Statement of
Admiral Robert J. Papp, Jr.
Special Representative for the Arctic
U.S. Department of State

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Introduction

Good afternoon Chairman Rohrabacher, Ranking Member Keating, and other Members of the Europe, Eurasia, and Emerging Threats Subcommittee. I appreciate the opportunity to appear before you today to discuss how the Department of State is working to advance our security and economic interests in the Arctic.

Recognizing the importance of the Arctic, and in line with the President's commitment to elevate Arctic issues in our nation's foreign policy, particularly as the United States prepares to chair the Arctic Council in 2015, Secretary Kerry appointed me as the Special Representative for the Arctic this past July. My broad charge is to lead our nation's efforts to promote our priorities and advance U.S. policy in the Arctic region, a region in which we have vital national interests.

It is important to note at the outset that the United States is operating in a difficult international environment today. Russia's continued aggressive actions in Ukraine and occupation and attempted annexation of Crimea are an affront to the rules-based international system. The United States has joined the international community – including other Arctic states – in opposing Russia's violation of Ukraine's territorial integrity, and in imposing costs on Russia for its actions.

At the same time, we continue to work with Russia on global issues like those in the Arctic in which it also has national interests. As we do so, we remain cognizant of how significant changes in the Arctic are creating new challenges and opportunities for the United States and the other Arctic nations. A rapidly warming Arctic climate threatens traditional ways of life while affording new shipping routes and increased opportunities for trade,

allows for increased oil and gas exploration while risking environmental pollution, and attracts tourism while communities tackle food security, health concerns, and suicide. The challenge of charting a path toward a sustainable future in the Arctic is not lost on me. The federal interagency community is committed to working within our capacities to improve the future of this region.

International Governance

United States engagement with international partners in this region is extremely important, as governance of the Arctic region falls to the United States and the seven other Arctic States: Canada, Iceland, Denmark (through Greenland), Finland, Russia, Norway, and Sweden. International cooperation takes place in multiple fora, such as the Arctic Council, International Maritime Organization, and the new Arctic Coast Guard Forum. Each of these serves a purpose to advance specific priorities and affords the opportunity to engage with appropriate delegations. By and large, our international Arctic engagement takes place through the Arctic Council, the preeminent forum for international diplomacy on Arctic matters.

Unfortunately, our engagement with Russia, in particular on Arctic issues, is complicated by Russia's aggressive action in Ukraine and attempted occupation of Crimea. But we have worked with Russia on Arctic issues during past political crises and are maintaining activities related to protecting the Arctic environment, ensuring maritime safety, including search and rescue, and enforcing laws. We also continue to work with Russia in multilateral fora, including under the auspices of the Arctic Council, and our allies are following similar policies.

The Arctic Council

In promoting our, environmental and other national interests in the Arctic region and strengthening international cooperation, we use the Arctic Council as the primary mechanism for multilateral engagement. The Arctic Council, a high-level intergovernmental forum of the eight Arctic States and the Arctic indigenous peoples, was created in 1996 to provide a means for promoting international cooperation, coordination and interaction on common Arctic issues. Its founding document focuses the Council's work on environmental protection and sustainable development, but its mandate is

not necessarily limited to these areas. The one area explicitly excluded from the Council's mandate is "military security"[1]; thus, the Council does not handle military issues or military-to-military cooperation among the Arctic States.

As the challenges and opportunities facing the Arctic have grown in volume and complexity, the Council's workload has increased dramatically in recent years. Currently, the Council has six working groups composed of federal-level representatives of the Arctic States. The working groups cover a broad range of issues such as human health, climate change impacts, biological diversity, emergency response, and protection of the Arctic marine environment, to name a few. In addition to the working groups, the Council periodically mandates task forces and expert groups, also composed of federal-level Arctic State representatives, for limited periods to address specific, cross-cutting issues. Each Arctic State appoints a Senior Arctic Official to run the Council's day-to-day operations. The Council meets at the Ministerial level once every two years at the conclusion of the chairmanship, and most Arctic States send their foreign minister. Each Arctic State assumes the chairmanship of the Council for a two-year period during which the chairing State hosts numerous meetings and other diplomatic events, and assumes all associated costs.

The United States has led or co-led many of the Council's important initiatives including the 2004 Arctic Climate Impact Assessment, the 2008 Arctic Oil and Gas Assessment, and the 2009 Arctic Marine Shipping Assessment. In addition, work under the auspices of the Arctic Council has resulted in two binding agreements among the Arctic States: one on search and rescue cooperation, signed in 2011, and the other on marine oil pollution preparedness and response, signed in 2013. Over the past eighteen years, the Council' cutting edge work has paved the way for international cooperation to address shared environmental challenges. No other body in the world is doing work of such high caliber on the issues we face in the Arctic, which is why the Council is so important to the United States. Our collaboration with the other seven Arctic States has worked well over the life of the Council and we could not have done this work without them.

