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LOCATION/ENDROIT: Westin Nova Scotian Hotel, 1181 Hollis St., Halifax, NS

PRINCIPALS/PRINCIPAUX: Espen Barth Eide, Member of Parliament, The Storting, Norway

General Tammy Harris, Former Deputy Commander, Royal Canadian Air Force

General Terrence O'Shaughnessy, Commander, North American Aerospace Defense Command & United States North Command

Secretary Richard V. Spencer, Secretary of the Navy, United States Navy

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SUBJECT/SUJET: Plenary 6 at the Halifax International Security Forum entitled "End of the Earth: The Arctic."

Luiza Savage: Good afternoon. I'm Luiza Savage. I'm the executive director with POLITICO and we are very pleased to be here on our second year of a media partnership with the Halifax Security Forum particularly as we grow POLITICO into a global policy and politics news organization and especially since this year we are building out POLITICO Canada on top of POLITICO and POLITICO Europe. It's a special day for us and thank you to Peter and the forum for having us here.

Our panel is called "The Arctic: End of the Earth" which I guess makes sense if you think there's an end on the sphere. But I think we would all agree the Arctic is more the centre stage now for some of the key trends that are shaping the world.

Those include climate change of course and the rise of great power competition, the rise of China and its ambitions. Those are the topics that I'm hoping we will dive into and see how democracies are or aren't positioning themselves to this changing situation.

We know the Arctic is also a big strategic and military importance due to its location going back to the Cold War. With us we have a great panel that will represent various stakeholders in the Arctic. We have the Secretary of the Navy Richard Spencer, thank you for being with us. We have General Terrence O'Shaughnessy, Commander of NORAD and of US Northern Command.

That is significant because he is charged with being the advocate for the Arctic within the entire US military, articulating the capabilities the Arctic requires. We also have Major General Tammy Harris, Former Deputy Commander, Royal Canadian Air Force and we have Mr. Espen Barth Eide, Member of the Norwegian Parliament and a former Defence Minister and former Foreign Minister. Thank you for being with us.

I'd like to start our conversation talking about the big picture on the Arctic. Before I do I wanted to give the Secretary the opportunity to respond to the breaking news that a lot of people in this room are buzzing about and that is the NY Times story that just broke. Can you confirm or do you want to comment on this story that you were threatening to resign from your post if the navy is not allowed to sort out its own process around the Navy Seal who the President would like to promote?

Secretary Richard Spencer: The Arctic is a very important place.

(Laughter)

Contrary to popular belief I'm still here. I did not threaten to resign but let's just say we're here to talk about external threats and Eddie Gallagher is not one of them.

Luiza Savage: Is everyone satisfied with that answer? I'm just here as your proxy. So back to the Arctic. The backdrop is that China has said it wants to build a polar silk road over the Arctic to cut weeks off shipping times to the western hemisphere. Russia has articulated an Arctic strategy which has been described to me by Sherry Goodman, former US Deputy Defence Secretary as an attempt to build a Russian toll road that requires Russian icebreakers to escort ships that will want to use those seaways.

It has been investing in icebreakers and nuclear icebreakers. President Putin has talked about it in terms of competitiveness and prestige. I wanted to ask you Secretary first, how do you see America's evolving strategy, the big picture on the Arctic?

Secretary Richard Spencer: It was very interesting my first international trip after being sworn in was to Reykjavik to the Arctic convivium we had up there, the council. To be frank with you I was not that knowledgeable on what was going on in the Arctic. I had just superficial briefs and having spent two days up there at the conference my eyes were peeled back as to what was really going on up there.

We heard about the activities then, Russia putting 10,000 (unintelligible) troops up there, repaving six Cold War airstrips, all for as the Ambassador from Russia said search and rescue. It was a great concern to me. We went back and dusted off what was then called the navy's roadmap to the Arctic and focused it to be a strategy or sub-strategy that undergirded the national defence strategy.

It is one of our key focus areas. General O'Shaughnessy has this square in his lap but navy is there as one of the supporting teams for the US approach to how we keep order, peace and resiliency up there going forward.

Luiza Savage: In terms of the place the Arctic occupies in US strategic planning is it rising up the ranks? Is it becoming a more important issue as the waters melt and as these countries take more aggressive steps in the Arctic?

General O'Shaughnessy: I'd say it is and part of the reason is we look at all the activity we see in the Arctic as something mentioned in the Secretary's speech and earlier today we talked about the rules based international order all over the globe and

how important that is. It's equally as important in the Arctic but from our perspective as well is the defence of our nations.

I represent both NORAD and NORCOM. On the NORAD side the defence of both the US and Canada and on the NORCOM side the defence of the United States, we find this is key terrain. This is almost going back in time. Over the last several decades maybe spent less interest from the military standpoint in the Arctic but now as we see Russian activities and Chinese activities and we see potential threats coming through the Arctic, this becomes increasingly more important to us within both the NORAD side and the NORCOM side.

We do see an increasing emphasis on it, increasing priority on it and with homeland defence, continental defence being our top priority the Arctic has become front and centre in some of our conversations.

Luiza Savage: I want to talk about the specific threats in a few minutes but staying on this broader vision, if Russia is looking at this and saying there's a lot of money to be made in the Arctic, there's oil and gas, drilling and China saying fish stocks are moving north and we want access to that protein, is the US looking at the Arctic merely as a theater for defensive operations or do we have other strategic and economic interests? How do you see it in the broad sense?

General O'Shaughnessy: The specific question to the US side is we have our own resources up there as well. It comes important for us as the nation to make sure we secure them, to make sure we maintain access to them. Then from the global perspective it's the rule based international order that served so well across the globe.

It applies equally to the Arctic and so whether we talk about some of the things the Russians are doing and demanding that aren't necessarily in accordance with the normal rules you would expect to see.

