

Technology, climate change spark race to claim Arctic resources

By Doug Mellgren, Associated Press

HAMMERFEST, Norway — Barren and uninhabited, Hans Island is very hard to find on a map.

Yet these days the Frisbee-shaped rock in the Arctic is much in demand — so much so that Canada and Denmark have both staked their claim to it with flags and warships.

The reason: an international race for oil, fish, diamonds and shipping routes, accelerated by the impact of global warming on Earth's frozen north.

The latest report by the U.N. Intergovernmental Panel on Climate Change says the ice cap is warming faster than the rest of the planet and ice is receding, partly due to greenhouse gases. It's a catastrophic scenario for the Arctic ecosystem, for polar bears and other wildlife, and for Inuit populations whose ancient cultures depend on frozen waters.

But some see a lucrative silver lining of riches waiting to be snatched from the deep, and the prospect of timesaving sea lanes that could transform the shipping industry the way the Suez Canal did in the 19th century.

The U.S. Geological Survey estimates the Arctic has as much as 25% of the world's undiscovered oil and gas. Moscow reportedly sees the potential of minerals in its slice of the Arctic sector approaching \$2 trillion.

All this has pushed governments and businesses into a scramble for sovereignty over these suddenly priceless seas.

Regardless of climate change, oil and gas exploration in the Arctic is moving full speed ahead. State-controlled Norwegian oil company Statoil ASA plans to start tapping gas from its offshore Snoehvit field in December, the first in the Barents Sea. It uses advanced equipment on the ocean floor, remote-controlled from the Norwegian oil boom town of Hammerfest through a 90-mile undersea cable.

Alan Murray, an analyst with Wood Mackenzie in Moscow, said most petroleum companies are now focusing research and exploration on the far north. Russia is developing the vast Shkotman natural gas field off its Arctic coast, and Norwegians hope their advanced technology will find a place there.

"Oil will bring a big geopolitical focus. It is a driving force in the Arctic," said Arvid Jensen, a consultant in Hammerfest who advises companies that hope to hitch their economic wagons to the northern rush.

It could open the North Pole region to easy navigation for five months a year, according to the latest Arctic Climate Impact Assessment, an intergovernmental group. That could cut sailing time from Germany to Alaska by 60%, going through Russia's Arctic instead of the Panama Canal.

Or the Northwest Passage could open through the channels of Canada's Arctic islands and shorten the voyage from Europe to the Far East. And that's where Hans Island, at the entrance to the Northwest Passage, starts to matter.

The half-square-mile rock, just one-seventh the size of New York's Central Park, is wedged between Canada's Ellesmere Island and Danish-ruled Greenland, and for more than 20 years has been a subject of unusually bitter exchanges between the two NATO allies.

In 1984, Denmark's minister for Greenland affairs, Tom Hoeyem, caused a stir when he flew in on a chartered helicopter, raised a Danish flag on the island, buried a bottle of brandy at the base of the flagpole and left a note saying: "Welcome to the Danish island."

The dispute erupted again two years ago when Canadian Defense Minister Bill Graham set foot on the rock while Canadian troops hoisted the Maple Leaf flag.

Denmark sent a letter of protest to Ottawa, while Canadians and Danes took out competing Google ads, each proclaiming sovereignty over the rock 680 miles south of the North Pole.

Some Canadians even called for a boycott of Danish pastries.

Although both countries have repeatedly sent warships to the island to make their presence felt, there's no risk of a shooting war — both sides are resolved to settle the problem peacefully. But the prospect of a warmer planet opening up the icy waters has helped push the issue up the agenda.

"We all realize that because of global warming it will suddenly be an area that will become more accessible," said Peter Taksoe-Jensen, head of the Danish Foreign Ministry's legal department.

Shortcuts through Arctic waters are no longer the stuff of science fiction.

In August 2005, the Akademik Fyodorov of Russia was the first ship to reach the North Pole without icebreaker help. The Norwegian shipyard Aker Yards is building innovative vessels that sail forward in clear waters, and then turn around to plow with their sterns through heavier ice.

Global warming is also bringing an unexpected bonus to American transportation company OmniTrax Inc., which a decade ago bought the small underutilized Northwest Passage port of Churchill, Manitoba, for a token fee of about \$8.

The company, which is private, won't say how much money it is making in Churchill, but it was estimated to have moved more than 500,000 tons of grain through the port in 2007.

Managing director Michael Ogborn said climate change was not something the company thought about in 1997.

"But over the last 10 years we saw a lengthening of the season, which appears to be related to global warming," Ogborn said. "We see the trend continuing."

Just a few years ago, reports said it would take 100 years for the ice to melt, but recent studies say it could happen in 10-15 years, and the United States, Canada, Russia, Denmark and Norway have been rushing to stake their claims in the Arctic.

Norway and Russia have issues in the Barents Sea; the United States and Russia in Beaufort Sea; the U.S. and Canada over rights to the Northwest Passage; and even Alaska and Canada's Yukon province over their offshore boundary.

Canada, Russia and Denmark are seeking to claim waters all the way up to the North Pole, saying the seabed is part of their continental shelf under the 1982 United Nations Convention on the Law of the Sea. Norway wants to extend its claims on the same basis, although not all the way to the pole.

Canada says the Northwest Passage is its territory, a claim the United States hotly disputes, insisting the waters are neutral. Canadian Prime Minister Stephen Harper has pledged to put military icebreakers in the frigid waters "to assert our sovereignty and take action to protect our territorial integrity."

Politics aside, there are environmental concerns. Apart from the risk of oil spills, more vessels could carry alien organisms into the Northwest Passage, posing a risk to indigenous life forms.

The Arctic melt has also been intensifying competition over dwindling fishing stocks.

Fish stocks essential to some regions appear to be moving to colder waters, and thus into another country's fishing grounds. Russian and Norwegian fishermen already report catching salmon much farther north than is normal.

"It is potentially very dramatic for fish stocks. They could move toward the North Pole, which would make sovereignty very unclear," said Dag Vongraven, an environmental expert at the Norwegian Polar Institute.

Russia contests Norway's claims to fish-rich waters around the Arctic Svalbard Islands, and has even sent warships there to underscore its discontent with the Norwegian Coast Guard boarding Russian trawlers there.

"Even though they say it is about fish, it is really about oil," said Jensen, the consultant in Hammerfest.

In 2004, Russian President Vladimir Putin called the sovereignty issue "a serious, competitive battle" that "will unfold more and more fiercely."

With all the squabbling over ownership, Tristan Pearce, a research associate at the University of Guelph's Global Environmental Change Group in Canada, reminded Arctic nations of who got there first: indigenous peoples like the Inuits and the Sami.

"Everybody is talking about the potential for minerals, diamonds, oil and gas, but we mustn't forget that people live there, all the way across the Arctic," he said. "They've always been there and they have a major role to play."

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