U.S. Chairmanship

1 Declaration on the Establishment of the Arctic Council: Joint Communique of the Governments of the Arctic Countries on the Establishment of the Arctic Council. Ottawa, Canada. September 19, 1996.

The United States will assume the rotating two-year chairmanship of the Arctic Council in April 2015. We have developed a robust proposed work program for our chairmanship in line with the priorities laid out in the National Strategy for the Arctic Region and its subsequent Implementation Plan. We continue to hone the proposed program through regular meetings with federal interagency counterparts, the State of Alaska, Alaska Native groups, NGOs and other interested stakeholders. In my new capacity as the Special Representative for the Arctic, I have traveled twice to Alaska to consult with local experts and residents. I heard positive feedback on our proposed chairmanship program, as well as concerns about some aspects. The State Department has also received feedback from numerous stakeholders, mostly supportive. Where we have heard concerns, we are discussing ways forward. We are also beginning to consult with our fellow Arctic Council members so that we can reach agreement on our chairmanship program by the time we assume the Chairmanship in 2015. The Council operates on the basis of consensus, so we need the support of all the Arctic States.

The United States is assuming the chair of the Arctic Council at a critical time. The Arctic Council has proven itself to be an effective and cooperative forum in which the eight Arctic States and Permanent Participants (organizations representing Arctic indigenous peoples) can come together to develop effective ways for managing this relatively pristine region of the world. We would like to continue strengthening the Arctic Council by moving it toward more practical, on-the-ground activities that will improve the environment and contribute to sustainable economic development for the people who live there.

The areas we are proposing to highlight during the U.S. Chairmanship are:

- Arctic Ocean Safety, Security, and Stewardship
- Improving Economic and Living Conditions
- Addressing the Impacts of Climate Change

Climate change impacts in the Arctic have resulted in significant reductions in sea ice, positioning the Arctic Ocean to be increasingly accessible in the short and long terms. The Arctic Ocean is becoming more navigable as evidenced by an increase in shipping through the Northern Sea Route over Russia. We have also seen an increase in shipping through the Bering Strait,

a potential future chokepoint for trans-Arctic shipping traffic. In addition, the ice-diminished maritime environment is attracting resource exploration in areas previously inaccessible.

We plan to prioritize collaborative search and rescue and oil pollution preparedness and response exercises, ideally within the new Arctic Coast Guard Forum. To ensure that future maritime development avoids areas of ecological and cultural significance, we will prioritize the Arctic Council's on-going development of a network of existing marine protected areas, and possibly identify new marine protected areas. To address other challenges in the Arctic Ocean, we are looking to improve international coordination through a regional seas program similar to regional seas programs in other oceans. In the coming months we will work closely with domestic and international stakeholders to determine the specific nature and direction of this initiative.

During the U.S. chairmanship, we will strive to bring tangible benefits to communities across the Arctic. In particular, we will seek to assist remote Arctic communities with adapting to the rapid changes that are altering traditional ways of life. The U.S. aims to increase energy and water security for remote Arctic communities by working toward better and more secure access to renewable energy sources, improving water and sanitation access, and reducing dependence on diesel generators while at the same time reducing emissions of black carbon in the Arctic. The U.S. also plans to continue advancing suicide intervention and awareness programs to reverse disturbing trends that disproportionately affect Arctic communities. Suicide rates across the entire Arctic region are much higher than in most other areas of the world. Men and boys are particularly at risk.

In addition, as indicated in the Implementation Plan for the National Strategy for the Arctic Region, the U.S. hopes to see an Arctic telecommunications infrastructure assessment that would serve as the basis for the eventual build-out of the telecommunications infrastructure necessary to support ever-increasing human activity throughout the Arctic region. Building telecommunications infrastructure across the Arctic will provide critical support to navigation, offshore development activities, search and rescue operations, environmental and humanitarian emergencies, and will make online tools for Arctic communities, such as telemedicine, education, and adaptation, more accessible and useful.

Our chairmanship will continue the on-going high-level focus on the impacts of climate change, especially the drivers of change and the ways and means of addressing on-the-ground impacts. To minimize the prospect of irreparable long-term harm to the Arctic – and the globe – we need to take sustained, quantifiable measures to reduce greenhouse gas emissions and increase community resilience and preparedness. During the last Administration, the United States initiated efforts within the Arctic Council to mitigate so-called "short-lived climate pollutants" such as black carbon and methane that have direct impacts in the Arctic. During our chairmanship, we will press for full implementation of a new, voluntary arrangement to be completed by the end of the current chairmanship that will include development of national black carbon emission inventories, national reporting on domestic mitigation efforts, and data collection efforts.

