

Center for Strategic and International Studies

TRANSCRIPT

The Asia Chessboard Podcast

**“Deep Freeze: The Arctic's Role on the Asia Chessboard
with Heather Conley”**

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SPEAKERS

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- Andrew Schwartz: Welcome to The Asia Chessboard. The podcast that examines geopolitical dynamics in Asia and takes an inside look at the making of grand strategy. I'm Andrew Schwartz at the Center for Strategic and International Studies.
- Benjamin Rimland: With climate change creating new sea routes through the Arctic circle, China's making moves to assert navigation and scientific rights in the region. Mike is joined by CSIS Senior Vice President for Europe, Heather Conley, to discuss China's role in this emerging region of the Asia chessboard.
- Michael Green: Welcome back to The Asia Chessboard, I'm Michael Green at CSIS and Georgetown University. I'm joined today by a friend and colleague in and out of government, Heather Conley, who is a corporate officer at CSIS and runs Europe, Russia and the Arctic. And we're here today to talk about the Arctic as a new part of the Asia Chessboard. Welcome Heather.
- Heather Conley: Thanks Mike. Great to be here.
- Michael Green: We always like to help people figure out who you are and how you got here and you're our first non-Asia hand in a way.
- Heather Conley: Well, I'm very excited about being the first non-guest.
- Michael Green: I know you do have a connection to Asia through our mutual mentor, Rich Armitage. How'd you get into this business?
- Heather Conley: Okay. Well, I have the world's strangest story. I began as an intern at the State Department my last semester at my college years, and it was during the First Gulf War. And I worked in the political military Bureau and I was hired after that. It was a great internship because so many of the military officers that were serving at state had to return back to the Pentagon. Short story, I just had a very substantive internship, which I was then hired and one of the portfolios I worked on was, the State Department has to approve the Global Defense Department's Humanitarian Assistance Program. So excess defense department, medical supplies, food supplies. It's a very tiny office. And I was just sitting on that portfolio for a while and enjoying it thoroughly. And then the Soviet Union broke apart. Well, even before that, a month before the Soviet union broke apart, we actually tested sending medical supplies to Chernobyl children. And the State Department's enthusiasm for that little experiment was great because they sent me as the State Department representative.
- Michael Green: That's what interns are for.
- Heather Conley: Exactly. So the month later, Secretary Jim Baker announces Operation Provide Hope, which was a massive humanitarian relief program to Russia. And then the, at that time, newly independent States. And the person he placed in charge of that effort was one, Richard L. Armitage. So I was deployed to St. Petersburg, Russia for a month to distribute those supplies. And a month after, when I came

back, I was recruited to join Rich's team as the coordinator of all U.S. Government assistance. He has been my mentor ever since. So I started this gig providing humanitarian and technical aid to Russia. I left the State Department to get my graduate degree at Johns Hopkins SAIS, worked for Rich Armitage and his consulting firm, and then when he became Deputy Secretary of State, I followed him back in the Powell State Department and the Bush Administration as Deputy Assistant Secretary of State in the European Bureau, where I looked after Northern Europe and Central Europe, which was a great advantage because after I left the State Department in 2005 I went to the American Red Cross for a few years, which was a tremendous experience.

Heather Conley: But I was so glad I did Northern Europe because when I came back to CSIS, one of the research topics was the Arctic, and because I had been DAS over the Nordics, I had been to Greenland, I had been to Norway and had a little bit of an appreciation for this wonderful region and topic. But boy have I learned a lot in the last 10 years since I've been here at wonderful CSIS.

Michael Green: So the Heather Conley version of, go west young man is go north.

Heather Conley: Go north.

Michael Green: Now. I thought you were at presidential management intern when you were doing this former Soviet state work?

Heather Conley: No, I was just an intern that got pulled in from undergraduate.

Michael Green: So you were not out of grad school, you were out of undergrad.

Heather Conley: Yeah.

Michael Green: Now is it true the story that you stood on a tarmac and stare down a Russian plane?

