



Polar Initiative Policy Brief Series
**ARCTIC 2014: WHO GETS A
VOICE AND WHY IT MATTERS**

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CANADA AND FUTURE CHALLENGES IN THE ARCTIC

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Policy Recommendations

- Canada and the United States should continue communicating with one another on matters related to Arctic sovereignty to avoid political misunderstandings and ensure proper surveillance and enforcement capabilities continue.
- Canada needs to ensure it meets NORAD, and the United States', expectations in the Arctic, while providing the resources it needs to expand its our Arctic domain awareness.
- Canada will need to balance its commitment to the Arctic Council with its commitment to its own foreign policy and to NATO, specifically as relates to the situation in Ukraine.

This policy brief series seeks to share with a wider audience the proceedings of the May 2014 conference at the Woodrow Wilson Center that explored emerging challenges facing Arctic governance, analyzed the goals and policies of stakeholder nations, and evaluated means for promoting international cooperation. The conference was co-hosted under the Wilson Center's Polar Initiative by the Center's Kissinger Institute on China and the United States, Asia Program, Canada Institute, China Environment Forum, Kennan Institute, and Global Europe Program.

Introduction

Canada is a northern country that had the luxury of ignoring its own north throughout much of its history. The fierce climate and the vast distances in the Canadian Arctic have kept other countries and outside actors from coming to the region.

For more than a century, Canada's Arctic policy tended to be ad hoc, reactive, and piecemeal. This policy began to change after the Cold War as Canadian policymakers saw an opportunity to develop a cooperative international regime that could foster stronger and more productive relations among the former adversaries of the region; at the same time, policymakers could promote and protect Canadian interests. Successive Canadian governments have focused their attention on protecting Arctic sovereignty, from Americans, and Arctic security, from the Soviets/Russians. More recently, environmental threats are encouraging multilateral cooperation. Canada has pursued this dual track primarily through the development of a domestic policy framework and through the creation and support of new multilateral endeavors such as the Arctic Environmental Protection Strategy and the Arctic Council. Canada has been very successful in balancing and protecting both its domestic and international interests.

Canada now faces renewed challenges in the Arctic as forces continue to fundamentally transform the region and threaten Canada's carefully created balance of interests. Melting ice, new transportation technologies, and a global increase in demand for natural resources have drawn non-Arctic nations such as China and India to the vast potential of the Arctic region. Russia, a traditional Arctic power, is increasingly prioritizing its north for its future prosperity and security. However, problems and challenges far from the region are disconcertingly and increasingly making their way into Arctic affairs; the conflict in Ukraine has begun to

cast a shadow on the cooperation and goodwill that was characteristic of the Arctic region for decades.

The Protection of Canadian Arctic Sovereignty

Canada maintains that the Northwest Passage, which links the Pacific and Atlantic Oceans via the Arctic, are internal waters. The position of the United States—the only state that has officially challenged Canada on this issue—is that the Northwest Passage is an international waterway. For decades, discussions about the sovereignty of the Northwest Passage have been largely theoretical since there has been virtually no international shipping due to heavy ice. However, as the Arctic warms, there will be increasingly long periods of open water that will allow for more international shipping. If the Northwest Passage is considered an internal waterway, Canada can unilaterally determine the rules that foreign vessels must obey while transiting it. If the passage is an international strait, such as the Straits of Malacca or Hormuz, then all vessels must be allowed passage as long as they meet international standards.

Two international processes will soon require both the United States and Canada to revisit the Northwest Passage issue. First, there has been an ongoing effort by the International Maritime Organization (IMO) to develop rules—the Polar Code—for shipping in the Arctic region. These efforts do not directly address the international status of the Northwest Passage, but they will provide the rules for all shipping that operates in international waters. What would happen if an international shipper enters the Northwest Passage and complies with the Polar Code, but does not comply with Canadian regulation? Would the Canadian Government attempt to enforce its rules and risk provoking those supporting the rights of international shippers?

Or would it simply accept such actions, but risk facing a domestic reaction for failing to “protect” Canadian Arctic sovereignty. Secondly, Russia has moved to increasingly assert its control over its northern waterways—the Northern Sea Route. It has encouraged international shippers to use the route, but under its own terms; if an international shipper does not meet these terms, it is not permitted passage. Will its actions eventually provoke an American response protecting international shipping rights that, while directed against Russia, would inevitably impact Canada? It would be impossible for the United States to take a position against the Russians and ignore Canadian efforts to assert the same type of control.

Canada and the United States must resolve this politically sensitive issue sooner rather than later. Canada needs to be attuned to U.S. concerns regarding the freedom of navigation, but it is equally important that the United States recognizes the unique environment of the Northwest Passage, both in terms of the environment (protection from spills and accidents) and Canadian political sensitivities.

Canada can best respond to these new developments by building on its existing capabilities for surveillance and enforcement of Canadian laws and regulations in order to reassure its American allies. The more confident the United States can be of Canada’s ability to achieve comprehensive domain awareness of the region, the better the United States can be assured of protecting its northernmost flank from international threats that may develop in the future. In return, the United States should not actively seek to undermine Canada’s Northwest Passage positions internationally.