We see China in other places dealing of course with economics and other things. We want to make sure that doesn't apply in the Arctic. We look at it both from the US perspective of our own natural resource up there, make sure we're protected but also from the global perspective.

Luiza Savage: Major General Harris, from the Canadian perspective there are Canadians who see the Arctic as not their backyard but their front yard. Can you talk about today what is Canada's strategy and policy around the Arctic?

Major General Harris: For those who don't know the Arctic is 40% of our land mass, 75% of our coastline so we have 200,000 inhabitants up there, our rich Indigenous culture that we want to preserve and a lot of ecosystems so it's very near and dear to our hearts and we partner with our US colleagues on ensuring we maintain safety for North America and the approaches.

Recently in 2019 in September this current government released its Arctic and northern framework. The jury is out. A lot of people have an opinion on what it is or isn't. I see it as a strategic visionary document that will enable future Arctic policy development and investment to be nested under that. In 2017 our Minister Sajjan released and pinned

with many people in this room including General Vance the Canadian Defence Policy, Strong Secure and Engaged.

It highlighted a lot of Arctic aspirations, things we want to do and continue to do with our partners and allies. It maintains, it has been, it is and it will always be a key priority for all Canadians.

Luiza Savage: I think the discussion paper that we read that was submitted as part of this conference by Tom Axworthy suggests the Canadian policy is – I can't remember the word he used but it was – he didn't take it very seriously. You're talking about it as a visionary document. Can you explain what is visionary about it? How do you –

Major General Harris: I say visionary in that it's a chapeau (ph) document in my opinion and hopefully a more solid, more detailed articulate policy will fall out of that and will nest under that. They just appointed a new Minister of Northern Affairs who has just a portfolio for the north. The reality is and you had mentioned it and I think my colleagues would agree on the panel that the Arctic is a harsh environment.

It requires specialized training and certain gear. It's a vast and unforgiving geography. It has limited infrastructure. It has limited and unreliable communications and it costs a lot of money to work there so there can be a lot of aspirations and as hard as you work at changing those into concrete actions it just doesn't always happen.

I think there's a lot of men and women in uniform and I can speak to that because that's more my area of expertise working really hard to ensure we have a presence in the Arctic and we're doing the right things with our partners and allies.

Luiza Savage: I was struck by looking at the policy. It talked a lot about a vision for bringing services to the people who live in the Arctic. It talked about education, research and it also stated an aim to "restore Canada as an Arctic leader." Would you say Canada is an Arctic leader today?

Major General Harris: No. I think we're one of the more aides. I'd say we're – in my opinion, I can't speak on behalf of the government but I think we're one of the least developed in the region.

Luiza Savage: What would it mean, what would it look like for Canada to be an Arctic leader?

Major General Harris: In my opinion you have to have a constant presence and that requires infrastructure, having people there and having different services, just the basics of what they're talking about for the people who live there. It's a huge investment and with investment is competing priorities of how you're going to do that. I think it's a more concentrated presence in the region.

Luiza Savage: Mr. Eide from the Norwegian perspective how do you see the big picture on the Arctic?

Espen Barth Eide:

I was here at the very first Halifax Security Forum talking about the Arctic so there's a certain déjà vu. Back then we in Norway and the government of (unintelligible) I served in as Minister we were trying to raise the attention of our allies that something important was going on.

The argument is and was that the Arctic is an ocean, is the opposite of Antarctic and not only because it is on the opposite side but also because Antarctica is a land mass with ice on it and the Arctic is an ocean with countries around it.

It used to be frozen and hence its military meaning was first and foremost that it was the shortest flying route for planes and missiles between Soviet Union and the US and you can hide your submarines there but otherwise there wasn't much attention apart from that in the high strategic picture.

Now the ice is melting which is bad news because of climate change but the consequence of the melting ice is that it becomes more like a normal ocean and an ocean that connects Russia to North America and Europe to Asia because this will be a future sailing and transport route and it's also a lot of commercial interest in exploiting the resources of the region.

What we were arguing then is that our allies need to take some interest in this development. We did not want to sound an alarm bell saying war is about to break out but important things are happening. The good news is there's more attention now. We were at the same time arguing that NATO had developed into an organization where we're basically doing only out of area operations and a non-Arctic file.

That's fine but we also should do a bit of area and Arctic file and that also has clearly changed. I was very happy to see Trident Juncture, this largest exercise for decades happening in my home country Norway. I think that's a direct consequence of that change in NATO. What I also want to say is that the good news is this is not the South China Sea.

There is no significant dispute over the legal order because every single state has either signed the Law of the Seas Convention or they haven't signed as the United States but they have declared they will abide by all its obligations. It beats me why (unintelligible) but that's up to the Americans to decide but still they behave as if.

This has been confirmed in all Arctic encounters that we base the cooperation on an existing legal framework which means that's something we should take care of. We should maintain that. There is a mutual interest. No country has more interest in this being true than Russia because half of the Arctic coast is Russian. They will also be worried if everybody else came in and exploited their resources so we have a shared interest with them.

That doesn't mean we shouldn't pay attention to what's going on. We should follow, we should be present, we should have capabilities of being present with icebreakers and ice prepared vessels and with relevant communications equipment. This is important but it's not alarming is my message. We should continue to think along those lines and we can strengthen NATO's recognition that this is area.

It's not like we are going to the Arctic. We are there. We live there. Canadians live there, Alaskans live there, Danes and Greenlanders live there, Norwegians live there. It's our area so it's part of NATO's area and it always was.

Luiza Savage: You said important but not alarming. I'm going to ask the Secretary to alarm us. What have you seen either in maritime activity or other activity, you talked about a grey zone of aggression. What are you seeing on the ground that concerns you in terms of threats?

