸ The United States Navy Arctic Roadmap for 2014-2030. Chief of Naval operations, Task Force Climate Change, Department of the Navy, February 2014.

A combination of all these factors would contribute to the possibility of localised episodes of friction.

The roadmap lays out a timeline; near-term (present to 2020), mid-term (2020 to 2030) and far-term (beyond 2030), and provides a break-down of the goals in the respective time-frames. Particular emphasis is placed on near-term actions, so as to enhance the Navy's capabilities in the Arctic region for the future. The need for additional naval involvement in the region is assessed as low, and the current naval capabilities are deemed as sufficient for meeting the near-term operational needs. The focus in the near-term period will be placed on developing personnel skills and increasing know-how about the Arctic. In the mid-term, the focus will lie on refining doctrine, tactics, operational procedures and techniques, and so on, to guide potential future operations in the Arctic region. In the far-term, the Navy will provide support to combatant commanders, the U.S. Coast Guard and other government agencies.

The ways and means for reaching the stated goals are also framed by resource constraints and competing near-term missions. This puts emphasis on low-cost, long-lead activities. A recognition of the need to guide investments by balancing the regional Arctic requirements with national goals is also stated.

The U.S. Navy states that competition for scarce or even reduced fiscal resources will have impact on its ability to reach its stated goals. It seems probable that in addition to fiscal austerity, it is imperative to get the other service branches of the Navy Department (U.S. Marine Corps, U.S. Coast Guard) to buy in to the probability that the Arctic will provide a new sea for the Navy to operate in, which requires development of different skill sets, capabilities and attention.

It seems likely that the new, emerging Arctic, characterised by more human activity, presents the U.S. Navy with an impending bureaucratic competition for attention and resources, both internally and with the other armed services.

Both the U.S. Navy and U.S. Coast Guard have a clear interest in Arctic developments. One of the issues for the U.S. to resolve was whether the Navy or the Coast Guard should be designated as the lead agency for all the issues pertaining to the Arctic. In the latest edition of the United States Navy Arctic Roadmap in place, that discussion was still ongoing in the autumn of 2014.¹⁰⁹ At the time of writing, the issue seems to have been settled as the Coast Guard have been given the lead agency in this respect. The wish to avoid as being seen to militarise the Arctic with the upcoming U.S. chairmanship of the Arctic council was probably one of the main reasons for this.

¹⁰⁹ Interviews and discussions, Washington D.C., September 2014.

The United States and the Arctic Council

The handover from Canadian to U.S. chairmanship of the Arctic Council in April 2015 has focused Arctic U.S. policy development, since an agenda for the two years of chairmanship has to be formulated and acted upon. This has galvanized the different parts of the U.S. system relevant to the Arctic. Gradually, more and more guidance and themes for the chairmanship have been developed and made available.

A “Chairmanship Brand” has been presented by the U.S. chairmanship: “One Arctic: Shared Opportunities, Challenges and Responsibilities.”¹¹⁰ Three overarching goals for the U.S. chairmanship are: to continue strengthening the AC as an intergovernmental forum; to introduce new long-term priorities into the AC; and raise Arctic and climate change awareness within the United States and across the world. There are three organizational themes: addressing the impacts of climate change in the Arctic; stewardship of the Arctic Ocean; and improving economic and living conditions. These themes are in turn broken down into a number of ambitious tasks, too many to present in full here. In short, these themes and their accompanying tasks present an image of an ambitious list of priorities that the U.S. chairmanship has set itself. The follow-on effect of the chairmanship and the responsibilities that accompany it have acted as a driver for taking a step further in developing U.S. policy for the Arctic region.

The agenda for the two-year period of U.S. Arctic Council chairmanship is ambitious, but in several interviews, discussions and presentations, doubts and occasionally some apprehension over the process were obvious. Two strands often reoccurred. Firstly, while the choice of goals and tasks for the chairmanship were seldom questioned, the time available for preparing the tasks, installing the staff and personnel, and arranging for all the various U.S. federal agencies, bodies and regional governments to agree, was short. All had to be in place before the international diplomatic process for achieving the stated goals could begin in earnest, with the chairmanship, in April 2015. One interlocutor stated that it was as if “...we had been awarded the Olympic Games next year and haven’t begun construction of the arenas yet.”¹¹¹ Secondly, the budgetary issues present a problem for building consensus among the relevant agencies and departments. Currently, the activities for the AC-related work have no budget of their own, and work associated with the Council has to be taken from existing agency budgets. This complicates an already pressed situation further. One interviewee expressed

¹¹⁰ Arctic Council. United States Chairmanship 2015-2017. Presentation at the Senior Arctic Officials’ meeting, Yellowknife, Canada, October 2014.

¹¹¹ Interviews and discussions, Washington D.C., September 2014

this by saying “you are your budget,” meaning that without one, not much can be achieved.¹¹²

A third and related issue is that the chairmanship straddles two presidential administrations, which presents a problem of continuity. Since the current administration will step down, a new administration will change nearly its entire political staff, and may also have a different political agenda and priorities regarding the Arctic. The chairmanship period may thus encounter new political circumstances with the presidential elections in the late autumn of 2016 and during the changeover period in the first six months of 2017. On the other hand, Arctic issues are not strongly bipartisan. An example of this is when the new presidential directive for the Arctic was adopted by the outgoing Bush administration during the interim caretaker period before the Obama administration had assumed office. One possibility is that similar contacts can shorten the changeover period for Arctic issues, as it did in 2008-09.

The United States and UNCLOS – a slow boat

Several successive presidential administrations, both Republican and Democrat, have advocated that ratification by the United States of the United Nations Convention on the Law of the Sea (UNCLOS) would be advantageous.¹¹³ This legal regime has global reach, but with accelerating Arctic ice melt, the issue of which territory and exclusive economic zones (EEZ) belong to which nation has come to the fore. The issue of ratification was put to the Senate in October 1994, but Senate adherence to the Convention has not been given. The United States is thus not a party to the Convention.¹¹⁴ A ratification is also supported by most federal agencies, civilian as well as military. Nothing is to be gained by remaining outside, according to them. The accession is resisted by a small group of senators, whose standpoint is that ratification would mean a limitation of U.S. sovereignty and freedom of action. To them, it would also imply tacit approval of the UN, since the Convention is named after the United Nations, which they have strong apprehensions about. Ratification of UNCLOS would also mean that the US Government would have to contribute financially to the operation of the bodies set up by the legal regime, which the senators consider to be a tax, something that they believe should be avoided. In recent years, resistance to ratification has weakened somewhat, so that there may be attempts to use the interim period between two elections to vote for senate ratification, but this is seen as less than likely.¹¹⁵ Even

¹¹² Interviews and discussions, Washington D.C., September 2014.

