



# The Brewing Crisis in the Arctic

**James Di Pane and Joshua Wofford**

The United States has a number of economic and strategic interests in the Arctic, which are challenging to defend given the remoteness, harsh environmental conditions, and lack of American infrastructure in the region. Since acquiring Alaska in 1867, the United States has had territory above the Arctic Circle and a hand in influencing Arctic policy as a sovereign member of the Arctic Council, a group of eight nations that have territorial claims on natural resources in the Arctic.

Protecting these natural resources and maintaining relevance and influence in the region is imperative, especially as dramatic changes in ice conditions over the past few decades have created massive opportunities for the shipping industry to reduce transit distances by thousands of miles and enabled commercial entities to harvest previously inaccessible natural resources. As economic interests heat up in the Arctic, there is increasing evidence that the era of great power competition is shifting north, as both Russia and China increase their presence in the region, take actions to regulate the shipping lanes, and search for ways to capitalize on Arctic resources.

To put the scale of U.S. interests into context, the territory and resources at stake are far from trivial. The U.S. controls over 1 million square miles of territorial waters and Exclusive Economic Zone (EEZ) above the Arctic Circle. Within that territory, there is an estimated \$3 billion worth of seafood in the Alaska industry, \$1 trillion worth of rare earth minerals, approximately 90 billion barrels of undiscovered oil reserves, and 30 percent of the world's undiscovered natural gas.<sup>1</sup> Additionally, shifting ice conditions have created opportunities for greater economic access to this region, opening shipping lanes and prompting an increase in adventure tourism. As the sea ice continues to melt, these opportunities have the potential to greatly increase the risk of maritime and environmental disasters in areas that are difficult to reach with conventional Coast Guard cutters. Lack of access and delayed response to such incidents could prove catastrophic to the region's wildlife, indigenous peoples, and fragile ecosystem that plays a key role in regulating the world's climate.

While the U.S. has military assets that patrol above the Arctic Circle, most of the coverage takes the form of Air Force aircraft and Navy submarines. U.S. Naval vessels that could be diverted to this mission are not capable of breaking ice and are not properly suited to fulfill federally mandated missions that are badly needed in the Arctic, like enforcing U.S. laws and treaties. The primary tool for maintaining a federal presence, exerting "soft power," and enforcing U.S. laws and treaties in this region is the U.S. Coast Guard. With the acquisition and deployment of National Security Cutters, the Coast Guard has maintained an effective patrol of the Bering Sea. However, the capabilities and strategic outlook of the Coast Guard's polar icebreaking fleet have significantly degraded as the need for them has increased over the past decade. If the U.S. government mismanages the overhaul of this vital component of national security, we place ourselves at a grave risk of losing the capability of projecting into the Arctic and protecting our national interests in a region that is quickly becoming an area of increasing maritime activity. Admiral Schultz, the U.S. Coast Guard Commandant recently stated that "presence equals influence in the Arctic. And right now...we're woefully lacking as a nation in terms of our capacity."<sup>2</sup>

As U.S. Arctic capabilities continue to decline, Russia and China have increased interest in the region, with Russia attempting to exert greater control over the Northern Sea Route despite U.S. and international objections to their disregard of Law of the Sea norms and freedom of navigation operations. Russia has taken efforts to reconstitute long abandoned Arctic military bases and has begun efforts to build more icebreakers and upgrade their fleet with

more powerful, nuclear-capable icebreakers. Russia has the world's largest nuclear and non-nuclear icebreaker fleets with more than forty icebreakers in operation, more than all other Arctic nations combined.<sup>3</sup> While their significant number of icebreakers should be tempered with the understanding that Russia has nearly twenty-two times more Arctic coastline than the United States, the fact that they are willing to invest in their icebreaker fleet in anticipation of increased activity in the region should be a point of concern.

China has had "Arctic Council Observer Status" since 2013, but it holds no territorial claims in the region.<sup>4</sup> However, its self-declaration as a "Near-Arctic State" combined with a stated desire to develop a "Polar Silk Road" to support increased trade routes and the harvesting of natural resources in the region could be a catalyst for increased economic activity and marine traffic.<sup>5</sup> To date, they have completed two icebreakers and are currently in the process of constructing a third. For a country that has no territorial claims in the Arctic, their efforts to pursue commercial endeavors in the region should be closely monitored. While they have expressed an intent to respect the Law of the Sea and existing treaties, their track record in other regions (particularly the South China Sea) warrants a healthy skepticism of their overall goals.

