

Changing Geopolitics in the Arctic

Prepared statement by

Esther D. Brimmer

*James H. Binger Senior Fellow in Global Governance
Council on Foreign Relations*

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Thank you, Chairman Gimenez, Ranking Member Thanedar, and members of the subcommittee, for inviting me to testify today about “Strategic Competition in the Arctic.”

The Arctic sits at the confluence of three phenomena: shifting geopolitics, changing climate, and the far-ranging implications of Russia’s invasion of Ukraine. The Arctic is geographical, the home of almost four million people facing the impact of climate change that will alter lives and livelihoods.ⁱ It is also conceptual. Just as the words “Indo-Pacific” or the “South China Sea” connote strategic concepts, so too the “Arctic” takes on renewed strategic meaning. The Arctic is “America’s Fourth Coast” meriting increased attention to the interlocking strategic, economic, environmental, and social concerns in this region.ⁱⁱ

The Arctic Circle begins at 66.5°N (north of the equator). Eight countries have territory in the Arctic Circle: Canada, Finland, Denmark, Iceland, Norway, the Russian Federation, Sweden, and the United States. The end of the Cold War reduced political pressures in the Arctic region. The spirit of the Norwegian concept, “High North, Low Tension” prevailed. The strategic situation has mutated into a new configuration. By 2023, renewed great power competition around the world is manifest in the Arctic region.

The Arctic intensifies the effects of decisions made elsewhere. The geopolitics of the Arctic were dramatically altered by the Russian Federation’s invasion of Ukraine in 2022. Russia’s invasion of Ukraine

fundamentally transformed the security calculations of two longtime neutral countries. As a result of Russia's actions, Nordic states Finland and Sweden applied for membership in the North Atlantic Treaty Organization (NATO). Finland had been neutral since 1948 and Sweden had been neutral since the Napoleonic era two centuries ago. Both abandoned neutrality to seek the security of the world's most powerful military alliance.

This expansion recalibrates politics within NATO. With the accession of Finland, six (and with Sweden seven) of the Arctic countries are formal allies. Finland was admitted in April 2023, bringing NATO an 832-mile land border with Russia. The upshot for the Arctic is that the region transmutes from a region with five NATO allies, two strategically neutral states, and the Russian Federation to a zone with potentially seven NATO allies and the Russian Federation.

NATO is a defensive military alliance, but it is also a framework for deep cooperation among the national security communities of the member states. Henceforth, the Arctic will play a larger role in the strategic operations, calculations, and exercises of America's most important military alliance. The North Atlantic and Arctic would be important for North American supplies flowing to European allies in a crisis. The institutions of the alliance will increasingly embed Arctic and High North topics into their work. For example, Allied Command Transformation states, "...the High North is an important priority for NATO" when explaining the addition of Arctic activities to its projects preparing NATO members for future challenges.ⁱⁱⁱ Presidential time is valuable. The importance of the High North was exemplified by President Joe Biden's trip to Helsinki for the United States-Nordic Leaders' Summit after the July 11-13, 2023, NATO summit.^{iv} Furthermore, Finland and Sweden are both members of the European Union, making two more EU members also NATO members, which could alter EU security discussions.

Russia's invasion of Ukraine not only enhanced NATO, it also inadvertently stalled cooperation in one of the Arctic's most distinctive multilateral organizations: the Arctic Council. Founded in 1996 in the afterglow following the end of the Cold War, the Arctic Council embodies the spirit of cooperation; decisions are made by consensus. The forum focuses on "sustainable development and environmental protection in the Arctic."^v By design, the Arctic Council does not address security issues. The Council has adopted three legally-binding agreements: the Agreement on Cooperation on Aeronautical and Maritime Search and Rescue in the Arctic (2011), the Agreement on Cooperation on Marine Oil Pollution Preparedness and Response in the Arctic (2013), and the Agreement on Enhancing International Arctic Scientific Cooperation (2017).^{vi}

Unusual for an intergovernmental body, the Arctic Council also includes six Permanent Participants representing Arctic Indigenous Peoples. This special facility for interaction is distinctive and should be preserved. Cultural ties span current national borders. Indigenous peoples have lived in the harsh climate of the Arctic for over a thousand years; their expertise and perspectives can be relevant as countries seek to understand climate change.