¹¹³ ”USA och Arktis. Ett amerikanskt dilemma i väntläge?” (The US and the Arctic. An American Dilemma on Hold?), FOI-R—3286—SE, November 2011, p.18.

¹¹⁴ Changes in the Arctic: Background and Issues for Congress, Congressional Research Service, R41153. O’Rourke, Ronald, August 4, 2014, p.11.

¹¹⁵ Interview, U.S. Senate, Washington D.C, September 2014.

though the Arctic is not a strongly divisive issue, the long-term prospects for a US ratification of UNCLOS seem bleak, since the general political polarization between the different branches of the U.S. government slows down decision-making, at times to the point of gridlock.

The U.S. government, operating without ratification, has stated that it will treat UNCLOS as customary international law, meaning, that it will act according to the treaty, even though it has not ratified it.¹¹⁶ This can go some way in mitigating the drawbacks, but causes concern among the other Arctic states. The concern is whether the policies of the U.S., which the other states see as required for meeting the challenges for the new Arctic, are adequately long-term. The situation also imposes other limitations. For instance, the U.S. cannot participate in the discussions in the Committee on the Limits of the Continental Shelf (CLCS), an UNCLOS body where recommendations are issued on territorial delimitation matters. As an illustration, the issue of the extension of the EEZ north of Alaska is one where this state of affairs halts progress, since no claim can be submitted.

Analysis – impediments and accelerators to U.S. Arctic policy development

This section discusses the different strands of the descriptive parts that are presented above. The attempt here is to analyse the whole, and describe what the prospects for an evolution of Arctic US policy might be, in light of the changing Arctic. What could impede such a process and what might accelerate it? Below, a number of different and to some extent overlapping areas are discussed, in terms of impediments and accelerators.

Primarily, the realisation that the U.S. would be chairing the Arctic Council during 2015-2017 accelerated the policy-making process on the federal agency level, and contributed to the formulation of a national strategy for the Arctic. While earlier versions, in the form of presidential decision directives had been produced, the new situation expedited the formulation of a strategy exclusively focused on the Arctic region. This was soon followed by an implementation plan for the relevant federal agencies, as well as strategy documents from some of the central military departments. A closer look at the iterations of those documents reveals two things. The first observation is that the conventional time-line, which had projected that it would be decades before any substantial investments would be needed, has now been shortened. Various actions and investments in infrastructure and platforms are now deemed to be needed during a ten-year period. The lead-time for acquiring these platforms and infrastructures (icebreakers, aircraft, and ports, airstrips, etc.) and making them operational has a timeframe where a decision-making window

¹¹⁶ This goes for all provisions in the convention, apart from the one on deep-sea mining. USCG Arctic Strategy, p.40.

lies within the next few years. The second observation is that the suggested actions are of an analytical and investigative character – few costs for any of the concerned agencies are incurred near-term, while the “big-ticket items” tend to be pushed towards the out-years of the plans.

It is also clear that much analytical groundwork has been done in the past few years. The quality and depth of many of the analyses have improved in the past five years and form a more solid basis for considering action in different policy areas. This on-going process has gradually filled the knowledge gaps that earlier invited speculation, in some cases even expressions that could be seen as wishful thinking, or exaggeration, about threats to the U.S. Not only the government has studied the Arctic, but many of the major think-tanks and institutes now have their own Arctic studies programs, with different profiles. The debates about all things Arctic have as a result taken on an increased professional quality, better underpinned by proper analysis.

In an article in *Foreign Affairs*, Francis Fukuyama analyses the U.S. political decision-making system from a historical perspective. He uses that analysis as a background for considering current problems of U.S. governance.¹¹⁷ One of his arguments is that the three branches of government that were established in the first half of the 19th century are now in a period of ideological polarization that is leading to mounting difficulty in making decisions. He claims that “...when polarization confronts the United States’ Madisonian check-and-balance political system, the result is particularly devastating.”¹¹⁸ If Fukuyama is right, it helps to explain why U.S. Arctic policy-making has been more reactive than proactive, and why the difficulty in reaching agreement on a budget remains. This is in spite of gradually improved studies, analyses and a broad agreement on the geopolitical changes in the Arctic following the influence of, among other things, climate change.

One of the main issues regarding U.S. decision-making on Arctic issues is the overall political situation in national bodies responsible for making those decisions. The increasing polarisation of the general political climate in recent years has led to delay and gridlock in the U.S. Congress on a number of issues, and the Arctic is no exception. This has become clear in two areas. Firstly, the ratification of UNCLOS is chronically delayed. It is not unusual that ratification of international treaties that require a vote in the Senate takes time. In the case of UNCLOS, the issue seems to have been the victim of fierce divisions between Democrats and Republicans, on the one hand, and between the legislative and executive branches of the U.S. government, on the other, both of which have meant

¹¹⁷ Fukuyama, Francis, *America in Decay. The Sources of Political Dysfunction*. *Foreign Affairs*, vol. 93, no 5, September/October 2014. In the Article, Fukuyama also addresses the issue of litigation, lobbying groups, the influence of special group interests on the political process as well as the balance between the different branches of government.

¹¹⁸ *Ibid.* p.20.

that the convention is not ratified. The likeliness of an opening up of the issue does not seem to be at hand.¹¹⁹ The result is that even though the government regards UNCLOS as being part of international customary law, the remaining ambiguity hampers the process of moving towards a solution on the delimitation of U.S. borders, delays a settlement on the extent of the EEZ in the Arctic Ocean, and detracts from U.S. long-term credibility versus other Arctic nations.

The expression, “you are your budget” covers many of the problems in establishing a comprehensive U.S. Arctic policy. This question was debated and explored in several discussions, interviews and presentations on the Arctic.¹²⁰ In those discussions, the difficulty in reaching agreement over the relatively small sums needed related to the overall federal budget for icebreaker design and development, infrastructure and other relevant platforms, was a recurring theme. In addition, the tasks that have been assigned to the federal agencies and bodies associated with pursuing the goals for the chairmanship of the Arctic Council had not in late 2014 been awarded any task-specific budgetary means.