Heather Conley: Well, I would tell you I froze on a tarmac in St. Petersburg waiting for C5-As to land where CNN and film crews were tumbling out. Here's a fun fact. I was there at the same time that one Vladimir Putin was Deputy Mayor of St. Petersburg and we had met with Mayor Sobchak, at that time. Those were days of very positive U.S.-Russian relations, they were in a very different trajectory. And then of course when I went back into government, the Bush administration, we thought that there was a reset to be had after 9/11 and we keep resetting and the relations keep getting worse and worse, so.

Michael Green: You also worked on the McCain campaign, right?

Heather Conley: I did indeed, a little bit.

- Michael Green: Remember his famous line? George W. Bush, our boss at one point said he looked in Putin's eyes and saw a soul and John McCain against everyone's advice kept saying, "I looked in his eyes and saw three letters, K, G, and B."
- Heather Conley: Indeed.
- Michael Green: And he had it probably about right. So you have been surrounding or moving towards the Arctic throughout your career and now you're really focused on it. You have a report coming out at the end of March on Arctic strategy and geopolitics. Tell us about that.
- Heather Conley: Yes. So for the last 10 years we have had a longstanding research topic on the Arctic and really trying to assess U.S. strategic interests in the Arctic. So, for the past decade, I have failed miserably to try to convince you, as policymakers, that number one, there were some important geopolitical changes happening in the Arctic and that the U.S. had an enormous stake in those outcomes. So after frustration and lots of reports and lots of good work, I decided to turn the analytical question on its head to, not to continue to press for the U.S. to understand how strategically important the Arctic is, but using the great power competition lens of the national security strategy and the national defense strategy, I said: Okay, China and Russia see the Arctic as very strategic to their military and economic interests, and assuming that the U.S. remains at a constant and does not, what are those long-term strategic implications?
- Heather Conley: So we wanted to assess and think through using scenarios, what the Arctic would look like by 2050, so pushing this out for 30 years and what would great power competition look like? And then assuming that Russia and China continue to develop, how will that harm U.S. national security? So hopefully this report will raise sufficient alarm that motivates U.S. policymakers to build up U.S. capabilities in the Arctic. Unfortunately, we're already a decade behind.
- Michael Green: So both China and Russia are very ambitious and very aggressive, but their current positions are also quite different, right? Russia has territorial claims and very active military measures to try to dominate the Arctic, whereas China is trying to position itself arguing it has interest, but not necessarily territorial claims. How would you characterize each of them, and also, is this an area where we're going to see China and Russia align? Or is this actually possibly the place where Chinese and Russian interests began to really collide?
- Heather Conley: Well, it's a great question because you're absolutely right. The great powers are uneven in the Arctic. Russia is an Arctic superpower and we have documented this in an earlier report, which we called the new ice curtain. To think about it really, Russia's survival is now based on the Arctic, its future economic survival of energy resources. Over 22% of current Russian GDP originates from the Arctic. They have a more broadly defined geographical-spanse that we would consider sub-Arctic as well. And clearly Russia, about a decade, 13 years ago, made a significant change and began to rebuild their military posture in the Arctic. Now understanding it had collapsed at the end of the Cold War, but they

began to reconstitute it. And so we spend a lot of time in the report thinking through and talking about that Russian military buildup. And if there's one thing that impacts U.S. national interests and security interests today, it is that Russian military buildup.

Heather Conley: And now what we're seeing, hypersonic cruise missiles and a real, very significant advancement in Russian military capabilities. Now that is not designed for the Arctic, but that is in the Arctic. And of course it will be part of any conflict if that would ever come to pass. So Russia is the most significant near-term threat to the United States. And again, it's different as U.S. national security officials think about this, taking sort of a Secretary of Defense, Mark Esper, he says, "China's the most important and then Russia." And the Arctic is the opposite. Russia's the most important.

