



HOUSE OF LORDS

International Relations and Defence Committee

Corrected oral evidence: The Arctic

Wednesday 12 July 2023

2.35 pm

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Members present: Lord Ashton of Hyde (The Chair); Lord Anderson of Swansea; Lord Campbell of Pittenweem; Baroness Morris of Bolton; Lord Robertson of Port Ellen; Lord Soames of Fletching; Lord Stirrup; Lord Teverson; Lord Wood of Anfield.

Evidence Session No. 12

Heard in Public

Questions 133 - 139

Witnesses

I: Dr Rebecca Pincus, Professor P Whitney Lackenbauer, Trent University; Polar Institute, Wilson Center.

Examination of witnesses

Professor P Whitney Lackenbauer and Dr Rebecca Pincus.

Q133 **The Chair:** Good morning and thank you very much for joining us, Dr Pincus and Professor Lackenbauer. It is only about 85 degrees here. Ironically, we are talking about the Arctic. This is our 12th public evidence session for our inquiry. We will focus today on the USA's and Canada's approaches to the Arctic.

This is a public session. It is streamed live on the Parliament website and a transcript will be taken, which we will send to you so that you can check that what we have recorded is what you said. Can I also remind members of the committee to declare any interests that are pertinent to the inquiry when they first speak? We have a limited amount of time, about 50 minutes, so I ask you to be brief in your answers, and we will attempt to be brief in our questions, because we would like to hear both of your perspectives.

Perhaps I could start with a background question that we do not have to spend too much time on. What are the key objectives for the US and Canada in the Arctic? Are your two strategies aligned well? If they are not, what are the significant points of difference between the approaches of your two countries?

Dr Rebecca Pincus: The best place to look for the formal statement of key objectives for both the US and Canada in the Arctic is their respective Arctic strategy documents. I am sure we will refer to both of them quite a bit today. For the United States, that is the 2022 *National Strategy for the Arctic Region*—the NSAR. For Canada, it is the 2019 *Arctic and Northern Policy Framework*.

The NSAR states clearly that the United States seeks an Arctic region that is peaceful, stable, prosperous and co-operative. Under that broad objective, four key areas are laid out: security, climate change and environmental protection, sustainable development, and international co-operation and governance. Similarly, Canada's ANPF defines Canada's vision as strong, self-reliant people and communities working together for a vibrant, prosperous and sustainable Arctic and northern region, at home and abroad, while expressing Canada's enduring Arctic sovereignty.

There is considerable overlap between the US and Canadian strategies. They both underscore the importance of sustainable development and international co-operation while identifying climate change as a major threat. The differences between the two may be partly attributable to the process behind these documents, which also points to different areas of emphasis.

The Canadian Government produced the ANPF through a process of co-development and collaboration with indigenous, territorial and provincial partners. The ANPF states: "Together with the people and governments of the Arctic and the North, we will use domestic and

international policies and investments to help realize the potential of the region and those who live there". Arctic and northern people were explicitly placed at the centre of this process, and they played an integral role in the writing of the ANPF.

In contrast, in the United States, the NSAR was written via an interagency process, led by the National Security Council. This means that the NSAR has a much greater focus on security issues and foreign affairs than the ANPF. The ANPF makes efforts and goes to great lengths to acknowledge the bitter history of governmental actions in the past and emphasise current inequities. The NSAR spends less time on that.

There is an Arctic people focus in the ANPF that is not present in the NSAR. The NSAR certainly states that the United States Government are committed to regular, meaningful and robust consultation, co-ordination and co-management with Alaska native tribes and other indigenous peoples, but those people are at the heart of the ANPF. The NSAR is much more of a product of government and NSC-specific consultations, so it has that security focus. I am sure that Whitney has a much more detailed take on this, but those would be my initial remarks.

Professor P Whitney Lackenbauer: Not to echo too much of what Dr Pincus has just shared with you, the NSAR really focuses on the commonality of language: stable, secure, sustainable, prosperous. This is an alignment not only between the Canadian and American policies but between the UK policies and all the reports that have come out of the House of Lords and the Commons in recent years.

On the Canadian policy in particular, Dr Pincus has laid out the process part. It is this Canadian moment focused on reconciliation. It really is a commitment to putting northern voices in the lead, which is uncomfortable in terms of implementation when you have a federal Government who have the preponderance of resources and the mechanisms to actually fund things.