Conclusions from an earlier FOI study pointed to the poor state of U.S. icebreaker capabilities, given the changing Arctic and existing Antarctic commitments.¹²¹ With one medium icebreaker and one ageing heavy ice-breaker operational, and an increased need for this type of capability, this was seen as a “wind-sock” for U.S. capabilities in this field. In the event that proper funds for an ice-breaker program had been allocated, a new U.S. policy would have been de facto put in effect, with the enhanced credibility that follows. In the 2013 federal budget submission to Congress, the U.S. Coast Guard requested 8 million USD to initiate studies and designing work, and an additional 852 million USD, from the federal budgets of 2013-2017, for acquiring the ship.¹²² Construction was to begin within five years and it was to be operational within a decade. The 2014 budget requested less, but with a similar cost timeline. The 2015 budget requests 6 million USD to continue the studies and design plans, on the basis of the 7.6 million and 2.0 million USD that were awarded in 2013 and 2014, respectively. The fallout from the budgetary requests indicates that the funding for icebreakers will be pushed further into the future, since the requested 0.8-1 billion USD required for the construction of one new icebreaker have not yet been awarded. Other solutions are being considered, including leasing arrangements, co-funding with other government agencies (Department of Defense, National Science Foundation), and extension of

¹¹⁹ One possibility – albeit with long odds – could have been that the senate in the interim between the outgoing and incoming congress had decided to vote on the matter, apportioning political risk equally and enabling the incoming congress to start work with the matter out of the way. Interview, U.S. Congress, Washington D.C., September 2014.

¹²⁰ Interviews, Washington D.C., September 2014.

¹²¹ ”USA och Arktis. Ett amerikanskt dilemma i väntläge?” (The US and the Arctic. An American Dilemma on Hold?), FOI-R—3286—SE, November 2011, pp. 29-32.

¹²² O’Rourke, Ronald, Congressional Research Service, Coast Guard Polar Icebreaker Modernization: Background and Issues for Congress, RL34391, August 2014, p.12.

service life. While discussions to find a solution are on-going, there is still no clear shift in policy. In the meantime, what could be called an icebreaker gap in US capabilities will remain for the next five to ten years.

While several internal factors appear to be impediments to U.S. policy development, other, mostly external, factors will act as accelerators. First and foremost, the rate of climate change observed in the Arctic is faster than was earlier anticipated. Platforms and infrastructure are being re-assessed as needed within a decade, rather than, as previously estimated, in 15-to-20 years' time, at the earliest. Given that the lead times for commissioning many of these capabilities are approximately a decade, decision time is drawing near. A decision to acquire such capabilities would likely also help boost the credibility of the U.S. internationally *vis-à-vis* the Arctic.

Alaska as an actor in the development of U.S. Arctic policy could also contribute to accelerate development and implementation of policy. Social issues, the energy dimension, fisheries, national security, shipping and, not least, several of the territorial delimitation issues *vis-à-vis* Russia and Canada, all contribute to positioning Alaska as a central actor in U.S. policy development.

The chairmanship of the Arctic Council has also acted as an accelerator for U.S. policy and its implementation. Moreover, it has focused efforts in how the U.S. government is informing its citizens about the Arctic, why it is changing and why the U.S. needs to engage in the region.

The homeland security dimension will probably also play a part in policy development. With an Arctic Ocean that is gradually becoming more open to human activity in general, and especially shipping, transport, fisheries and tourism, security aspects will come to the fore and strengthen the case for allocating resources to the region.

When it comes to international security, an accelerator of U.S. activities will be the realization that other major state actors, as well as non-state actors (commercial ventures, NGO's with environmental focus etc.), are increasing their activities in the region. Russian activities alone, both in the air and at sea, are likely to prompt a considered U.S. response. The follow-on effects of a more assertive and, recently, openly aggressive Russia, which has increased its deployments and its long-term build-up of naval and military capabilities in the Russian Arctic – analysed elsewhere in this study – will have to be taken into account by U.S. authorities. In addition, Russian intransigence in international affairs is also likely to spill over into the sphere of multilateral cooperative efforts, of which the Arctic Council is the clearest expression in recent years. What will be the extent of the damage to this cooperation and to the agreements already made? How will the U.S. government address this?

Chinese activities in the Arctic – analysed in the next chapter – although mostly of a different nature than Russia's, and more characterized by projection of soft

power (for example iron-ore mining on Greenland, tourism in Iceland) over the long term, will also contribute to focusing U.S. policymaking. The question here seems to be how to decide whether the Arctic commercial ventures that China plans, and in some cases is already implementing, are to be seen as an expression of a functioning liberal free market, or attempts to capture not only important natural resources, but even small countries. These concerns in the U.S., occasionally voiced in interviews, will not go away and will continue to influence the focus and activities of the U.S. in the Arctic.

U.S. implementation – drivers and impediments

The United States has in recent years taken concrete steps to further develop its Arctic policies and implement them in order to meet an emerging new Arctic. While much of the necessary groundwork has been done, the centrepiece of any substantial policy, a proper budget, is still missing. Federal agencies need to be able to cooperate fully and avoid open competition with other assigned tasks. When it comes to platforms and infrastructure, the icebreaker issue remains the most visible gap. Without a proper budget, the full potential of U.S. Arctic policy has yet to be realised.

This chapter shows that several of the drivers in developing strategy and policy are driven by external factors, and to be found on the international scene, against the backdrop of Arctic climate change. Conversely, the impediments seem to be mostly domestic. While several of the federal agencies central to this process are actively arguing for a more vigorous U.S. stance in the Arctic, the decision-making system is currently in a period of political polarization, which has resulted in a slowdown in decision-making.

The United States is too big and has too many interests to consider in the Arctic to refrain from more engagement in the emerging changed Arctic region. Being a world power, the strategic in-tray is almost always full, or overflowing, but it seems clear that in the past few years Arctic issues have climbed to a higher position on the policy-making agenda. That their rise has been accompanied by more data, science, analysis and debate have helped to further the issues.

