

Jeanne Meserve: [00:09](#) [inaudible]

Speaker 2: [00:09](#) please take your seats. We will be starting very soon. Please settle in and take your seats.

Speaker 3: [01:27](#) [inaudible]

Jeanne Meserve: [01:27](#) you're sticking with us. Appreciate it. To talk about the Arctic, I'm Jean Reserve. I'm a member of the Homeland Security Experts Group and the Trans Atlantic Commission on election integrity and we are here obviously to talk about the Arctic which historically has been viewed as a place where we have international cooperation and coordination but the climate is changing both literally and figuratively right now and Canadian Arctic. They are having a record heat wave and as the ice is melting there are new opportunities for exploration and for exploitation and a new actor has entered the stage that is China and so increasingly in addition to talking about coordination with one another, there is talk of competition and there is even talk of conflict politically, economically and even militarily. We've assembled a great panel here today to talk about these issues. Let me quickly introduce them. Sydney to my right is Mati atoning. Did I say it correctly? All right. I'm secretary of State for foreign affairs of Finland. Next to him is Sherri Goodman. Sherri is a former deputy under secretary of defense for environmental security, followed by Admiral Karl Fultz who is commandant of the United States Coast Guard. And finally we have at the end, Elizabeth economy. Elizabeth is the CB star senior fellow and a director

Karl Schultz: [02:59](#) for Asia studies at the Council on foreign relations. Thank you. All of us for being here. No, I'd like to start with you do a little ground setting here. Okay. How many icebreakers does Russia have? A lot. Next question. No. Russia has dozens of icebreakers Jean and um, you know, in their building they got nine or 10 nuclear, they're continuing to build breakers. I think the Russian worldview is very much based on the Arctic. Here in the United States, we think about the Arctic as a far away place and uh, they're deriving about 22% of their economy from the Arctic. So they have about 20 or so. They have about large, probably in the dozens, 20 to 30. Then they've got some smaller breakers. So I would say numerically, probably in the forties you know, if he's what we call big ocean going breakers, probably 24 plus.

Karl Schultz: [03:55](#) How many icebreakers does China have? China has to, they just launched the snow dragon number two first domestically built and they're talking about building a, a heavy nuclear power breaker in the immediate future and they have plans for many

more plans for many more. How many icebreakers does the United States have? So the United States break the United States coast guard who has all the icebreakers. We have two, we have a 40 plus year old heavy icebreaker, the polar star who makes one trip a year down to McMurdo and she's on life support for the next few years till we build the first replacement. Then we have a medium breaker that was built 20 plus years ago, the Heli, which is getting ready to head up to the Arctic for some research for the next three, four months. Now I know from my work as a reported that the coast guard has been aware of the deterioration of its breaker force for a very long time.

Karl Schultz:

[04:41](#)

And you have had trouble getting funding from the U S congress to build new breakers. There's one in production now. However, we just got awarded contract recently and it's not going to hit water till when, uh, 2024, possibly 20, 23 with some incentive system, which is a long way away. It's a ways down the road. Yes ma'am. So write down, could the United States defend its interests or assert its power north of the Arctic Circle? Well, the, the, the phrase I've coined in my first year as I talk about presence equals influence. And if you're not there, you're not there. I mean, in the Arctic as we've been focused, most released recently off Alaska, you know, um, China's been up there six of the last seven, eight, nine years. So I think we're getting beat in that game. China will out build those in the shipbuilding. But you know, you got the numbers a minute ago, Jean, by 2025. They're the most prolific shipbuilding world, they'll probably have more capacity and capability than we will. China isn't the only player there. Russia of course, another major power in the Arctic. You live right next door. You have been Finland's ambassador to Moscow. What are they doing militarily in the Arctic? I think we should kind of as the, as was mentioned, the start with the fact that the Arctic is really important. Russia

Matti Anttonen:

[05:58](#)

45% of the off the coastline is Russian. Uh, 80% of Russian gas and Russia is a major gas and all exporter comes from the Arctic. They are major military bases out there. [inaudible] uh, and they're building new ones. They are building new ones. But I think the really big thing is that their, uh, all their, uh, nuclear ballistic missile summaries are based in the Arctic region, either in the Pacific side or then on the European side. So arctics is, Arctic is really much more important for, for Russia than for many other players.

Jeanne Meserve:

[06:36](#)

You live next door. Are you concerned about what you see the Russians doing or the Chinese for that matter?

Matti Anttonen: [06:42](#) Um, I think the Chinese presence in, in Arctic is rather small at the moment. It will take time until they become a major player. If you start with the Chinese, I think, I think for them, the most important thing is that when you look at their, uh, markets, United States and Europe are the two big markets for China, it's about 25% shorter than northern route. And, and when this becomes available, I think it's quite natural that they will look for opportunities there. Uh, then on Russia we are not, as it was mentioned, one of the panels today, we are not in the Cold War. Uh, also their capabilities are not on the same level. Uh, they have reformed the military, but, uh, still very far from the levels they had during the Cold War. So we are not worried about that. But, uh, of course it's a, it's an area which becomes more important than I think is very good like we have today we are discussing. It's because it's, it's kind of area which has been forgotten for a long time

Sherri Goodman: [07:45](#) and it's changing. Sherri, tell us about that. Um, I've, I've been told that the climate is changing more radically in the Arctic than anywhere else on earth. Well, thank you, Jean. Well, let's, let's understand why we have this emerging geopolitical competition in the Arctic. It's because the climate is changing more rapidly in that region than anywhere else on, on earth. Uh, it's warming at twice the rate of the rest of the planet. The sea ice is melting, uh, so that shipping lanes are becoming increasingly open. The permafrost is collapsing, uh, affecting both indigenous communities, our road infrastructure, and even sometimes our military base infrastructure, uh, sea level rise from melting, uh, from the melting ice sheets. And Alaska is contributing globally at 60% of global sea level rise is because of the melting in the Arctic today. So what happens in the Arctic doesn't stay in the Arctic.

