PISM POLSKI INSTYTUT SPRAW MIĘDZYNARODOWYCH
THE POLISH INSTITUTE OF INTERNATIONAL AFFAIRS

NO. 124 (1554), 9 JUNE 2020 © PISM

BULLETIN

U.S. Policy in the Arctic

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The Arctic has become another contested area between the U.S., Russia, and China. The region's growing importance for global trade and American security means the U.S. goal is largely to maintain freedom of navigation in the Arctic. For this reason, the Trump administration strives to increase American capacities to operate in the Arctic. The effects of the COVID-19 pandemic will delay implementing these plans; nevertheless, they will be achieved in the long term and the U.S. will also expect support in the Arctic from NATO allies.

The projected increase in global surface temperature as a result of climate change will mean ice cover in the Arctic Ocean will completely disappear by 2030. Once hard-to-reach sea lanes like the Northern Sea Route (NSR) and Northwest Passage (NWP) connecting Europe and North America with Asia will become navigable year-round (currently they are accessible periodically and irregularly). Both are very attractive routes for the transport of goods: the sea route from eastern Asia to Europe via the NSR is about 30% shorter than through the Malacca Strait and Suez Canal. Access to natural raw materials, including deposits potential important to the global economy, will also be easier. Simultaneously, Arctic climate change will negatively impact the world's ecology by leading to a further increase in greenhouse gases and ocean acidification. Geographically, eight countries are connected to the Arctic (the U.S., Russia, Canada, Denmark, Norway, Finland, Sweden, and Iceland) and are members of the Arctic Council (AC). Although the status of the Arctic is normalised under international law, the emerging possibilities in the region have caused an increase in political, economic, and military activity.

U.S. Policy. The importance of the Arctic in American foreign policy has clearly increased in recent years. During the adoption of the Paris Climate Agreement in 2015, President Barack Obama focused on the Arctic primarily in the context of multilateral cooperation for climate change. This issue was prioritised when the U.S. held the chair of the AC in 2015-2017. In 2016, Obama also issued an executive order prohibiting the extraction of raw materials from the Arctic Ocean along the coast of northern Alaska.

President Donald Trump views the Arctic differently—as a strategically important region in the context of the growing rivalry with Russia and China. His administration's goal of strengthening the U.S. economy, its climate scepticism, and support for developing oil and natural gas extraction by leasing territory in northern Alaska all play a role. The expected revenue to the federal budget from leases could amount to about $1 billion in 2021. Trump also seeks to strengthen bilateral relations with Arctic states, rejecting multilateral forums. During the May 2019 AC meeting, the U.S. blocked the consensus statement, resulting in climate change being omitted from the final declaration. AC members, and particularly Finland and Sweden, heavily criticized the U.S. for this. In addition, Trump has exacerbated relations with Canada by questioning the latter's commitment to freedom of navigation on the NWP (for years, Canada has claimed sovereignty over this key waterway connecting the Artic and Pacific oceans). Trump's proposal to purchase Greenland raised tensions in U.S.-Danish relations, although U.S. firms still plan to invest $12.1 million in rare-earth metal extraction on the island.

International Significance. The Arctic has become an area of rivalry for Arctic states. Since 2006, Denmark, Iceland, Canada, Norway, and Russia have filed territorial claims, in them suggesting that based on the 1982 Convention on the Law of the Seas they have the right to claims on the continental shelf beyond 200 nautical miles from their shores. Russia seeks economic benefits from both increased shipping traffic on the NSR, which runs along its Arctic coast, and claiming exclusive rights to exploit waters and underwater deposits. To achieve these goals, Russia since 2013 has intensely developed its Arctic military capabilities, reconstructing air bases and submarine ports, creating special Arctic brigades and expanding new air and space radar stations. It conducts regular exercises in the Arctic and Russian reconnaissance and bomber planes often violate the airspace of the U.S. and European countries (e.g.,

Norway) in the Arctic. The activity of Russian submarines in the Barents Sea has also increased. The newest Russian Arctic strategy for 2020-2035 envisions continuing the development of infrastructure for extracting natural gas and oil while also increasing military presence and activity. For these purposes, Russia has allocated $2 billion for building nuclear ice-breakers for the Northern Fleet (eight new such ships are expected by 2033).

Even though China is not an Arctic state, it is clearly seeking to increase investments throughout the region. A 2018 Chinese strategy document cites the Arctic and the sea routes forming there as part of a future "Polar Silk Road". Chinese state companies own shares in Russia's Arctic LNG terminals. Investments in Iceland, especially in geothermal and telecommunications research and development, amount to about 10% of the country's GDP. In Greenland, Chinese capital investments in rare-earth mineral extraction, as well as iron, copper, and uranium mining account for 11. 5% of the island's GDP.

The Arctic in U.S. Defense. In 2019, a series of strategic documents focused on the Arctic were issued by the Department of Defense (DoD), the U.S. Navy ("Strategic Outlook for the Arctic") and the Coast Guard ("USCG Arctic Strategic Outlook"). All declare that the U.S. seeks to develop power-projection capacities to maintain freedom of navigation in the Arctic and strengthen U.S. security from military threats arising in the north. In 2018, the Navy included the North Atlantic and Arctic into the areas of responsibility of the Second Fleet (based in Virginia), expanding its assignment beyond the east coast of the U.S. The air force will also increase its presence in Alaska. By 2021, an additional 54 F-35A fighters will be transferred to Fairbanks.

A key task will be modernising the USCG icebreaker fleet. Currently, it possesses two outdated icebreakers (in comparison to about 40 Russian ones). Six modern icebreakers are planned to be built at a cost of $12.2 billion. DoD Secretary Mark Esper is preparing a report assessing the optimal location for a new deep-water port in the Arctic that will serve as a base for the icebreaker fleet. The unit will be responsible for, among others, escorting transport ships through American waters near the NSR and NWP.

The U.S. is simultaneously increasing bilateral defence cooperation in the Arctic with key NATO allies. Trump allocated $91 million for a project to update the Cold War-era U.S. Naval base at Keflavik, Iceland. American forces participated with Allied militaries in the 2018 NATO *Trident Juncture* exercise, which took place mainly in northern Norway. In 2018 and 2019, U.S. B-2A and B-52 strategic bombers conducted flights over the Barents and Norwegian seas and Iceland with Norwegian and British partners. In conjunction with the *Arctic Challenge* mission, an American B-1B bomber trained with Norwegian and Swedish fighter planes in May 2020. For the first time since the Cold War, U.S. and British destroyers conducted joint exercises in the Bering Sea, also in May 2020.

Perspectives. Despite climate change, the U.S. determination to rival Russia and China in the Arctic will not subside even as those countries increase their Arctic activity. However, the economic crisis caused by the COVID-19 pandemic may delay the U.S. effort to achieve its Arctic plans. If Joe Biden wins the presidential election in November, the U.S. approach to climate change and raw minerals exploitation in the Arctic may change, though not the perception of the challenges from Russia and China in the region. At the same time, the U.S. will be influencing some NATO members to increase investments in Arctic military functions (Denmark has earmarked an additional $200 million by 2023 for this purpose). Further decisions can be expected within the Alliance regarding increasing exercises or expanding its tasks in the region. In view of the growing importance of the Arctic in Allied plans, the acceleration of climate change, and the growing activity of Russia in the region, Poland, an observer state in the AC, might consider updating its 2015 strategy "Goals and Aims of Polish Arctic Policy" (*Cele i narzędzia polskiej polityki arktycznej*) to address new regional challenges and strengthen cooperation with Arctic states on these issues.

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