Björn Bjarnason,
Minister of Justice,
Iceland.

Climate Change and
Iceland's Role in North Atlantic Security,
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John F. Kennedy School of Government,
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Let me begin by saying that it is an honour and a pleasure for me to be here today at the Belfer Center of the John F. Kennedy School of Government. I thank you for giving me the opportunity to return to the school after my stay here in May 2000. And of course, I should like to greet all the distinguished guests who are present to hear my remarks.

In May 2000, I took part in a leadership course here at the Kennedy School on how to deal with conflict and chaos in the 21st century.

At that time I was Minister of Education, Science and Culture, and for me it was a pleasant experience to be able to return to the classroom as a student and have some time for myself in order to be better prepared to deal with constantly changing political and governmental tasks.

One piece of advice we were given was to leave the dance floor occasionally and go up onto the balcony in order to see the whole picture and set a better course than is possible to do while one is engaged in the dance itself.

Your invitation to me to come here today has once again reminded me of this good advice, and in preparing my lecture I put it into practice. I went up onto the balcony and looked at trends and developments in the North Atlantic, including climate change, exploitation of the Arctic and changes in maritime activity from a geopolitical and security perspective, in particular as regards Iceland´s security, which is indissolubly intertwined with security in the North Atlantic region.

I know from first hand that you provide leadership in advancing policy-relevant knowledge about the most important challenges of international security and other critical issues where science, technology, environmental issues and international affairs intersect.

I applaud your abiding commitment to advance the public interest by training leaders and offering the right solutions to public problems.

With this in mind, I hope that my reflections today will give some added value to what you have to offer in reflection and insight when dealing with current issues of great importance.

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In my present position as a Minister of Justice, I have a number of responsibilities that relate to domestic and external security — the role of my ministry in this field could best be described by comparing it with your Department for Homeland Security. As maritime activity has immense importance for Iceland´s security, I will address here today a number of security issues that relate to maritime activity in the North Atlantic. The profile of these maritime security issues is changing in the North Atlantic due to climate change and, in its wake, the increased exploitation of oil and gas in the Arctic.

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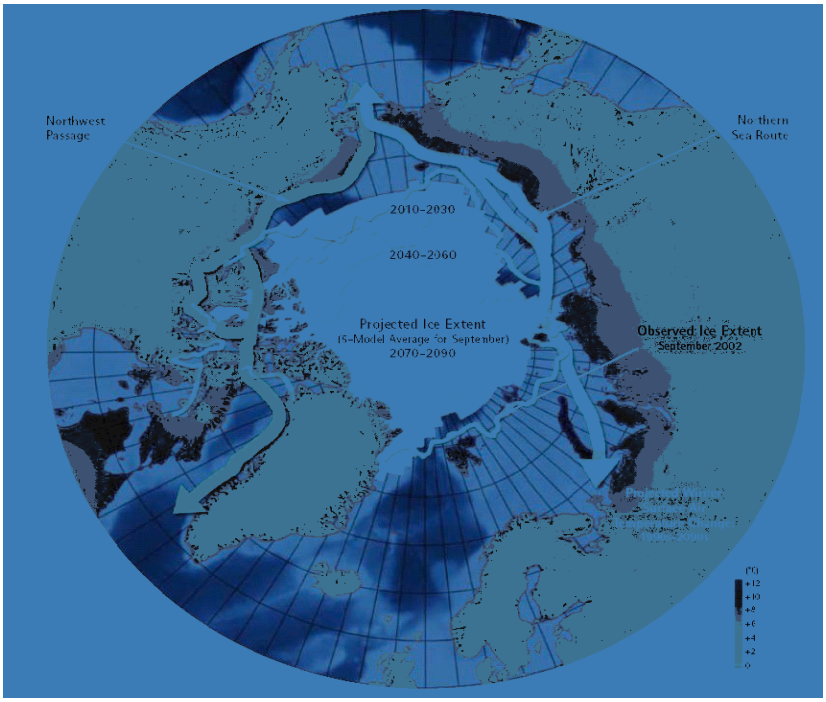

Warming of the climate system is evident from observations of increases in global average air and ocean temperatures, widespread melting of snow and ice, and rising global average sea level. Manifestations of climate change may not be predictable, but it has already had, and will continue to have, consequences in the North Atlantic, in particular for shipping with the opening up of new sea routes, and for fishing and for oil and gas extraction.