Protection of Arctic Security: NORAD

The North American Aerospace Defense Command (NORAD), designed for defense and deterrence against Soviet bombers and missiles, has provided for the joint defense of North American airspace since 1957. In 2006 the United States and Canada recognized the need to modernize the agreement, and decided to eliminate the requirement to renew it at regular intervals. In what is being called “NORAD Next,” U.S. and Canadian officials have begun to address the issue of how to improve Arctic and maritime domain awareness through NORAD, acknowledging that the melting ice-cover will make the region more accessible to maritime traffic. Russia’s resumption of bomber patrols in 2007 over the high Arctic, up to Canadian, U.S., and Norwegian aerospace boundaries, are a reminder of the need to maintain this deterrence capability.

NORAD Next will involve the modernization and expansion of NORAD’s existing surveillance systems, including updating the North Warning system (formerly the DEW Line), a series of radar sites that run from Alaska to Greenland, which was last updated in 1985. Beyond NORAD Next, Canada will also need to develop an expanded Arctic maritime surveillance system, which will require a mix of satellite systems, new ground-based radar systems, and unmanned aerial vehicles—all of which are currently under discussion by the government. While Canada’s RadarSat II has already proven very capable in ship detection, the Canadian government has committed to the next generation of Earth observation satellite. The collection of additional intelligence will require data fusion from all of these systems in order to understand the full surveillance picture.

To compliment these new intelligence capabilities, Canada must have the ability to respond to Arctic situations that may arise from the increase in international activity. This could run the gamut from an environmental emergency caused by a vessel to illegal activity such as smuggling, necessitating new vessels for the Canadian Coast Guard and Royal Canadian Navy as well as new aircraft for the Royal Canadian Air Force. The government is currently committed to building one new icebreaker, six to eight Arctic Offshore Patrol Ships (AOPS), and a replacement for its existing fleet of CF-18 fighter aircraft. However, these programs face substantial political hurdles and increased costs for improvements, thus testing Canada's commitment to the region even further.

Protection of Canadian Arctic Security: NATO

Canada's vision for the Arctic may be at odds with its NATO commitments. The Harper government does not see a role for the alliance in the region, placing it at odds with some of its European allies—such as Norway, which has been pushing to expand NATO's role in the Arctic. Canada does not currently see a military threat in the region and, thus, does not see the need to expand NATO's role there.

Canadian opposition to expanding NATO's mission has prevented the alliance from expanding its mandate northward. Recent events in Ukraine, however, threaten to reopen this issue. Finland and Sweden are debating possible membership in NATO; both are currently members of the Partnership for Peace, but do not belong to the alliance. There was similar debate in both countries following the 2008 Russia-Georgia conflict. There would be increased tension between Russia and the other Arctic nations should either or both of these states seek full membership as a result of

Russian action in Ukraine. The result would be an Arctic Council with seven NATO members—and Russia, which would significantly reduce the effectiveness of the Arctic Council in the short term and likely in the long term as well. Such a situation would also be a blow to Canadian Arctic policy, since Canada was the creator of the Arctic Council and places it at the center of its Arctic foreign policy. At the same time, Canada has been one of the most vocal critics of Russian intervention in Ukraine. It is difficult to see how Canada could oppose the addition of the two Arctic "neutrals."

Canada has a difficult policy route to follow. It must reconcile the need to foster cooperation among the entire Arctic community—including Russia—with its need to demonstrate opposition to states that use or support the use of military force to disassemble existing states. It may not be able to do both.

Conclusion

The Arctic is becoming a more complicated region for Canada, which to date has been very successful in protecting and promoting its Arctic interests. To a certain degree, Canada has been able to harvest the "low-hanging fruit": the establishment of the Arctic Council and the Council's creation of a search-and-rescue treaty were easily agreed on. New pressures from outside the region are now forcing Canada to deal with difficult issues.

As climate change causes increased melting of Arctic ice, international shipping will likely migrate to northern waters, including the Northwest Passage, which will pose difficulties for Canada's relationship with the United States. At the same time, Canada and the United States need to work together on the redevelopment and modernization of NORAD. If Canada can demonstrate that it is serious about improving and expanding its current surveillance and

enforcement capability in the region, Canada may be able to take responsibility for its role in NORAD and at the same time provide a quid pro quo for the United States regarding the Northwest Passage. There is no guarantee that this will happen. Canada may face circumstances where it provides substantial resources to redevelop its capabilities with NORAD, but still faces an open challenge by the United States regarding the status of the Northwest Passage. This will be an enormous political challenge for any Canadian government.

Canada also faces challenges in its relationship with Russia, particularly over the balancing act of cooperating with Russia on Arctic policy while simultaneously harshly critiquing Russia

over its actions in the Ukraine. Cooperation will become increasingly less likely if the conflict in Ukraine continues for any length of time. Ironically, Russia and Canada have the closest interests regarding the control of their Arctic waterways, but the growing tensions between the two countries will prevent any meaningful coordination of their policies.

How Canada balances the conflicting requirements of its Arctic policy will be increasingly difficult, and will likely be substantially less successful than it was in the last 15 years. Canada can expect to pay much more—and get much less—in the coming decade.

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