Michael Green: Let's get to China for sure, but a little more on Russia. When we think about Russia on my side of the globe, in Asian geopolitics, it's a middle power. It is not a major power and yes, the Russian air force is causing the Japanese air force to scramble more. Yes, they're spoilers in the Korea peninsula, but they're not a major power in the great game in the Pacific. Certainly not the way they are in Europe. Is Russia positioned to potentially dominate the Arctic in a way where their influence, their strategic reach, their control of resources, transforms their overall posture and geopolitics. Could they become a far more significant actor in Asia precisely because of what they're doing in the Arctic? Or is this a contest that's sort of limited to the North Pole?

Heather Conley: Well, certainly the concentration of Russian military forces. It looks again very similar to the Cold War military footprint. It is very concentrated in Russia's Western Arctic on the Kola Peninsula. It looks towards NATO, it looks towards the West. So in the report we talk about that Russia essentially has two Arctics and we have maps where we sort of divided in the middle. Russia's Eastern Arctic. So the North Pacific facing Arctic is fairly sparsely populated. It's some infrastructure. You do have a new installation about 300 nautical miles from Alaska Wrangel Island, which there's a more advanced Subca2 radar. We use just again, a little bit of advertising, we use a lot of commercial satellite imagery to demonstrate exactly what is there, what is not there. So the East is predominantly about making sure they know what's coming in to the Northern sea route. But all the military buildup is on the Kola peninsula, the Western Arctic, and it's advancing pretty far North. So there are some concerns that this is about perhaps advancing Russian claims under sea extended outer continental shelf claims to the North Pole. But it's not sparsely on the North Pacific.

Michael Green: So militarily it is more of a Yukon NATO problem than it is an INDOPACOM Japan problem.

Heather Conley: Yes and no. So let's talk about China. So this is where, and let me just tell you that this is a unified command plan problem. The Arctic doesn't fit into anybody's perfect operational remit. So in 2011, how the unified command plan

worked out in the Arctic, USNORTHCOM has advocacy capabilities, UCOM has operational capabilities and in some ways INDOPACOM really was not part of it. Now that China is sending more significant surface vessels, now there are LNG carriers, there are icebreakers, there are scientific container ships. This is going to be increasingly needs to be a focus of INDOPACOM because we're going to see Chinese maritime traffic, potentially with escorts going through the narrow Bering Straits to the Russian Arctic, because the Chinese are investing a great deal in the Yamal, liquefied natural gas plants.

Heather Conley: And that is really their interest in getting the LNG. Also, the mineral resources as well, we're going to see Chinese fishing vessels at a future point as fishing stocks travel North, and they're going to be increasingly using that sea route. So we're going to see a lot of Chinese maritime presence in the Arctic and we don't have really an Indo-Pacific construct for understanding what that means for Alaska, for U.S. coastline and then the strategic approaches to the United States from the North Pacific.

Michael Green: But it sounds, and you a note in the early versions of the report, I saw, we're still speculating to some extent about Chinese interest. I mean, yes, they've talked about the Belt and Road extending to the Arctic, but in terms of their real bottom line strategic interests, it appears to be mostly about energy and natural resources. Is there a military dimension as well? I mean, let me put it a different way. You know, Mahan said famously, whoever controls the sea lanes dominates. In Mahan's day, the polar ice cap was not melting. There were not sea lanes. Who's vulnerable here? I mean, if China is trying to exploit Russian oil and gas, fisheries, natural resources, access and sea lanes to those resources, and if they're going through the Arctic and the North Pacific, that's our version of their near sea. Yeah, that is an area where we have shorter lines, where we have Canada, where we have a military posture that in some ways puts them at great risk and make them vulnerable. So where does the balance of power and influence, if this is a contest with China over access to the Arctic?