The U.S., in light of the developments analysed in this chapter, will most probably move towards more engagement in the Arctic from its until recently fairly low level. The signal that a new phase in the geopolitical development of the Arctic has been entered will arrive when a concretely formulated U.S. Arctic policy is followed by funding for its implementation. It is not possible to say precisely when that will happen, but that point is in all likelihood much closer than it was only a few years ago. When this happens, the size, interest, resources and *modus operandi* of the United States will affect the strategic pattern in the region.

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4 China and the Arctic

The consequences of climate change on the Arctic have raised the region's geopolitical importance and attracted increasing attention—in particular towards its potential shipping routes—from both littoral and non-littoral actors alike.¹²³ The People's Republic of China (PRC) has the potential to become, and in some ways already is, one of several major non-littoral Arctic actors; China's activities in and interest towards the region has been increasing over the past decade.¹²⁴ This stands in contrast to the fact that the Arctic had been treated as a non-issue in Chinese foreign policy. Being a non-Arctic state, China's increasing attention towards Arctic affairs has raised questions and concern, primarily in the West, regarding Beijing's long-term ambitions in the region.¹²⁵ As noted by Marc Lanteigne, a researcher at the Norwegian Institute of International Affairs, China's Arctic interests, ambitions and goals remain relatively difficult to understand. This is largely due to the real and perceived lack of transparency of the Chinese system, coupled to the absence of an officially-declared Chinese policy, or strategy, *vis-à-vis* Arctic affairs.¹²⁶ However it should be noted that China has hitherto only published two regional policy documents, for the European Union and Latin America respectively.

Still, as this chapter shows, it is still possible to discern China's interests in the Arctic. Examples of how China has recently become more active in Arctic affairs abound. Its successful bid, in 2013, to become a Permanent Observer at the Arctic Council, and its development of a second ice-breaker, are two concrete examples that highlight China's growing interest and engagement in the region. Notwithstanding Beijing's particular Arctic activities, the very entry of China into Arctic politics indicates that the region may reemerge as an area in which great powers – new and old – compete for influence and power. Given the latter possibility, to what extent will the Arctic become another region of not only Sino-US, but also Sino-Russian, strategic competition? While those larger geopolitical ramifications are perhaps too early to ascertain with certainty, it is nevertheless clear that China's growing footprint is adding another dimension to Arctic geopolitics; indeed, the Arctic's political dynamic is no longer driven only by its littoral states.

In order to more clearly discern the drivers behind Beijing's increasing activities in the Arctic, this chapter provides an overview of China's engagement in, and

¹²³ Carlsson, Märta and Granholm, Niklas (2013), *Russia and the Arctic: Analysis and Discussion of Russian Strategies*, FOI-R--3596--SE (Stockholm, FOI), p. 12.

¹²⁴ Jakobson, Linda and Peng, Jingchao (2012) "China's Arctic Aspirations", *SIPRI*, Policy Paper No. 34, November 2012, p. 1.

¹²⁵ *Ibid.*

¹²⁶ Lanteigne, Marc (2014) "China's Emerging Arctic Strategies: Economics and Institutions", *University of Iceland*, p. 12.

with, the region. Beijing's interests, ambitions and potential for becoming a significant Arctic actor are highlighted and discussed.

The present chapter is divided into four sections. Following this introduction, the second section discusses the structural characteristics of China's Arctic outlook, highlighting the geopolitical framework through which China's role—actual or potential—may be understood. The third section proceeds to identify and discuss China's main interests and potential ambitions in relation to the Arctic region. The fourth and final section provides a brief, concluding analysis.

Structural characteristics of China's Arctic outlook

China's attentiveness to the Far North has been growing. This is evidenced by the increased awareness and debate among Chinese analysts and policy-makers of the impact that a changing Arctic, and its politics, may have on China. The extent of the increase must not be exaggerated, but should be understood in relative terms. Indeed, the Arctic has long been a non-issue in Chinese foreign policy. The political attention that Beijing now pays to the Arctic only began to take more overt shape as recently as 2007, after a Russian submarine planted its national flag on the bottom of the Arctic Ocean.¹²⁷ Even so, as argued by Western observers, the "Arctic is not a foreign policy priority" for China.¹²⁸

China does not have an officially-declared strategy or policy towards the Arctic. There have been no official declarations of intent regarding Chinese long-term Arctic ambitions. Neither have there been any announcements of Chinese national interests regarding the Arctic, which China would officially seek to protect, promote or assert. Although analysts diverge in their predictions of whether or not China will release a policy document on the Arctic in the near term, the fact that such a document remains absent indicates that China's Arctic policies have hitherto been in "a nascent stage of formulation."¹²⁹

The absence of an official policy and a corresponding strategy implies that the drivers of China's activities in the Arctic region are relatively obscure, and that its strategic ends there are not entirely known. Therefore, other sources and indicators have to be used in order to assess Chinese interests and ambitions in the Arctic.

When compared to the potential roles of other globally-influential powers with stakes in the development of Arctic politics, most notably Russia and the United

¹²⁷ Jakobson and Peng (2012), p. 1. The authors argue further, for instance, that starting in 2007 "a gradual awakening has taken place among Chinese Government officials [...]."

¹²⁸ Ibid.; Willis, Matthew (2014), "Chinese Designs on the Arctic? Chill Out", *China Brief*, volume XIV, Issue 18, 25 September, p. 11.

¹²⁹ Jakobson and Peng (2012), p. 2. See also Lanteigne (2014).

States, China's role is inherently different. Unlike those states, China is not an Arctic nation, let alone an Arctic littoral state. As Lanteigne notes, the northernmost point of China is still 1,400 kilometers from the Arctic Circle.¹³⁰ This fundamental geographical reality is an inhibiting factor for what China is able to do in the Arctic region and what it can hope to achieve politically, at least in the short term. Perhaps more importantly, it also influences the extent to which the Chinese Communist Party perceives the Arctic as a critical region for China in terms of political, economic, or military security. Events in China's immediate periphery are bound to be perceived in Beijing as having a greater direct impact on China's 'core interests' and national security than events in more faraway regions.¹³¹ In other words, geography can be considered to place important limits on both China's capacity and political will to directly alter, shape or influence the emerging geopolitical order in the Arctic region. For example, being a non-Arctic state, China lacks the grounds for making a legal claim over territory or maritime space within the Arctic Circle.