Sherri Goodman: [08:47](#) Uh, we now see our weather in the lower 48 affected by the meandering Gulf stream jet stream that is producing the extreme weather events we now have regularly. Um, and so this has, and many now see this as an opportunity. China declaring itself a UN neurotic stakeholder and seeking a, uh, polar silk road across the Arctic and Russia seeking to monetize the northern sea route and convert that into transit routes for its in the future. So we not only as Joe and I said, we, you know, we have to be able to walk and Chew Gum. We have to be able to address both the emerging competition and recognize the climate forcing factors, the threat multiplier in this region, Liz economy, the real, the real new factor here in addition to climate change is the Chinese. That's your area of expertise. This declaration that they are in near Arctic state, even though

they're what, 900 miles to the south of the Arctic Circle, what is their aim here?

Elizabeth E: [09:48](#) Yeah, so I think we should clarify the fact that actually China has been engaged in the Arctic for about 20 years. They've been doing scientific expeditions. They've had seven or eight over the past 20 years. This is new. And I think China's sort of thinking about the Arctic kind of tracks its global ambitions. So in the beginning it was mostly about size, but it has expanded and expanded even past the point of being a, what they call a near polar power, a near Arctic power to [inaudible]. Excuse me. That's, oh my goodness. A little drama saying warming right here. Water on the floor. So that's okay. Saying that Xi Jinping saying in 2014 that he wants China to become a great polar power. So I probably would take a slightly different tack than Secretary Marty and say that I think China's objective is no less than to transform Arctic governance actually.

Elizabeth E: [10:41](#) So I think China, if you look at what they're doing, it is. It is. But I think if you look at what they're China's very patient and they tend to approach things incrementally. And if you look, I think there's sort of three parts, if I can, three parts to their strategy. The first is really a reframing of the Arctic issue, right? To talk about what Sherry's mentioned, sort of the climate change, climate change as they put it right, is changing the very nature of the Arctic, pushing it beyond the interests of the, what they call the Inter Arctic states, right? Those that are members of the Arctic Council requiring the participation of a greater group of global players, including China, right? They talk about the opportunity of cooperation around the Arctic is expanding continuously. These are all ways of saying that Arctic governance has to change in order to meet the changing sort of geography or drug counseling a bit.

Elizabeth E: [11:36](#) And then there's the, so that's the first thing they're doing. So how do they reframe the issue? The second is what Sherry mentioned. That's the polar Silk Road, right? And that really is bringing the Arctic under the umbrella or within the framework of a Chinese initiative, which is the belt and road initiative. And so everything that you see China doing in terms of the broader Belt and road, it's doing in the polar area, right? From the resource investments to the improved connectivity, right? The two new transit routes that they would like to see established, new shipping routes, um, to, uh, you know, sort of, uh, I don't think there are in the political realm quite yet, but at the security, right. They, you know, sought to, uh, by a defunct U.S. military base in Greenland. Uh, they, Denmark pushed back. But I think we'll see all of those moves coming into play.

- Elizabeth E: [12:23](#) You just have to put all the pieces of the puzzle together isn't just about trade routes. There are other things they're very interested in like rare earth, the resources, right? Yeah. Greenland is a prime example. They have already, I think, five different mining, uh, efforts underway. And in partnership with Australia, they have a rare earth mining one, but China's now taking it to the next stage so that while the mining is done in conjunction with Australia, the processing, uh, will be done, uh, by the Chinese. So there's, yeah. And they already command upwards of 90% of all the processing of rare earths. So this would be another big, uh, sort of, uh, add to their stock. Oh, what about fish? That falls within the purview of the US Coast Guard. As the climate warms, fish stocks are moving north, they're a valuable protein resource. Is that another thing that Chinese are up?
- Karl Schultz: [13:11](#) Absolutely. I would say today we drive about 50% of American seafood products from Alaska, and as the ice warms, those migratory species will have north. There's one piece. There's also the defense component. The Chinese, I think it's, it's clear interest in the resource in the Arctic is also interested in the defense of the arc. You know, we're siting fifth generation fighters in northern Alaska right now and they're keenly interested in that. They're interested in locations of undersea cables. So there's, there's the economic piece, there's the resource to speech. There's, there's a defense piece.
- Sherri Goodman: [13:41](#) Can I, if I could just add on the blue fish, you know, fish are increasingly the source of protein for people globally and no one needs that protein source more than the billions of Chinese. The United States and China and other nations last year signed a moratorium on fishing in the Central Arctic, uh, which runs for 16 years. And at the same time all those nations, including China, get to do research on what's happening in the region and understand that. And you know, I have a theory that China is using that research better to observe those fish stocks migrating northward with eyes on the prize of a future, a fishing ground in that region.
- Elizabeth E: [14:28](#) Um, Liz mentioned this telecom cable from Finland to China. Why is Finland engaged in this and are you at all worried about the possible implications?
- Matti Anttonen: [14:39](#) Well, actually the cable project, which, which is just in no very early stages, it's actually from Finland, Norway. Then following the northern Russian coastline to Japan. And there is one, is China involved in the project? Not at the moment because it's kind of a, the idea is the first that that cable would go to Japan

and then the Japanese, uh, participants are interested of course then continuing that to China because China is the big market for the information. And of course the same thing as with other, uh, transport, that it's much shorter route to Europe. And, and this, uh, sphere also the shortness makes it a more profitable. So any security concerns about, uh, they will always security concerns. But there are security concerns with all the cables, whether wherever they go the Atlantic Ocean or the Pacific Ocean, they're all vulnerable. This is not mobile honorable than other, uh, cables which are going there in the seabed.

Jeanne Meserve: [15:38](#)

So, sorry, China's not going. China's, China's not in discussions with Finland about no working on a cable. Was it ever in discussions?

Matti Anttonen: [15:46](#)

No, these, this was the project where the Japanese, and of course then we need a restaurant participant because it's going through the Russian, uh, if not the coastal waters, but that at least their economic zone. So I think, you know, it would be totally impossible to think about it if there would not be a Russian firm involved in this. But I mean, there are lot of, uh, cables going through the southern route cross the Mediterranean Mediterranean Sea, uh, to Suez Canal and then to India and China. So this would be just a little shortcut, but, uh, we'll see whether that will be realized because you need quite a lot of money to make that happen.