Secretary Richard Spencer: Right off the bat what I first referred to was while our Russian counterparts are up there lighting up some old Cold War facilities, more than I would have thought you needed for search and rescue, the Chinese are up there researching and call themselves a near Arctic participant.

I totally agree with Norway in that it's not to the level of alarm per se but we need to be up there and present to make sure that we're attentive to what's going on because things could change dramatically in a fairly short period of time.

Luiza Savage: What do you think China is up to? How do you understand that?

Secretary Richard Spencer: They're probably looking for resources just like everybody else. The question is I don't know what they're going to play for a card as far as the ability to participate. This is why we have to be up there to know what they're doing.

Luiza Savage: General O'Shaughnessy what do you see as the biggest threat that concerns you right now?

General O'Shaughnessy: As the Secretary mentioned we do see a buildup of Russian capability.

Luiza Savage: What are they building up?

General O'Shaughnessy: All the way from the infrastructure the Secretary mentioned on the bases but also and perhaps more disturbingly if you look at that it might make sense, they have a large percent of their GDP, 20%+ coming from the Arctic and as such it would make sense they would have some capability there.

But what we see is investment in their long range aviation. We see investment in cruise missiles that far exceed the range they would need in a regional conflict. We see some potential they're trying to use this as an avenue of approach towards North America. With both my hats as a NORAD commander and a Northcom commander that causes us concern.

We want to make sure we have the ability to operate in that environment as well. We need to be able to defend ourselves from that avenue of approach. While we're not trying to militarize it per se we still have to have the ability to defend our nations.

Luiza Savage: This reminds me growing up in Alberta being told that Canada was the baloney in the nuclear sandwich between America and the Soviet Union. What are the threats for Canada that you see evolving if any?

Major General Harris: Well the exact same threats as the US have mentioned, the Secretary and the Commander. There's other threats evolving that are maybe less hostile as the climate changes – there's more shipping, more commercial cargo, more tourism, more research vessels as the Secretary said which then requires more rapid response for search and rescue.

That becomes a threat for us if we're not able to do it in a fast enough time. That's something as more and more people are going into the Arctic and more things are happening we have to be able to respond to the needs of people and I can speak firsthand when I was commander of 9 Wing Gander, we were charged with search and rescue in the north and it's a long ways away.

You're leapfrogging to get there and you didn't always get there in time. That becomes a threat in itself, the amount of people that are going to be there and the activities happening and who is going to be held responsible to respond.

Luiza Savage: From the Norwegian perspective is this all economic activity resulting from melting waters and we should all be relaxed about it or is there something specific that you find threatening in these activities?

Espen Barth Eide: I would distinguish between the Arctic because it's two different things. The Arctic as the Arctic is fundamentally about managing economic interests and roads and so on and we should definitely be present and follow also for that reason. But that's the not so alarming thing but it needs more investment and more presence because right now Russia is much more present than anybody else. I would like to have that more balanced.

Then on the other hand because great powers competition is back it also means the Arctic is a testing ground and if worse comes to worst a firing range for long distance missiles and so on.

That's very worrying and we can see that at our doorstep, a lot of testing of very advanced new technology but it's not directed at the Arctic as such. It just happens there. It's important to distinguish these two things when we talk about the Arctic but both of them leads to us having to be aware and alert and present and having the ability to find out.

My position is that where we can cooperate we should cooperate. You mentioned China. In 2013 we had a vivid discussion at the Arctic Council. I was Foreign Minister then. Secretary Cary and I and most of us agreed that we should allow for China together with India and Japan, South Korea and Singapore to become observers. At the time the Harper government was skeptical and so was Russia.

It was an interesting Russia Canadian alliance against this but finally through good conversation in an Arctic hut up in northern Sweden we finally agreed we should allow. I think that was a good idea because the argument was it's better to have these people

join our club than to allow them to form another club to our detriment. By signing these documents and joining the organization as observer, not a member you also have to sign up to certain rules of the game. That's something we can remind them of.

Luiza Savage: How have you found the Chinese as actors within the Arctic Council in their observer status?

Espen Barth Eide: They have taken a keen interest. They have used it to the maximum of the capacity but they have done it inside the rules of the game.

Secretary Richard Spencer: One thing to remember also is everyone thinks the resource component up there is extraction such as oil or minerals. We have our protein fields of fish moving farther north all the time so that is a major resource up there also.

Luiza Savage: You mentioned the idea that NATO should be engaged in the Arctic. It's a question for the whole panel. Does that make sense? The Arctic Council is not about security as I understand it. It's about managing research and search and rescue. What is Canada's perspective on elevating this to NATO?

Major General Harris: I can't speak on behalf of Canada so I will give you my opinion on what I think it is. I think it depends on how the threats evolve. If the threats evolve in a certain way then it automatically will become a NATO discussion and back on that table much like it was many years ago.

The solution is we may need to deter a threat if it continues to evolve and grow may put it back to NATO. I think the Arctic Council is a great table because it allows peace and cooperation to happen and strategic dialogue to happen separate from what might need to happen from a military perspective in that forum. It's better to have multiple tools in the toolbox to maintain a situation than just have everything tied together. I like having separate solution sets that can come together at one point but it enables different conversations to happen.

General O'Shaughnessy: We are having this NATO conversation. Just a couple of weeks ago I was in Norfolk at our NATO allied transformation command doing a symposium there where we were talking about the broader global defences of which we included the Arctic in that discussion and how does NATO fit into that from a command and control standpoint as well as from a threat standpoint. That dialogue is happening within NATO and will continue to happen as we look forward to driving forward of what does all these changes in the Arctic really mean.

Secretary Richard Spencer: It's interesting just to put this into context when we talk about NATO participation up there. When I came back from Reykjavik I sat down with then CMO John Richardson and was expounding my newfound knowledge about the Arctic and we have to get up there and the navy has to get up there. I was banging the table and he kept looking frowning more each time I banged the table.