Iceland has strong and permanent interests in the region which contains rich and valuable natural resources. The fishing grounds alone are some of the most productive in the world and are an important source of fish for the world markets. Stability and high environmental standards in the North Atlantic region can only be obtained through the coordinated effort of all parties concerned, not the least those that are starting oil and gas exploration in their economic zones in the High North.

The northern reaches of the North Atlantic and the Arctic are emerging as a new oil and natural gas region for North America and Europe. The need for oil and gas continues to grow, and energy reserves in other areas continue to decline. Consequently, international interest in this part of the world and in its unexploited resources will increase, which in turn will require careful management of intergovernmental relations.

I see the international challenge that we all face as being how to mitigate the effects of climate change, while we maintain access to secure and affordable energy supplies for all.

Consequently, the common challenges to the northern reaches of the North Atlantic deserve greater attention.

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The prominent British naval historian and geostrategist on sea power, Sir Julian Corbett, formulated a naval strategy at the outset of the 20th century which was based on the assumption that what mattered most was the act of passage on the sea and not the physical destruction of the enemy. Protecting lines of communication was much more difficult to enforce at sea than on land due to the physical and geographical differences between sea and land. Corbett defined the two fundamental methods of obtaining control of the lines of communication as the actual physical destruction or capture of enemy warships and merchant vessels, and a naval blockade. Today, this concept is defined as sea control.

Sea control of the North Atlantic was a key requirement for victory in the Second World War, and even before Pearl Harbour, Churchill managed to get Roosevelt and the US Fleet involved by extending its activities as far as Iceland and replacing the British occupational force in Iceland as early as July 1941. From then on until September 2006, the USA maintained some kind of military presence in Iceland — for some 65 years altogether.

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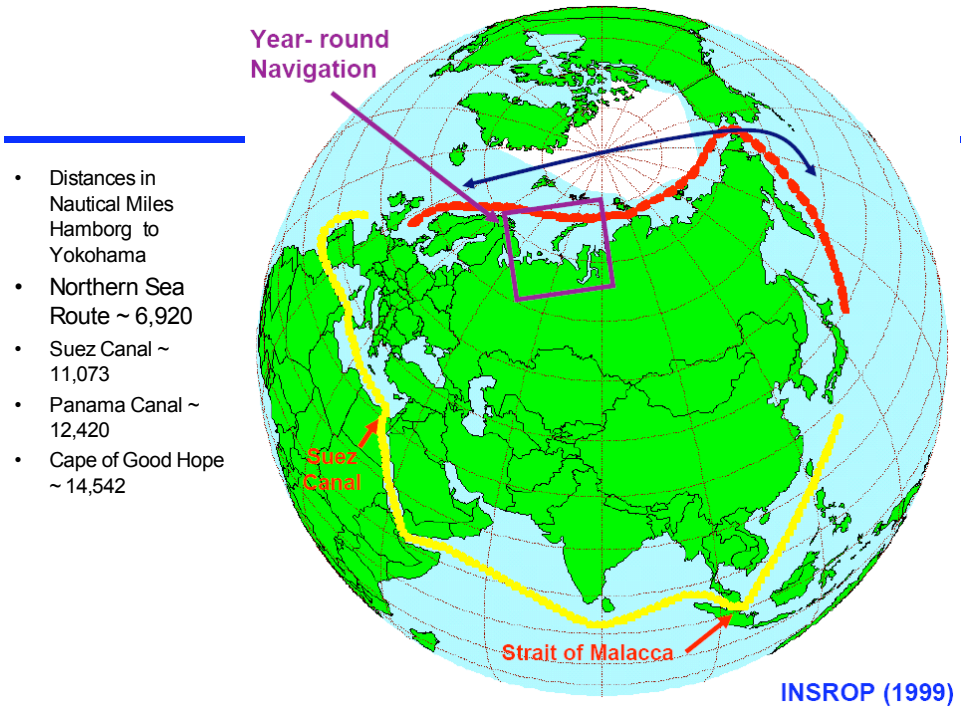
In this year's State of the Union address, President Bush warned that America´s dependence on foreign oil left the nation vulnerable to hostile regimes, and to terrorists, who can cause massive disruption of oil shipments and raise the price of oil, so doing great harm to the American economy.