To give members of the committee a little more than what you get out of reading our policy documents, the implementation phase of this within the Canadian space is still being sorted out and even mildly contested. Of course, that affects what external-facing priorities Canada can establish.

In the defence and security space, again, there is common language: "that the Canadian Arctic and north and its people are safe, secure, and well defended". There is lots of emphasis in both the Canadian and the US strategies on collaboration with domestic and international partners.

In the Canadian case, some of the language around Russia is now outdated. The imminent Canadian defence policy update that should be coming out later this month, certainly by this fall, will see a change and a much closer alignment with the UK language and especially with the US language. I think the positive vision will be retained, the notion of the Arctic as a generally co-operative space, but there will certainly be a jettisoning of any of this baggage about the Arctic being this special place

of exceptional co-operation. The era of Arctic exceptionalism is over, if it ever existed, and I would quibble about whether it ever did.

We now find ourselves in an era of global competition. The policies and strategies being articulated now are very cognisant of that. I think we will get into some details on what that actually looks like going forward. It has meant a closer alignment, much more of a deliberate focus on unity of effort and even, in the Canadian recent policy statements, clarification that Canada is not against NATO playing a role in the Arctic. Of course, Article 5 covers collective defence everywhere. We are committed, as everyone else is, to defending every inch of NATO territory and maritime jurisdiction. Going forward, we find ourselves in very close alignment, with strategy statements that are very much in sync across Canada and the US.

The Chair: That is a good background. We have been talking in our evidence sessions about the future of the Arctic in economic terms. Lady Morris has a question on that.

Q134 **Baroness Morris of Bolton:** Good morning. Please could you tell us a little about the position of the US and Canada regarding increasing economic activity in the Arctic and perhaps the particular prospects there may be for increased transit shipping through the Arctic in the coming decades?

Professor P Whitney Lackenbauer: Thank you for the wonderful question. In the Canadian context, we, like every other Arctic nation, want to see prosperity in the region and see diversified economies as a source of prosperity and ongoing stability. Canada's policy framework—that is a deliberate choice of phrase; it is not a strategy—is opaque as to what exactly that Arctic future looks like. In fact, it is a bit of a mixed bag of subsistence economies with extractive resource economies.

In all contexts, there is a lot of language around increasing accessibility, which speaks to this transit shipping prospect, or at least increased destination shipping and patterns of shipping activities. When I look to the future, there are questions about who is going to fund what are often comparatively high-risk and very high-cost development projects of extractive industries in the Arctic. There is a lot of discussion in Canada about how much of a share should be taken by the state and the private sector. How is the risk and reward being shared? What are risks associated with foreign direct investment? There is obviously a lot of interest from the PRC, Chinese state-owned companies or state-backed funding sources, which I am sure is a topic that we will get into.

Within the Canadian space, I always love to emphasise that we talk about the Arctic in almost a singular term, as if all the different subregions around the circumpolar world are the same. The economic prospects, and especially the shipping prospects, in Canada's Arctic waters are actually very limited and will be for the foreseeable future. If we are almost looking at the hierarchy of where transit shipping is mostly likely to occur, if geopolitics were excluded it would be the northern sea route.

Obviously, the Russian Federation has gone to dramatic lengths, including significant investments, to try to encourage shipping through the northern sea route. We also saw last year a virtual disappearance of any international activity on that route. In essence, even if there is more theoretical accessibility along the northern sea route, there are still many political and physical/environmental constraints precluding massive amounts of activity.

The next most logical transpolar route to open up will actually be the one over the pole as the cryosphere changes. Due to circulation around the pole, you will have a lot of that multiyear ice forced down out of the central Arctic Ocean and into Canada's Arctic Archipelago, choking up a lot of our waters. So from the standpoint of transit shipping in Canadian or North American Arctic waters, I do not see this as a near-term probability. Actors that may choose to undertake it will be doing so from an exploratory standpoint, or maybe to send some kind of strategic message.

The uncertainties are still tremendous, certainly within the North American Arctic, so we have to sometimes condition the language around increasing accessibility as if that is linear accessibility. It is certainly not at this point in time. We always need to remember that the Arctic will still be dark, very inaccessible and very foreboding for at least half the year and will be ice-covered, in the North American Arctic at least, for much more than half the year. The economics around transit shipping are still quite limited.

