

Center for Strategic and International Studies (CSIS)

Global Security Forum 2011

**Subject: Final Frozen Frontier: Geopolitical and Geo-Economic Thinking on
the Arctic**

Moderator:

**Heather Conley,
Director and Senior Fellow,
CSIS Europe Program**

Speakers:

**Ambassador Gary Doer,
Ambassador of Canada to the United States**

**Ambassador Jonas Hafstrom,
Ambassador of Sweden to the United States**

**Hon. Inuuteq Holm Olsen,
Deputy Minister for the Department of Foreign Affairs,
Government of Greenland**

**Ambassador Wegger Strømme,
Ambassador of Norway to the United States**

Washington, D.C.

11:15 A.M.

Wednesday, June 8, 2011

*Transcript by
Federal News Service
Washington, D.C.*

HEATHER CONLEY: Good morning, ladies and gentlemen. Welcome to the final frozen frontier. I think we're going to think some cool thoughts for the next hour-and-a-half. My name is Heather Conley. I am senior fellow and director of the Europe Program.

And for the past two-and-a-half years, CSIS has been a part of an international research team of Norwegian, Russian, American and German scholars and we've been involved in a project called Geopolitics of the High North. We've also had some important partnership opportunities with the World Wildlife Fund and with the Canadian government to really study the Arctic and understand its important geopolitical implications.

As I have studied the Arctic, I have come to realize that not only is it a region of growing interest and importance here in Washington, it's also about forming a new perspective. When you look at a regular map on the wall it is difficult to gain that perspective. So before we begin our discussion with this morning's very distinguished panel, I'd like you to help gain a fresh perspective on the Arctic.

So if Max, if you will join me, let's head to the north – precisely, the North Pole. Welcome to the Arctic, an area which covers one-sixth of the planet's land mass. There are five coastal states – or littoral states – Russia, Canada, Denmark via Greenland, Norway and the United States. There are eight members of the Arctic Council – an intergovernmental forum for Arctic governance and indigenous peoples.

Members of the Arctic Council include the five coastal states plus Iceland, Finland and Sweden and there you can see them on the map. Okay, this region is transforming rapidly. And we're going to swing this around here a bit. There we go. Don't get dizzy. What we want you to watch in a second is a time lapse actually of changing and receding polar ice from 1978 to today.

The polar ice cap today is 25 percent smaller than in 1978. In the summer of 2007 alone, more than 1 million square miles of ice melted beyond the average. Sea ice thickness has decreased by approximately 40 percent over the past several decades. Now, the one benefit of this, the receding ice cap has allowed for greater access to the Arctic by way of shipping routes and we're going to show you those in a second.

The first route is the Northwest Passage and the second route is the Northern Sea Route, also commonly referred to as the Northeast Passage and there you see on both sides. The economic dynamics of the region will shape the Arctic's future profoundly, particularly in the shipping industry where potentially – and I emphasize potentially – global shipping times from east to west could be reduced by 30 percent.

Actually in the summer of 2009 there were two German ships from the Beluga Group shown – and we're going to show you where they traveled through the Northern Sea Route.

They travelled from South Korea to Rotterdam through the Northern Sea Route and they reduced that trip by 3,500 miles and 10 days.

So this does have important implications for the Arctic. The other critical economic driver of the region is its abundant oil and gas resources. The U.S. Geological Survey estimates that the Arctic holds 30 percent of the world's remaining natural gas resources and 13 percent of untapped oil supplies and we're showing you where those resources lie. Eighty-four percent of the oil and gas is off-shore in waters less than 500 meters deep.

While most Arctic oil and gas resources are found within the exclusive economic zones, or EEZs, of the coastal states – and we're showing you the EEZs of the five coastal states here – there are some deposits which are located on disputed boundaries.

However, the recently ratified Norwegian-Russian border demarcation agreement, which I am very delighted to say just as of yesterday both have been – both parliaments have ratified – is an example where border disagreements have been successfully resolved.

With the increase of commercial and human activity in the Arctic comes the need to ensure safe transit to protect borders and provide adequate protection and safety of life in very extreme climatic conditions. To adequately protect shipping, ice breakers are needed.

And I think we should go to Murmansk, Russia, and take a look at that. So Max, if we could head to Murmansk, let's take a look here. We're going to have a look at some of Russia's nuclear ice breaker fleet. They hold six nuclear ice breakers and here are two examples in Murmansk right now.

Protecting borders that were once protected by inaccessibility is also important. Arctic coastal states train their military personnel to operate in severe conditions. Max, let's travel to the Canadian Northern Territories where we find Canada performing an annual joint exercise of its maritime command and coast guard operations called Operation Nanook.

Recently, Canada invited Denmark and the United States to participate in those exercises. Search and rescue will be a prominent feature of the future Arctic security landscape. Let's travel to Dead Horse, Alaska, where depending on the moment, we could see the U.S. Coast Guard Cutter Healy – whoops, I think we just turned ourselves off. And this is America's newest and largest polar ice breaker.

Next year, the Healey will actually be the only strengthened – ice-strengthened vehicle in the U.S. fleet and we can talk about that a little bit later in our discussion. To underscore the importance of search and rescue, last month members of the Arctic Council signed a legally binding agreement on international search and rescue. This map outlines the sectoral responsibilities of each Arctic Council member.

And we can see by this footage – whoops, I think we're having mic problems. Hold on one second. (Chuckles.) I think we can turn this off. Just turn this off. Are we okay? All right,

as you can see by this footage, robust – I think, Max, we’re going to have to go to the next picture here. Thank you.

Robust training and exercising in the Arctic will be vital. And we’re going to watch a little footage of this search and rescue operation. In addition to the economics and security dimensions, the Arctic is a place identified by strong international coordination and cooperation to protect the fragile Arctic environment, ensure sustainable development and reduce the effects of climate change. This has been the mandate of the Arctic Council since its creation in 1996.

Max, let’s go to Stockholm, Sweden. The Swedish government currently chairs – serves as the chair of the Arctic Council until 2013. And what we’re about to show you is a picture that was actually taken last month in Nuuk, Greenland, at the Arctic Council ministerial meeting.

This was the so-called “family photo.” You might see some faces that you recognize in that photo – Secretary Clinton, I see Foreign Minister Carl Bildt, Russian Foreign Minister Lavrov. We actually have Senator Murkowski and Secretary of the Interior Ken Salazar is there as well as our Danish and Greenlandic colleagues there as well.

And finally, science – science is an important element of Arctic research and understanding. We’re going to travel now to the Norwegian ice center in Svalbard, Norway, one of the most state-of-the-art Arctic research centers in the world. And there we have it. We’re going to think cool thoughts as we look at the snow there.

One non-Arctic actor in particular has been an active interest in Arctic science and research and that is China. The newly created Polar Institute of China has signed an agreement on polar research cooperation with Norway and their presence is in Svalbard.

And I think we’re going to go to Shanghai, actually, to see the world’s largest non-nuclear powered ice breaker known as the Snow Dragon. And the Snow Dragon, while normally docked in Shanghai, has already completed four scientific expeditions to the Arctic Circle.

So thank you for joining me on that brief Arctic tour. Now, we’re going to return back to the Willard Hotel and to begin our discussion on the geopolitical and geo-economic thinking of the Arctic. And I am delighted to be joined by four very knowledgeable and distinguished diplomats from Arctic states.

Let me begin by introducing Ambassador Gary Doer, Canadian ambassador to the United States since October of 2009. Prior to becoming ambassador, Ambassador Doer was the former premier of Manitoba. A recognized leader on climate change, Ambassador Doer worked closely with senior American officials to enhance Canadian and American cooperation on trade, agriculture and renewable energy.