Jeanne Meserve: [16:27](#)

Okay. The US Secretary of state pump hire recently said, this is America's moment to stand up as an Arctic nation. It's far away. It's in a hospitable admiral. And also Sheri, you too was a former deputy Andrew secretary. Why should Americans care? Why should they make a major investment in Arctic resources?

Karl Schultz: [16:49](#)

Well, let me start with that. I would say on secretary planned pay at one of the things he said, which I think is a very strong statement at the ministerial Finland was there are Arctic states and there are non Arctic states. There's no such thing as a neurotic state. And I would say I just re affirmed that. Um, we talked a bit about China's interest in the Arctic in terms of resources, security that should be concerning. It's a race as they just merged, they're too large or where they just announced the merger. The two largest state owned shipbuilders, the focus on building Arctic capable vessels. Those are commercial vessels. Those are icebreakers priority one. Number one is icebreakers. They're building a nuclear ice breaker. There's no nuclear icebreakers in the Antarctic because of treaty agreements, so China has a manifest interest in going to the Arctic aggressively in the future.

- Karl Schultz: [17:32](#) The Russian piece we talked about, Russia has a huge Arctic coastline. They have clear Arctic interests. They derive their GDP from there from a security standpoint, and they're militarized in the Arctic. That is probably the future place for a contentious situation. We, the United States navy sea open sea lines of communication, freedom of navigation. We've got concerns. When you see that as a fee for service type situation, those are the reasons we should be concerned about Russia who was way ahead of us in the game in this emerging aggressive China who was pushing into the game gene. From my perspective,
- Sherri Goodman: [18:03](#) do you fear another south China Sea?
- Karl Schultz: [18:05](#) Well, I think, yeah, we've heard a lot of things today about competing re-powers. I think the facts in the south China Sea or is there, we're not islands now. There's islands. There was not runways. Now there's runways with fighters and radars on board. I think the testimonial to that is we should be concerned about China in the Arctic because of the patterns of behavior are not altruistic at all. Sherry didn't want to wait [inaudible]
- Sherri Goodman: [18:26](#) sure. Well we should not forget that the u s is an Arctic nation. We have always been an arctic nation and in the climate era, um, it are part of the Arctic which was less accessible because of uh, because it was more ice covered then. Uh, the high north in the Norwegian Scandinavian part of the Arctic for many years is now more accessible. There are parks in the Bering Strait where Alaska and Russia meet at its closest point, we are only 30 miles apart. Is that a potential choke point? Well, it's more a risk at this point of an accident, a of a shipping accident or in the future a Russian nuclear powered icebreaker having a problem. Uh, we know that, that there are nuclear powered subs and ships have had challenges. Russia, China is going to be transmitting energy LNG through that region more so in coming years.
- Sherri Goodman: [19:23](#) So there are scenarios that one could envision where there's an accident and let's not forget that the communications in the polar region are very, very difficult. Um, they're not the same as we have in the lower 48. We don't have polar orbiting satellites. The magnetic poles field, uh, shift up communications up there. Former Secretary Defense Maddis said we need to up our game in the Arctic up our game in the Arctic and so forth. Secretary of Navy Spencer's when asked by Congress why he was, um, deploying more naval forces there, he said, well, the damn thing melted. Um, but we also have a say in the Pentagon strategy without resources is hallucination. Um, and so while we've logged invested in the subsurface and the errands space-based

assets and we are continuing to upgrade and provide those, the challenge is going to be in the surface capability where of course the coast guard now is leading with building a new ice breaker. But we'll, we'll need more capability there in the future. Sure. The commandant wants to weigh in, what if there was an accident? Are you ready to respond? Could you do it?

Karl Schultz: [20:38](#)

We are, we've been for the last few years in the seasonal open seasons. June's about October, we've increased our game. We've got four deployed helicopters that operating out of Kotzebue, people doing inspection type activities on merchant interests up there, man interests and gold operation. So we have been informing the future of the Arctic in the future. Arctic is today. Um, what I would say is that yeah, an environmental, there's cruise ships they're going through now a lot of expeditionary cruise ships, upwards of a couple thousand passengers. So the propensity for an environmental action or human accident goes up exponentially. Our nearest air base is in Kodiak a thousand miles from Barrow. You'd have the Yak, what we call it today. So that's a full tank of gas to get there many hours later. So if you're in distress in the Arctic, you may be in distress for a while. There's no organic capability. So we are building our capacity, Jane.

Karl Schultz: [21:29](#)

Today I would say we are definitely not where we need to be as the arctic builds out here. And just one last thing in the communication. So I talked about the Heli, the medium research vessel going up there this summer. The support three customers, generally office of Naval Research, National Science Foundation, another customer on the Science Front. But there'll be off the grid, you know, 30 days. It's hard to believe in this globally connected society in 2019 that we've got a crew of best shipmates out there with no connectivity. So we've got to get a hold of government partnership with industry solution to get some capacity, low earth orbit, satellite for domain awareness and for communications. We got to do that quick Jean.

Jeanne Meserve: [22:07](#)

We also need to international cooperation, right? It was mentioned by one of the earlier panels that this was a place where perhaps the u s and Russia could, could build greater cooperation. Is that what we need both for search and rescue, but also for military?

Karl Schultz: [22:22](#)

We have an agreement with Russia for search and rescue. We have the satellites system for mariners across the globe. Um, you know, it's another Madison, but it talks about, you know, cooperate where we can compete, where we must, I think we absolutely need to find that common ground with our, you

know, we would like a peaceful environmentally safe eight Arctic nation set in the terms of governance in the yard. I think that's where we'd like to be. The practical reality is it's not exactly how things are unfolding right now. Right,

Jeanne Meserve: [22:49](#)

right. And meanwhile, NATO had a major exercise

Karl Schultz: [22:53](#)

tried and juncture with 31 countries, 50,000 participants, central eastern Norway, largest exercise. I think since uh, since the Cold War, 2015 Russia had their version 45,000 Russians, you know, mobilizing ships, planes, soldiers on the ground, testing logistics system. So I think we're all sort of looking at this through the same lens.