Heather Conley: Yeah, so I think what we try to do is really create a good baseline of understanding of what China's activities are in the Arctic. And quite frankly, there's a lot of hype about it and we really try to assess what it is and what it isn't. Lots of announcements, but not necessarily we're seeing big things on the ground. China is interested, I believe in diversification of maritime routes. So alternatives to the Straits of Malacca, that's the Northern sea route. They are interested in those protein resources. They're interested in the energy and the mineral resources and the infrastructure, and so it is an economic interest today. But most of the commercial and economic presence that we're seeing, and scientific presence is dual-use. And so that's really where we do then start going into speculation. If we can imagine weaponized icebreakers or scientific missions that are not science, we start to think that out a little bit more.

Heather Conley: And to get back to your earlier question, the one thing I think U.S. policymakers are completely missing: we sort of in isolation can assess Russia. And in isolation, we can assess China. What we're failing to do is understanding if China

and Russia in the Arctic uniquely are going to work together and what we're seeing is increased military joint exercises, whether that's...

Michael Green: In the Arctic.

Heather Conley: In the Arctic. Vostok 2018 which every year, the Russian military for military districts that rotates once a year does an major annual exercise. In 2018 Vostok was for the Russian far east, the Eastern military district. It was the first time that Chinese forces were invited there. Last year, in the center military district, China was again invited and that exercise took place in the Arctic. We've continued to watch Chinese and Russian maritime exercising, and one of the first ones happened off the Aleutian islands in 2015, which was the first time that we saw Russian and Chinese maritime joint activities, five PLAN vessels off of Alaska.

Heather Conley: I mean, it's just a nice reminder that they have growing capabilities to go North. But if these two, we think conventional wisdom tells us that these strategic antibodies between China and Russia will preclude them from working together. But since events in Crimea and Eastern Ukraine and Western sanctions, the Russians have had to increasingly rely on the Chinese for financing. And the Russians have given, particularly in the Arctic, the Chinese some pretty good concessionary opportunities in that LNG plant. The Russian government has understood that its energy markets have been so exclusively Western, they've missed the Asian energy bonanza. They are now trying to reorient themselves, it's taking time. And what we see is the Russians just announced a joint Sino-Russian scientific center in Russia, the economics, the military. So we do, through scenarios, think through what would that mean for the United States if Russian ports housed Chinese ice-strengthened surface vessels and what would that mean if they work together against U.S. and Western interests

Michael Green: Spent last summer in Mongolia, which is a really interesting canary in the coal mine for this question of Sino-Russian relations because the Mongolians are incredibly attuned to the balance of power influence, and the current government is growing alarmed that Russia is ceding its interests to China in areas the Mongolians had always thought they could at least count on the Russians to counterbalance. And that may be a little bit of what we're seeing.

Heather Conley: I think it's exactly, in some ways it's not happiness by the Russians, but it's growing acceptance to maintain strength, they have to accept that they are the junior partners in this relationship. And I think Xi Jinping shows Vladimir Putin an enormous amount of respect, even acknowledging that now they're the senior partners. And that also goes a long way to further this. And I think we underestimate what it could do.

Michael Green: This is not a policy or international relations theory term, but it's creepy. It's a little creepy. It comes down to the question...

Heather Conley: It's a technical term.

Michael Green: Yeah it's technical term. If you look at geography, if you look at demographics, if you look at history, Russia should be scared to death of China. But if you look at regime type and ideology and regime survival, there's certain logic to it. We just don't know how far it goes.

Heather Conley: You're absolutely right. The ironic part is, the Russian government fears in encirclement by the West. That is their entire, and that the West wants their energy resources. They are being encircled by China and China does want their energy resources, but the Kremlin's entire existence is based on the coming conflict with the West, not China.

Michael Green: The Chinese call their Arctic strategy, what, the Polar Silk Road is it or the Arctic Silk Road?

Heather Conley: There is basically, they've, well two things. They've taken the Belt and Road and it's the Polar Silk Road and there is a Silk Road Fund. So there's a specific fund to that. And two years ago, the Chinese issue their first white paper, which actually, we've had tracked two dialogues with Chinese experts on the Arctic and scholars. We really encourage them to do this, to put this out on paper what their ambitions are and truly their ambitions are making sure the five coastal States of the Arctic, which of course Russia, the United States, Canada, Norway, and the Kingdom of Denmark, because of Greenland, the Chinese want to make sure that those five coastal States do not preclude China from retaining access, particularly to the high seas around the central Arctic Ocean, what we call the donut hole, which is the high seas area beyond the 200 nautical miles of the coastal States.