In my view, the United States needs to pay great attention to energy security in the North Atlantic, as more oil and natural gas is making its way to the United States from suppliers in Norway and in Russia.

The Arctic area is at present heating up twice as fast as the rest of the Earth. The consequences of this will be profound; some of them will be positive in certain ways for us who live in the North. An ice-free Arctic Ocean in summer seems to be assured at some stage; exactly when it will happen could be from anywhere from ten to fifty years from now.



This will permit global maritime shipping across the High North in all but the coldest winter months. A new northern sea route between Europe and Asia would save 4,000 miles in the transport of goods.

The Barents Sea has an enormous potential for future fossil energy exploitation.

On 20 October this year, the gas tanker Arctic Princess took on its first load of 145,000 cubic meters of liquid natural gas (LNG) from the Norwegian Snohvit-field at Melköya, near Hammerfest in Northern Norway. The Arctic Princess is 288 meters long and carries the LNG at a temperature of minus 163 degrees Celsius. A full cargo of LNG is said to be sufficient to cover the yearly energy consumption of all households in a city with a population of 45,000 people. Production at the new LNG plant is estimated at about 70 shiploads a year, and the gas is to be transported to Spain and the United States.

When the Arctic Princess or her sister vessels sail from Northern Norway to North America, some 5,300 miles away, they will pass through Icelandic waters in the Greenland, Iceland, Faroe Isles gap.

In terms of volume, shipping is the most important single mode of transport in world trade. As is stated in the new US Maritime Strategy: "70% of the world is water, 80% of the world's population lives on or near the coastline and 90% of our commerce sails across it. Any disruption in that chain caused by instability has a direct impact on American quality of life."

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This underlines the need to understand and assess from a security perspective the scope of climate change, its implications in the North Atlantic and the policy options that are available to Iceland, to the United States and the other NATO allies.

In 2003, the OECD issued a report on maritime security, looking at it from an economic point of view. This stated that the maritime transport system *is* vulnerable to being targeted and/or exploited by terrorists. A major attack, especially a well-co-ordinated one, could result in the entire system being shut down as governments scramble to put the appropriate security measures in place. These measures could be drastic, including, for example, the complete closure of ports, and inefficient, for example duplicative and lengthy cargo checks in both originating and receiving ports. The cost of such an attack would probably be measured in tens of billions of dollars (*e.g.* up to USD 58 billion for the United

States *alone*). It is precisely for these reasons that governments have sought to strengthen their security dispositions *vis-à-vis* maritime transport.

Senator Richard Lugar has said that US dependence on imported oil has put the United States in a position that no great power should tolerate. US economic health is subject to forces far beyond US control, he says, including the decisions of hostile countries. The US has maintained a massive military presence overseas, partly to preserve its oil lifeline.

With this, and the growing importance of the oil lifeline from the Barents Sea to North America in mind, I find it a short-sighted decision by the US to withdraw all its forces from Iceland last year. The Achilles heel of the oil and gas industry has always been safe transportation.

With its vast energy resources and new East-West energy transport corridors, the High North of Europe will become one of the key regions in the global economy. The Arctic and the Barents Sea will become one of the most dynamic economic development areas of NATO, and an area of crucial importance to the European Union, the United States and Canada. The interests of this region, both locally and globally, are a transatlantic issue that can only be dealt with as part of a strong and realistic security policy on the part of NATO.