Dr Rebecca Pincus: I agree with everything Professor Lackenbauer just said and I will add a couple of notes on the position of the United States Government. The *National Strategy for the Arctic Region* calls for sustainable development to benefit the peoples of the Arctic. It acknowledges the prospect of increased shipping through the region. It also underscores the importance of protecting freedom of navigation among its strategic objectives. That highlights the importance of that issue to the United States Government in the terms of maritime activity in the Arctic.

The NSAR, as well as Canada's policy framework, notes that the potential for increased Arctic shipping may raise maritime risks for many of the reasons just noted. These maritime risks can have both human and environmental impacts. In addition, the *National Strategy for the Arctic Region* flags potentially concerning investments by the People's Republic of China in the Arctic. This is in accordance with the broader context in which the US national Arctic strategy reflects overarching US priorities, which today are competition with China, concern about strategic national resources, including critical minerals, and upholding the global rules-based order. The NSAR talks about working with allies and partners to increase responsible Arctic investment while emphasising critical minerals and talking about strengthening capacity across the Arctic region to screen prospective investments based on national security, environmental sustainability and supply chain resilience concerns.

The two major pieces of legislation that were recently passed in the United States, the Inflation Reduction Act and the infrastructure Act, both included important provisions to increase broadband access in Alaska, and so improve communication, as well as to build out the Port of Nome, which will be a deep-water port in mid-northern Alaska. That will help shipping, serving as an important shipping point into the Arctic region. There is some recent spending activity that will be driving increased economic activity. Both of those are very important.

There are significant infrastructure gaps in both Alaska and Canada that currently are holding up economic activity. There is a real scarcity of infrastructure. Communications and energy remain problems. Everything in the Arctic is expensive. In Alaska, costs are three to five times higher than they are in the lower 48. Those barriers are acknowledged in the US national strategy and there have been some steps taken to remedy them.

You have probably already heard about this. When it comes to shipping in the United States, we have had a failure to recapitalise our icebreaker fleet for several decades now. That remains a sticking point in US policy. The US Coast Guard is in train to receive a new polar security cutter towards the end of the decade, but we have had many hold-ups, so that is another of the key issue sets from the US perspective with regards to increase shipping through the Arctic.

Q135 Lord Stirrup: Good morning. As is already evident from what you have been saying today, perhaps the key feature of the Arctic is change. The climate is changing. Resource exploitation is becoming more important. Transit is changing, at least to a degree. The installation of critical undersea infrastructure is proceeding. Of course, with the accession of Finland to NATO, NATO's border with Russia is no longer confined to just a small portion of northern Norway but continues much further south than that.

Given all that and the desire of many different parties to take part in the exploitation that the change makes possible, how do your two Governments see the likelihood and nature of any conflict in the Arctic? Is the Arctic likely to become a flashpoint that one needs to be seriously concerned about? Conversely, does it provide a new theatre of war, if you like, should a conflict start, for example, between NATO and Russia elsewhere, particularly given the accession of Finland? What new challenges does that pose and how do your Governments see the response to those challenges?

Dr Rebecca Pincus: That is a tremendously important question. Thank you for raising it. Even before Russia's further invasion of Ukraine last year, it has been clear that, over the last decade-plus, Russia has been investing in its Arctic military presence. That has deepened tension in the Arctic and coincided with Russian aggression outside of the Arctic in Ukraine in both 2022 and 2014, as well as in Georgia in 2008.

In the Arctic specifically, Russia has been building out bases and airfields. It has installed coastal and air defence missile systems. It has upgraded

its subsurface capabilities and has been conducting an increasing scale and tempo of exercises and operations. These are led by a new combatant command equivalent for the Arctic. In the context of Russian aggression, this has significantly deepened tension and raised concerns about conflict in the Arctic region. It is clear that Russia has significant military capabilities in its Arctic territory. These are some of its most advanced and strategic capabilities, including key elements of its nuclear triad and strategic weapons.

The key question to me is not about capabilities, though. It is about intent. I do not see motives for Russia to initiate conflict in the Arctic. The past year of fighting in Ukraine only reinforces my thinking. Russian lower-end capabilities have been significantly eroded in Ukraine. It is not clear why, or to what purpose, Russia would initiate or expand conflict in the Arctic, which would entail conflict with a NATO ally.