Heather Conley: The Chinese want to make sure that they will have maritime rights to that, fishing rights to that when there are fish in the central Arctic and when and if, a fishing moratorium is lifted, they want to be part of that and really see the economic benefits of an increasingly ice-free Arctic.

Michael Green: You know, the Polar Silk Road is ahistorical, for one. And secondly, when you think about the Arctic, you don't think about wearing silk. It's a very odd image. And the Chinese are hyping Silk Road and Belt and Road. There's a lunar, there's, it's endless. So it's hard to know where the hype is sort of overwhelming the reality. But I'll tell you one parallel. So this is not in any way analogous, I would say, to China's approach to the first Island chain, to the East and South China Seas where China has territorial claims, wants a military submarine bastion, wants anti-access area denial against the U.S. and its allies. It's more akin perhaps to the Pacific islands going further South, or maybe the Indian Ocean, where the Chinese are also pursuing fisheries and energy, sea lanes and building dual-use spaces. And the concern for the U.S., India, Australia, Japan, about the South Pacific and the Indian Ocean is: we can take them out in a war.

Michael Green: They're isolated dual-use bases. But when you're not in the war, when you're in the crisis phase, when there's tension. If you're Australia, if you're India, if you're the U.S. Fifth Fleet in Bahrain, you can't ignore the possibility of a Chinese submarine being in Gwadar in Pakistan or in Vanuatu in the Pacific Island. So I wonder if there's a bit of that as well. The Chinese are stretching us out and making us watch our own flanks, which makes it harder for us to concentrate and our allies to concentrate on the really hard fight, which China cares more about, which is in the Western Pacific. Is it possible? Is there any evidence to suggest that or we're really speculating now, but I wonder what you think?

Heather Conley: I think certainly the pattern of those interests, but I see them right now meeting China's economic and long-term strategic interests. But me, for the U.S., the Arctic is Homeland Defense because of Alaska.

Michael Green: For us.

Heather Conley: For the United States. This is not far away from home or contemplating that. So when we see increased Chinese vessel traffic along the West coast, the Alaskan coast, and then potentially we will see, I believe, Chinese submarines in the Arctic. We've never thought about that approach. Russian submarines, of course, we know that and are seeing a dramatic uptick of Russian submarines and their modernization of their nuclear deterrent is eye-catching and noteworthy, but we have to think of a future where there could be Chinese submarines in the Central Arctic as well. And what does that mean for Homeland Defense? What does that mean, to make sure that we are not blackmailed in any way?

Michael Green: The Chinese complain loudly about our freedom of navigation operations in the South China Sea, but they do comparable things near Alaska and that's going to be the future. It may not be a deliberate strategy to draw our attention away from the Western Pacific in a crisis, but it's a reality that complicates our planning either way. Are we aligned with our democratic partners in Europe and Asia on this problem?

Heather Conley: Yes and no. There has been a slow awakening that the Arctic is becoming increasingly contested. I think allies worked very hard over the last decade to try to not see this. We kept saying that the Arctic is exceptional and our Norwegian colleagues kept always saying high North, low tensions. We had to work very, very hard to make sure that the geopolitical tensions didn't creep into the Arctic. This was a false hope. The Arctic, in some ways, speaking of canaries, when the geopolitics warm, the Arctic is the first to thaw. That was true in 1987 when Gorbachev really gave the first speech to say, I don't know, maybe the Arctic should be a military free or a nuclear free zone. And when things began to tense up again, the Arctic felt that. So it's actually, I always called it a geopolitical bellwether for us, but we tried to ignore it because quite frankly, the U.S. military does not want another assignment.

