

Mini Simulation

U.S. Arctic Policy

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Overview

As Arctic sea ice melts at an unprecedented pace, the region is increasingly open for navigation and resource extraction. New environmental realities present new opportunities and obstacles for countries that border the region. The United States needs to determine whether it should launch a new Arctic policy and, if so, what interests it should prioritize in the region.

Students will understand that climate change is melting Arctic sea ice, making the region more accessible and creating new opportunities and risks for trade and national security.

Students will understand that some countries, particularly China and Russia, are already investing in the Arctic for economic and strategic purposes.

The Situation

For the past three decades, the Arctic has largely been a venue of international cooperation. For example, the eight countries with territory in the region (the United States, Canada, Denmark, Finland, Iceland, Norway, Russia, and Sweden) have engaged in joint scientific research. However, rising temperatures from climate change are causing governments to change their behavior. As sea ice disappears on the Arctic Ocean, the region presents opportunities for economic development. Melting ice will lead to the emergence of shipping lanes across the previously impassable area. As a result, some countries have increased their military presence, as the opening of the Arctic Ocean creates strategic advantages and vulnerabilities. With new opportunities and risks emerging, many countries—including the United States—face new decisions in pursuit of their interests in the Arctic.

To many countries, the Arctic offers economic promise. Using trans-Arctic sea routes more frequently could result in shorter shipping times and allow access to remote natural resources. Specifically, the Northern Sea Route (NSR), an emerging trade route along the Russian coast, and the Northwest Passage, which extends through the Canadian archipelago and around the Alaskan peninsula, provide intriguing opportunities for the future of global trade. The NSR could cut times by up to 40 percent. With the shipping industry carrying over 70 percent of all global trade, trans-Arctic routes that reduce trade times could save shippers millions of dollars. Russia and China, which considers itself a “near-Arctic state” without any territorial claims over the region, have made the NSR an economic priority. The two nations have worked together to oversee the route’s development with icebreaker ships and new ports. However, unresolved questions about the extent of Russia’s jurisdiction over the route have sparked concern. Arctic policy experts fear that Russia could exercise undue control over Arctic shipping through the NSR. Developing infrastructure and investing in ice-breaking capability along the NWP could ensure unfettered U.S. access to Arctic shipping during the passage’s open season. However, some economists worry that developing maritime routes in the Arctic is not worth the considerable investment required to develop ports; they argue that existing routes remain far easier than the unpredictable and dangerous waters of the NWP.

The Arctic also exposes new strategic challenges. Russia has taken advantage of melting ice to increase its military activity in the Arctic. The Kremlin has conducted military drills and reopened over fifty bases along the NSR. Russia’s growing military presence could strengthen its influence over shipping on the NSR. This development would provide Russia with strategic economic leverage over the West. Moreover, U.S. strategists worry that

Russian military activity in the Arctic exposes vulnerabilities in national security. Russia's growing presence in the Arctic could disrupt crucial lines of communication between the United States and its allies in Europe or hinder their movements in the region. Some security experts argue for greater U.S. military presence and cold-weather capabilities to check Russia's control. These security experts find it critical that the United States constrain any strategic advantage Russia could gain from activities in the Arctic. However, U.S. military buildup in the Arctic bears risk as well. It could backfire and provoke greater Russian aggression or lead to miscalculations that spark a military conflict.

Despite emerging opportunities and challenges, many policymakers argue that countries need to preserve cooperation in the Arctic, especially in the face of climate change. Environmental experts note that increased traffic will destabilize fragile ecosystems and communities already weathering the effects of global warming. As warming temperatures make previously untouched reserves of minerals, oil, and gas more accessible. The opportunity for increased mining and extraction of these resources will threaten to worsen the environmental damage. These experts advocate for the United States to prioritize cooperation on sustainable development and scientific research. Instead of prioritizing economic or military aims in the region, environmentalists believe that Arctic policy should revolve around securing the livelihoods of Arctic communities as climate change intensifies. However, economic and security development in the Arctic is already well underway, threatening an already precarious environmental situation. Moving forward, policy experts will have to weigh the question of how to maintain cooperation without adversely affecting U.S. interests.

Decision Point

Chinese and Russian development of the Northern Sea Route has enabled both countries to capitalize on shorter shipping times. Advanced ice-breaking capabilities could directly advance economic, security, and scientific interests in the increasingly accessible region. Many non-Arctic countries—including France, India, Japan, South Korea, and the United Kingdom—have released Arctic strategies focusing on economic and security opportunities. The active involvement of non-Arctic countries in regional policy clearly signals growing competition. As an Arctic country with proximity to the NWP, the United States could enhance its activity in the Arctic. The goals of such activity would be significant economic and security gains for itself. Moreover, growing U.S. influence in the Arctic would directly counter Chinese and Russian influence. The president has called a National Security Council (NSC) meeting to decide whether it should determine a new Arctic policy. If so, it will be up to the NSC to determine how the United States should prioritize its interests.

NSC members should consider any combination of the following policy options:

- *Develop the NWP as a trade route, investing in an icebreaker fleet, building new ports, and negotiating how to administer the route with Canada.* Although this option could improve trade between Northeast Asia and the northeast of North America, the NWP is undeveloped and requires a sustained high commitment of both funds and resources. Ships could also be at risk in the unpredictable and dangerous Arctic waters. The Arctic Ocean and NWP are still only fully navigable for short periods of the year. However, investing in shipping routes now rather than later could allow the United States to counter China and Russia in the region.
- *Ramp up Arctic security infrastructure, investing in naval bases and a more capable Arctic naval force, stepping up Arctic patrols, and increasing joint military exercises with Arctic allies.* This option could allow the United States to counter Russia's military buildup in the Arctic to safeguard its interests and its allies. More robust U.S. security in the region could also help protect commercial, natural resource, or environmental interests. However, increasing U.S. military presence could push other Arctic countries to do the same, risking heightened tensions.
- *Maintain a policy focused on scientific research, sustainable development, and the protection of communities in the Arctic, prioritizing cooperation over competition.* This option could entail a diplomatic process with Arctic countries to keep tensions minimal, promote cooperation on research, and address shared challenges brought on by climate change. Although this option costs less than others, it risks leaving Chinese and Russian Arctic expansion unchallenged. This policy option would potentially allow China and Russia greater strategic and economic leverage.

[Geopolitical Implications of New Arctic Shipping Lanes](#) Arctic Institute
[What's at Stake With Rising Competition in the Arctic?](#) Council on Foreign Relations
[A U.S. Security Strategy for the Arctic](#) War on the Rocks