Jeanne Meserve: [23:13](#)

Finland, of course, not a member of NATO, but did you participate in that exercise too? Yeah. You did? Yep. Okay. I'm concerned about the Russian exercise.

Matti Anttonen: [23:24](#)

As I said, uh, you know, we are not yet on the same level we were during the Cold War. Um, there are kind of a military capabilities. They are still not what they think they should have. Um, the country is spending, uh, about according to the international experts in some for four and a half percent of their GDP on defense, um, in, in real soon real money. That's about a 60 to \$70 billion. It's quite, quite far what the US is spending at the moment. So difficult to say of course, how much, how much mileage they're getting with that money. But uh, so far I think that's kind of manageable. So we've talked about China, we talked about Russia, we've talked about the u s we haven't talked about Finland. Tell me about Finland's view of the Arctic and how you hope to use it. And I think that no, of course the, the region is important.

Matti Anttonen: [24:27](#)

We live there. For us it's a reality portion of your territory is maybe one, one a quarter. Not many people live there. Um, I think the biggest concern for us is this climate change. Uh, 2012 was the year of, we had leased ice in the north. This year we are on the same level. So we might have the record, small amount of ice surface covered by the ice. And that's not, that's only part of the problem because the ice is thinner and the Athena the ice, the more it's likely to melt. And uh, you know, uh, comparison ice reflects about 90% of the sun. Radiation water reflects only 10%. So the more we have water in the north, the more it will suck heat from the sun. And the more that's the reason the process is so much faster in the north. Uh, so it's extremely important that we do everything we can learn to fight climate change and, uh, we have a new government and they

have promised to be the Finland would be climate, uh, or carbon neutral by 2035.

Matti Anttonen:

[25:42](#)

So we will be the first, uh, developed nation to be carbon neutral. And I actually think that that's doable. The Arctic Council tried to reach agreement on climate change. The U s refused to sign on to that. Uh, again, when Deb wasn't really a, a kind of a agreement on climate change, there was a statement under a statement, the U s wouldn't be silent. Yeah. You given your level of concern about, um, of course it concerns us because as I said, and as was mentioned here, uh, you know, this is a region which is being hit hardest, uh, by the climate change. But, uh, then we have to look at the facts. Uh, um, uh, you know, it's, uh, us is not, uh, or will not be part of the global deal on, on climate. On the other hand, this country is doing quite a lot to reduce use of coal, which is a positive thing. I think during the last few years, their use of coal has really gone down dramatically. And that continues. This country's investing in a renewables, which is a good thing. So, uh, it's not just politics, but it's also the reality and, and these things are know, decided on the company level, on the state level. Uh, not everything is decided in Washington, d c Liz, you want to [inaudible]

Elizabeth E:

[27:02](#)

yeah, that's a very lovely analysis. Thank you. Thank you for supporting us in that. I, I think, um, the environment is a great area for cooperation actually. You know, and Sherry mentioned the five plus five, uh, fisheries or you mentioned five plus five fisheries agreement, um, which is important. Um, and climate change is another. And Secretary Pompeo, you know, criticized China and Russia for their contributions to climate change. Uh, but obviously didn't agree to sign onto this statement. And I think for us too, and we could be doing more, you know, in Greenland for example, uh, working with China and on his mining efforts to ensure that they're done in the best, you know, environmentally sustainable ways. There are lots of ways that we can seek out, uh, cooperation with the other players in the region on an issue like in the environment. But we have to be present. And so I think part of the challenge for the United States right now is what is our affirmative strategy, right? Is it just about protecting against the encroachment or encouraging of China, which I'm frankly in favor of. But I also want the flip side of that, which is how are we positively affecting the region? So I think that's something that we should really be thinking about.

Matti Anttonen:

[28:07](#)

So the Arctic Council has, it consists of eight nations and indigenous people. Um, and that there are other nations that have observer status. They traditionally have dealt with issues

like the environment environment. Is that the body through which we should be addressing security concerns? If it isn't, how should we be addressing it? Sherry, do you want to take that?

Sherri Goodman: [28:28](#)

Well, um, to the last point, one of our strengths as a nation historically has been, uh, over the last 70 years, our allies and partners and nowhere is that more true than in the Arctic Council. Um, so for us to undermine that governance structure, which has served us well, um, is really a lack of, of leadership and undercutting what is otherwise a strong message. You were very diplomatic in your statement there. [inaudible] did you view it as undercutting the councilmen? Oh, absolutely. It undercut, it undercut the council. Um, and uh, and, and it, it, and it costs our climate leadership. China is now working globally to sort of fill the vacuum left by America's absence on climate leadership in Paris, in the Arctic Council in other places. Now is China truly a climate leader? No, I don't believe so. Uh, by giving us a verbal clue that it's even suggesting that it's Arctic Arctic policy, um, that there will be the shorter shipping routes across, uh, the polls will reduce emissions.

Sherri Goodman: [29:42](#)

Okay. So let's, let's, you know, be clear what that really means. Um, so I think we, the Arctic Council is not a security institution. It never has been. It's not NATO. Um, but it has provided a fairly robust governance structure, uh, in the region for what it does. And it's enabled, for example, uh, the coast guards and the, and their light forces and other parts of government to reach agreement on, uh, oil spill prevention, search and rescue. Most recently, uh, science and technology agreements. And these are all important parts of the fabric that will enable us to work towards continued cooperation in the region and to reduce the prospects for competition or conflict. So should the mission be expanded to security? And if not, who picks it up? Well, I think we need to continue to work with our, um, you know, in the high north we work with, with NATO. Um, in other parts of the Arctic we are increasing, um, our capability to operate there also through our forces in the Pacific that support Alaska Command and we've increased our partnerships. I, I don't know that the Arctic Council is the right venue because it includes Russia and so we can't really convert that forum to a formal security structure. But what we can do is strengthen our security partnerships elsewhere to be able to show presence and deterrent as we need to.