We’ve also asked to join us Ambassador Wegger Strømme, who arrived in Washington as Norwegian ambassador to the United States in October of 2007. He arrived from his previous post in Geneva where he served as Norway’s permanent representative to the United Nations and

other international organizations. Ambassador Strømme has also served previously as deputy foreign minister of Norway.

And we are very delighted to welcome the deputy minister for the department of foreign affairs of the government of Greenland, Mr. Inuuteq Holm Olsen, who has joined us today. Mr. Olsen has served as Greenland's representative in Brussels and as private secretary to the Greenland premier.

And finally, we are joined by Ambassador Jonas Hafstrom, the Swedish ambassador to the United States since September of 2007. I guess you're the dean of this group. Previously, ambassador Hafstrom has served as Swedish ambassador to Thailand with accreditation to Laos and Cambodia and he has served on multiple occasions as foreign policy advisor to Foreign Minister Carl Bildt.

So I'm looking forward to a great conversation. We're going to think cool, Arctic thoughts for the next hour-and-a-half. And with that, please join me in welcoming Ambassador Doer to the podium. Thank you. (Applause.)

GARY DOER: Thank you very much. Thank you. Thank you very much, Your Excellencies, Deputy Minister. It's great to be with you this morning to talk about a very important subject and that's the hockey. (Laughter.) I just want to congratulate my Swedish friend on their world hockey championship just recently.

One thing you'll find with every member of the Arctic council is a love of northern sports, including hockey and congratulations to our Swedish friends. Of course, we have a couple of Swedish hockey players playing for the Vancouver Canucks and I had a little trash talking going on with Senator Kerry from the Boston Bruins. So we'll see how that works out. We didn't do that well on Monday night. But we'll see.

I want to thank Greenland for hosting a great meeting of the Arctic Council. And I think it is important to note the horsepower, if you will – political horsepower that was at that meeting. Our own federal minister was at the meeting. She is a member of our federal cabinet. She lives in Nunavut, which of course is closer to Greenland than Greenland is to Washington, and very, very close – just across the short distance of the water.

And I think having Hillary Clinton and Secretary Salazar and every other major leader that was at that meeting indicates the priority of the Arctic Council and the priority of cooperation between our countries.

And of course that was manifested by a pretty comprehensive search-and-rescue operation and a protocol and we're also working on issues like preventing, preparing and responding to any potential environmental disaster in the Arctic region.

On a personal level, I've not swam in the Arctic Ocean but I have dipped my toe in it at Tuktoyaktuk. I've had the privilege of kayaking with the belugas and I've had the privilege in the Near Arctic, at Churchill, of looking and observing polar bears in the Cape Churchill region

of Hudson's Bay. It is interesting because there was some speculation that polar bears were drowning because of climate change.

Our evidence from our elders that live in the region and from our own observations is the ice is melting a lot earlier and the polar bears are coming off the ice a lot earlier after they can't be sustained in terms of their seal hunt and in Canada when the polar bears move south, as they usually migrate south in the spring, the ice is melting so early that in Churchill, there had to be established a – we don't shoot the polar bears anymore and hunt them.

We preserve them and conserve them in that region and they in fact now have to – they're maintained in a holding area or we call it a polar bear jail. And because they're coming off the ice in July instead of September, we've actually had to put air conditioning in that holding area before the ice forms again.

So that's our episodic evidence of the impact that elders feel and we feel on ice in the Near Arctic and the Arctic. Canada has four pillars on its Arctic policy. But before we talk about the pillars, Canadians believe that the Arctic is the most important foreign policy issue that we have both in terms of opportunity and in terms of challenges.

And so this informs – the Canadian public is way – you know, has a strong belief in the true north strong and free, which is part of our national anthem, and has a strong sense of pride and its potential in terms of foreign policy developments. So with that in mind, we have four pillars of our policy in Canada.

One is to ensure that we maintain our views on sovereignty in the Arctic. We certainly believe that social and economic development is crucial for the people living in the Arctic in our country and other countries that we trade with. We believe in devolving governance because we believe that enhances social and economic development opportunities.

And we also believe strongly in protecting the Arctic environment. In fact, we have laws that go back to the '70s dealing with the unique environmental opportunities and challenges that represent itself to decision makers. In terms of some of the questions we're asked to answer, do you want us to answer some of those now?

MS. CONLEY: Absolutely.

MR. DOER: I think we had an either/or question. Is it – is it a global issue, the Arctic, or is it just an Arctic Council issue? For us, it's all of the scope of endeavors in terms of the Arctic.

It's global when we deal with climate change and that's why we agreed in Copenhagen to the 17 percent reduction by 2020, the similar position that President Obama took at that meeting and subsequently carried through to Cancun and we've tried to implement that with similar vehicle emission standards to reduce the emissions from light vehicles in our own backyard.

When we look at the Montreal Protocol and its impact on GHGs and its potential to look at how do we deal with some of the other challenges, we think that's a useful international treaty to look at, the whole issue of black carbon and other issues of mercury in the region and we think that action has to be taken.

Obviously we believe the Arctic Council, though, because of its proximity to the Arctic, has a unique role to play and Canada is very, very committed to the work and action that took place at the most recent Arctic Council meeting and will continue to work with the Arctic Council.

In terms of the international treaty, the Convention of the Seas, we support it and we'd like the United States to join it. So any of you that have any influence on the State Department and the administration, we think this is an intelligent way to proceed on an individual basis. Some of the issues in the Beaufort Sea between Canada and the United States we're resolving with experts.

But we certainly believe in the more comprehensive approach. In terms of environmental protection and oil spills, we have very strong regulations in the Arctic. We do not have any permits in the Beaufort Sea.

We are having our national energy board review those procedures and we want to ensure that obviously this very, very vital but vulnerable area is protected. I think last year when there was controversy about the prevention and procedures on the Gulf oil spill, some of the media commented on the tougher regulations in Canada on offshore drilling.

Notwithstanding that, we think that that is a very, very important issue. So those are some of the answers to the questions. I know that there will be advice and questions from all of you as we proceed this morning. But that's our view. We are, as I say, very blessed we believe as a country to have this wonderful land called Canada.

But we are very blessed we believe to have wonderful partners in working together in the Arctic Council to take this legacy of this Arctic region and ensure that we have our children and our grandchildren inherit it in a way that's sustainable for all generations. Thank you very much. Merci beaucoup. (Applause.)

MS. CONLEY: Ambassador, thank you very, very much. I just – before we invite Ambassador Strømme to come forward, I asked the four panelists to think in providing their remarks some questions that we are thinking about at CSIS and the first question – (off mic). Thank you.

And I also asked our colleagues to talk about what comes next in the Arctic, which is the international oil spills and response agreement. A task force has been created in the Arctic Council to take a look at these issues and what are those implications.

And finally I had to ask the question what does it mean if the United States remains outside the Law of the Sea Convention for the foreseeable future. What does that mean for Arctic governance?

So I asked them to think those questions through and kindly respond to them. So thank you, Ambassador, and thank you for also telling us it's really – it's really all about the hockey and that's an important part to remember as well. Ambassador Strømmen, please. Thank you for your – (inaudible, off mic).

WEGGER STRØMMEN: Does this work? All right, very good. Okay, you'll tell me if it doesn't work. Thank you very much to CSIS and thank you very much to Heather Conley for organizing this. This is, you know, the Arctic and Norway. I mean, it's almost like kind of an identity issue for us. We get a chance to actually address people and they sit politely and listen to what we have to say about these areas. It's almost too good to be true. So thanks a lot for including us.