Furthermore, the non-existence of Chinese sovereign territory in the Arctic region effectively highlights the fact that China lacks direct geographical access to Arctic lands or seas. It is therefore also difficult for China to unilaterally develop or access any form of national infrastructure in the Arctic region, including ports, roads or other facilities. The general notion of control, and the ability to exercise it, is a critical enabler of a state actor's potential to exert influence in any geographical space. This is also the case in the maritime domain, as the concept of sea control, or command of the seas, describes a situation in which "one can use the sea for one's own purposes, and at the same time prevent an enemy from using it for his."¹³² As maritime strategist Julian Corbett once argued, controlling the sea provides not ownership, but rather the protected right of passage, be it civilian or military.¹³³ China does not have the geographical proximity to the Arctic region that would enable it to more easily establish or exercise control over portions of the Arctic's maritime space. This by extension implies that Beijing only has a limited capacity to ensure its own access to Arctic sea routes, including the Northern Sea Route (NSR), which, compared to any other route, offers China's export-driven economy a significantly shorter shipping time for delivering Chinese-produced goods to the European market.

¹³⁰ Lanteigne (2014), p. 11.

¹³¹ Swaine, Michael D. (2011), "China's Assertive Behavior – Part One: On "Core Interests"", *China Leadership Monitor*, No. 34, Vol. 6, p. 4. As noted by Swaine, China's officially declared core interests are: "(1) preserving China's basic state system and national security" (read: the preservation of the power of the Communist Party), "(2) national sovereignty and territorial integrity", which is seen to primarily relate to Taiwan, Tibet and Xinjiang and "(3) the continued stable development of China's economy and society".

¹³² Till, Geoffrey (1987), *Modern Sea Power* (London: Brassey's), p. 57.

¹³³ Corbett, Sir Julian, "Command of the Sea", pp 225-228, in Freedman, Lawrence (ed.) (1994), *War* (Oxford, New York: Oxford University Press), p. 226.

Unofficial Chinese statements arguing that the Arctic should not be exclusive only for the littoral states have often been interpreted as reflective of Beijing's fear of being denied such access to the region.¹³⁴ Ultimately, any Chinese commercial, military, or scientific, operation in the Arctic region is, in the first instance, bound to be dependent on the will, interest and approval of one or several Arctic states.¹³⁵ In the case of accessing the NSR (when it is relatively navigable during the summer months) and until there is a future ice-free Arctic Ocean, that state is Russia.

China's political dependence on Arctic states for accessing sea routes and potential energy resources is indicative of how it has so far approached Arctic politics to date. As argued by Lanteigne, "Beijing has sought to maintain the identity of a partner rather than an advancing power," and engaged "the region via a series of bilateral and multilateral initiatives."¹³⁶ Examples of such initiatives include China's signing of a bilateral free trade agreement (FTA) with Iceland, in 2013; the establishment of a research station in Norway, on Svalbard, in 2004; and the founding, in 2013, of the Shanghai-based China-Nordic Arctic Research Centre (CNARC).¹³⁷ While it has not always been successful, China's approach to the Arctic region has largely been defined by diplomatic initiatives, financial and economic engagement, and an emphasis on scientific research.

Interests and activities

Chinese commentators and officials have often defined China as a "near-Arctic state," in an effort to justify and legitimize China's increasing activities in the region.¹³⁸ There is an increasing awareness in China that a changing Arctic is bound to impact China in several ways. Beyond the slowly increasing accessibility of Arctic sea lines of communications (SLOCs), climate change in the Arctic region is thought to have significant influence on weather phenomena and agricultural production in China.¹³⁹

Analysts and other observers often divide China's principal Arctic interests into three categories. Research on Arctic climate change and the impact that it may have on China is one such category. A Chinese official has also argued that scientific research in the Arctic constitutes the most fundamental aspect of China's

¹³⁴ Campbell, Caitlin (2012) "China and the Arctic: Objectives and Obstacles", U.S.-China Economic and Security Review Commission Staff Research Report, April 2012, p. 3. On the Internet: http://library.arcticportal.org/1677/1/China-and-the-Arctic_Apr2012.pdf.

¹³⁵ Ibid.

¹³⁶ Lanteigne (2014), pp. 41-42.

¹³⁷ Ibid., p. 13; Hellström, Jerker (2014) *China's Political Priorities in the Nordic Countries*, Swedish Defence Research Agency, FOI-R--3879—SE (Stockholm: FOI), p. 31.

¹³⁸ See for example: Hellström (2014), p. 34.

¹³⁹ Sun Kai (2014), "After getting in – what comes next after China got the Observer Status?", *Baltic Rim Economies*, Issue 5, 27 November, p. 21.

interests in the Far North.¹⁴⁰ Much (but far from all, as the other two categories indicate) of China's presence in the Arctic is scientific in nature. Examples of research-related activities include the numerous expeditions conducted by the Chinese icebreaker *Xuelong* ("Snow Dragon," in Chinese), and the Yellow River research station set up by China in Norway's Svalbard archipelago.

A second category of Chinese interests is related to the opening of Arctic SLOCs as a result of climate change. The opening of Arctic sea routes, in particular the NSR, would allow China to diversify its export routes and thus decrease its dependency on the Malacca and Suez straits for its access to Middle Eastern and, even more particularly, European markets. It was estimated in 2010 that "nearly 80 percent of China's crude oil imports passes through the Malacca strait from the Middle East and North Africa".¹⁴¹ Chinese analysts and officials have identified those two straits as important chokepoints, which constitute a critical vulnerability for the maintenance of China's export-driven economy. Added to that realization is the fear that a future military conflict involving China and the United States, for instance, could include a blockade of the Straits of Malacca by the latter, thus severely undercutting China's economic resilience. This "Malacca Dilemma" was raised by China's former president, Hu Jintao, as a source of Chinese concern.¹⁴² The NSR, on the other hand, even in peacetime and when compared to the SLOCs through the Malacca and Suez straits, offers Chinese companies shorter, and thus potentially cheaper, shipping routes.