Karl Schultz: [31:16](#)

And I think Jean, the five NATO members of the eight arctic nations can be working in some of these doctrinal things. We created an Arctic Coast Guard forum a few years back ago to

work many of these environmental search and rescue. I think you're in that security realm. It's, it's a, it's a, it's a tricky space in there, but I think there is a NATO voice in that and you know, partner nations like Sweden and Finland that are non NATO allies. But they're very much partners at the table. I think there's some, some maneuver space in there.

Sherri Goodman: [31:45](#) In the meantime, Liz, are we seeing more cooperation between Russia and China?

Elizabeth E: [31:51](#) So, um, yeah, Russia and China actually have long been partners. You can look back decades and find that they are voting together in the United Nations on issues related to sovereignty. I think more recently, uh, you know, China didn't criticize Russia for its invasion of Crimea. Russia doesn't criticize China for its actions as how South China Sea. Um, Russia has subsumed its its idea sort of of the, um, Eurasian economic corridor, uh, which was its sort of belt, small belt and road through Central Asia within the context of China's belt and road initiative. And I think they largely separate, uh, the world in some respects. You know, Russia kind of is the act more active, uh, power, uh, cer, certainly the security front in the Middle East. Um, you know, China has a lot of Asia, you know, with your, we're at where they're most active. China's in Africa far more than than a Russia is.

Elizabeth E: [32:42](#) So I think they've developed quite a, a good working relationship, you know, about six months ago, uh, uh, Xi Jinping set on, on TV that, um, President Putin was his best friend in the international community, which I, you know, I wanted to send a note to president Trump because I knew he'd be crushed cause he thinks she's, she's Xi Jinping's best friend, but, but, um, but yeah, so he, I think they had that good working relationship. Interestingly, and I've, I've only read this, I don't know. So I'd be interested in the, in the thoughts of the other panelists. I have heard that Russia is, is actually not that excited about China's growing role in the Arctic. Yeah. Uh, and so this may be an area where actually, sure, there's some cooperation in China's investing in, in certainly in Russian oil and gas, which is important, uh, in a very significant way. It's now, it receives most of its oil and gas. The majority of its oil and gas comes from Russia. Um, but, but I've heard this, so I don't know. I, but I think that's, it's, it's possible that this may not be the next frontier for strong China, Russia cooperation.

Karl Schultz: [33:43](#) We've heard some of the same things. I think, you know, think China is about 30, 35% owners in the Amal energy project. And we talked about the ships transit through the Bering sea that

come out of the, uh, the high north. They're a little bit that's all tied together and I've heard the same thing as Elizabeth that there's a little bit of reticence about how deep you want that partnership when Russia is looking to really up their game economic lead up their game in terms of global influence.

- Matti Anttonen: [34:05](#) What did you do on a man? Yeah, uh, I think they know the partnership is close in some areas, but I think this is, this might be an area where Russia is not so eager because I think they want to have as much control over the northern sea route as possible. I think the United Nations convention, a law of the sea is a bit unclear what it really means, what kind of status this, this rule task. And, uh, I think Russia would like to see control of that because basically they are also responsible for if something happens. And I, it was mentioned here that is really a big challenge. We have a big cruise line where in the north, if the closest helicopter one is, you know, a thousand miles away. Right. All right. Uh, you know, and you have 2000 people on the board, you are in a big trouble
- Sherri Goodman: [34:57](#) and in very harsh conditions. Yes. Gene, we just saw the case off in Norway.
- Matti Anttonen: [35:01](#) Yeah. And it was close. No Way. It was very easy and he was difficult and he's still didn't put up become really bad, bad case.
- Elizabeth E: [35:09](#) And actually that's one of the things the Chinese want to do is dramatically up Arctic tourism, uh, from China. That's a bit, they see that as a very big, uh, sort of new economic, uh, venture. So yeah,
- Sherri Goodman: [35:19](#) we should get ready for that. Um, yeah. And they were investing acquiree. I mean, China's investing not only in in Russia, which needs its money to develop, uh, some of the oil and gas resources, but across the Arctic they have significant foreign direct investment in Iceland and in Greenland in particular, uh, is not only a quest for the resources, but some say also a quest for for greater global influence. You know, we haven't touched on Russia's territorial claims. We may all remember them planting a flag under the CIS a few years ago. Now they're claiming the northern sea route, uh, as their own. Um, how much concern is there over their effort to establish this large footprint? Well, I think we need to distinguish the claims which can legitimately be made through the law of the sea convention, uh, for the subsurface mining rights, uh, which each nation has, is asserting.

Sherri Goodman: [36:18](#) And there is a process from the way the surface waters are understood. Russia interprets the northern sea route along its coastline as internal waters and wants to require an escort, essentially a toll based system for vessels to transit it. So we can make money on it. Um, now China objects to that. Interestingly, China wants to declare an international waters unlike it's conflicting position in the South China Sea where they say that their internal waters. Okay. Now the U S and Secretary Palm Peo call that not only Russia for its view of internal waters at his statement at the last Arctic around the last Arctic Council meeting, Buddy also called out our close ally Canada, which also interprets the northwest passage in it, in the Canadian Arctic waters as internal waters. Now the US has doesn't agree with that position, but we've long agreed with our very close and important Canadian ally to um, agree to disagree at this point.

Sherri Goodman: [37:22](#) Um, we wouldn't necessarily ask permission when we, if we were doing a military transit, but we would notify them. Okay. Show, um, you know, I think that that we have to, we were going to have to manage this and these issues are going to become a more apparent and more real, uh, should we attempt in the future when we have that ice nuclear icebreaking capability to conduct a freedom of navigation maneuver in that region. Can I just ask one question, which may sound nonsensical, but if the Arctic is warning warming so dramatically, are we going to need icebreakers 20 years from now?