I'll try to be brief because, you know, I'd like the conversation to have enough time. But I'll make – further answer some of your questions and make one or two – at least one shameless pitch towards the end for U.S. ratification of Law of the Sea. You'll hear that throughout the morning. But the Senate really should ratify it, not for the sake of their allies and good neighbors in the Arctic but for their own national interest. But that was interfering in American politics and I will stop there.

As I said, for us these areas – and it's almost like kind of an identity issue. It's more – more almost – it goes beyond in a way cultural streaks. Norwegians make – we make our living out of the sea. I mean, we make our living out of what's on the coast – on the coastline and out at sea.

Everybody now associates us, for good reasons, with the oil and gas industry which has become, you know, a huge, huge thing for us, with fisheries and with other things. There wasn't – before – so everybody sort of found out that the Arctic is an interesting place. It was always sort of a major concern for us.

And quite a number of Norwegians live up in the north, you know, at least define 300,000, 400,000 and out of a population of something like 5 million, that's quite, quite a large number. I will say – I cannot say – you know, you have to allow me to say something about happened yesterday.

MS. CONLEY: Please do.

AMB. STRØMMEN: We ratified at a ceremony in Oslo the new maritime border between Norway and the Russian Federation. And it's taken 30 – it's been 30 years in the making and I was the desk officer for that file in 1984, 1985. So and there has been a generation of Norwegian lawyers that have worked on this and it finally in a way came through, that we managed to reach an agreement for the Barents Sea and the areas to the east of Svalbard.

Now, first of all, finally we have our borders both on land and at sea settled. That is no small thing for a small country. You know, it's a big thing. You know, you – for us, that means that finally we have them. It took a long time but we didn't have any problem with Sweden. That was quickly – (laughter) – that was quickly done.

But of course these things are complicated. And I think I would – in a way it's not like boasting but I would recommend everybody that still has outstanding disputes – maritime disputes – and Canada and the United States and several of the other Arctic countries – should take a look at these negotiations. You might feel that 30 years was a long time and it is a long time. But some of these issues actually has to be worked through.

One of the main streaks of the negotiations was that after a long – after many years we actually more or less agreed on the relevant principles. Most of what was relevant for solving the issue was – you know, we reached an understanding of that and then it was a question of how you weight – you know, the weight of the different arguments.

So complicated matters has to be taken seriously. There are no quick fix in this business. But as I said, it's a good thing for us. I'm more than willing to talk for hours about it. So it's a happy – it's a happy day for Norway. Finally we have all our borders.

Quickly, some answers to some of the questions so the others will also get to speak – climate change – yes, indeed, we believe that we live closest to the part of the planet that changes the most rapidly physically. The ice is going away and we can prove it. I was in Montana earlier last week and I have been doing this roadshow around America showing pictures and whatnot. The ice is going away. Something is happening to our physical environment.

The fact that the ice is going away in the Arctic will have huge implications even for places like the Northern Plains in America because when the white surface disappears, absorption, et cetera, these forces of nature will make for more severe weather and for global – for warming of the planet. These are elementary things. It's worth reminding each other of them. So climate change, first and foremost, whatever.

I have to say something about fisheries. Many people come and ask us about oil and gas and in a moment I'll say a little bit about that. But please remember that there's a lot of money in fisheries these days. Fisheries is not poor man's activities, at least not in these areas and it's not true that fish stocks are depleting all over the world.

Actually in the northern areas between the Russian Federation and Norway, the fish stocks increase and the total allowed catch increase every year. And there's a lot of money in white fish and in wild fish these days. This is, believe it or not, our second largest hard currency earner in Norway. Fishing has – and fishing in these areas is sustainable. The reason why you don't eat fish farmed cod is not that it's impossible to fish farm cod.

It's because there's so much wild cod in these northern areas that it doesn't make – it's not profitable to fish farm it. Think about that. So the total allowed catch goes up every year

and I have to give some credit. The Russians are not here. I know they were invited. But I'll have to give the Russians some credit for that they really look well after their fish stocks.

They really do and you don't want to be caught by the Russians for illegal fishing, not by us either, not by the Norwegians either. But it's – they have for years looked after their fish stocks and this has become not only a large and good – or good, you know, sort of revenue for us but it's business for the northern areas.

Oil and gas – yes, indeed but normally I find myself saying that – normally I find myself saying that it is not actually imminent. There's a lot of talk about oil and gas exploration in these areas. But remember the climate is harsh, the conditions are difficult, it's going to be very expensive. We're probably quite a number of years off.

Everybody says energy prices are high. Yes, maybe \$100 per barrel is high. That is a relevant question. But with the kind of break-even that you have in these areas, I'm not sure that – and how complicated it is – don't hold your breath over how fast it's going to go. There are a lot of interesting issues that you could raise – whether you have stricter regime, it should be as you move north.

But at the moment, you know, I would say that realistically don't hold your breath because it's going to be difficult and it's going to be very expensive. I would guess that you'll have to see high, high oil prices for a long time and gas – and gas is available now in many different markets and forms. So I wouldn't really hold my breath on that one. These issues are important but every now and then I find them to be exaggerated.

Shipping – yes, a bit of the same, very interesting when the ice is melting. Maybe shipping – we could sail over the North Pole. The U.S. Navy clearly has a plan I think to send a ship over in 2013 or 2014.

But remember, again, still it's going to be – even if the ice goes away in the summer for a while, there's going to be a lot of ice up in the Arctic in the – not only in the winter but for most of the year. It's going to be dark. Darkness doesn't go away even if the – actually it's going to be darker when the ice goes away – still going to be a huge problem for navigation. So again, don't hold your breath.

Serious questions that we should discuss but don't rush. There is some time off. And finally – and then I will stop, Heather – the United States should ratify the Law of the Sea convention. (Laughter, applause.)

MS. CONLEY: I think we have to turn yours off. Perfect.

MR. : I've turned it off.

MS. CONLEY: Thank you so much and I really appreciate the plug on UNCLOS. You can interfere on that particular topic any time you'd like.

AMB. STRØMMEN: I'll do it again.

MS. CONLEY: Perfect. You can all do it in great harmony. Mr. Olsen, we'd be delighted from the perspective of Greenland and certainly on the energy issue. We have offshore exploration by Cairn Energy and certainly that's an interesting prospect for Greenland politics. So we welcome your comments. Thank you.

INUUTEQ HOLM OLSEN: Well, thank you, Heather, and thank you for inviting me to this and very much welcome an opportunity to address some of the issues. And allow me to take a more elaborative approach to some of the issues since I came this long way – all the way from Nuuk yesterday. It's a bit of a temperature shock to come to these latitudes. But as a graduate of GW, I know how conditions can be like.

MS. CONLEY: You know Washington – (inaudible, cross talk).

MR. OLSEN: Yeah, at least it's not August. So I'm glad of that. (Laughter.) There are substantial changes taking place and science cannot even keep up with the predictions to the rate of receding sea ice, for example.

This opens up new possibilities to new shipping routes, more accessibility to the natural resources as well as changes in biodiversity in the ocean which presents challenges especially for the group that depends on harvesting the resources of the ocean – the hunters and fishermen.

It is very much about adaptation for us to the new conditions as well as utilizing the opportunities, which in a broader context is about addressing our political and economic goals from a Greenlandic perspective, independent of whether or not climate change is taking place.