The most significant risks of an intentional initiation or escalation in the Arctic region, from my perspective, are in the hybrid or grey zone, below the threshold of armed conflict. For example, in 2022, we saw the cutting of the fibreoptic cable linking Svalbard to the Norwegian mainland. This is an example of a hybrid threat in the Arctic that aligns well with Russia's strong set of undersea capabilities.

Another significant bucket of risk is unintentional escalation, which could result from an accident—we know that Russia suffers a fairly high rate of military accidents—bad weather or other unintended incident. The Arctic is a harsh place to operate in the best of circumstances. Russian operators have been known to conduct unsafe manoeuvres in proximity to US and allied military exercises, for example.

In the context of the heightened risk conditions in the Arctic, a stretched Russian military that is known to behave in an unsafe manner and the willingness of Russia to engage in hybrid activities is, to my mind, the most likely driver of any type of conflict in the Arctic. Allies should be prepared for this. We should have consultations and draw up contingency plans for hybrid or grey-zone activities in the Arctic, how those activities would be responded to and what those escalation dynamics would look like, and prepare for unintentional accidents that, without adequate preparation, could rapidly escalate.

Professor P Whitney Lackenbauer: Once again, we are not entertaining for all of you, in the sense that we are very much in alignment. Dr Pincus and I often are. I say ditto to everything she said.

I have a couple of comments, though. It is important, in transitioning out of the mindset of the Arctic as an area of exceptional co-operation, to not now pivot and suggest that it is an area of exceptional volatility or that it is all of a sudden flipping in this binary from co-operation over to conflict. The best way of framing it is competition. It is an increasingly competitive space. It is no longer inherently insulated from geopolitical dynamics globally.

In essence, I see the Arctic potentially being dragged into a conflict not because of contestation over boundaries, Arctic resources or Arctic shipping routes, but basically as a spillover from a dynamic somewhere else. I think back to the House of Commons 2018 report, *On Thin Ice*, which quotes the Minister saying that the Russian Federation's military build-up along the Russia coast represented what that person assessed as a reasonable defensive posture.

I am not going to weigh in on that. There are analysts who are privy to the classified channels that I am not, so the assessment of that may have shifted, but, looking at the drain that has occurred with the full-scale war in Ukraine since last February, I think Russia's limited capacity to use and deliver kinetic effects to somehow create conditions that would allow this makes it even more unlikely than it was, and it was highly unlikely, before February of last year.

Again, it comes down to intentionality. A lot of Russia's Arctic basing is defensive posture but also relates to global deterrence. When assessing Russia's disposition with respect to Arctic assets, I start with the international level of analysis and say that we need to bring in the specialist focusing on deterrence and our capability to defeat Russian kinetic effects, if they are being delivered, and non-kinetic engagement with us, but placing it in that more global sphere, rather than somehow suggesting that this is relating to climate change in the Arctic, resources in the Arctic or dynamics in the Arctic.

Again, I caveat that by saying that this is a Canadian standpoint. From a Norwegian standpoint, there are potentially more targets in the Norwegian Arctic than there are in, say, the Canadian Arctic. I like to differentiate between threats that pass through the Arctic, which are international, global balance of power-type threats, and threats to the Arctic or in the Arctic. I usually assess kinetic military threats in the Arctic to be quite low on the threat-risk continuum.

Threats to the Arctic will be highly localised. In essence, we might even say that NATO and the United States pose a much greater threat to the Russian Arctic than Russia does to parts of our Arctic, even though, in domestic resource-generating arguments, we often make political statements suggesting that Russia has a preponderance of power and we do not. That belies the collective advantage that we have as NATO, members of the most powerful alliance that has ever been. When you collectively pull in all the assets of the seven like-minded allied Arctic states, Russia has reason to take pause before it chooses, in its own way, to strategically message and try to increase the competition within the Arctic space, given its dependencies on economic activity in its Arctic in particular.

I will leave it there, as I am sure some of those points may come up again.

The Chair: You mentioned NATO. Lord Robertson has further questions in more detail on NATO.

Q136 Lord Robertson of Port Ellen: Thank you very much for coming to give evidence. I have to say that I have an interest as an adviser to BP and to a company called Agile Spray Response.

I wanted to follow up on your answers to Lord Stirrup's questions. The communiqué from the Vilnius NATO summit specifically mentions the high north and the Arctic region. It seems to be, if you do not mind me saying, slightly less sanguine than you appear to be about the problems in that region. It talks about Russia's provocative activities, including near NATO borders, as well as its large-scale, no-notice snap exercises, which continue to threaten the security of the Euro-Atlantic area. It actually says that Russia's capability to disrupt allied reinforcements and freedom of navigation across the North Atlantic is a strategic challenge to the alliance.

