

# Strategic Integration in the Arctic

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# The role of Non-DoD Agencies in Arctic Policy

- Arctic Security is much more complicated than the Russians and US fighting over a lost piece of microfilm as they did in *Ice Station Zebra*.
- At CNA we have been examining a wide variety of challenges that HAVE to be worked in the near term. These issues included
  - Standards for offshore oil and gas rigs
  - Mandatory liability standards for offshore oil and gas rigs
  - Increased insurance for oil and LNG carriers and other vessels carrying dangerous cargoes
  - Establishing some standards to regulate FDI flows into the Arctic Region.
  - Establishing an Arctic Development Bank



# Policy Recommendations

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- Multilateral FDI Review Agreement
  - Defines the characteristics of “Good FDI”
  - Reciprocal adoption of FDI principles by countries and cross-reporting
- Creation of an Arctic Development Code
  - Standards for projects that could impact the marine environment
  - Harmonized environmental impact assessments
  - Publically available Records of Decisions
  - Harmonized standards for mines, oil rigs, and refineries
  - Legally binding
- Establishment of an Arctic Development Bank.
  - Quick way to implement standards; provide alternative to PRC funding

# Who Provides The Financing

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- There are no do-overs in the Arctic – sparse infrastructure, long supply chains, and challenging environment mean that small accidents can become major catastrophes
  - Coast Guard can handle most issues BUT prevention is critical since resources are very limited
  - Whole of Government Approach: the DoD should be pushing the appropriate agencies to ensure that DoD won't be left holding the bag after they clean up someone else's mess
- Serious money (and legislative) for infrastructure and project finance are needed to make this happen and will conceivably break some bureaucratic china.
- It is in DOD's interest to push the rest of the government to push for the resources to make this happen or else it will land in their lap by default.