For us, the Arctic is about people and the conditions in which we live under, about addressing the opportunities and challenges people face. The human dimension will continue to be the focus of our efforts in the years ahead.

With regard to Greenland, we took a major step in 2009 with a new relationship with Denmark where we will continue to take over responsibilities from Denmark in our long-term process I'm here stressing over the long-term of building up Greenland economically as well as politically. This is all done in mutual understanding and in agreement with Denmark.

In this process, reaching financial independence from Denmark and going beyond that is a key issue in development of our natural resources critical in reaching that goal. That is why we are very focused on developing and benefiting from our natural resources, be it oil and gas, mineral sector or energy potential when it comes to hydropower.

For us, it is simple economics. If we do not develop the economic advantages in our position, we will not reach our political goals. We are well-aware that there are risks involved and we need to address those risks. We are not here to destroy the environment we live in on Earth. We have to be responsible guardians of the environment. We do not see development and environmental protection as two opposite goals.

The challenge is to combine what could be interpreted as opposing goals into complimentary solutions. We have to and we do in Greenland employ some of the toughest environmental standards when it comes to offshore oil and gas exploration. We have been looking at the Norwegian standards for inspiration on oil and gas as well as the oil fund that we have also adopted in Greenland.

And we have agreements with Norway since Norway has several decades' experience when it comes to oil and gas extraction which we are benefiting from, just like we work closely with Canada as well – the Canadian – energy board of Canada.

We very – we welcome very much focus and attention to environmental issues and with a continued focus on improving practices and standards as better knowledge and new technology becomes available. Environmental leadership is paramount in the Arctic but as I said earlier, going together with resource development.

We welcome the U.S.-initiated project in the Arctic Council to develop an international instrument on oil spill preparedness and response which we hope will be a first step in establishing carbon high standards to be employed all over the Arctic on oil spill preparedness and response.

We would also like to see additional measures taken in the form of an international mechanism for liability and compensation fund for oil pollution damage resulting from offshore oil exploration and exploitation, on top of the national obligations already in place. The Kingdom of Denmark has just concluded chairmanship of the Arctic Council.

We had a very successful ministerial in Nuuk a few weeks ago where we reached some promising results when it comes to the future work of the Arctic Council. We signed the first ever legally binding agreement between the Arctic States on search-and-rescue.

In such a sparsely populated area, increased coordination, communication and cooperation, which the agreement will result in, is necessary as we are speaking about such a tremendous part of the globe – one-sixth to be more exact, as you said.

We've agreed upon establishing a permanent secretariat and reached agreement on how to deal with the role of observers, which has been an issue, especially between Arctic and some non-Arctic states, in the work of the council. We welcome those with a genuine interest in the council and who can be part of the solution, not part of the problem, in addressing issues of relevance to the Arctic peoples.

Yes, we are open to dialogue and cooperation with other non-Arctic states and entities but there's also a limit which is not set in stone and which will always be somewhat fluid as agendas and outlooks continue to change. But the Arctic should not be seen as being in a vacuum, isolated from the world. The Arctic is well regulated and managed.

Yes, there are areas in different biological systems not well-known and which needs to be researched and further explored. But with the changes taking place both in the Arctic but also around the globe, we have witnessed an Arctic increasingly directly connected to events and developments elsewhere around the globe, compared to just like 10 years ago.

Because we are dealing with an area that largely has been left alone, so to speak, and ever increasing need for resources around the world and opening of new shipping routes have begun to have direct impact on the Arctic.

Events in the Middle East that influence the price of oil has an influence on the Arctic as well as China's national policy when it comes to rare Earth minerals also have an influence on us, just to mention some examples. The Arctic could potentially become maybe not exactly the breadbasket but a substantial supplier of energy and minerals to the rest of the world.

There will always be limitations due to the harsh environment and high costs associated with resource extraction in the Arctic. But there are also significant reserves that we discover continually. What is important and critical, though, is that the Arctic states take responsibility and leadership and handle the issues in a responsible manner to the benefit of the people.

I do believe we are doing that through the Arctic Council as well as through the Illulissat Declaration from 2008. It is the Arctic states and peoples that should set the agenda as to what should take place and how opportunities and challenges should be addressed. Any kind of development is not sustainable without the active involvement and participation of the people. And I think I'll leave it with that and thank you for the opportunity. (Applause.)

MS. CONLEY: Thank you, Minister Olsen, for those comments and there'll be lots of, I'm sure, good follow-up. Last but not least, Ambassador Hafstrom, who the Swedish government now assumes a very important responsibility for the next two years, is steering the Arctic council ship for the next two years through a very challenging agenda. Ambassador Hafstrom, please.

JONAS HAFSTROM: Thank you. Thank you, Heather.

MS. CONLEY: You're good.

AMB. HAFSTROM: Thank you so much. Last but not least, the chairmanship, I will be a bit formal, a bit neutral if you don't mind. But Gary, I must correct you. We came to the final but we lost.

AMB. DOER: Did you?

AMB. HAFSTROM: We did. We lost to the Finns. But we beat them yesterday in soccer. I'm sorry. (Laughter.) But I hope that for Vancouver with quite a few Swedes will do it. (Laughter.)

AMB. DOER: I thought you won. I'm sorry.

AMB. HAFSTROM: That's the way it is in life. Defense Deputy Foreign Minister, Excellencies, Heather, ladies and gentlemen, great to be here. The Arctic is currently, as a lot of speakers stressed before, in a period of rapid, rapid change environmentally, politically, socially and economically. And this might be a statement of obvious to many of us.

But what we have to ask ourselves is whether we are adapting our working methods to face the challenges of a changing Arctic. This is not only an academic question but highly relevant for us since Sweden assumed the chairmanship of the Arctic Council for the coming two years' lead. My immediate answer would be yes. The Arctic Council is adapting its ways of cooperation. It is on the right track.

At the ministerial meeting in Nuuk, as the deputy foreign minister said, we made decisions to adapt the reform package which include review of the role of service, possibility for stronger decision making, establishment of a permanent secretariat in Tromsø, Norway, as well as a budget – not least – for the Arctic Council.

And of course Sweden is pleased to note that a number of countries have applied for observer status in the Arctic Council. And we also welcome additional observers. And we are happy that the criteria and the role of observers has been decided in Nuuk. These criteria should allow for expedient and efficient review of applications for those observers.

We also, of course, immensely appreciate the increasing interest of the European Commission on Arctic issues. Representing an EU member state, I would like to underline that this is welcomed. Many EU policies impact the Arctic. Two examples – the EU policy on climate change and its policies on chemicals, just to name a few.

And the standing of Arctic conditions and concerns is prerequisite for informed decision making on Arctic issues and by granting observer status to the European Commission, we would contribute to substantial improvements in this respect. During our chairmanship, Sweden wants to give priority to issues that will promote environmentally and socially sustainable development on the Arctic. Gary underlined that also.

The agreement on search-and-rescue that was signed at the Arctic Council ministerial meeting was an important milestone. The agreement means that the council considerably will strengthen their cooperation and coordination of rescue operations in the region. Sustainability of oil and natural gas exploitation is key in the development of the Arctic.

It's high on the agenda in the member states and essential work on the issue has been done in the Arctic Council. It is important to continue this work. We will focus our work on preparedness for and prevention of oil emissions. As a follow-up to the agreement on search-and-rescue, Sweden will also as a priority work – as a priority work on developing instrument to coordinate the Arctic states' response to possible oil spills from exploitation and transportation.