He said, Sir, we have been up there since 1968. I went under the water doesn't count. That being said there is more to the Arctic than just on the surface. There is the whole air capacity up there too.

Luiza Savage: Let's talk about capabilities. I find at least in Canada the discussion about the Arctic often comes down to a discussion about icebreakers. I read it's 13 icebreakers that Russia has. How many does the US have? How many does Canada have? Give us the lay of the land.

Secretary Richard Spencer: We have 1.5.

(Laughter)

But we've now just laid the hull on our first new series. I say we, is the commandant here? There he is. Exactly. It's the Coast Guard's mission. A lot of people turn around to the navy and go how come you don't have icebreakers. I get to point to my fellow brethren here because there's no light between us but you have the icebreaking mission. The first one is being laid and five more to come after that, 5 or 6?

Commandant Schultz: (Off microphone)

Luiza Savage: A real-time briefing here, this is great. Talk a bit more about capabilities. What capabilities do you have? What do you think you need and should have?

General O'Shaughnessy: Clearly the icebreaker in our teamwork with the Coast Guard, my good friend Karl, we continue to work and advocate for that as well. Additionally from the capability standpoint I think we need to start with awareness. We have to be aware what is happening in that environment.

Luiza Savage: Is that satellites? What does that mean?

General O'Shaughnessy: It's everything. Traditionally when you look back some great binational work done between Canada and the US with the DEW line, the distant early warning line that was created won a contract in January 1955, completed in 1957 and ultimately grew to be a line all the way from Midway Island to Scotland of this early warning capability back in the mid 80's, 85 or so.

Again binational work after the Shamrock Summit where we were able to have a renewed investment into that early warning between Canada and the US, having that domain awareness, understanding what's happening within our own territories was reinvigorated with the north warning system.

These kinds of things, having that awareness is something we have to invest in again, the future of the US and Canada together binational. I think we can get after that. Then it's important to note we send people, all our militaries do, all over the world and very quickly can deploy somewhere and be very effective. That's different in the Arctic. It's very difficult.

You can't just take people and aircraft and ships and ground troops and all the equipment that goes with that and deploy to the Arctic and expect to be successful if you haven't trained there, if you don't have the right kit, the right gear because it's such a harsh environment. We're looking at the infrastructure to be able to deploy them but

also the training and the right kit and gear, so a reinvigorating of the exercise programs and as the Secretary mentioned, just going there.

We learn tons just by going there and we've done this before so we know how to do this. We just have to get the reps under our belt in order to do that and then as Tammy mentioned simple things become hard, communication, navigation, very difficult in the Arctic.

We have to look to invest in our ability to do those things, satellite communication of above 65 degrees starts to drop off. You get above 70 it gets worse and eventually you get very little capability there. We need to invest in the ability to have that communication regardless of where you are in the Arctic. That leads to some of the great innovation that might come down shortly from the commercial world we can take advantage of.

Espen Barth Eide: I agree and the communication is one key word. As you said geostationary satellite doesn't reach so you need to do something about that. You have (unintelligible) satellites all the things you can do. Those kinds of things is part of the answer, not only the ships and we don't really invest in icebreakers. We have ice enhanced vessels, Coast Guard and so on because our Arctic is largely ice free.

It's important to understand that. For large parts of the year what used to be frozen is now open. That's why we're having that discussion because this is now becoming the shortest route. You can save if you go from Yokohama to Rotterdam there.

In the north you will save 40% of the sailing route. You can't do that all year. You don't know exactly when you arrive which means container traffic is not so interested because they have a just in time principle. But boat traffic for instance will increasingly go that route and somebody has to look after that and be aware of that. The commercial is also relevant.

Major General Harris: As the Minister mentioned yesterday our Arctic offshore patrol ships are coming online, hopefully first one last I heard was 2020. The 16 search and rescue aircraft are set to be delivered C295 which will give us strategic reach. It allows us to operate in lower visibility so that's good. They're working on the fighter project.

I was talking to the commander of the army, I'm not sure where he is and we were joking. My husband is a Patricia light commander of the army and they spent the first half of their career in the Arctic Circle jumping out of planes and the ability as the commander said to move across which we used to do in a BB206 which are all now rusted out. You have to get new equipment to just drive across the Arctic.

Those projects are underway so it's having the right gear, the right training and being able as the commander said to get there and then once you're there to move with some amount of access.

Luiza Savage: I'm curious about the division of labour between Canada and the US in the Arctic. Can you talk about what you expect from the Canadian military in terms of cooperation or what role it plays and vice versa?

Major O'Shaughnessy: I think we have great cooperation every day and it's important to note that every day as we sit here now too we have airmen, soldiers, sailors, marines from the US and Canada that are protecting our sovereign territory which includes Canada and the US to include the Arctic. They are ready right now able to do that.

What we have to do is be able to say ahead of the threat. That's going to take some investment in order to do that. That investment that we do we have an opportunity to do this binationally together like in the past as I mentioned the DEW line was a great example, the north warning system where we might have a follow on to that we could do together.

There might be unilateral things we could both do that would be complementary to each other and then as we go forward even outside the NORAD structure which is binational but really in the aerospace domain is we have against all the other domains we have the bilateral relationship together. It's about how do we do this together. We want to be interoperable, make sure everything we're doing is helping the protection of both of our nations.

We are looking at an opportunity going forward to reinvigorate and renew our efforts with respect to NORAD to modernize NORAD, to invest in NORAD's capability going into the future.

Secretary Richard Spencer: If I was to look on the navy side this is a perfect example where Canada and the US will be no light between us. I was just talking to the Minister of Defence earlier and we specifically addressed this. Here is a prime example of what I was talking about during my presentation, expertise.