Another path forward is to examine key industrial practices, such as oil and gas flaring, to share best practices, policies and technologies among technical experts, industry and policymakers. The Department of State aims to lead the Arctic Council through an assessment of how we can improve emissions estimates of black carbon and other air pollutants from gas flares. We hope to be joined by other Arctic States in efforts that build climate resilience into national policies and promote community- and ecosystem-based climate adaptation. Without the natural sea ice barrier, coastal communities in Alaska are now battered by storm events that damage the permafrost upon which critical infrastructure depends, leaving houses and other buildings literally falling into the Bering Sea. Policymakers and communities need decision-informing tools to enable prioritization of adaptation efforts and more climate-resilient decision-making.

Environmental Stewardship

The Arctic region is a biologically diverse place where people, animals and plants have thrived for thousands of years. The impact of climate change, especially sea ice reduction, is already threatening certain species as well as the local communities that subsist on them. Our goal is to protect the environment for the people who live there and to conserve the natural resources in the face of ever-expanding human activity that will surely have impacts. For example, offshore oil and gas development, shipping, tourism and perhaps commercial fishing in the future will undoubtedly alter the environment. We believe we can manage the negative impacts so that Arctic States may mutually benefit from the Arctic's natural resource wealth and

maintain a clean, healthy environment.

We want the new Arctic Economic Council to encourage positive collaborative relationships with the industries working in the region now and in the so that we maximize the sustainable development potential in the region. And we must keep working collaboratively with the other Arctic States, including Russia. Throughout the Cold War, our domestic agencies such as EPA, the Fish and Wildlife Service, NOAA and the Coast Guard worked closely with their Russian counterparts and did a great deal of important work to improve the Russian environment and its legacy pollution problems.

Indeed, the Arctic Council was born at the conclusion of the Cold War and has been instrumental in bringing Russia into the family of nations to help its enormous environmental challenges. We must continue to make progress in protecting the environment and keeping positive relationships alive in the Arctic now more than ever as human activity increases and the probability of environmental problems increases with it. What happens in the Russian environment directly affects the United States, and Alaska in particular, so it is in our national interest to continue to advance our priorities through engagement with Russia in the Arctic Council now and in the future.

Arctic Fisheries

Although currently there are no commercial fisheries of consequence in the high seas area of the Arctic Ocean, it is reasonable to expect that, with diminishing sea ice and the possible migration of species, commercial fisheries are possible in the foreseeable future.

Scientific information about the Arctic's marine biodiversity is limited and even less is understood about the extent to which climate change and increasing industrial and other human activities in the Arctic may threaten marine ecosystems and resources, including fisheries. In light of this, in 2009 the United States took the precautionary step of prohibiting commercial fishing in its own exclusive economic zone (EEZ) north of the Bering Strait until there is a better scientific foundation for a sound fisheries management regime. Other Arctic countries have taken similar steps, most recently Canada.

In our view, this same approach should apply in the high seas area of the

central Arctic Ocean. In the high seas area, with the exception of the small wedge that is within the area covered by the North East Atlantic Fisheries Commission, there is no governance regime in place by any fisheries management organization or arrangement. Thus, we have been working with other governments towards an understanding that commercial fishing should occur there only on the basis of adequate scientific information on which to base proper fisheries management and after an international fisheries management regime is in place.

To date, we have been conducting discussions with Canada, the Kingdom of Denmark in respect of Greenland, Norway, and the Russian Federation – the five coastal States with EEZ's bordering the high seas area of the Arctic Ocean – toward a legally binding agreement to prevent unregulated commercial fishing in the high seas area. Our intention is to bring the European Union and other interested major fishing nations into these discussions soon.

The arrangement we envision is that States will commit that their flag vessels will not be authorized to undertake commercial fishing on the Arctic Ocean high seas until one or more fisheries management organizations or arrangements is in place to manage such fishing in accordance with modern international standards.

Arctic Ocean – ECS and Maritime Boundaries

Efforts by the United States and other Arctic countries to define their continental shelf in the Arctic Ocean are sometimes described as a "race for resources" or "competing territorial claims." Such hyperbole is inaccurate and unhelpful.

There are two underlying issues here: delineating the continental shelf beyond 200 nautical miles (commonly called the extended continental shelf or ECS); and delimiting the maritime boundaries where ECS may overlap one or more neighboring States. In other words, first, what is the extent, or outer limit, of a country's ECS and, second, how do neighboring countries divide that ECS when it overlaps.

Contrary to many media reports, there is no race for resources or land grab underway in the Arctic. The Arctic coastal States are proceeding in an orderly manner to define their continental shelf limits according to the

provisions set out in the Law of the Sea Convention.

Determining the extent of a State's ECS is not simply a matter of measuring a specified distance from its shore. To determine whether a State meets the criteria in the Convention, it must collect data from ships that describe the depth, shape, and geophysical characteristics of the seabed and sub-sea floor. That data is then analyzed in order to determine a set of coordinates of the seaward extent of the ECS.