The temperature, my friends, in the Arctic has increased at twice the rate of the global average of the past 100 years. And the best protection for the Arctic climate is of course an

ambitious global climate agreement that stops global warming below two degrees. And Sweden as the chair will continue to raise this profile of Arctic issues on international forums with a view to achieve a more ambitious global emission reduction.

In addition to action on persistent gases such as carbon dioxide, we need to continue to address black carbon and other short-lived climate forces since they have a more local impact and it is an area where we – the Arctic countries – can take measures that will directly benefit the Arctic region. The Arctic is first and foremost a home to the people who live there. Many of them are from indigenous groups.

The Arctic Council is fairly unique since representatives of indigenous groups are participating in all the work of the organization, something that the Swedish chairmanship will continue as it is crucial to making the right decisions for the region. The Swedish chairmanship will strengthen and focus the Arctic Council's work on the economic and social issues. Positive economic development is a core issue for people living in that part of the world.

Our chairmanship will also initiate a discussion in cooperation with the business community on how the private sector can contribute to sustainable economic development in the Arctic region. For example, to attract tourist industry, taking into account the sensitivity of the environment and of course the indigenous peoples' special needs.

Closely linked to climate change and other environmental disturbances is the issue of food security and safety. The Arctic Council should contribute to development of strategies and capacity building to ensure that the people in the Arctic have a secure supply of safe food and drinking water. Research and sharing of traditional knowledge are key elements in this context. Another way of strengthening the council is for it to be better exact to current events in the Arctic.

The Arctic Council has the capacity to present fact-based analysis and a coordinated approach. These two for such an approach do they have. But it's not enough to establish facts. The Arctic Council needs to increase its efforts to communicate these findings as well as recommendations and commitments. By doing so, we can create a factually-based perception of the Arctic and within both the general public and decision makers.

So during the Swedish chairmanship, we intend to prioritize communications issues in various ways and we will develop an Arctic Council first communication strategy. Sweden is proud to assume the chairmanship of the Arctic Council. Thanks to previous chairmanships, the Arctic Council has developed into this established forum for confidence building and regional cooperation in the Arctic.

The challenge in the Arctic will increasingly be the focus in the years ahead. And when the Arctic Council two years from now meets somewhere in Sweden, I'm convinced that will be the case even more. Thank you. (Applause.)

MS. CONLEY: I think we're going to have a detailed hockey conversation following this panel discussion. (Laughter.) Well, gentlemen, thank you again. And I think I am – I'm going to ask all of you to turn on your microphones. I do this with great trepidation.

And I'd like to just sort of throw out, to use a baseball analogy - throw out the first pitch, and then welcome all of you to throw some curveballs, some fastballs, maybe a couple of softballs to this very distinguished panel of Arctic experts.

To our presentation in the beginning and that lovely picture of the U.S. Coast Guard Cutter Healy, we're growing increasingly concerned that while search-and-rescue has been an important feature of the Arctic Council's work for the last two years – we now have an agreement – do we have sufficient capabilities in the Arctic to keep up with the daunting challenge of increased human activity?

Last summer we had two Canadian cruise ships that were stuck. We had Russian – large Russian fishing vessels stuck in water and they were rescued. It took a little while but were rescued. My concern here is that while we have an agreement, we don't have sufficient capability.

And to Ambassador Hafstrom's point, relying on the private sector because governments may not have sufficient infrastructure – are we looking to oil and gas companies to provide that oil and spill response agreement? Are we looking at the private sector? In Russia, Norilsk has most – a very large icebreaker fleet that's in private hands.

How do we – how do we address that role? So I'd love your reflections on really security in the Arctic. We don't talk about that in the Arctic Council because it's forbidden by the charter. We don't talk about it at NATO. Four of the five Arctic coastal states are NATO members.

So I just want to pose the question of are we ready for the security challenges in the Arctic. And Ambassador Doer, could I ask you to begin that conversation and maybe just a few reflections and then we'll open the floor to some comments. Please raise your hand and we'll begin that discussion.

AMB. DOER: Well, first of all, Canadians do have some practice in being stuck in the ice. We have a little bit of a winter. So we're able to manage it and work through it. I think you mentioned the other international forums – the Arctic Council and the NATO.

We certainly have a cooperative defense relationship on the security side with NORAD run out of Colorado Springs with joint command for Canada and the United States and joint agreements and cooperative agreements with Norway and their navy and the United States and their Navy.

Obviously NORAD includes shipping and air protection. So it's not just on the water. We also think that, yes, we've got to continue to increase the capacity. It's not a status quo situation on the changing geography and it's not a status quo situation on the assets that have to

be brought to bear be more responsive on the search-and-rescue side and more effective on the security side.

Some of the things we're investing in now include investments in satellite that could – much more sophisticated satellite that'll be up and running I believe in 2014 to not only be able to track more effectively the ice so perhaps we won't get as many stalls in the ice and also track the impact of climate change more precisely based on the Arctic Council's desire to work on a fact-based approach to going forward and also to have that capacity on the search-and-rescue side to improve the situation. So the question is it's not an either/or.

Do we need to continue to build the capacity? Yes, and do we need to continue to invest? Yes. Are we going to continue to do that? The answer is yes.

MS. CONLEY: Thank you. Ambassador Strømme?

AMB. STRØMMEN: Yeah. I would agree with that. I think it's pretty clear that we don't have the platforms or the assets that we really need if you're going to be efficient and do, you know, search-and-rescue in these areas.

These are some of the most difficult waters of the world. I mean, and it's not new to us. We've built up our navy, and particularly our coast guard over the last year with a clear eye to trying to – you know, to monitor and to be able at least to look after our own areas which are quite large. I mean, two-point-something million square kilometers of just – of water.

But an agreement on search-and-rescue, agreement about these things is not a bad start. I spoke to Admiral Thad Allen the other day of the U.S. Coast Guard. He was pretty – the former head of the Coast Guard – pretty optimistic. And you know, an agreement is not a bad way to start. You could also build on a number of good bilateral arrangements.

And again, I mean, the Russians are not here and I'm not representing them. But we have some – particularly on the fisheries side – but also in search-and-rescue in general. You could build on them. And slowly but that we need more icebreaking capacity, that we need, you know, more assets.

We're also looking at renewing our aircraft that can operate in these areas. There is – this is difficult. This is some of the most difficult areas of the world and it will never be patrolled like the Gulf of Mexico. We shouldn't kid ourselves. This is – there is darkness. There is ice. There is very rough weather which we have to take into consideration. So as I said, it's going to be hard but it's not a bad start.

Now, one worry there is of course we live in times of shrinking budgets, don't we? And many of these assets are going to have to come out of budget. That's another big constraint, whether they're civilian or military. On the other hand, I wouldn't be so worried about whether these assets are military, civilian, in private hands or in public hands. At least as far as we're concerned I'm not sure that that is a big worry.

I think we have thought through at least in our waters and the areas that are under our jurisdiction and bordering on our neighbors. That is not such a big worry on our part. I don't know enough about in other places. But if you first allow someone to operate in these areas privately, you know, you put in some requirements or you make some arrangements that also if things go wrong that their assets are available.

But these are the most – these are maybe the most challenging areas of the world and they will remain so. This is not for amateurs and it's going to take a lot of investment and hard work to get there. And my fear is that budgets is where the dog is buried.

MS. CONLEY: Absolutely. Deputy Minister Olsen?

MR. OLSEN: I think you have to realize where the biggest challenge is coming from. And for us in Greenland, it's especially from cruise ships.

MS. CONLEY: Cruise ships?