Canada has been operating in this environment for quite some time, we have not so we are going to be welded together. Whenever we do a movement up here Canada is going to be right by our side and vice versa.

Luiza Savage: Are you expecting a lot more movements up here?

Secretary Richard Spencer: As it presents itself, yes.

Luiza Savage: Part of what President Trump has been saying to allies and I have to say I heard President Obama say the same thing which is we want you to spend more. We want you to build up more in terms of defence resources. Where do you think Canada should be ramping up more in terms of the Arctic?

Secretary Richard Spencer: Canada is doing a fantastic job. We were just down at the Irving Shipyard and for those who drove over the bridge yesterday or the day before there was hull number one in the basin of the Arctic offshore patrol vessel which is fantastic. I gather there's six of those coming. Canada as far as surface navy is concerned we think they're all in.

Espen Barth Eide: Can I get back to the Arctic Council and (unintelligible) because until recently we were able to use at least for the Council as a

forum and the topics that were in the council agenda to keep geopolitical strife out of it. That was a deliberate strategy from all of us, not because we didn't see things happening but that arena should be one to seek cooperation.

I have to use this opportunity to say we were a little worried to put it carefully about Secretary Pompeo's speech in (unintelligible) which was the latest ministerial meeting where he made a big point out of warning against Russia and China, really coming in big time and making it a connection between the Arctic and the South China Sea.

I think that connection is wrong for the reasons I said initially. Of course everywhere can turn into a conflict but there is not an ongoing dispute about anything meaningful. Canada and Denmark are quarrelling about the island of Hans (ph) but they're not going to start a war and the US and Canada are discussing the waterways but they're not going to go to war either. It's not really an area of serious dispute and let's keep it that way. There is something called speak softly and carry a big stick and I think that applies well to the Arctic Council.

Luiza Savage: Secretary, do you have any gloss to put on that?

Secretary Richard Spencer: That sums it up perfectly.

Luiza Savage: Speaking of surprise comments, is the US buying Greenland? Is it for sale?

(Laughter)

Talk about Greenland.

Secretary Richard Spencer: Interestingly enough I was just over visiting our Norwegian friends for a couple of days. On the way back we specifically were going to stop in Greenland and we had the trip lined up with our Danish friends. We were going to see Nook, the port down there and the Arctic did what the Arctic does and we got weathered out. Is it a place where we can train? Most definitely. Is it a place we'd like to train? Most definitely. We're going to explore to see if those opportunities exist.

Luiza Savage: Senator Tom Cotton wrote a piece arguing it's a great idea, let's buy Greenland. Is this seriously being considered?

Secretary Richard Spencer: It's above my pay grade.

(Laughter)

General O'Shaughnessy: I would talk to it from the aspect of its strategic real estate that is really helpful for us. We have for example assets in Tuli that are fundamental to our ability to defend North America. We have some of our radar sites operating out of there and when you look at it from that aspect with the great partner of Denmark in Greenland it is really key as we go forward looking at the future of the Arctic. That is absolutely key to that.

Luiza Savage: How are those comments received in your country?

Espen Barth Eide: Since Denmark isn't here I'll take some Nordic solidarity here. I'm not speaking for them but I can share there was some surprise in Copenhagen about the idea of buying it, first because Denmark and Greenland is not for sale but secondly why would you because they're already allies.

Working with allies is also a good idea and given that our Danish friends have been among the most active in NATO's operations abroad I think to cancel the visit because they didn't want to sell Greenland was maybe not the best choice that the President has made so far.

Luiza Savage: I read China was trying to build airports or some kind of installations in Greenland and the US was lobbying the government against that.

Espen Barth Eide: We're following that closely as well.

Luiza Savage: I wanted to pull back a bit and ask where do you see, we talked about the South China Sea, there are obviously a lot of things going on in the world. Where is the Arctic as a priority for each of your respective countries in terms of military and strategic priorities? Is it moving up the ranks?

Secretary Richard Spencer: I'll start with navy but I think the general has it as a theatre so he has a different prioritization but it's moving up in the navy. Our job is to keep the maritime commons open, international rule and law of the sea. You know what we do is FONOPs, freedom of navigation operations. If in fact that environment opens itself up to surface travel on a regular basis the navy has to be there.

Luiza Savage: Since we're in Canada on your point about international navigation there's been this longstanding difference of opinion about the Northwest Passage being a strait for international navigation. The (unintelligible) point of view and territorial waters in the Canadian point of view, is that just an agreement to disagree and nothing is going to happen with that? What's the state of play?

Secretary Richard Spencer: We're welded to our Canadian allies and w'll be together as we transit.

Luiza Savage: (Laughs) Any Canadian response to that?

Major General Harris: No.

(Laughter)

General O'Shaughnessy: In practical terms I'd say we have since 1988 an agreement that's been in place that's allowed us to have differences of opinion and still operate as great allies and partners so it's good testimony to the strength of the relationship between the US and Canada that we're able to work our way through this.

Luiza Savage: I'm about to go to audience questions. We have a lot of audience questions. Last question from somebody here in the room, this being the Halifax Security Forum I was sitting on the hotel bus. The person who sat next to me

turned out to be an Arctic expert, Heather Connelly at CSIS and she raised the concern that the Arctic as you know is spread across the various portions of the military.

You are the central voice for it. She was saying it's not the day to day priority for anyone. She raised the notion that the org chart is a vulnerability as she put it. I want to get your thoughts on that.

General O'Shaughnessy: I would say it is in my day to day agenda so that is a priority for us both on the NORAD command and the Northcom command. It is a priority and our unified command plan which on the US side delineates our actual responsibilities it does designate us as the Arctic advocate.

Because of that it is on our day to day look at what we're prioritizing and how. That said I acknowledge the fact there are multiple scenes with other co-coms that we continue to work our way through. No matter where you draw a line there's going to be a scene. We make sure we have the ability to not have that be a limiting factor for us. I work closely with both Phil Davidson on the PCON side with Todd Walters on the UComm side to make sure that scene doesn't result in any negative aspect.