- Heather Conley: They are already really busy with and stretched with what they have. So no one wanted to see this, but increasingly we can ignore it. So two years ago, NATO held its largest military exercise centered in Northern Norway, Trident Juncture. And that was really the first test of NATO really working in very difficult cold weather conditions, although it was in September. The U.S. for the first time has rotating Marines in Norway. We are building new hanger space in Iceland at Keflavik because we are doing maritime patrol aircraft. It sort of feels like we're back. Back to that and it's very Russia focused, but this China element in some ways, I think the U.S. Government very suddenly woke up and said, "Whoa, whoa, whoa, what's China doing here?" And of course China had been in the Arctic really since 2004 with its first scientific center. It had been building bilaterally, its economic relationship with all the Arctic Coastal States and members of the Arctic Council. And now you go to conferences, the Chinese delegations are the largest at the Arctic conferences and they're funding a lot of science.
- Michael Green: They are. But you look at the list of countries that China is really pissing off right now and right at the top are Canada, Sweden, Norway.
- Heather Conley: Yes, I would say Canada and Sweden, exactly. Fair enough.
- Michael Green: So it raises the question whether we need some kind of grouping of like-minded States to manage Arctic. And I'd ask about where Asian allies fit. The only one that immediately comes to mind of course, is Japan.
- Heather Conley: So I will say Japan, Korea, Singapore, over the last several years, everybody's creating Arctic envoys. Everybody's creating white papers, drafting strategies. Again, some propelled by economic interests, certainly great Korean icebreaker capabilities, ice-strengthened oil platforms, you name it. I mean I've seen the business opportunity as Arctic maritime routes open up. I think our Japanese colleagues were one of the first to really understand China's growing interest in the Arctic. And I think they saw where this was a confluence of getting Russia and understanding that Russia prioritizes the Arctic. We don't have a place to talk about Arctic geopolitics. The Arctic Council, which is the main inter-governmental forum of the five Arctic coastal States, plus Iceland, Sweden and Finland and then the indigenous peoples, the permanent representatives, that body can only deal with environmental protection and sustainable development. It's really based on science and working groups. Very collaborative.
- Heather Conley: Of course, China is an observer. Japan is an observer, Korea, even India is an observer. It's a growing body, but we don't have a place to speak about military developments. We don't have a place to speak about making sure dual-use capabilities, that there's transparency or that we understand each other. That's what we've been searching for because the last 10 years we told ourselves, no, it's exceptional, we don't need any of this. We don't need any of this, and now we really do need a place to talk very much with Russia. I think in the first instance, and then we have to bring China into that conversation.

- Michael Green: Well, if we're going to have a platform or a venue where we're talking about geopolitics, military issues in the Arctic with Russia or with China, then we're going to need a caucus. We're going to need a group of like-minded States. We have this informal grouping, we call "The Quad" in the Pacific and the Indian ocean, Japan, India, Australia, U.S. I don't think India is in this one necessarily, but I can imagine somewhere down the road that the U.S., Japan, Korea, Norway, and other like-minded NATO and Asian allies start forming an informal planning process to deal with this. Because the geopolitics just keep getting more complicated. The Asia Chessboard is expanding North and Heather Conley, thanks for helping us understand it. What can I say? It's a cool place.
- Heather Conley: It's extremely cool. And Mike, thank you so much. I'm very honored to be your first non-Asian guest. Thank you so much.
- Michael Green: Well, our first Arctic guest for sure.
- Heather Conley: Our first Arctic guest.
- Michael Green: Congrats. This report comes out at the end of March...
- Heather Conley: End of March.
- Michael Green: It's on the geopolitics of the Arctic.
- Heather Conley: Great power competition in the Arctic till 2050. Is this America's moment? I hope you enjoy it.
- Michael Green: Thank you. We'll have you back in 2050 and see how it went.
- Heather Conley: All right.
- Andrew Schwartz: Thanks for listening. For more on strategy and the Asia programs work, visit the CSIS website at [csis.org](https://www.csis.org) and click on the Asia program page.