The third category, similarly, is directly related to the Arctic maritime domain. This regards the increasing availability and accessibility of Arctic fishing grounds and energy resources, principally oil and gas, but also the metals and mineral deposits, which are thought to exist on and under the Arctic seabed.¹⁴³ Indeed, analyses of China's increasing engagement with the Arctic region often convincingly conclude that the key drivers of that engagement are to be found in the sphere of economics.¹⁴⁴ By extension, however, economics is tightly coupled to Chinese domestic politics and, more specifically, to the political legitimacy of the Chinese Communist Party. According to this category, the drivers of China's engagement with the Arctic are, in other words, primarily domestic.¹⁴⁵

The melting of the polar ice-cap is also expected to increase the availability of Arctic energy resources. Some analysts have argued that, "the most visible aspect of China's growing economic presence in the Arctic region has been in the area of

¹⁴⁰ Hellström (2014), p. 34.

¹⁴¹ Reuters (2010), "Factbox – Malacca Strait is a strategic 'chokepoint'", *Reuters*, 4 March. On the Internet: <http://in.reuters.com/article/2010/03/04/idINIndia-46652220100304>.

¹⁴² Storey, Ian (2006) "China's 'Malacca Dilemma'", *China Brief*.

¹⁴³ Ibid., See also: Willis (2014), Lanteigne (2014), Jakobson and Peng (2012).

¹⁴⁴ See for example: Lanteigne (2014).

¹⁴⁵ Willis (2014), p. 12.

actual and potential resource exploitation and extraction.”¹⁴⁶ According to the US Energy Information Administration, the Arctic is estimated to hold 22 percent of the world’s undiscovered oil and natural gas reserves.¹⁴⁷ More specifically, according to the US Geological Survey, the “Arctic accounts for about 13 percent of the undiscovered oil, 30 percent of the undiscovered natural gas, and 20 percent of the undiscovered natural gas liquids in the world.”¹⁴⁸ It should be noted that such figures are estimates and that the exploitation of those resources are economically unfeasible given the current price of oil. Examples of Chinese activity in the Arctic resource sector abound. The Chinese National Offshore Oil Corporation’s (CNOOC) acquisition, in 2013, of Canada’s oil and gas giant Nexen, is one such recent example. CNOOC became in 2014 the first Chinese company licensed to explore for Arctic oil. Moreover, together with its newly acquired subsidiary Nexen, CNOOC was in 2014 reportedly looking “at buying seismic data covering an area of the Barents Sea where licenses [for oil exploration] will be awarded in 2016.”¹⁴⁹ Other examples include agreements for Chinese, Russian and Icelandic companies to jointly explore for oil and gas in the Arctic.¹⁵⁰

One prominent—or, more specifically, well-published—example of China’s Arctic “resource diplomacy,”¹⁵¹ is the activity of Chinese companies on Greenland. One specific example involves a British company in Greenland’s mining sector, London Mining, which had long sought to conduct joint exploration on Greenland with the aid of Chinese investors. In January 2015, General Nice, one of China’s largest coal and iron ore importers took over the ownership of London Mining’s Greenland operations, including the Isua iron ore mine, “under full Chinese ownership.”¹⁵² Such deals are indicative of China’s economic

¹⁴⁶ Lanteigne (2014), p. 17.

¹⁴⁷ Budzik, Philip (2009) “Arctic Oil and Natural Gas Potential”, U.S. Energy Information Administration, October, p. 14. On the Internet: http://www.eia.gov/oiaf/analysispaper/arctic/pdf/arctic_oil.pdf. According to the US Geological Survey, these reserves are considered technically recoverable. See footnote 26.

¹⁴⁸ US Geological Survey (2008), “90 Billion Barrels of Oil and 1,670 Trillion Cubic Feet of Natural Gas Assessed in the Arctic”. On the Internet: http://www.usgs.gov/newsroom/article.asp?ID=1980#.VUi3FZPp_3c.

¹⁴⁹ Holter, Mikael, (2014), “China’s Cnooc Considers Norway Exploration as Oil Trumps Nobel”, *Bloomberg*, 23 October. On the Internet: <http://www.bloomberg.com/news/articles/2014-10-23/china-s-cnooc-considers-norway-exploration-as-oil-trumps-nobel>.

¹⁵⁰ For example, Bloomberg reports that the Chinese company CNPC purchased in 2013 “20 percent of an Arctic gas project from OAO Novatek for an undisclosed sum”. See Meyer, Henry and Pismennaya, Evgenia (2014), “Putin Deals China Winning Hand as Sanctions Power Rival”, *Bloomberg*, 12 October. On the Internet: <http://www.bloomberg.com/news/articles/2014-10-12/putin-deals-china-winning-hand-as-sanctions-power-rival>.

¹⁵¹ Rainwater, Shiloh (2013), “Race to the North – China’s Arctic Strategy and Its Implications”, *Naval War College Review*, vol. 66, no. 2, p. 66.

¹⁵² Hornby, Lucy *et al* (2015), “Chinese group General Nice takes over Greenland mine”, *Financial Times*, 11 January. On the Internet: <http://www.ft.com/cms/s/0/22842e82-9979-11e4-a3d7->

interests in the Arctic region. Moreover, such activities create the prospect that Chinese investors may be indirectly helping to jump-start Greenland's economy, which in turn strengthens Greenland in its efforts to gain independence from Denmark. Such formulations stoke concern that China's increasing activity in the Arctic may lead to a significant redrawing of the region's geopolitical map.¹⁵³

Perhaps more telling than the interests and activities themselves is the character of China's Arctic interests. While not exclusive to China, the interests described above appear to be mainly long-term, and the prospects for China to promote them depend in part on factors beyond its immediate control. For instance, it is unclear when, and even if, it will be commercially viable for China or any other state to direct their shipborne trade via Arctic sea routes. It is not difficult to imagine, for instance, that shipping companies that plan to traverse dangerous and difficult-to-navigate Arctic waters may face prohibitive insurance premiums. Those may offset any financial advantage associated with choosing such routes over other more conventional ones. For similar reasons, it is unclear when the economic risk faced by oil and gas exploration companies that contemplate operations in the Far North will ease, given the fact that the advanced infrastructure needed for supporting such activities is limited.