The 31 countries that signed the Vilnius declaration clearly think that this may be a bigger problem than you might have suggested, if I take what you said the right way. Do we have the resources in the region, in both Canada and the United States, to deal with the kind of strategic challenge that the leaders have suggested in the summit communiqué?

Professor P Whitney Lackenbauer: That is a wonderfully nuanced question. What we are suggesting may correspond with what is coming out in the Vilnius communiqué. I think that NATO was speaking to the connectivity between the Arctic, particularly the high north, European, Eurasian Arctic, and the North Atlantic. We talk about the Greenland-Iceland-UK gap; some people add Norway into it. The United Kingdom is a critical player in that space and has been since the early Cold War. We can even go back to the Second World War and the Battle of the Atlantic. Those sinews of being able to continue to fight as allies are back into play.

Again, I do not see that particularly tied to climate change, increasing accessibility or any of those drivers. Instead, within this competition space, we are seeing Russia as increasingly active in Arctic waters. It will increasingly exercise its presence within and access to the North Atlantic. From this standpoint, situational awareness and intelligence sharing among NATO allies are key.

There are all these joint exercises, which Russia is calling snap exercises, accusing us of having larger exercises than before, such as Trident Juncture—and we could go through some of the others. We are doing strategic messaging. It is important for NATO to be very active in competing with Russia within that space. Strategic messaging covers not just the statements themselves but all that exercising and all those demonstrations of capability.

I look at the important role the UK is playing as leaders with the JEF and the Northern Group. To me, this will all become increasingly important, not because the Arctic is in danger of spiralling into conflict primarily over Arctic dynamics, but because it is now a theatre once again in play when we are talking deterrence and trying to coerce or encourage competitors to act in the ways that we determine to be favourable.

Lord Robertson of Port Ellen: Dr Pincus, I was struck by what you said about how Russia, at the moment, can be involved in exercises that go wrong. It does not have the same degree of professionalism and accident prevention that our forces have here. You mentioned that the icebreaker fleet in America had not been renewed for a long time. Do we have the resources to deal with what the Americans and others in the Vilnius summit declaration have indicated as a strategic threat?

Dr Rebecca Pincus: Any question of sufficient resources must follow a robust discussion of what we are trying to deter Russia from doing. The emphasis in the US national Arctic strategy, the US national defence strategy and the President's national security strategy is always upon calibrated activities. It is not simply a question of more. What are the strategic ends that we seek to accomplish? How can ways and means be organised to accomplish specific deterrence objectives?

Simply focusing on more resources, which is based upon an implied assumption that more equals better, is incomplete. It is unmoored from the broader strategic context. In all the US strategy documents, we see language on maximising unity of effort, maximising co-operation, co-ordinating closely and increasing our focus on combined exercises. It states very clearly that we will undertake calibrated and co-ordinated activities with NATO allies with the aim of defending NATO's security interests in the region while reducing risks and preventing unintended escalation.

There is a very fine line being laid out there quite clearly; that it is very important for NATO allies to work together, including NATO Arctic allies as well as non-Arctic allies, to co-ordinate very closely and to calibrate activities. There is a significant level of tension in the Arctic region right now. We know that there is this potential for unintended escalation and adding more and more resources into this situation—more exercises, bigger exercises, more platforms, more complex exercises—simply raises the risks of an incident.

Unless that is done with a clear tie to strategic objectives, we are simply adding more tinder to a tense situation. I am not sure that that is going to have the benefit that it is often assumed it will have. We should be very clear about managing Russia and how deterrence can accomplish a managed approach over the long term. This situation with Russia is not going to change any time soon. There is no exercise or operation that can accomplish the end of deterrence because it is an ongoing practice.

I would underscore what Professor Lackenbauer said about intelligence sharing about joint exercises. It has reached a terrific level in the last year, but it must be held in place. That level of advanced intelligence sharing and co-ordination has been fantastic. It should be enshrined and practised. We have lots and lots of time to develop this deterrence approach in a way that is not going to trigger a risk. Any time NATO conducts a deterrence activity, whether that is an exercise or an operation, we know that Russia will respond. The relationship is a dyad: there is one side and the other side, and messaging goes both ways. That

is tremendously important, and I would emphasise the importance of “detering from what?”