Secretary Richard Spencer: This last summer in General O'Shaughnessy's theatre we had an amphibious operation on the island of ADAC Alaska that involved Indo Paycom (ph), Admiral Davidson, that involved General O'Shaughnessy while the org chart might have been confusing on paper the operation was seamless.

Question: Scottie Green with Washington DC American Business Council. Given the strategic importance of the Arctic I have a question for all y'all as we say. There is a place in Canada that is sub-Arctic. It's centrally located. It's on Hudson Bay, the Hudson Bay of the Arctic Ocean.

There are old Cold War era military facilities there. It's Churchill Manitoba and given that it's difficult to get to the Arctic, given as you all have said the challenges with infrastructure, would it make sense to look at a place like Churchill which has an airport and the government of Canada last year rebuilt a railroad. It also has a port not to mention the community that's there and barracks empty since the 1950's.

Would Churchill Manitoba for example, central in the country and the continent, be considered a strategic location? Would there ever be thought to reinvigorate that place for our strategic capability given there is already so much infrastructure there? That's the question.

The other observation is we've had a couple of business delegations to Churchill, that's how I know about it and for the Commandant of the Coast Guard we were out looking at beluga whales and there were some polar bears swimming around last summer. We had these life suits on the boat and we had to rescue a boat that had run out of gas. The beluga whale operator said I'm also the Coast Guard.

We said how long – if this tips over there's polar bears in the water. How long do the life suits last? He said about five minutes and we said if you're the Coast Guard who backs you up if we need help. He said my 16 year old daughter. I think we might need more capability out there.

Luiza Savage: Does this open up opportunities for some of these northern Canadian communities to serve a bigger strategic role?

Secretary Richard Spencer: I think for Churchill you'd be displacing the polar bear operations of the world up there.

(Laughter)

General O'Shaughnessy: I won't speak specifically to Churchill but I will say that's something we are looking at. We have a north basin study that we're looking at. The infrastructure we have both with the US and Canada and even outside of that, to the point of going across the CO-comm (ph) scenes for example into Greenland etc. and looking at are we properly postured. Do we have the right infrastructure? Will we be able to increase our activity there? These are the types of things we're looking for. Clearly the logistics aspect of that plays a critical role.

Secretary Richard Spencer: I know that Senators Sullivan and Rakowski are making us focus rightly so on do we need a strategic Arctic port. We've been looking around up there. Canada is now in the process of lighting up a strategic port.

Luiza Savage: One question that came up on Twitter earlier today is what is the role of the Indigenous people in Canada as this becomes a bigger and bigger priority.

Major General Harris: That's a great question. They already play a strong role in search and rescue and advising if they see something and what goes on. They provide the first line of defence because they're on the ground. I would defer that to General Vance who's sitting in the front if he has since I left done more with Indigenous people or people in the north.

General Vance: Thanks Tammy.

(Laughter)

Major General Harris: It's great to retire. You can pass the question up.

General Vance: Delegate up. The northern infrastructure and the architecture of the defence of the approaches to Canada is going to have us look again at where we need to be with what. The great advantage of the northern peoples, Indigenous communities, they're not only part of the social fabric of the nation. They're also a potential workforce and on the ground and everywhere we need them.

It's not always a question of the south reinforcing the north. It's enabling the north to be part of that fabric whether it be in defence or any other part, so vital and they're Canadians that need to be protected and defended and we'll demand that too, so all the services. They're a vital part of the whole thing.

General O'Shaughnessy: If I could add to that, you might be surprised how much we work with what we consider partners in the Indigenous people. I look at it from both lines as one on the Northcom side and the NORAD side. In Alaska we work very closely with the Alaska Federation of Natives and (unintelligible) the president and I often work in different symposiums together.

One of the things we find is we have common challenges. Now we're looking for what are the common solutions to our common challenges. An example of that is communication. If we could break through and innovate in our ability to communicate that would work – be incredibly important for those remote villages as an example.

We had just two weeks ago a symposium at Fairbanks Alaska where we had not only the Alaska Federation of Natives but also the Canadian Rangers and that program we have in Canada that is a great model we're trying to see what can we do with that in Alaska where we can take full advantage of the 10,000 years of experience they have working within the Arctic that we could bring to bear on what we need. I think a great partnership already exists but more can be done with us and both in US and Canada.

Espen Barth Eide: I also want to say Indigenous people in our case the Sami community is an important part of our Arctic policies in Norway but also in northern Russia we have the Sami people living there and the Arctic operation and what we call the (unintelligible) Corporation also helps empowering them in Russia because this has become a theme in Arctic conversations. They've also got an international arena that they didn't have before which I think is important, the softer type of cooperation across the border.

Luiza Savage: How do you give them a voice in your northern policy in Norway?

Espen Barth Eide: Indeed they have a definite –

Luiza Savage: A formal –

Espen Barth Eide: They would probably like to have even more but they are formally involved by all means.

Question: Paula Dobriansky, Harvard University but relevant to this conversation I was an undersecretary of state and had the responsibility in my portfolio of attending Arctic Council meetings. I attended three of them but the one I remember especially and just a brief comment is the one that was chaired by Russian Foreign Minister Lavrov and it occurred in Siberia. The comment is because you asked about threats.

I have to say Russia attaches a great priority to the Arctic and it's even stated directly by the Russian Foreign Minister in his writings and statements and so with the building of the base in Trefoil and the investments that both of you have mentioned it's very significant. Norway has particularly flagged but my first question is you mentioned Stoltenberg.