Arguably, China's engagement in Arctic politics – largely symbolized by its status as a Permanent Observer of the Arctic Council – is also driven by public diplomacy and politics writ large. Being a still-rising great power, during the past few years China has come under increasing international scrutiny and criticism over its belligerence in other parts of the world, in particular in the Asia Pacific. The Arctic, meanwhile, presents China an opportunity to present itself as a more “responsible stakeholder” in global politics. Moreover, as a non-Arctic state, China has neither outstanding political disputes over territory, nor any historical grievance associated with the Far North that could fuel Chinese nationalism. The Arctic presents the Chinese leadership a politically less-sensitive region with which it can engage and display itself as a cooperative actor on the international stage.

This benign Chinese behavior has been compared with how Beijing asserts, often in a confrontational and forceful fashion, its interests and territorial claims in the South and East China Seas.¹⁵⁴ While this difference in posture and activism raises Western concern that China, by assuming a more belligerent stance, might in the future seek to alter the status quo in the Arctic, there is little to suggest that Beijing

00144feabdc0.html#axzz3ZGEjj1Zx. See also Government of Greenland, “New strong force behind London Mining Greenland”, 8 January, 2015. On the Internet: <http://naalakkersuisut.gl/en/Naalakkersuisut/News/2015/01/080115-London-Mining>.

¹⁵³ Hornby, Lucy *et al* (2015), *Financial Times*, 11 January.

¹⁵⁴ Taylor, Joanna Yu, “Chinese Behavior in the Arctic vs. the South China Sea”, *Analytic Services Inc.*, 24 November, 2014. On the Internet: http://www.anser.org/node/874/banyan-article?render=overlay#_edn1.

actually has that ambition or, even less, the ability to do so. For instance, China's ascension to Permanent Observer status in the Arctic Council indicates Beijing's acceptance of the preeminence of not only the Arctic Council itself, but also of its eight member states, in relation to regional governance.¹⁵⁵ In other words, Beijing does not seem to be interested in challenging the existing status quo and political structures in the Arctic.¹⁵⁶ In comparison, disputes over territory and sovereignty in the South and East China Seas have substantial and direct relevance for Chinese domestic politics, in general, and for the power, prestige and legitimacy of the Chinese Communist Party, in particular.

Since China became a Permanent Observer in the Arctic Council, in 2013, statements from officials in Beijing, regarding issues of sovereignty and security in the Arctic region, have become unusual. China, during the past few years, has toned down its rhetoric on contentious issues relating to the Arctic and instead focused its public diplomacy on less sensitive topics, such as climate change.¹⁵⁷ While Chinese officials have at times argued, in spite of sensitive territorial claims by and disputes between Arctic littoral states, that "the Arctic region belongs to the world," previous studies have shown that "such public statements are rare."¹⁵⁸

China's relatively nascent but nevertheless expanding interest towards the Arctic should also be viewed in light of its growing role as a global actor. China is increasingly present, economically and politically, in every region of the world. Africa, Latin America and the Middle East stand out as regions where Chinese state and private actors have become increasingly present and active. In a way, China's growing interest and presence in the Arctic region follows a pattern, in which China is simply becoming an integral part of global politics.

China – seeking position for future activities

China has become a more active and engaged actor in the Arctic region. It is clear that China has a greater interest in the politics, governance, economic development and environmental change in the Arctic than ever before. As a great power and a relatively new actor in Arctic affairs, China's activities in the region have been met with both concern and engagement. However, the Arctic is still relatively low on China's foreign policy agenda, partly indicated by the fact that there is no official Chinese Arctic strategy or policy. Announcements of national interests specifically related to the Arctic, and which Beijing officially seeks to promote or

¹⁵⁵ Solli, Per Erik *et al.* (2013) "Coming into the Cold: Asia's Arctic Interests", *NUPI*, Policy Brief, p. 2. On the Internet: <http://brage.bibsys.no/xmlui/bitstream/handle/11250/191556/NUPI%20Policy%20Brief-11-13-Solli-Rowe-Lindgren.pdf?sequence=3>.

¹⁵⁶ Jakobson and Peng (2012), p. vi.

¹⁵⁷ Hellström (2014), p. 34; Jakobson and Peng (2012), p. 15.

¹⁵⁸ Hellström (2014), p. 34.

assert, are absent. Nevertheless, China is bound to remain politically and economically active in the Arctic region.

China's interests and activities in the Arctic are primarily economic and scientific in nature. While much of China's Arctic presence is concerned with scientific matters, such as climate change research, Beijing's most significant activities and interests in the region, and those with the greatest regional impact, are related to the emergence of new shipping lanes and the increasing availability of Arctic fishing and energy resources.

The prospect of being able to exploit Arctic resources and decrease the time and distance of exporting Chinese goods to the European market is associated with considerable economic gain. China's economic activity in the Arctic is fundamentally driven by domestic political considerations and needs; the Chinese Communist Party has in part coupled its legitimacy to its promise of economic and social development. However, China's access to and potential for exploiting the economic promise of a changing Arctic is highly dependent on the will, interest and approval of Arctic states.

The geographical distance between China and the Arctic places significant limits on China's ability and capacity to establish itself as a major economic and political actor in the region. As it will remain dependent on the acquiescence of the Arctic states China seems, thus far, to have taken a constructive and cooperative approach to issues pertaining to the Arctic. Furthermore, the resources and sea lanes that are of interest to China remain far from being fully exploitable, given the slow pace of environmental change and the economic insecurities associated with operating in the Arctic. Arguably, China can at best seek to position itself politically so as to be ready to exploit to the fullest the economic opportunities offered by a changing and future Arctic.

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5 Conclusions

The analysis of the three states in focus for this study shows that their profiles, perspectives and priorities for the emerging new Arctic differ. In addition, levels of ambition in the region differ from the outset. Three classic factors form the background for how the conclusions below are discussed; geography, national interest and the setting of national priorities.

All three states as actors in the Arctic also differ in how far along they are in their strategy developments and its implementation. All three are similar in that they recognize that a changing Arctic is on the way but that they are in different stages of developing or adapting their policies for the region.

Russia is making considerable investments and is strengthening its position in the Arctic. Given an emerging new Arctic, Russia ought to be well placed to take advantage of the long-term trends. From the flag-planting on the seabed of the North Pole in 2007 and efforts in developing oil, gas and mineral extraction, to an increasing military presence and exercises, Russia has a head start compared to the other two actors examined in this study. Geography also plays to Russia's advantages: the country has by far the longest stretch of Arctic Ocean coastline which generates a large sea-territory and Exclusive Economic Zone (EEZ).