Karl Schultz: [38:03](#) So I would argue, Janie the Arctic, I'm going to stay out of the science. Let's mark people like Sherry and the scientists talk about that. There's clearly more access for longer times of the year, but then there's more dis-aggregated. There's actually an increased demand for ice-breaking services in the coming years. And because of the projected interests of a Russian military listicle economically of a China, um, we absolutely need those shifts. You know, I've talked about a six three one strategy was about a minimum of six breakers, three heavy what we call Polish, Polish security cutters. We mentioned the good news awarding one in April, we were, we'd have a strong support bipartisan by camel to could start to build some cottons from ice. Now the White House is supportive, so I think we're on the right trajectory there. The one was getting going. We've been talking about this where my three predecessors, so we're in a good spot, but you can't play catch up ball. And Go back to that China building ships faster than we do. They just built an ice breaker so they got some recency. It's a different kind of steelwork and stuff. So rent a catch up game but, but I think

we're turning the corner and having the right conversations as a nation about projecting capacity up there.

Matti Anttonen:

[39:03](#)

Yeah, I agree. Paradoxically the more the Arctic region is warming up, the more we are going to use the region and the more we are going to use icebreaker breakers as well. At the moment. This mentioned these big LNG projects which became ready two years ago and now it's full stream, full steam producing 16 million tons of of LNG that is transported during the summer, half of the year, around six months for the battering, straight to the Asian markets and then rest of the year to the European or even us markets. So, you know, that will be quite a lot of, uh, you know, uh, wanting to go before that can be first of all, uh, all year round and these are kind of huge vessels and they can go in a one and a half minutes or ice without ice breaker help. So you know, that kind of a technological, uh, uh, needs out there for a very long, long time because in winter it will be really tough in, in 20 years time as well.

Jeanne Meserve:

[40:07](#)

Um, speaking of the conditions there, you've mentioned the possibility of conflict there others have as well in those harsh conditions. Would that really be the place where conflict is likely to break out? Is it, wouldn't the cold be as big a an enemy as another superpower?

Karl Schultz:

[40:32](#)

You, you know, Jean, when I, when I speak of conflict competition, I'm not sure we speak about kinetic conflict competition, right? But I think, you know, could you play that out? You know, there's talk about what type of argument the Russians are put in board. I get the question as we're just getting about the awareness first break or what kind of weapons are you putting it on? Amber? I set up the conversation today still is about a peaceful, secure, cooperative Arctic, but we build the building the capabilities to have those conversations down the road side. Yeah, I think your question is, is is an informed question. I don't have a great answer for it. I don't think we're talking about potential combat in the army, but, but we have to be prepared for it. I mean the deployment of NATO forces above the Arctic Circle, we're doing an exercise here with the Third Fleet, the Expeditionary Strike Group Three with a special purpose marine ground task force, North Calm Coast Guard supported here in September. An expeditionary, probably a amphibious landing in Atac. And you're going to test the joint logistics system. You know, we're, we're looking at our own paper. So I would say we are planning for all contingencies, but I think, I don't think that's where we're hoping to stare this thing,

Jeanne Meserve: [41:32](#) I think need to think about

Sherri Goodman: [41:34](#) aggression that could be short of actual armed conflict. Right. We weren't prepared for the Russian incursions in Ukraine and Crimea. Now we talk about hybrid warfare and little green men. What's that going to look like, uh, at what could that look like in Russia? Small Barn for example, which is a, a part of Norway but has a unique international status and has researchers from all, uh, many countries around the world, including many Chinese and Russians as well as many others. Some have talked about. Is that more susceptible to influence in the F in the future? Russia has increased its, uh, air presence, uh, in the high north buzzed our allies in the region, uh, more aggressively in, in recent years, even though it's not at the level of the cold war activity yet. So I think we have to be, you don't, we just should be aware of a failure of imagination when it comes to thinking about the situations that could arise in this region.

Jeanne Meserve: [42:42](#) Um, it is time to take some audience questions. I have a couple of hands went right up right here in the front. Could we bring a mic down to this gentleman in the blue shirt? And if you could give us your name, your affiliation, and then give us your question. Here it is.

Audience Member: [42:59](#) My name is Clancy. Herps is this, and I've circumnavigated the earth by sea on the north end of the earth. Uh, both the northwest passage, northeast, um, two things or three things about territorial waters that I'd like you to speak to. You're a bunch of islands north of Russia. It's a long coastline and they're very big island. Some small ones, they've populated, no, all the big islands have three citizens on each island and they're there 12 months a year. And I've been there for decades in the dark and the winter time. The other thing is that the, what we learned about the sea is that it is quite shallow north of Russia. And therefore the concept of big oil tankers and 5,000 people on a cruise ship isn't too logical. You won't want to go there. But how do you, with Russia having citizens and all those islands, what is, what are their claim for territorial waters? And you better stay out.

Jeanne Meserve: [44:18](#) Oh, okay. And before we get that answer, I want to know the circumstances that led you to take that trip. I'm half crazy. Did you do this as a private citizen? Yes, I did. It's a very interesting five weeks. I see from

Audience Member: [44:42](#) um,

Jeanne Meserve: [44:43](#) Murmansk to Alaska.

Sherri Goodman: [44:45](#) Wow. Very pets off to you.

Jeanne Meserve: [44:48](#) So territorial waters questions.

Karl Schultz: [44:51](#) So I would say take the first step of that and I suspect, sure you may want to weigh in or lose, but clearly there's international convention and how we determine in our, you know, territorial jurisdiction. Those go back to the egg for you know, adjudication when there's disagreements. Um, I'm really curious what the other half isn't that crazy half I get, I'm not sure

Jeanne Meserve: [45:11](#) it gets you to do that, you know, private citizen,

Karl Schultz: [45:14](#) but um, but you know, you mentioned the shallow waters mirrors the large shipping company, the mirrors vent that actually has made a transit just this past year with containers through the northern sea route. So there is limitations on water depth, but there are routes that enable it to do that in these large cruise ships. I think there is clearly a pattern mirrors tells us that's not in the immediate tomorrow, it's years down the road. But, uh, I think back to the territory, see claims, we're cognizant of that. Russia, if they're, if they're legitimate, recognized Russian islands, they have this international 12 mile claims, the Z claims extend out. There's places where confined straits, you draw the baseline in the middle. So there's international ways to recognize that. And I think that that can all be sort of reasonably adjudicate. There'll be contentious series as we see in the south China Sea. There's a disputed spot in Canada like Jean talked about, but there was mechanisms to have adult conversations about that.