At the time of the 2022 invasion of Ukraine, Russia happened to hold the rotating chairmanship of the Arctic Council. As part of the international response to the invasion, the other seven members of the Arctic Council paused cooperation with Russia in that body. Upon assuming the two-year chairmanship in May 2023, Norway sought to revitalize cooperation in the Arctic Council articulating four priorities: "the oceans;

climate and environment; sustainable economic development; and people in the north.”^{vii} Another venue for cooperation, the Arctic Coast Guard Forum remains dormant with Russia holding the chairmanship through 2023.

This strategic realignment in the Arctic builds on political shifts that were already evident before the invasion. Recent years witnessed a resurgence of great power competition. The United States faces a rising power, China, and the Russian Federation. Increasingly, countries outside the Arctic have become more active in the region. China called itself a “near-Arctic” state in its 2018 Arctic Policy White Paper.^{viii} In 2013, China, Japan, India, Italy, the Republic of Korea, and Singapore became Arctic Council Observers, joining France, Germany, The Netherlands, Poland, Spain, Switzerland, and the United Kingdom.

Many countries and companies are interested in access to resources. The Arctic is home to living and mineral resources. Managing access in the fragile Arctic environment is challenging. Yet, agreements are possible. Arctic countries share a concern about illegal, unreported, and unregulated fishing that depletes delicate natural resources and vulnerable wildlife. Canada, China, the Kingdom of Denmark (in respect of the Faroe Islands and Greenland), Iceland, Japan, the Republic of Korea, Norway, the Russian Federation, the United States, and the European Union are parties to the Agreement to Prevent Unregulated High Seas Fisheries in the central Arctic Ocean, which entered into force in 2021 and initially will be in force until 2037. The agreement would be automatically extended for another five years as long as none of the Parties object.^{ix}

In 2008, the U.S. Geological Survey estimated that 13 percent, or 90 billion barrels, of the world’s undiscovered conventional oil resources were in the Arctic.^x Most of these resources are in Alaska and the Russian Federation. The Arctic plays an important role in the Russian economy. About half of the Arctic area is Russian coastline. Twenty percent of Russia’s land mass is in the Arctic Circle and includes large cities. Russia wants others to use (and pay to use) the Northern Sea Route.

Even before the war in Ukraine, Russia needed partners for economic development. Economic sanctions promulgated as part of the international response to Russia’s invasion of Ukraine foreclose options for Russia.

Russia’s need for investment opens a gateway for China to be more involved in Arctic issues. *High North News* notes that China has invested \$90 billion in energy and resource projects in the Arctic over the past decade, largely in Russia.^{xi} China is Russia’s leading trade partner, as China is for 120 countries.^{xii} China’s investments in the Arctic are related to its Belt and Road Initiative. Yet, patterns of Chinese shipping were different in 2022. *High North News* reports that whereas China’s COSCO shipping company had been the largest non-Russian operator along the Northern Sea Route (NSR), it did not send any ships along the NSR in 2022. In 2022, of the 314 ships sailing along the Northern Sea Route, only thirty-six were non-Russian-flagged vessels.^{xiii} Nevertheless, Chinese investment in Russia continues to grow. Chinese-Russian trade rose to a “record \$190 billion” in 2022.^{xiv} There are European countries that still have economic links with Russia. European Union countries’ consumption of Russian LNG increased 50 percent since sanctions started, mostly going to Belgium, France, and Spain.^{xv}

Increased activity by China and Russia in the Arctic is a manifestation of another trend: great power competition in global spaces. For over a century the United States has enjoyed command of the seas and more recently airspace and outer space. Access to sea routes, airwaves, cyberspace, and satellite information are all necessary for modern economies to function, but also require using shared international spaces that may be beyond or at the edges of national jurisdiction. In many parts of the world great power and assertive middle powers seek access to resources, some of which may be in or under these global spaces. Access to the global commons and areas beyond national jurisdiction is crucial for success in an era of strategic and commercial rivalry. Therefore, protection of coastlines, waterways, safe commercial transit, and management of marine resources place extra demands on the United States Coast Guard.