From a Russian perspective the military component in the strategy seems to be developing reasonably well, while the plans concerning energy are facing considerable challenges since much of the economic prospects for extraction have been seriously weakened. Without a sufficiently high price on the world markets, extraction will not be economically feasible, regardless of climatological change opening up the sea lanes. But natural resources will remain where they are and should circumstances change in a more favorable direction, these plans can be revived. The military strategic role remains central, due to the link to the submarine-based strategic nuclear weapons based in and operating in the region. A further interest is the possibility of the opening up of the Northern Sea Route that would establish a direct transoceanic link between the North Atlantic and the Pacific, but the current lack of proper infrastructure and services along the route makes it problematic. Russia's current aggressive and revisionist foreign policy behavior and attempts at changing the international rules-based system in its favour might well spill over into the Arctic, which might increase the friction in the region.

In order to manage Russia, suggestions for compartmentalization of the issues have been made by some western states in order to limit the damage to the cooperative agreements and spirit that has become the norm for Arctic affairs for the past eight to ten years. Such a policy of compartmentalization might be at best only partially successful due to the loss of confidence that Russia's actions vis-à-vis Ukraine have led to. Cooperative relations for the Arctic are not likely to

develop further and the existing ones may be undermined. The precise extent of the damage is hard to ascertain.

It seems likely that Russia's actions in its foreign and security policy – political, military, and economic, based on its clearly expressed long-term strategies – will strengthen an action-reaction pattern in the Arctic and elsewhere. The possible ramifications of this conclusion lie outside the scope of this study but have implications for further studies of Arctic strategic development.

Chinese actions in the Arctic are likely to be opportunistic and will aim to take advantage of the new Arctic dynamic. The 2014 natural gas export agreement between Russia and China as well as other overtures on Russo-Chinese Arctic cooperation are cases in point.

China's interests pertaining to the Arctic are likely to remain unchanged in the longer term. Factors partly or completely outside of China's control will influence how and to what extent these long-term interests can be pursued. For example, the status of China's bilateral relations with Arctic littoral states will have a decisive impact on China's ability to exploit natural resources in the region. Chinese natural science efforts directed towards the Arctic are likely to continue.

The United States constitutes the most important foreign relation for China. The Arctic offers China another arena in which it might pursue cooperative relations with the United States. There is no direct or historical tension between China and the United States in the Arctic. Moreover, the Arctic offers China an opportunity to develop and project its image as a responsible stakeholder in international affairs. In parallel, Chinese attempts at gaining access and influence on Greenland and in Iceland feed into already existing western mistrust with regard to China's Arctic ambitions. China is increasingly gaining the upper hand in its relation to Russia. This development has been accentuated by the Russian armed aggression towards Ukraine starting in 2014 and the damage this has done to Russia's relations with the western world. The effects of this trend is likely to be seen in the Sino-Russian relations in the Arctic.

The United States has as a function of its status as the only superpower global interests and the potential to profoundly influence the development of the Arctic. Its considerable resources; economic, military and political as well as its tradition of crafting and executing regional policies, constitute a foundation for such actions. In the case of the Arctic, this development is impeded by the current climate of domestic political polarization and elements of bureaucratic in-fighting and tendencies to inter-service rivalry. The overall strategic agenda of the United States is long and its priorities shift, leading to competition for attention and in extension for resources and funding. While ambitions and goals which places the Arctic region higher on the U.S. policy agenda have been set by federal agencies, some of the political decisions are still lacking: Icebreakers, infrastructure and ratification of the UNCLOS are cases in point. On the one hand, this state of affairs

hampers United States' ability for cohesive and decisive action and constitutes a drawback on international credibility in the Arctic. On the other, United States Arctic policy development is today better underpinned by scientific research, analyses and policy statements up to and including the presidential level. This is a clear indication that a shift in the implementation of these policies is drawing nearer. However, it is still an issue of "we'll know it when we see it".

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A change in the state of Arctic affairs may come as a result of shifting geopolitical factors external to the Arctic. Meanwhile climate change will continue to transform the region. Climate lies outside of immediate political control, and will continue to shape the emerging new Arctic for decades to come. To what extent the United States will react to the increased Russian military activities in the Arctic and how much Russia's assertive and revisionist attitude in general will affect the general spirit of Arctic cooperation remain to be seen. With significantly lower energy and mineral prices the acute pressure to solve the territorial issues has lessened, but will remain a significant factor in Arctic affairs for the foreseeable future.

The actions of Russia and the United States will to a great extent determine how the strategic pattern in the Arctic develops. Both Russia and China are in many ways constant factors in the emerging new Arctic; Russia due to its geographic position as an Arctic coastal state and China through its long-term economic and trade interests as a rising power. Somewhat paradoxically, it is the United States that has both the choice as well as the potential to determine much of the future political dynamic in the emerging new Arctic.

The Arctic region is changing fast as a consequence of ice-melt on land and at sea. Climate change in the Arctic region is about twice as fast as in the rest of the world. A number of follow-on effects can already be observed, but the final outcome is hard to foresee. As a result, a number of both state and non-state actors have taken an interest in the Arctic. The focus of this study is on three state actors – China, Russia and the United States – and how they respond to the emerging new Arctic.

The three states studied in this report have very different profiles, decision-making systems and a greatly varying degree of openness on their strategies and policies. Geography, national interest and how they set their priorities therefore differ. The focus of the analysis is how the three states respond in different ways to the changing circumstances in the Arctic region.

A change in the state of Arctic affairs may come as a result of shifts in factors external to the Arctic while climate change will continue to change the region. With energy and mineral prices significantly lower for the foreseeable future, the acute pressure to solve the territorial issues has lessened, but will remain a significant factor. Climate change lies mostly outside of political control other than in a very long-term perspective and will remain a driver for geostrategic change in the Arctic.

Russia and the United States will determine much of the strategic pattern in the new Arctic. Russia and China are in different ways constant factors in the emerging new Arctic; Russia due to its geographic position and China through its long-term economic and trade interests. However, it is the United States that has both the choice and the potential to influence much of the future dynamic of the emerging new Arctic.

FOI reports and studies related to the Arctic can be downloaded at www.foi.se/arctic