

University of Calgary Institute for United States Policy Research
School of Policy Studies

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**The Next U.S. Administration: Policy Directions & Implications
for Canada-U.S. Relations**

March 6-7, 2009

Session I – The Arctic
9:00 a.m. – 10:00 a.m.

PRESENTER

Rob Huebert, Political Science, University of Calgary

COMMENTATOR

Elizabeth Elliot-Meisel, Department of History, Creighton University

STUDENT OBSERVER/RAPPORTEUR

Cindy Stromer, Centre for Military and Strategic Studies, University of Calgary

Session I - Summary

The United States is sometimes considered a reluctant Arctic power as its Arctic policy is described as “reactive, piecemeal, and rigid.” Though it is undisputed that the Arctic is important to the United States, it remains disproportionately in the background of policy discussions. In the near future, climate change, resource development, and geopolitics will have a significant impact on the Arctic and the development of a more coherent Arctic policy.

There are three significant areas of interest where U.S. policy can foster cooperation with other Arctic nations, but if handled poorly, these areas of interest are also hotbeds for potential disagreement.

First, interest in Arctic oil and gas development is currently increasing as a result of rising global demand for oil and gas. At the same time accessibility in the region is increasing due to rapidly melting Arctic ice caused by climate change. With approximately 30 percent of all undiscovered natural gas, and 13 percent of undiscovered oil believed to be in the Arctic, it is of little surprise that companies such as Exxon Mobil, Imperial Oil, BP, and Shell are already anticipating significant profits from oil development in the region. Excitement over potential oil and gas revenue is met with equally fervent fears of environmental degradation.

As part of the U.S. Arctic policy announced on January 9, 2009, the United States is committed to protecting the Arctic environment, conserving its biological resources, and ensuring that natural resource management and economic development in the region are environmentally sustainable. These policy statements are admirable in intent, but it remains to be seen whether climate change, global energy demand, and the United State’s commitment to decrease dependence on foreign oil will trump any Arctic environmental doctrine.

Second, boundary disputes in the Beaufort Sea between the United States and Canada remain unresolved. In the past, disputes over Arctic territory were rare due to the inaccessibility of the region. As mentioned previously, melting Arctic ice caused by climate change has allowed the region to become accessible to commercial vessels for the first time. Consequently, Arctic nations are now aggressively pursuing control over potentially lucrative Arctic shipping routes and territory.

Attempts by Arctic nations to create a multilateral agreement regarding Arctic boundaries have failed to reach any viable conclusions. The United States and Canada both adhere to contradictory opinions of how the Beaufort boundary dispute should be resolved. In addition to the Beaufort dispute, there are other Arctic boundary disagreements between Canada and the United States, including the Northwest Passage, the Bering Sea and Bering Strait, and the Northern Continental Shelf.

The Northwest Passage has received increased international attention in the last decade as it represents a tremendous opportunity for expediting global shipping. Although the United States and other maritime nations view the Northwest Passage as an international strait that can be crossed freely by all vessels, Canada believes it has sole control over the waterway. Canada views control over the Northwest Passage and its Arctic territory as a sovereignty issue, making it unlikely that the Canadian government will make significant concessions to resolve the dispute.

Currently, there are few impediments to prevent ice-capable ships from entering the Northwest Passage and/or other contested Northern waters. In 1969, 1970, and 1985, American ships entered what could be considered Canadian waters without permission from the Canadian government. These events highlighted the potential for political confrontation in the Arctic

region. Recent advances in Arctic shipping technology, combined with thinning ice in the region, have increased the likelihood that confrontation over navigation rights through the Northwest Passage will continue.

As Elizabeth Elliot-Meisel commented, Canadian Arctic policy, like U.S. Arctic policy, is also reactive, piecemeal, and rigid. It is reactive in the way that Canada responds to contestations of sovereignty by the United States and other Arctic nations; it is piecemeal because Canada has yet to articulate an integrated and effective Arctic policy; and it is rigid in how Canada champions its Northern sovereignty by an underfunded and under-equipped military. She suggests that Canada should convert its emotional and symbolic attachment to the Arctic into serious funding, infrastructure, and a concrete commitment to the region and its people.

The third, broadly defined, area of interest, in Rob Huebert's paper is that of Arctic defense and security. The United States has significant military capabilities in its sole Arctic region, Alaska. Fort Greely is part of the U.S. missile defense system with three wings of F-15s and 26,000 troops; additionally, the United States has several Arctic-capable submarines. While this might not be considered a threat to Canada per se, it is an indication of the perception of a prevailing threat against the United States.

This could be due, in part, to renewed Russian strength in the Arctic since 2000. Aside from the Russian State Rearmament Program, which will produce a formidable arsenal of both nuclear and diesel submarines, Russia is making significant investments in other Arctic technologies.

Some of the major policy recommendations in both the paper by Rob Huebert and the comments from Elizabeth Elliot-Meisel suggest that any measures taken by the United States and

Canadian governments to secure the Arctic would be greatly enhanced if both countries worked collaboratively rather than unilaterally. There are five principal areas that both the United States and Canada must consider to develop an effective Arctic strategy. First, both countries should ensure that any Arctic policy is multi-dimensional and multi-disciplinary. Arctic policy should consider not only military dimensions, but also stress the importance of stewardship, and the notion of a common heritage of mankind.

Second, it remains clear that neither Canada nor the United States can ignore the Arctic, despite current priorities such as the wars in Iraq and Afghanistan and the current economic climate. Third, international relations and resource development are greatly intertwined in the Arctic. As issues of territoriality loom over any oil and gas development, millions of dollars are being spent on exploration, environmental impact assessments, and stakeholder consultation. Any decision in favor of development in the region must be made with the utmost care and attention to the impact of such a fragile environment, both social and ecological.

Fourth, Northern communities and stakeholders must be considered in the negotiations of any development contract or international agreement, to parallel Canada's progressive policies regarding Aboriginal people in the South. And finally, Canada and the United States must embrace multilateral institutions when dealing with Arctic issues. The Obama administration has made progress in moving toward the ratification of the United Nations Convention on the Law of the Sea. Without increased cooperation in the region, circumpolar relations will remain tenuous at best and the Arctic environment will not receive the necessary attention it deserves.

The Arctic is in a precarious position not only geopolitically, but environmentally, since climate change, which has helped spur resource development, could be a significant source of disruption in the region. The political, economic, and environmental stakes for both Canada and

the United States are far too high to remain complacent in developing and implementing an effective Arctic strategy.

Though the current economic and political climate remains uncertain in both the United States and Canada, there is, as both Rob Huebert and Elizabeth Elliot-Meisel attest, no place for reluctance in Arctic policy today.