Stoltenberg was here two years ago. He used the platform of Halifax to highlight a number of issues and threats. He highlighted and previewed the new command, the Atlantic Command which was then endorsed by NATO and put into Norfolk. The first question is what beyond that? There's been some conversation within NATO of going beyond the Atlantic Command and devoting singularly a command structure in NATO to the Arctic. I want your reaction on that.

The second one is from having had also the benefit of going several times to the Arctic to (unintelligible), the northernmost human settlement of Norway, India, China and Russia all have research facilities. The US we decided not to do that. Is that something that's part of the calculation in this regard given the comments about what assets we put in and what our investment are?

Secretary Richard Spencer: I'll start it out with the second fleet which is our asset contribution foundation for the NATO structure, a joint structure which as you know when the Wall fell and history stopped we hung up the second fleet. It's back in full operation now and that's the US contribution to that. As far as NATO making a full Arctic command I am not aware of it only because I'm not involved in that right now.

Research is a great question. If you look at ONR, the Office of Naval Research, we're discussing that now as to what is up there but you can't go up there just for the sake of saying research. As you know you have to have a plan for what you want to research, priming the pump.

Espen Barth Eide: Back in the Cold War NATO had regional command centres with regional responsibilities and they knew what was where. After the Cold War we had a long period where believe it or not it's almost incredible to think about it but we didn't have that because any NATO command was either doing transformation or some kind of operation in a faraway place.

We didn't have these geographical responsibilities. That has been brought back partly thanks to the initiative that we were part of. As Norway I'm very happy for that. I'm glad for what happened with Norfolk. We also have the national commands which are part of NATO as well. Our command centre (unintelligible) is also there for NATO so it's not only about what you call the combined centres but also the national presence we all have.

Question: I used to be undersecretary of defence. General O'Shaughnessy you mentioned the Shamrock deal. I negotiated that. We had it done by noon because the President and Mulroney had to sign it a couple of hours later. My question to you is where does the upgrade of the north warning system now stand and having been in charge of the money in the Pentagon, do you have the money for it?

General O'Shaughnessy: One, thank you for negotiating that between President Regan and Prime Minister Mulroney. That system has been critical to us going forward. We are looking at what is the next step, what is the modernization of that. We have an analysis of alternatives that's a binational study being done now that is determining the best way forward.

My sense is there will be not only a reinvestment in the north warning system type approach but also bigger than that because we have to go beyond just having terrestrial based radars for awareness and the proliferation of Leo, the added capability and technology we now have, we're looking for an analysis of alternatives. Yes it is being looked at. The study is funded and we're looking at what is the output of that study shortly to see what is the way ahead that will work binationally in the broader structure.

Question: Professor of International Innovations at National Defence Academy of Japan. Two leaders of the United States emphasized the importance of extending existing rules based international order to the Arctic region and they emphasized the importance of the alliance cooperation to achieve that goal but mainly the discussion has been focused on the Atlantic region. How about in Asia?

Japan is a major US ally in Asia but it's not an Arctic country. What kind of role does the US expect or want to see from Japan? I would like to answer this question from Mr. Secretary.

Secretary Richard Spencer: Yes definitely, no, so this summer when we had our Arctic exercise up there that was the first time we've done up in quite some time. Next time we go up with our allies. Japan will be invited to come right along with us.

Question: (Off microphone)

Secretary Richard Spencer: A participant as a surface combatant where we could train together, integrate together and war game together.

Luiza Savage: Can you take us to that exercise? I'd love to hear more about it. What did you learn? I heard the seas were a little rough.

Secretary Richard Spencer: That was over in Trident Juncture which I talked about. The Seas were a little rough but I'll tell about what happened on the Pacific side was the Arctic did what it does so well. We learned a lot. We had helicopters on the back of one of our ships and we found out we had to slow down considerably because there was no hangar space for the helicopter. We had to travel at the max limits of what the wind speeds were for the helicopter.

We learned from that. Weather came in and it was aborted for three days. We really learned that like Mike Tyson says, a plan is really great until you get punched in the face. We got punched in the face a couple of times but that's what the Arctic is about. It's about a very austere and unforgiving climate.

Question: If I could ask I think you said you thought these issues were important but not alarming and the moderator said Mr. Secretary, alarm us. You went down the line and I noticed that none of you in your alarm said the actual melting of ice and the rising of the sea level and the melting of the permafrost. None of you said that was your principal alarm.

You focused on what countries are doing. Have you all planned that's baked in and there's nothing we can do about it? Is that why it didn't jump to mind as an alarm?

What is the consensus planning about 10, 20, 50 years and then the challenges that presents?

Espen Barth Eide: Very good question and thanks for asking. I was hoping to get there. The melting of the ice and the climate change is a very deep global concern. It's my number one concern these days and it's going to grow in our collective concern. We can see that in the Arctic because melt – 2 degrees warming of the globe means maybe 8 to 10 degrees warming of the high north and the deep south because of the nature of things.

We can see that very close and one particular effect and you mentioned the permafrost. People talk about the melting of the ice but the breaking up of the permafrost is very relevant for northern Russia because they're already seeing infrastructure that is built on what was believed to be fixed land is now literally breaking. Entire small towns are breaking apart. Roads are breaking apart which forces more of the domestic traffic to go out to the Arctic sea simply because there you can sail because the ice is gone.

It's a major change for Russia. It will probably come to Canada and all of us eventually but this is already very noticeable. We have to understand this is part of Russia's concern as well on the massive changes going on geophysical in their neighbourhood because of climate change. It's a big deal.

The ice is melting but also moving so there are parts of the Arctic where there will be more ice even if the total amount goes down because of current and several things which I can't explain but other people can. You have a significant movement device and as the Secretary mentioned fish prefer colder water so they will move away from where they used to be to the detriment of the fishermen there and then they will appear elsewhere. That can also create new questions and tensions.

Luiza Savage: In the Canadian north there's already a lot of climate change impacts. Do you want to speak to that?