MR. OLSEN: That has – the number has just exploded of ships going up along our shores and they're going further and further north as the ice recedes. And we will – I mean, I don't think even if we're looking at the Arctic as a whole that we will have the sufficient capabilities ever because it just requires too much to cover, you know, such a big part of the globe in such a sparsely populated area.

But I think we have to look at creative solutions. What we have, for example, proposed is that cruise ships follow each other closely so in case one, you know, incident or accident takes place that the other can cover that.

And I think increased coordination between countries as well and cooperation – I mean, you know, the Danish navy, which is responsible for the waters outside our territorial waters have cooperation – memorandum of understanding with both U.S. and Canadian coast guards.

And we also are cooperating with – I mean, there was an incident I think last year or two years ago, northeast Greenland where you had to evacuate some people. And you know, the helicopter – the closest one was in Tromsø.

MS. CONLEY: Right.

MR. OLSEN: So we had, you know, people evacuated through a helicopter coming from Tromsø. So I think you will see those kind of cooperations increasingly between the Arctic and U.S. and you are focusing on the problem you will see different creative solutions.

MS. CONLEY: Absolutely. Ambassador Hafstrom?

AMB. HAFSTROM: Absolutely, I couldn't agree more that we have to do more when it comes to capacity building. Just to take one example, we got an icebreaker in Sweden with a fairly unique opportunity and features to map the seabed conditions in the Arctic.

And that, since the last five winters has been fairly mild in Sweden, we have lent out this icebreaker to the United States because you need it in the Antarctic get to your bases. Last year, we were not affected by global warming in the high north – on the contrary. So of course a lot of ships were embedded in the very – in the Baltic Sea.

And of course the Swedish industry then said why are we lending out one of the best vessels to the United States? We need it back home. And that is a typical example that is scarce commodity when it comes to real, you know, stuff to break the ice. So yes, we need to do more.

MS. CONLEY: Yeah. No, to me it's a very interesting paradigm shift where the U.S. has the minimal capabilities for the region. Russia certainly has, I think, both private and governmental. Most of the capabilities and how we work together – it's a very – it's a different paradigm shift for us in fact.

AMB. HAFSTROM: If I could just add one thing – so when we told the State Department about our problem, then they, you know, probably turned to you or to you and to Russia and no one had the capacity to lend out additional vehicle. So it's interesting. It's –

MS. CONLEY: Something to really keep focusing on, absolutely, absolutely. Well, let me invite you into the conversation please. And we do have microphones. Sir, if you could please stand and there's a microphone coming and you could just identify yourself and your question, that would be great. Thank you.

Q: Sure, thanks. Spencer Ackerman with Wired. I was hoping you could talk a bit about some of the prospects for conflict in this region, what's realistic, what's not particularly as more sea lanes open and competition ensues. Thank you.

MS. CONLEY: Would anyone like to take that one? Ambassador?

AMB. DOER: Well again, one of the reasons why we would prefer the U.S. Convention of the Sea is to have –

MS. CONLEY: (Chuckles.) Thank you, one more time – (inaudible, cross talk).

AMB. DOER: – a less arbitrary decision making on some of these contentious items. So again, we think the kind of treaty model is a better way to go than the conflict model. For us specifically, obviously we are working on with many – well, all the countries in the Arctic Council, the mapping of the continental shelf and how far it extends.

I think that's working in a cooperative way until we get it all mapped and then we start disagreeing. But at this point, we're doing the fact-based work. And for us also, the Northwest Passage is an internal waterway of Canada in our view and we maintain our sovereignty in that regard. The narrow issue of the Beaufort Sea, last year Secretary Clinton and foreign minister, the former, Lawrence Cannon agreed to have again experts provide the research.

The quicker we can do that, the better, because it's not a question of winning and losing on potential resources but rather just an adjudication of a disagreement between the areas between Alaska and northern Canada. Of course, we can see Alaska from our porch. So it's very – we're very close and it's very relevant. (Laughter.)

MS. CONLEY: I would have been disappointed if that – (inaudible, laughter) – thank you, Ambassador. Ambassador Strømme?

AMB. STRØMMEN: Yeah, I would actually strike an optimistic tone. I would say that, you know, we actually think that we handled these areas for decades during the Cold War rather well. It was not easy. Now the Cold War is over and we can – you know, we can build different relationships.

So I'm not sure that – you can always draw up scenarios where there would be huge conflicts in the Arctic. Many include, you know, race for resources and things like that. But as I said in my first intervention, I think many of these things are if not theoretical at least way into the future when it comes to resources.

And I think we're in better shape than many will give both the coastal states and everyone else active in these areas credit for. Of course, there is potential and I would sign up – you know, you've already understood that we all sign up for that law – not that United States doesn't follow international law and the Law of the Sea by any means.

They take it very seriously. You know, U.S. Navy and Coast Guard – nobody knows the Law of the Sea better. But it's just that it would be so helpful if we all were on the same page.

And I also think it would make sense for national interests in the United States, not the least of what's going on in the north of Alaska at the moment, that that would be hugely beneficial, that we once and for all solve this issue and we all are also on sort of formally on the same – on the same page.

We think and believe in investments in the long run, like the agreement we now have with the Russians, that having, you know, worked through this for 30-odd years was a good investment and that such agreements actually – you know, it's easy to dismiss and say, well, it's only an agreement. But that builds a lot of confidence in itself. So I would probably strike a fairly optimistic note on the conflict issue.

MS. CONLEY: Thank you. Deputy Minister?

AMB. OLSEN: I think we have to understand what we mean by conflict. You know, there are different types of conflict and, you know, as the ambassador, I think – I don't think we will see traditional types of conflict in the Arctic because I think there's a strong will among the Arctic countries to solve the issues, solve the disagreements, following internationally recognized conventions and procedures when it comes to the – for example, the continental shelf and the Law of the Seas Convention.

But I mean, conflict – and I wouldn't – I mean, maybe it's also, as I said, a question of definition of what it is that you mean by conflict. But I mean, there's been conflict about between Arctic and non-Arctic states as to what kind of course the Arctic should take and also within Arctic countries as well. I mean, there will always be disagreements. But I don't think we will see an escalation of these conflicts.

MS. CONLEY: Thank you. Ambassador Hafstrom?

AMB. HAFSTROM: Yeah, two points, first of all, the border agreement between Norway and Russia. That was a clear sign that we are not going to go for more conflicts, but less conflicts. Then you can always ask yourself why the Russians all of a sudden decided to sign. But the Norwegian ambassador is in a better position than I to tell you about that.

The second thing which I think is interesting is how high on the political agenda the High North is today. There was a ministerial meeting in 2006 in Siberia. There was no secretary of State of the United States – not even all of the Nordic foreign ministers were there, the representative from the Arctic Council countries who are people – experts on economy.

That was 2006. And now 2011, we have Secretary Clinton, we have Foreign Minister Lavrov. We have all of the coastal foreign ministers. I think that will stay on that high note and that is, of course, a good sign, that we have a forum. We can discuss.

It's very informal discussions and conversations, less of a conflict area, absolutely. And also the observer status – I mean, for us, of course, me – my country as member of the European Union, to have the European Commission with its policies as part of the observers, a good sign.

MS. CONLEY: Yeah, yeah. Absolutely. I have to say I probably disappointed many a journalist who were seeking a very exciting headline about, you know, the race for resources and the potential for conflict. I was asked one time, well, what could I imagine as a potential for conflict. And I have to say, the only thing I could think of – and it points back to Ambassador Strømme's comment about fisheries.