For the U.S., its own capabilities for operating in the region have fallen behind. The primary tools for providing presence are the icebreakers, but the current fleet is woefully inadequate to meet the growing demand. The remoteness of U.S. waters in the region means that often a Coast Guard icebreaker is the only available infrastructure for projecting U.S. influence, earning a reputation as a "keystone capability." They enable a range of operations that would otherwise be impossible. The current fleet is comprised of two operational icebreakers—a heavy icebreaker, the Polar Star, and a medium icebreaker, the Healy. Of the eleven Statutory Missions that the Coast Guard is required to fulfill, these cutters are expected to meet nine in the Arctic Region. A Government Accountability Report showed that from 2010-2016, these two cutters were only capable of meeting 78 percent of the Coast Guard's Arctic obligations.<sup>6</sup> In the past five years, the United States experienced severely limited capabilities of projecting into the Arctic as the U.S. Coast Guard Cutter Healy suffered from an engine fire that required significant repairs,<sup>7</sup> and during a 2019 McMurdo resupply mission in the Antarctic, the forty-five year old Polar Star suffered electrical issues, a compartment fire, and flooding that required divers to repair. While continued mission success can be credited to the ingenuity and resourcefulness of Coast Guard operators, it is unreasonable to place this burden on them without a plan to provide better equipment. Our severely aging fleet of icebreakers are barely able to meet their current mission requirements and are woefully unequipped to handle any changes in Arctic activity.

The Coast Guard is currently working to modernize its icebreaking capabilities by acquiring new ships. The Polar Security Cutter (PSC) program, meant to replace the Polar Star with three new heavy icebreakers in the coming years, has received some support in recent Coast Guard budgets. The program has received \$1.75 billion in funding so far, providing full funding for the first two ships. The FY2022 budget request for the Coast Guard includes an additional \$170 million that would cover the long lead time materials of the third ship. The first of these new Polar Security Cutters is scheduled to be delivered in 2024. After the PSC is complete, the Coast Guard plans to acquire three new medium icebreakers that will be referred to as Arctic Security Cutters, for a total of six new vessels if both programs are successfully completed.<sup>8</sup>

If the Coast Guard receives full funding for the acquisition program, it will be well over a decade before we have an adequate supply of vessels to protect our Arctic interests. Any misstep in the acquisition process could be costly, leading to a need to further extend the life of the current Arctic cutters. An extension would require costly maintenance and capital expenditures that could be put to better use innovating other areas of the Coast Guard. While the Coast Guard will have to make do with its current fleet for a few years, the PSC program must be completed on time to support U.S. strategic goals in the Arctic.

To this end, it is imperative that the U.S. government take seriously the threat that looms on the horizon. One of the most often-stated mottos of the Coast Guard has been "do more with less," but that attitude, while admirable, has not led to an effective outcome in the Arctic. As China and other nations aggressively pursue financial opportunities in this region, the possibility for two very distinct outcomes emerges in the absence of U.S. influence. On one hand, China's desire to establish a "Polar Silk Road" and a pursuit of natural resources in the Arctic region increases the odds

of an environmental disaster or worse, territorial infringements that we are incapable of resolving in a non-escalatory manner. On the other hand, if we concede influence in the Arctic to countries like Russia that have a greater capability of projecting into the region, we will lose an important strategic advantage and key influence, potentially leading to undesired outcomes. Simply put, the U.S. cannot afford to fall behind in such an important region and must make every effort to ensure that the Coast Guard receives these much-needed icebreakers.

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- <sup>1</sup> "United States Coast Guard Arctic Strategic Outlook," U.S. Coast Guard, April 2019, [https://www.USCG.mil/Portals/0/Images/arctic/Arctic\\_Strategy\\_Book\\_APR\\_2019.pdf](https://www.USCG.mil/Portals/0/Images/arctic/Arctic_Strategy_Book_APR_2019.pdf).
- <sup>2</sup> Jon Harper, "Just in, Coast Guard in Talks to Add Ships to Heavy Icebreaker Program," *National Defense Magazine*, June 28, 2021, [www.nationaldefensemagazine.org/articles/2021/6/28/coast-guard-in-talks-to-add-ships-to-heavy-icebreaker-program](http://www.nationaldefensemagazine.org/articles/2021/6/28/coast-guard-in-talks-to-add-ships-to-heavy-icebreaker-program).
- <sup>3</sup> Matthew Melino and Heather A. Conley, "The Ice Curtain: Russia's Arctic Military Presence," Center for Strategic and International Studies, March 2020, <https://www.csis.org/features/ice-curtain-russias-arctic-military-presence>.
- <sup>4</sup> Observers, Arctic Council, <https://arctic-council.org/en/about/observers>.
- <sup>5</sup> "China's Arctic Policy," The State Council Information Office of the People's Republic of China, January 2018, [http://english.www.gov.cn/archive/white\\_paper/2018/01/26/content\\_281476026660336.htm](http://english.www.gov.cn/archive/white_paper/2018/01/26/content_281476026660336.htm).
- <sup>6</sup> "Coast Guard: Status of Polar Icebreaking Fleet Capability and Recapitalization Plan," U.S. Government Accountability Office, September 25, 2017, <https://www.gao.gov/products/gao-17-698r>.
- <sup>7</sup> "Coast Guard Polar Security Cutter (Polar Icebreaker) Program: Background and Issues for Congress," Congressional Research Service, August 31, 2021, <https://crsreports.congress.gov/product/details?prodcode=RL34391>.
- <sup>8</sup> Richard Read, "Meet the Neglected 43-Year-Old Stepchild of the U.S. Military-Industrial Complex," *Los Angeles Times*, August 2, 2019, <https://www.latimes.com/world-nation/story/2019-08-02/antarctica-polar-star-icebreaker>.