Oceans are especially sensitive. At the center of the Arctic region is the Arctic Ocean, which is beyond the jurisdiction of any country. The United Nations Convention on the Law of the Sea creates the international legal regime for oceans, including the Arctic Ocean. Each Arctic country, including the U.S., claims its 200-mile exclusive economic zone. The U.S. is at a disadvantage because it is not a party to the United Nations Convention on the Law of the Sea, which provides mechanisms for countries to claim more rights. Canada, Russia, and Denmark (on behalf of Greenland) turned to one of those mechanisms, the United Nations Commission on the Limit of the Continental Shelf (CLCS) regarding their overlapping claims to the Lomonosov Ridge under the Arctic Ocean. The CLCS made non-binding recommendations in February 2023 about the extent of Russia's claim. Further diplomatic or legal work will need to occur to settle the borders.^{xvi}

The Arctic, like other regions of the world, benefits from layers of global governance. Even in an era of geopolitical upheaval, cooperation on technical standards facilitates commercial, social, and environmental interactions. The International Maritime Organization's International Code for Ships Operating in Polar Waters (Polar Code), which entered into force in 2017, provides important standards for shippers operating in the Arctic and Antarctic regions. The terms of the Polar Code are mandatory under both the International Convention for the Safety of Life at Sea (SOLAS) and the International Convention for the Prevention of Pollution from Ships (MARPOL).^{xvii}

Fundamental to understanding the geopolitical and economic issues in the Arctic is the phenomenon of climate change. Global warming is occurring in the Arctic possibly three times as fast as in the rest of the world.^{xviii} Sea ice is frozen seawater. With less Arctic sea ice to reflect sunshine away from the Earth, the planet will continue to heat up. Furthermore, the Greenland ice sheet (which is frozen freshwater) has lost ice for the past twenty-five years.

The ongoing geopolitical shifts occurring before the invasion of Ukraine were premised on climate change. Climate change is important to the geopolitics of the Arctic because it changes access to the oceans. The warming climate means that more areas of the Arctic are ice-free in the summer, possibly opening opportunities for navigation. There could be ice-free summers in the Arctic Ocean in the 2030s. Companies and countries watch to see if navigation through the Arctic would be viable, thereby shortening shipping routes and times between Asia and Europe. Other observers counter that even with less ice, Arctic navigation would still be difficult.

Climate change challenges livelihoods. Around 4 million people live in the Arctic, and about 2 million of them are Russian; about 500,000 are Indigenous people. Around sixty percent of Alaska Native communities are “environmentally threatened” by climate change. Conditions are especially acute for Indigenous people who still hunt for sustenance. Thin ice and altered animal migrations mean hunters must travel farther for food. Migration patterns of birds and fish, and also caribou, walruses, and whales have shifted, requiring people to extend the hunting season. Warmer waters may entice fish usually found in lower latitudes to move farther north. The changing climate also affects companies’ calculations. Shell ended offshore exploration in Alaska in 2015.

The Biden Administration’s October 2022 National Strategy for the Arctic Region includes investments in the Arctic. To advance maritime security in an era of strategic competition in the Arctic, the United States must continue to deepen its commitment to

- Make progress on building a deep-water port in Nome, Alaska.
- Continue the Polar Security Cutter program.
- Work with the current chair of the Arctic Council, Norway, to sustain mechanisms that promote human and environmental well-being, including connections among Indigenous Peoples in the Arctic region.

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