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Over 10 million tons of oil and oil-derived products are currently processed through the Arctic ports in western Russian each year, and by 2015, annual oil traffic is expected to reach the level of 40 to 45 million tons.

Murmansk, Russia's only all-year ice-free Arctic port, is now called "Russia's northern energy gateway" by Russian diplomats and has been chosen to become the key element in the entire transport system in the Russian North. According to the General Plan for the development of the Murmansk transport junction, cargo traffic on the eastern shore of the Kola Bay is expected to reach 60 million tons per year by 2015, and by the same date, traffic on the western shore is expected to rise to as much as 43 million tons per year as a result of the development of the railroad network. This means the total volume of cargo traffic through Murmansk will be over 100 million tons by 2015.

As Russia's economic strength has increased due to rises in the price of oil and gas, it has been asserting its influence in the High North more and more. The world's attention was drawn to this at the beginning of August this year when the Russian flag was planted on the seabed beneath the North Pole. Movements of Russian bombers have also drawn attention to the fact that what is taking place in the Kola Peninsula is no longer the decommissioning of military installations but rather their renewal and development. Although all this can be seen as an attempt on the part of the Kremlin to boost the confidence of the Russian people, there is a geopolitical dimension to it all which must be given further attention.

Russia's military budget has increased six-fold since the turn of the century and its intelligence has penetrated all corners of Europe, according to a new study just published by the European Council on Foreign Relations.

In this context I want to draw your attention to a statement made by the Russian Foreign Minister, Sergey Lavrov, on Russia's large role in the global energy sector. Last July he said in an article: "Russia does, however, consider energy to be a strategic sector that helps safeguard independence in its foreign relations. This is understandable given the negative external reactions to Russia's strengthened economy and enlarged role in international affairs, in which Russia lawfully employs its newly gained freedom of action and speech. It should not be criticized by those who frown on a stronger Russia."

Robert Larsson, from the Swedish Defence Research Agency, has identified 55 instances of energy cut-offs by Russia between 1992 and 2006. While technical problems or accidents were offered as explanations for all these cut-offs, Robert Larsson found that most of them happened at times when Russia wanted to achieve some political or economic objectives, such as influencing elections or obtaining control of energy infrastructure in countries such as the Baltic states, Belarus, Ukraine, Moldova or Georgia.

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Russia´s growing geo-politcal strength, with an increasingly assertive political leadership bent on advancing the national interest of Russia on the global stage, has three pillars to rest on: energy, nuclear weapons and a different approach to the use of power in international relations.

When Russia's ambassador to Iceland was asked, a few weeks ago, about the purpose of recent flights by Russian bombers around Iceland or along the coast of Norway down into the North Atlantic to the neighbourhood of Denmark and even the Netherlands, his reply was that Iceland would have to get used to this air activity, since notice of it had been given by President Putin on 17 August. It seems to be Russia's intention to let this air activity become part of the normal situation in the GIUK-gap — NATO's front line during the cold war.