Fishery stocks unlike the oil and gas deposits don't stay static. They move. They don't respond to borders and border demarcations. And many a conflict has started when two fishing boats have decided to have a contest and we have cod wars, we know.

So you know, fisheries is something I think we just need to watch because these fishing stocks are going to be moving to colder waters. There's going to be a fluidity in that situation – that we don't let two testy fishing boats cause us to have a concern about, you know, ensuring that there's safe and adequate protection of marine – in the marine environment, for sure. Thank you. Caitlin, please?

Q: Caitlyn Antrim, Rule of Law Committee for the Oceans. We have the one point marked on the map here, the North Pole sitting along the Lomonosov Ridge. And in 2013 or 2014, we rather expect that Canada, Denmark will both have their potential claims ready to go to the commission and Russia may be about ready to send theirs in.

And that leaves the one last border issue, providing that the Lomonosov Ridge is found to be crustal material. How do you divide it? So what I'd like to know is whether there are some discussions going on among those three countries as to how each is going to rationalize the claims if indeed the Lomonosov Ridge is a claimable area to make this a peaceful division of what is probably the least valuable real estate in the entire Arctic.

But conflict often revolves around things that are not necessarily valuable monetarily but they have to be resolved. So are there some discussions going on quietly or can you talk about them, to resolve this problem before it really becomes an issue?

MS. CONLEY: Thank you. Divisions, would anyone like to take a whack at that? Please?

AMB. DOER: You know, as I said, we're trying to do some work now. All the countries are trying to do some work on the continental shelf. I think that's important. And secondly, I come back to the fundamental issue. It's better to have an agreement with people, as you have with the recent example signed yesterday.

But it's also useful to have a body to resolve conflict. And we come back to the U.N. convention. So I think I'm repeating myself but I do believe that that is a way for you in a rule of law to have an enforcement mechanism if cooperative discussions fail to resolve a disagreement.

MS. CONLEY: Anyone? Yes, please, Minister?

AMB. OLSEN: I think we should take it step-by-step first because if we – we just still need to do some scientific data gathering when it comes to the – for example, in our work on the continental shelf north of Greenland and we are doing – we are having data sharing, for example, with Canada and cooperation and also with Russia in this process.

But we should also keep in mind that it is a long-term process. I mean, the continental shelf commission is very much, you know, stuck up with a very high pile of submissions that they have to, you know, process.

And you know, there's some predictions that, you know, if the commission is not built up in terms of capacity that it will take maybe 20 or 30 years, you know, after you even submit that you will have your, you know, case before the commission.

So I mean, let's first finish our data gathering. We will continue to cooperate, you know, both with – I mean, both Russia, Canada, United States and Norway – on the whole continental shelf around the Arctic Ocean.

So and you know, after – I mean, I think this gathering of data and processing will show, you know, who will claim what and we are not ready to take, you know – to make some kind of announcement as to what, you know, who will claim what I think.

MS. CONLEY: Exactly. Exactly. Anyone else would like to offer a comment? Next question please? Yes, ma'am, right here? Thank you.

Q: Hello. I'm Celia Bray from Omni Consulting in Australia. And I'm just interested to hear what your prognosis is for the polar bears. It might not sound like a critical global issue in some ways but it's a big deal. So I'm interested to hear about that.

MR. HAFSTROM: You mentioned the polar bear, Gary. (Laughter.)

AMB. DOER: Yes, I – well, we have direct experience. And there is an issue in Canada on polar bears and recognition of their vulnerability. There also is aboriginal rights in Canada to sustain yourself with hunting and fishing in areas that are important. So we're trying to deal with those challenges and opportunities.

In our – in my neck of the woods, which is Cape Churchill when I was a premier, it was one of the best places in the world to view a polar bear and it went from in the old days shooting them because they were dangerous because they'd go right through the town of Churchill and they do eat you if you're not careful. They're not drinking Coca-Cola in a cuddly way. (Laughter.)

So although we did have the CEO of Coca-Cola there for the Olympic torch run and we told him not to drink Coca-Cola with a polar bear. It wouldn't be a good idea. And we're finding it's much more valuable as an economic opportunity to have people shoot polar bears with cameras – a huge tourism industry now.

The people further north in the territories of Canada – the Inuit in the Northwest Territories of the Yukon are also growing their tourism business dramatically and how that will impact on the issue of people that sustain themselves through hunting as indigenous to the area for thousands of years, that's still a work in progress.

But we feel that the ice melting earlier does have an impact on the weight of polar bears and the sustainability of their population, although there's a disagreement on that on terms of population numbers, et cetera. But I just found that it's very, very lucrative to have people with cameras in Churchill rather than people with guns. But there is a disagreement and that's fair enough.

MS. CONLEY: Okay. Ambassador?

AMB. STRØMMEN: I'm not a great expert but we don't have any hunting of polar bears. A very small number is, I think, shot every year in self-defense by our people and by the Russians that are on Svalbard, the islands where we have it. It's not a high number. A polar bear apparently runs a hundred meters in five seconds.

MS. CONLEY: Wow.

AMB. DOER: Oh, they're amazing.

AMB. STRØMMEN: So you probably only have one shot.

AMB. DOER: Yes.

AMB. STRØMMEN: We have had some accidents – some accidents in the past, mostly due to the fact that you get people – tourists that are not familiar with how dangerous these areas are and in general, but very few. I would agree completely. Tourism is a challenge.

MS. CONLEY: Yes.

AMB. STRØMMEN: Because to see a polar bear has become a huge thing. You know, people really are willing to put up a lot of money to see a live polar bear running around in the wild and not in a zoo. But again, the numbers are going down. We held a large meeting up in Tromsø sometime back. We're of course very worried that they would – that they would – that they'd go away as the ice retreats. They're more difficult to spot.

So again, one of the – one of the big, big worries about climate change – what will their ultimate refuge – I mean, will we lose them from our territories? You know, again, it's almost like an identity issue for people. You like the thought that you have polar bears running around.

We're all sort of, you know, in your territories, that they should be there. If the ice goes away, they will go away. So we will see. We'll see. If you leave a card afterwards, I'm more than happy to direct you to the people that know a lot about polar bears, a lot about polar bears.

MS. CONLEY: Minister? Ambassador Hafstrom?

MR. OLSEN: I believe there are 19 different populations around the Arctic of polar bears and some of them are in decline. Some of them are increasing in numbers and there are some which we don't know the status of. But I will defend the right to hunt. Hunting is a fundamental pillar of our – you know, of our survival throughout centuries. We have always hunted polar bear and we will always hunt polar bears.

Having said that, it's a very well-regulated species. There are quotas and who can hunt. I cannot hunt, for example. I'm not allowed to, you know – it's not just polar bears but also other kind of animals because I'm not a full-time hunter. You have to have that status. You have to have a license before you're allowed to even hunt.

And as I said, there are strict quotas that's taking into consideration biological advice that we receive, you know, from our scientists as to, you know, what number of polar bears that can be hunted. But I don't think that polar bears are threatened as such.

The polar bear has been, you know, in the Arctic for – I don't know, hundreds of thousands of years or something. And have adapted throughout, you know, different changes.

So I'm not that – as I said, you know, there aren't that many different populations around the Arctic that have, you know, different conditions.

Of course, you know, we're not interested in the – of course, in any extinction of any species. But you know, I think we – it is – we should not make it just simple and because the Arctic is more than, you know, polar bears.

MS. CONLEY: Ambassador? Yes, sir? Right there, the microphone is coming. Yes, thank you. Yes.