Each of the five States surrounding the Arctic Ocean–Russia, Canada, Norway, Denmark (via Greenland), and the United States – has an ECS. All five States also have ECS outside of the Arctic Ocean, but the Arctic has received a disproportionate amount of public attention.

The United States, like the other Arctic States, has made significant progress in determining its ECS. All of the necessary data collection to delineate the U.S. ECS in the Arctic Ocean has been completed through tremendous efforts by the U.S. Coast Guard, NOAA, USGS, and the Department of State. Nine successful cruises were completed in the Arctic Ocean over twelve years and four of those missions were jointly conducted with Canada.

Earlier this year the Office of Ocean and Polar Affairs at the Department of State established the ECS Project Office at a NOAA facility in Boulder, Colorado. This office is dedicated to completing the data analysis and documentation necessary to establish the limits of the U.S. ECS in the Arctic and for other U.S. ECS areas, such as the Bering Sea, Atlantic Ocean, and the Gulf of Mexico.

While the United States has a significant amount of ECS in the Arctic, as a non-party to the Law of the Sea Convention, the U.S. is at a significant disadvantage relative to the other Arctic Ocean coastal States. Those States are parties to the Convention, and are well along the path to obtaining legal certainty and international recognition of their Arctic ECS.

Becoming a Party to the Law of the Sea Convention would allow the United States to fully secure its rights to the continental shelf off the coast of Alaska, which is likely to extend out to more than 600 nm. However, only as a Party would we put our rights on the firmest legal footing and have access to the Convention's procedure that would maximize legal certainty and international recognition of the U.S. continental shelf that extends beyond 200 nm. U.S. accession is a matter of geostrategic importance in the

Arctic (where all other Arctic nations, including Russia, are Parties and can fully secure their continental shelf rights). The Administration remains committed to acceding to the LOS Convention as a high priority.

Overlapping continental shelves are inevitable in the Arctic Ocean, as elsewhere. Where boundaries have not yet been concluded, neighboring States will work together on a bilateral basis to try to reach agreement in what are often complex and time-consuming processes. It is important to keep in mind this is not a question of first-come, first-served.

We have two maritime boundaries in the Arctic, one with Russia and one with Canada. The United States and the Soviet Union signed a maritime boundary agreement in 1990. Although only provisionally in force, Russia has respected this maritime boundary, and has not defined an ECS in any areas on the U.S. side of the boundary. The United States is taking the same approach.

Canada and the United States have yet to agree to a maritime boundary that would divide our overlapping ECS. We have made this a key objective for implementation of our National Strategy for the Arctic Region and this will be an important future effort. Nonetheless, we have managed to work together to collect mutually beneficial data necessary to define our respective ECS areas.

Resource Exploration

Diminishing Arctic Ocean sea ice is unlocking access to significant energy resources and other potentially lucrative natural resources. Estimates of technically recoverable conventional oil and gas resources north of the Arctic Circle include 13 percent of the world's undiscovered oil and 30 percent of the world's undiscovered gas deposits, as well as vast quantities of mineral resources, including rare earth elements, iron ore, and nickel. Notwithstanding the current state of shale-based oil and gas production, improvements in drilling technology are expected to lead to offshore oil and gas development in the Arctic that is more economically and technologically feasible. That said, the Arctic is now and will remain long into the future an extremely challenging environment in which to operate, and there is limited industry expertise.

The Department of States aims to promote good governance and environmentally responsible development of all energy resources – oil and

gas production, as well as clean, renewable energy –with an emphasis on consistency among Arctic States and environmental sustainability. We are committed to implementing international agreements to reduce the risk of marine oil pollution, conducting international joint oil spill response exercises, and increasing global capabilities for preparedness and response to oil pollution incidents in the Arctic. Collaborating closely with domestic agencies, it is the Department of State's aim to work with stakeholders, industry, and the other Arctic States to understand the energy resource base, develop and implement best practices, and share knowledge and experience.

While we acknowledge the importance of fossil fuels, there is tremendous potential for renewable energy in the region. Development of renewable energy resources including solar, wind, geothermal, and tidal, has been slow, but there are many dedicated people across the Arctic, including in Alaska, working to make energy generation sustainable and healthy. We will continue to work with stakeholders to promote a regional focus on addressing barriers to renewable energy development, with the goal of improving the quality of life in Arctic communities and addressing climate impacts.

Conclusion

The Arctic Region presents enormous and growing geostrategic, economic, environmental, and national security implications for the United States. We are at a pivotal point in history as the Arctic is rapidly changing and we prepare to assume the Chairmanship of the Arctic Council. We look forward to advancing national priorities, pursuing responsible stewardship, and strengthening international cooperation in the Arctic Council and other fora.

Again, thank you for the opportunity to testify today. I look forward to your questions.