The Chair: Your remarks about the need to manage Russia bring us neatly on to talking about governance.

Q137 **Lord Wood of Anfield:** Thank you both very much for your time today. I wanted to ask you about the future of Arctic governance in light of the fact that the Arctic 7 has paused co-operation with Russia since the invasion of Ukraine. What are the US’s and Canada’s positions on continuing co-operation, in particular on future governance arrangements for the Arctic and the Arctic Council itself?

Dr Rebecca Pincus: The US national strategy is clear. The United States will seek to maintain the Arctic Council as the principal multilateral forum for the Arctic by working through the council whenever possible, in line with broader US policy on Russia. That clever workaround notes that, currently, there is a pause in co-operation. The US strategy, the position of the US Government, is that we hope for a peaceful, stable and co-operative Arctic. It is a 10-year strategy. That co-operation with Russia is impossible currently and until key conditions are met pertaining to Ukraine. This pause in co-operation cuts across almost every part of the United States Government, because we share a maritime boundary with Russia in the west. The US Coast Guard in Alaska is one of the very few remaining points of contact because of the obligations of proximity.

In the Arctic, the pause in co-operation with Russia is obviously impacting the work of the Arctic Council, but it is also impacting ongoing environmental and climate-related research. That is across the board. There are datasets in the Arctic that have been in place for decades and we are now seeing gaps in that data. That is coming at a time when climate change is happening more quickly in the Arctic than in any other part of the globe. The region is already at over 3 degrees of warming; in some places it is above 3 degrees. It is tremendously impactful to have that lack of climate data coming out of Russia.

Also, there has been a tremendous impact on relations with and among Arctic indigenous peoples. Family ties with Arctic indigenous peoples and Inuit peoples in Russia, as well as many other small indigenous peoples, are impacted. I hear from those Arctic indigenous, Arctic native or First Nations peoples that they are sad and worried about the ongoing pause. We know that the authoritarian Russian Government are impacting the work of RAIPON—the Russian Association of Indigenous Peoples of the North. That will have long-lasting effects on the Arctic Council. That is another unfortunate area where current requirements and obligations, due to the brutal and unprecedented invasion of Ukraine, are adversely impacting the Arctic.

The United States Government look forward to Russia abandoning its invasion, meeting key conditions and restarting co-operation in the region. We do not know when that is going to happen. That is incumbent on Russia. The work we are doing today with and among NATO allies like

this will be tremendously important to bringing this war to a speedy resolution and, I hope, restoring co-operation in the region.

Professor P Whitney Lackenbauer: I will return to some of the US strategic statements, because they have been key in articulating what the pause represents. The US national security strategy emphasises that it is the Arctic nations that have the primary responsibility for addressing regional challenges. I do not see that as a thumb in the face of the United Kingdom. As the Arctic's nearest neighbour, your activities and your very important, meaningful contributions are welcomed.

The Arctic Council has played an incredible role since its founding in balancing the primacy of the Arctic states with the meaningful, substantive involvement of indigenous peoples and the ability of observer states and non-governmental organisations to contribute to this governance mechanism. To me, it explains why all the Arctic states, Russia sometimes in a bit of a forked tongue way, have reaffirmed their commitment to the importance of the Arctic Council as this primary forum for high-level political dialogue.

Ambassador at Large Korchunov, Russia's senior Arctic official, has in recent months raised questions about whether the Arctic Council will be attractive to the Russian Federation and whether Russia should explore other partnerships; they emphasise not just China but India in a lot of their recent statements. It is a challenge for the Arctic states and allies like the UK to figure out what these conditions might look like at some as yet unspecified time in the future when some work may resume with Russia.

I do not think that we are there yet. This again stems from the fact that the Russian Federation must be held accountable for its brutal violations of international law in Ukraine and elsewhere. The time is not right now. If people are clinging too idealistically to the notion that the Arctic must have that exceptional co-operation rejuvenated or all is lost, we might prematurely be re-engaging with an adversary and competitor on terms that are not favourable to the greater good of the region.

The expectation that the Arctic Council can or could look like it did before February 2022 is problematic. We have seen certain dynamics even among the permanent participants, the indigenous representatives. Dr Pincus brought up RAIPON, which I think has been demonstrated not to be an indigenous people's organisation like the others but truly a part of the Russian state, largely appointed by the Russian state and part of the administration of that state.