Q: Thank you. My name is – (inaudible) – Company, Japanese multination. A very simple question – what kind of role and expectation is given to observer position? I don't even know if Japan is an observer in future. Thank you.

MS. CONLEY: Thank you. A great question – maybe Ambassador Hafstrom you want to start on sort of the conversation of the observer status and the regional versus the global dynamic – (cross talk).

AMB. HAFSTROM: Well, the most important thing at the summit in Nuuk was that we solved the question of observer status. That has been on the agenda for many, many years and now finally we managed to solve it and we got the criteria and it's a process.

And as I said, I'm looking forward that the European Commission can be observers. There are other countries that are knocking on the door but there is now a process which is very, very good. And of course, your question – is this – is the High North – is the Arctic – is that a global or a local question. Well, this is part of it.

MS. CONLEY: Yeah, absolutely, absolutely. No, it's a – does anyone else want to comment on that? No? Minister, would you like to?

MR. OLSEN: I mean, very briefly, as the ambassador said, decisions in Nuuk were made you know, on new criteria for observers. And the ministers also adopted a road plan in which to accept new applicants of observers in two years' time at the next ministerial to be held in Sweden.

MS. CONLEY: Absolutely. Great question. Yes, sir, right here? The microphone is coming.

Q: I'm John Michael (sp) – (inaudible), former delegate to the United Nations Environment Programme, graduate of the U.S. Naval War College. And a couple of years ago we had a very useful discussion also under the aegis of the CSIS and one of the scientists drew our attention to the fact that a lot of toxic chemicals and polychlorinated biphenyls still are present in the environment.

And then we have indigenous populations, their inalienable rights for quality of life and people who live permanently or temporarily in Arctic regions. And the question is do we have

any closer cooperation between the health – national health administrations of the coastal areas. Are they to the Arctic Council?

And what do we philosophically envisage in the future? And the second small subquestion is after Fukushima we also remember that our Russian counterparts in Arctic cooperation, they did a lot of atmospheric nuclear tests and has anybody measured the state of background radioactivity after we're probably talking about 60 years to see – to just start a set of measurements for the sake of monitoring the environment?

MS. CONLEY: Thank you, and in the last five minutes we have I would welcome that each panelist, if you want to address the question, and then give us any closing thoughts as we leave the Arctic here in the next five minutes. Ambassador, why don't I start with you and we'll work our way down the panel.

AMB. DOER: Well, I think we personally in Canada feel that the signature we submitted to the United Nations on a 17 percent reduction by 2020 following President Obama's efforts in Copenhagen and I think we had a good meeting on developing countries – particularly on forestry in Cancun. We think that's a positive step forward in overall climate change.

I also think there's other agreements that have been achieved by the international community. I mentioned the Montreal Protocol to get the originally 16 countries signed on to have an agreement to start banning ozone-depleting materials and now we have 165 countries that have agreed to that.

We've actually seen more reduction in GHGs through that agreement even though that was – you know, so we think that's positive. And can we look at amending that on black carbon and other issues that are specific to the vulnerability of the Arctic and, you know, I think we should look at that in a very positive way and I think we're moving towards Durbin.

And I noted that even if with the sometimes political discussions on clean air and clean water in every country, I noticed that President Obama when he spoke to the House of Lords in the Parliament in London just two weeks ago, he again mentioned the Copenhagen Agreement on Climate Change.

Obviously Europe has got a great deal of work they've done and conducted and achieved. But I think we believe that international means broader than just a narrow base of countries enrolled in accountable action and results. On the other issues of the Arctic, I think it's a – I'm sorry we didn't give you a headline.

MS. CONLEY: It's okay.

AMB. DOER: We're all kinder, gentler ambassadors here that believe in cooperation and working together, so but I want to congratulate Norway and Russia on their recent agreement and I'm very confident. You know, the fact that the two cabinet ministers from the United States and all the leaders that were in Greenland I think is a tremendous step forward. It means that people are walking the walk, just not talking the talk.

MS. CONLEY: Absolutely, absolutely. Ambassador?

AMB. STRØMMEN: Yeah, I'd like to pick up. Again, I'm not a great expert on health issues in the Arctic but I know that there are some that are specific, which would of course, you know, lend itself very naturally to being discussed in the Arctic Council.

I used to be Norway's representative in the World Health Organization and other places and I knew that we touched on some of these health-related issues that are specific to the Arctic also there. Now, if you take the indigenous population, our indigenous – I don't know if everybody is aware – but our indigenous population is on the mainland.

They're above the Arctic Circle just like in Sweden. For us, it's the same group. It's the Sami people. But up in the islands, which makes Norway like a coastal state to the polar – you know, to the Arctic Ocean, there is no indigenous population. That is also why we – so it's a mixing. Most of our population, again, would be non-indigenous.

If I – you know, I threw out a figure, let's say 300,000 or something like that. It would be a much smaller number which would be indigenous. But there indeed are some health-related issues. What they're related to, I'll have to, again, refer to some experts. But I bet that those will increase also as the climate will warm up and the ozone layer and it's probably going away.

It's probably a number of issues. And it's particularly why we have an institution like the Arctic Council and also why we should include observers and others that are interested because if there is one thing I have learned it is that global health-related matters you will at some point be interested in global health issues or in health issues which take place very remote from where you are. That's only a question of time. It's not a question of whether it's relevant.

MS. CONLEY: Thank you. Deputy Minister?

MR. OLSEN: You're very correct about the health issues. For example, the mercury levels among indigenous peoples in the Arctic are quite high. And there's also some other heavy metals. That is an issue and stemming from, you know, non-Arctic countries, the pollution.

But the Arctic Council has had that on its agenda for many years through one of their working groups – the AMAP, the Arctic Monitoring and Assessment Programme, which has been instrumental in the creation of the Stockholm Convention on mercury, for example.

So there's very much, you know, an issue among the Arctic countries and to address some of these problems that you mentioned about heavy metals that are built up on the ecosystem and which end up in people.

So I mean, and we during our chairmanship have had human health as one of our priorities. I mean, environmental health is one of the aspects that has been addressed for many years in the Arctic Council.

But we have been also interested in cooperating and addressing some of the common problems that we see across the Arctic when it comes to health issues that people are dealing with because they are very much the same, no matter which country you are coming from.

MS. CONLEY: Thank you. Ambassador?

AMB. HAFSTROM: Well, you asked about if there are any increased radioactive activity in the High North. No, after the Fukushima nuclear incident, we have not. But I can tell you we should have if there was a problem because we in the High North, I mean, saw the very first signs of the nuclear accident in Chernobyl.

That was close to us because we were ringing the alarm bell – didn't know what it was at the time. But of course after a few days we recognized that something happened. And of course the Soviet Union at the time was a closed society. It was outside work with our scientists who really managed to get it through.

One last remark, you know, a few decades ago, if you mentioned Arctic, and I exaggerate a bit, there was a place there was exotic research in the – (inaudible) – of the Cold War. Today, we have the Arctic Council, extraordinary cooperation, both formal and informal. So I mean, we have done a lot of things under the radar screen and we will do more things together. And I think this conversation is good. It's a good proof for that.

MS. CONLEY: Thank you. What a wonderful way to end a great conversation. Thank you, gentlemen, for a very wonderful conversation. (Applause.) And I have to say one final thank you for your wonderful plug on the U.N. Convention of the Law of the Sea. May our Senate find the wisdom. Thank you, audience, for your stimulating conversations. I stand between you and lunch. Thank you and have a great day.

(END)