Major General Harris: There is. I was going to ask you if my three daughters had called to tell you to yell at me about the environment and the Arctic because we have this conversation at my house quite often. We know the permafrost is melting. The ice is melting. The air is getting warmer.

Precipitation patterns are changing. Harmful UVB radiation is increasing exponentially. When the permafrost thaws gases come out. That causes more methane, more issues. NASA has said the polar ice caps are melting at 9% every decade. If you look at it that way we've lost 40% of the Arctic ice thickness since 1960 and 95% of the oldest documented ice is gone. 99% of our fresh water supply is in the Arctic and Antarctica.

When I look at climate change it's whole of government to try and figure out how we're going to stop that. More than that it's every nation in this room to figure out what are we going to do to stop what's happening in the Arctic. It's not simple. When we talk about it being complex it affects the rest of the world and it's a herculean effort to stop what we put in place, what's happening now.

Espen Barth Eide: Just a quick comment on – the ice that is already in water when it melts it doesn't raise the water level because it is water. The ice you should be worried about for sea rise is the Greenland ice and the Antarctic ice and the Himalaya ice. It will happen so we have a problem but it's not the floating ice because that just converts to another form of water. It's still a problem but a different problem.

Secretary Richard Spencer: We talked the whole of globe and I'd be remiss if I didn't bring this up. We talk about China to be very frank with you which benefits from its stature as a major country without the responsibility.

If you picked up this Friday's Financial Times you saw that China is going to light up as many coal generation facilities that will negate all the positive carbon remediation we've done in the globe. That is not a responsible member of the community. And they signed the Paris Accord, square that with me. The video doesn't match the audio.

Luiza Savage: I think it's also interesting that they are moving so rapidly, much more rapidly than anyone else towards electrification and just having talked to the head of the NRDC and in China said in the last five years the steps they've taken, few people are aware of but on reducing the reliance on coal is ahead of where they thought they'd be. I think it's a complicated question.

Secretary Richard Spencer: Saying one thing, doing another.

Espen Barth Eide: There is a lot to be said about China and we're saying it here but on the front I happened to come from China yesterday discussing exactly these things. There is a massive focus now on electrification of everything. This is real facts. There's more newly installed electrical power from clean energy in China alone than the rest of the world combined over the last couple of years.

There's a massive plan for a green change in China. The problem is China's growth has been so fast so they're the worst in class and best in class at the same time. Emissions go up because they continue to grow but there is also a strategy to do something about it.

I am less worried about this particular facet of China after spending a week there talking about these issues. I saw the article but it doesn't fit with my impression and I would also say for the first time in many years I saw a blue sky over Beijing. It used to be gray. Something is happening.

Question: (Unintelligible) from the Council on Foreign Relations. On this point I would say CO2 emissions in China have increased over each of the past three years. It's not just about what China is doing inside the country but they are exporting over 100 coal fired power plants to the belt and road project. I tend to align myself with Mr. – Oh, I just forgot your name.

Here's my comment on the Arctic. I understand the rationale for bringing China into – granting it observer status but I think that's not where China is going to stop. If you think about this in the context of Xi Jinping's call to lead in the reform of global governance I think you can look at its comments about climate change for example and

what's taking place in the Arctic with regard to climate change means it cannot be managed by the Arctic Council members themselves.

With resources in climate change they're going to need to broaden the group that is addressing Arctic related issues. This is a first step just as a callout, a first step to China trying to increase its role in the decision making elements of the Arctic.

Somebody raised the point about the polar belt and road and what we've seen is there's been a move from the economic elements of the belt and road to security elements, with the ports, airports etc. I'm wondering whether you see the potential for that happening in the Arctic, that is China's economic role grows which it is, that it will begin to say things like we need to have our military presence in order to protect our resources and our people.

General O'Shaughnessy: I'll take a shot at that. I'll start out with the (unintelligible), a Chinese research vessel that has repeatedly been going into the Arctic. We see that as the probable precursor to additional Chinese military operations within that. Yes we do see potential for Chinese military activity there and obviously we are concerned with that and would want to be able to respond.

Secretary Richard Spencer: I think the whole dynamic does change as the ice departs because if it becomes a maritime commons the Arctic Council takes a whole different taxonomy.

Luiza Savage: You were talking about the Arctic Council. Is China satisfied now with its observer status or do you expect to see them want to get an actual seat at the table or other countries who might want to join?

Espen Barth Eide: Those from the Council will decide. I don't think we're going to offer seats to any country that isn't an Arctic country. That's part of the logic of the Arctic Council. I agree. China will take a broader interest by all means. That's absolutely clear but there is a difference between the Arctic and other areas who are trying to engage us.

There's a limited number of countries in the Arctic – Russia, I don't think they will sell ports to China but if they do we can't do much about it but I doubt it. I don't think Canada or the US will. We will definitely not. As we know there's been questions about it in Greenland and Iceland at least previously. That we're watching.

It's not like a bunch of weak failing states with high depth up there. Let's remember it's a different area. You simply can't do what China is doing in many other parts because those countries don't exist. If we agree that Russia is at least a well-organized state even if it's not organized as we would want it, it means all the Arctic states are reasonably centrally controlled organized states that can make decisions.

That's a big difference and I think it matters in this context when we make this comparison with the belt and road because that's not the case for the whole of the (unintelligible) and South Asia and so on.

Luiza Savage: Thank you all. I'm sorry we've run out of time. This has been wonderful. We've learned a lot and we've learned that we're not quite alarmed yet but this is an issue that's rising up the priority list. Obviously we can expect a lot more investment in capabilities and research and a lot more discussion on these topics and a lot more rethinking of what is the role for cooperation versus a competition.

Espen Barth Eide: Deal with it early and we avoid the alarm.

(Applause)