It will complicate our expectations of all the stakeholders and rightsholders within the Arctic Council. Even if many of the Arctic Council's activities are on pause does not mean that the region is inherently or dangerously unstable. The thickness of governance is important to remember, especially the common adherence to the UN Convention on the Law of the Sea as the bedrock of relationships in the Arctic Ocean. Thus far, Russia has adhered to UNCLOS in all its

submissions with respect to continental shelves, because it is in Russia's self-interest to do so. I do not think that Russia's self-interest will change in that sense.

Q138 Lord Anderson of Swansea: Thank you both. This is a question about the attitude of your two countries to the involvement of third parties, non-Arctic countries, in the region. Canada in particular appears to be involved in a recent sea change in relation to third-party interest, particularly so far as China is concerned. I note that the Vilnius communiqué is wholly hostile to China generally. It is hardly surprising that China, as a global superpower, wants to be involved. Do you see any positives at all in Chinese involvement?

Professor P Whitney Lackenbauer: One positive would be scientific capacity. If we have a notion that science is an international enterprise, what China brings as equities and capabilities to the region would in theory be shared. There are risks associated with some of those scientific activities, Chinese icebreaker expeditions for example, and what might not be disclosed to or shared with the West, or how that might have dual use benefits, say hydrographic or bathymetric data being collected. Also, given the costs and risks associated with a lot of Arctic development projects, looking for foreign direct investment is often held up as a key catalyst to moving forward on these long-term projects with potentially a low yield over a short time horizon. Those are the positive sides.

In Canada, there has been an awakening to the costs or the risks associated with that kind of engagement. We have seen a dramatic cooling. Even in my own writings over the last three years, I have become much cooler to the prospects of seeing a net benefit for Canada of encouraging Chinese investment. I still always try to say that China has rights to activities in the central Arctic Ocean, according to international law. We need to be very careful that, in our competition with China, we do not unnecessarily or unintentionally undermine our own commitments to the rules-based international order by suggesting that it cannot avail itself of the rights it has under that international order. At the same time, it is fair to say that Canada is much cooler towards Chinese involvement, as has been shown by invoking our National Security Act to block Chinese investments in what are considered to be strategic parts of the Canadian Arctic. I expect that that sends a clear message that will continue.

Dr Rebecca Pincus: I agree. The United States has been quite explicit in its concerns about competition with the PRC over several years now. It has been quite active in sharing information and raising awareness about the risks of strategic Chinese investment in critical sectors of the economy and infrastructure, including within the Arctic region.

We saw a flurry of investment interest from Chinese firms in the middle part of the last decade: China's going out strategy in 2015 and 2016. That movement sent foreign direct investment around the world, including into the Arctic. China issued its Arctic White Paper in 2017,

which made it very clear that it was interested in Arctic resources, science and governance.

However, in the face of a concerted effort by the United States and its allies to emphasise the dangers of debt-trap diplomacy and coercive and anti-free market Chinese investment, there has been a great deal of increased scrutiny and pushback against Chinese investment around the world, including in the Arctic region. Actual Chinese investments in the Arctic are fairly few. Many of the most high-profile attempts to invest in the last six years have been blocked. For example, there are no Chinese-owned mines operating in Greenland, although there is a good deal of chatter about that. The most important Chinese investment in Greenland is in seafood. China is one of Greenland's largest trading partners when it comes to seafood. Similarly in Canada, TMAC and other major Chinese investments have been blocked. In Iceland, Finland and Sweden, around the Arctic, we have seen investments blocked.

The potential for the Russia-China relationship to deepen in ways that are adverse to NATO, United States and UK interests is very concerning. We do not yet know the future trajectory of the Russia-China relationship. We are watching it very closely. Following Russia's invasion of Ukraine in 2014 and the imposition of western sanctions, we saw a clear pivot on the part of Russia to China, which included seeking much more capital and technology from China to finance its Arctic development. Russia cannot finance its Arctic development by itself. It needs foreign capital and technology. Russia's Arctic development is critical to its economy.

In the last year, we have seen a sort of middle ground on the part of China where its large enterprises and banks have complied with the secondary sanction regime. Smaller enterprises are continuing to trade with Russia. We have seen some areas in which its military exercises have increased, but we have not yet seen Chinese arms, for example, flowing into Ukraine. We are watching very carefully how President Xi calibrates that relationship. If Russia reaches extremis, it may become much more dependent on China. That would give China an opening to the Arctic region. It is not clear that that is the future trajectory yet. It is something to watch, as one possible outcome.