Jeanne Meserve: [46:04](#) Oh, we have another question at the same table. I'm sorry. This gentleman in the white, if we could bring the mic down one more time. It's hard to navigate almost as hard as the Archaic Romance. No work. No idea. I'm going on that trip next week. So, um, so there, there's a,

Audience Member: [46:24](#) a treaty, um, among surrounding countries of the Antarctic, uh, which basically has designed the standard, protected the Antarctic from commercial and military, et Cetera. Um, I'm sort of interested in whether or not there's any possibility that that model of treaty, uh, even if you, you know, as opposed to what's already happened up going forward, you limit, um, the economic, uh, military and other forms of interaction, um, with the Arctic. Um, Eh, in, in that way, trying to, uh, prevent the potential conflict that existed possible. Well,

- Sherri Goodman: [47:09](#) you have to recognize that the, the Antarctica is a large land mass. And so we agreed, you know, to, uh, uh, to make that a military, you know, free zone and not owned by any one nation, uh, which is, you know, you had quite the opposite. Uh, in the Arctic, you've got an ocean with, you know, countries with sovereignty surrounding it. She writes down there, it's all protected
- Audience Member: [47:36](#) so they can take to fish, which is, uh, you know, what the equivalent of, of, uh, uh, I can't remember what it is, but apparently it's a bait prevent harvesting, um, fish beyond what they view as a preservative,
- Sherri Goodman: [47:59](#) sustainable, sustainable fishing. And we have some marine protected areas now for example in the Rossi and there's active discussions in the u n and other forums about increasing the number of marine protected areas around Antarctica and even now potentially on the high seas. Um, there's, you know, that might be possible in the future in the Arctic. Um, but I think it's going to protect, you know, we, we have that one fishing moratorium right now for the next 16 years. A button, a marine protected area would provide even further protection, uh, and done not sure how possible that will be in the near, in the near future.
- Karl Schultz: [48:37](#) Yeah, and I think exacerbating this is we have a national strategy, a national defense strategy that talks about competing Bowers. I think if you go back and look at the one that 3d was stroked, the politics were a little bit different here, Geo strategically through a little bit. So it's not out of the realm of the possible. If you had the eight Arctic nations at the table trying to come up with some type of agreement, where does China fit into that equation list? But you probably got a better perspective than I do on that.
- Elizabeth E: [48:59](#) No, I think China would be glad to be invited to the table because anything that actually is recognize exactly recognizes China's somehow, uh, equal and on par with the, you know, um, the other eight Arctic nations, uh, they'd be all for it. And again, they did sign this, uh, prohibition already. So I think it's possible, but I think you do need a different set of leadership certainly than we've got right now. Uh, yeah.
- Karl Schultz: [49:23](#) And then I don't, do you want to legitimize China's near near Arctic nation claim? That's what you got to figure out a little bit. You know,
- Sherri Goodman: [49:30](#) we have another question here I think was your hand up?

- Audience Member: [49:36](#) Yeah, I was just gonna ask kind of almost like a poll of the board here, but what would drive us to legitimize that claim? And, and in that case, is that not kind of a runaway train story? What did you do? Mind China's claiming me. Yeah. Yeah. I mean a near Arctic claim could, could down the road if we kind of have a, a perspective of [inaudible] men on, on near anything claims by any nation state. Where does that lead us?
- Elizabeth E: [50:01](#) Alright, well again, I think China's trying to redefine the nature of the Arctic issue, right? So that it along with others becomes a claimant with equal standing so that the Arctic, you know, uh, nations are not as relevant. So I think it's actually trying to do that right now. I think the one possible advantage would be that, you know, China is what a permanent observer I t there were also how many? 13, 14 something. So once China comes into this, I think many other nations then also come in and you really do get a fundamental transformation of, of Arctic governance. And that would be a different ball game, which might actually be fine with the United States because it might bring in many more allies like Japan for example. Uh, so, you know, I don't play in that space completely, but my feeling is that until we have a strategy, the last thing we should be doing is opening the door to, you know, the wolf
- Karl Schultz: [50:55](#) and we talk about the, the belt road initiative, one belt, one road, polar silk road. Is that economic, is that strategic positioning for all? It's all the above. But I think you have to really, your question, you got to go down that rabbit hole and think about how that plays on many different factors because there's a lot there behind that question.
- Matti Anttonen: [51:12](#) And when be when they talk about the uh, end of governance of the north, the Arctic region, I think it's important that doctors council countries take very responsibility, right? If they cannot solve the problems, then you have others, you know, shipping in, shipping in and trying to, you know, participate in this uh, process. So it would be very important that, you know, these eight countries would fail, find a consensus and solve these things, which are the challenges for, for all of us.
- Sherri Goodman: [51:43](#) And let me compliment a Finland here with just finished is its term as chair of the Arctic Council, taking the Arctic Council through some very challenging couple of years, uh, but continuing to push forward on important agreements on improving communications, uh, and environmental protection and other important areas, uh, in the region.

- Matti Anttonen: [52:05](#) And I know the Icelanders are in the chair and for them, important thing will be the plastic in the, in the ocean. Ocean plastics. Yeah. So, yeah, I mean that's important that we are tackling those questions which are relevant for all of us.
- Sherri Goodman: [52:20](#) Well, we have another question back here I think at the back table. [inaudible]
- Karl Schultz: [52:25](#) thank you. Steven Shapiro of the Atlantic Council. Uh, and I've just returned from Norway, in fact, on a fact finder, a meeting with them, Odis and the commander of the Norwegian fleet, et Cetera. Um, and apropos of Ms Goodman's comment or observation of the maxim, that strategy with that resources is, is a, is a ephemeral, a strategy without a strategy is just nuts. Um, we have no strategy and I, and I'm perhaps the commandant or Sherry yourself having been in at dod, could tell us what in fact is United States Arctic strategy, whether it's a military strategic strategy or an economic strategy. I'll tell you that the Norwegians were complaining up a storm that NATO doesn't have an arctic strategy. So this whole idea of tried and Juncker being an, uh, an, uh, an Arctic, uh, exercise is no disrespect to those who went through it. And thank goodness that they did it, but it demonstrated that the Germans don't like cold logistics don't really work up.
- Karl Schultz: [53:24](#) Their comms were down. I mean, it wasn't a big success. And I see Finland smiling, but it wasn't a big success, although it went all the way to robe. Nimi so congratulation on that. But the punchline is back to us, policy wide, why don't we, and, and, and w what, is there any policy at all other than reactive? And let's build a ship and see what happens and complain a lot. Let me, me beyond that, I don't know where we are. Steve. I'll tell you, we rolled out, I rolled out an arctic strategic outlook in April ahead of knowing that the Department of Defense was gonna roll out. Their Arctic strategy just came out in recent weeks ahead of knowing the National Security Council working on a Arctic strategy. When we rolled out our strategy, we had rolled out a previous strategy, five years was to go six years ago in 2013.
- Karl Schultz: [54:05](#) It was an arctic strategy. We sort of reframed how we're approaching, we call them strategic outlooks under a coastguard four year strategy now, but our strategy has three lines of effort. It's enhancing our capabilities to operate in a very dynamic arctic environment. It's about strengthening the rule based order and it's innovating, adapt for the resilience and um, prosperity. Arctic. I think if you look at the Department of Defense, Arctic strategy just came out. Our strategy at are very

complimentary, not, not by accident, but by close collaboration. We've been involved and at the table with the National Security Council is they're working on a national strategy. So I think yes, we are shooting behind the target. You're absolutely correct. That's a fair statement. I think we are doing some backline made the comment, Russia's worldview is absolutely centric on the Arctic. You know, for most Americans in our society, the Arctic is just a distant place with no real interest.

Karl Schultz:

[54:53](#)

So it has not been an easy place. We've pushed a big rock up hill. I think we're at a turning point. I think the Chinese presence in the Arctic has really been helpful. Dump the game a little bit, you know, um, Sherry's comment about secretary Mattis and you know, being in Alaska looking saying we've got to up our game in the, in the Arctic. The second part of that wasn't the coast guard is a key part of that. I made a note of that. I use that quite a bit, but uh, you're absolutely correct, but I think we're on a better trajectory here in 2019 and we have been, wait for the microphone here so we can all hear you. Is the fact that the coast guard is the lead, uh, the lead agency there as opposed to the navy, uh, is that telling at all?

Karl Schultz:

[55:31](#)

Does that demonstrate that we really haven't put a strategic loss on the Arctic yet? No district. The coast guard, which by the way is my favorite agency. So I'm just saying so I would serve as, no, I think Steve, I'd say this. I think that's a real question. I think we have 150 year history operating in the Arctic. I've gone to the Arctic with Secretary Spencer, who's now our acting secretary of defense. I've talked to the CNO on this. Dod is keenly interested, the navy's interested in the Arctic. We also have to look at what's going on across the globe. You know, the navy has high demands in the South China Sea. We're looking at a much more aggressive situation in the Mediterranean. We are looking at drawing down forces in the Arabian Gulf and the NAV scent. Centcom region. In recent weeks, events have sort of shown us that that may not unfold the same way. So I think coast guard lead agency in the Arctic right now. That sounds okay and about right to me. We've got to build these polar capable ships, but the navy will absolutely this, this contract we awarded in April was done through a joint coast guard, Navy Integrated Program office. The navy actually awarded the contract. So we are, we are linked up and uh, and working very diligently collaboratively with the United States Navy and Department of Defense on the Arctic moving forward.

Sherri Goodman:

[56:41](#)

We've been talking some about weather forecasts. I want each of you to make a bit of a geopolitical forecast for me. So we're having this conversation. I think it may be one of the first times

they aspen security forum has tackled the Arctic. If we were going to have this conversation in five years, 10 years, how's the conversation going to be different? Liz, why don't we start with you? Well, instead of finish representative, we'd have a Chinese representative at the, at the [inaudible]. That's my prediction. 10 years, China will have reconfigured Arctic governance.

Karl Schultz: [57:19](#)

I would say in five years. I'm hoping we'll have one, probably two polar security, very capable vessels. So we do in the McMurdo mission, which is absolutely essential to our national interests. But we will have an enhanced presence. We'll know more about the Arctic. I hope we'll have solved this communications domain awareness problem in five years in yard. So when we are there, you know, our presence equals influence and it's meaningful influence and looking out for our sovereign interests.

Sherri Goodman: [57:43](#)

Sure. Okay. Well part of the maritime domain awareness for the Arctic is also what you just weather prediction and increasingly extended weather or what some called near term climate. Now nowhere is that more needed than in the Arctic. I mean it's needed globally. Right now we have a national weather service. We don't have a climate service. The private sector is now starting to develop those climate services near term weather, extended weather prediction. That's going to come to the, that's going to come in the Arctic. The question is whether the Chinese or others will develop that capability before us. And what will it mean if the Chinese development that they are better able to operate because they are going to have a, you know, more capable, more insight into uh, how to deploy whether it's military assets or ships or other, uh, capability in the region. So it makes it more likely that Liz's prediction is going to come through a muddy last year. What do you think we'll be talking about and looking at in five or 10 years?

Matti Anttonen: [58:45](#)

I think it's quite clear that they will be much more economic activity in the region and that will lead to more needs for doing things also from the government side and hopefully the Arctic Council countries are able to tackle these challenges. [inaudible]

Sherri Goodman: [59:01](#)

without China. No, and we're going to have to leave it there. I want to thank my panelists for their wonderful participants.

Speaker 3: [59:08](#)

Hey Sharon Medina Antonin Sherri Goodman, the commandant of the Coast Guard admin assaults and also Lizza College.

Sherri Goodman: [59:15](#)

Thanks so much for joining us.

Speaker 2: [59:28](#) There is now a half hour break before the next event at the Greenwald pavilion. If you'd like to get a good seat head over that way across campus to the Greenwald pavilion.

Speaker 3: [59:41](#) Yeah.