When it comes to other non-Arctic states, US policy is very clear that there is an important role for Arctic-adjacent allies, like the UK, across a spectrum of co-operative activities, including investment in sustainable development, governance building and support for other existing international agreements pertaining to the Arctic, including the UN Convention on the Law of the Sea, as Professor Lackenbauer mentioned, as well as the central Arctic Ocean fisheries agreement, the International Maritime Organization's polar code and others, as well as consultation and participation in joint exercises and operations.

I go back to my point about the emphasis across US strategy on risk management in the Arctic region. This is a result of the clear international picture. We are in a context of competing priorities, balancing the demands of protracted war in Ukraine with the complex and multifaceted

challenge posed by the PRC. The Arctic is a core strategic interest for Russia. Therefore, it is a powerful lever in our efforts to deter Russia. However, while the region remains delicately poised and stable, the use of this lever needs to be very carefully considered. The UK can be a key partner for the US and other Arctic allies, working together to accomplish our shared objectives.

The Chair: I am very sorry to interrupt, but we have one last question, which we particularly wanted your advice on.

Q139 **Lord Campbell of Pittenweem:** I rather think you answered this question in your last sentence: that the United Kingdom should be a helpful and engaged partner. That being so, I will perhaps allow myself a couple of comments. I was very taken with the notion of not adding tinder to the fire. Perhaps that ought to be written above the entrance to every foreign affairs office in NATO.

The other point is a rather more serious one. That is this question of the exchange of intelligence. There are the Five Eyes, which operate in a way and at a level quite distinct from any other organisation, not least NATO. In NATO, from time to time, there are adverse reflections on the fact that the Five Eyes keep to themselves. I do not see that changing. Therefore, if the idea is that intelligence should be more freely available, one will need some kind of formula for it that would allow it to be consistent with the existing arrangements made by the Five Eyes, including Canada, the United States and the United Kingdom.

Professor P Whitney Lackenbauer: That is a great final point, looking at how we can use mechanisms like the Five Eyes to enhance co-operation and where that applies to the Arctic differently than it does elsewhere, in that broader relationship.

As for my recommendations and observations on the roles the UK can play—rapid fire here—first, you are already playing a very important role in anti-submarine warfare and air policing. I was just in Iceland where they were celebrating the contributions you are making in that realm. You are key to North Atlantic security across all domains, and to the broader deterrence mission that we have been gesturing towards here. Fundamentally, you are critical players within this space.

Second is joint exercises and deterrence, with all the caveats or considerations that we have raised here.

Third is science and technology. The UK's incredible contributions, capacity and competencies within that sphere make you very essential partners. Canada certainly feels that way through the CAN-UK polar research memorandum of understanding that we have with you, projects on things adjacent to defence and security, like search and rescue, and capabilities that can enable safety within the region.

Fourthly—I believe you mentioned this, Dr Pincus—I would love to see the United Kingdom as soon as possible joining and signing on to the

central Arctic Ocean fisheries agreement and contributing to the scientific research pursuant to that. You can bring a lot to the table.

Fifth is looking at the International Maritime Organization, which Dr Pincus also mentioned. Given the UK's incredible expertise in global shipping, it should make sure that the IMO is playing a critical role, especially when some other regional bodies are not able to integrate all the different actors. The IMO is still involving all the eight Arctic states as well as non-Arctic states. The UK is a very important and often sobering voice around that table.

Dr Rebecca Pincus: When it comes to intelligence sharing, I will note that the US is increasingly working from a North American Arctic security perspective. Obviously, the US and Canada have a strong defence relationship through NORAD, but we are working more closely with Greenland, recognising that we have a base there, and with Denmark of course. I would also flag NORDEFCO. The Nordics are deepening their defence co-operation, and there is a natural pathway for the US, the UK and Canada to engage with them, looking at that GIUK gap. There is an Arctic angle there as well as a North Atlantic angle. It makes perfect sense to build intelligence sharing around those structures.

The Chair: I want to thank you both very much indeed for beginning your day by coming and giving evidence. We are very grateful for you taking the time. What we got out of that was the tremendously positive role that our three countries can play in this complex problem. We will send you a transcript, as I said before. Thank you again very much indeed.