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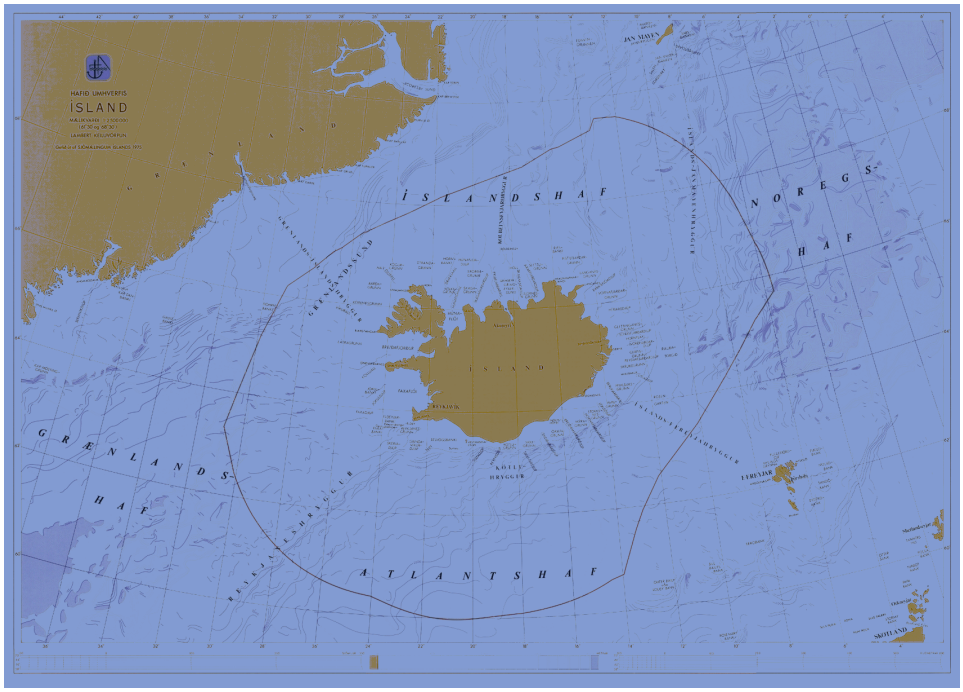

Iceland does not have any armed forces of its own and has no plans to set up its own military. I am the only cabinet minister who has argued that our policy as a sovereign nation should be to create our own military defense capability, however limited in scope or size. Nevertheless, we take very seriously the international obligations that stem from our national sovereignty and independence. We are very much aware of the fact that the sea routes used in transporting energy to the US from Russia and Norway lie through Icelandic waters, which makes our geographical position a key factor in ensuring security in the North Atlantic and, in fact, in ensuring the energy security of the US. We have made, and will continue to make, our contribution to cooperation and stability in the North Atlantic region.

Global terrorism, the spread of weapons of mass destruction, climate change, fragile energy security, organized crime, global drug cartels and networks for trafficking in human beings, illegal immigrants, failed states, resource pressure and global pandemics — all these are threats that we in Iceland are faced with, just as our allies are, albeit perhaps on a different scale.

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Military might is not the sole solution to these threats, even though it still has an important geopolitical role to play. The security of our citizens now increasingly depends on law enforcement on land and sea; immigration and border control, maritime and air traffic control, intelligence gathering and police activity; in other words, on contributions from civil law-enforcement institutions.

This approach is underlined in the Memorandum of Understanding signed by the US and Icelandic Governments on the withdrawal of US forces from Iceland. This stresses the need for stronger ties and cooperation in these fields, i. e. between the US Department for Homeland Security and the Icelandic Ministry of Justice and the institutions under their administration.

The nature of collaboration on security between Iceland and the United States has undergone a substantial change. The emphasis has shifted from national defence, in the traditional sense, to civil or homeland security, in which civil institutions will be increasingly involved, i.e. collaboration with the US Coast Guard, the FBI and customs and immigration authorities. Under international regulations on safety in aviation and shipping, security in these areas is now the responsibility of the civil authorities, both in Iceland and elsewhere.

As Minister of Justice, responsible for Iceland's police, Coast Guard, civil defence, immigration and border control, I have defined three main priorities in introducing

reform and modernization and addressing the need to ensure an active Icelandic contribution towards coordinated security efforts in the North Atlantic. These are:

- Increased capacity of key security institutions.
- Coordination of national security operations.
- An international dimension, in particular involving collaboration between key national security institutions and their counterparts in our neighbouring countries.

It has been my task to restructure the police and the Coast Guard in order to take on new responsibilities. Decisions have been taken to purchase a new fixed-wing coastguard aircraft and to build a new 4,000-ton patrol vessel; both are scheduled to be operational in 2009. A collaboration agreement between the governments of Iceland and Norway aims for a joint Norwegian-Icelandic tender for specially-designed long-range search and rescue helicopters — two or three of them for the Icelandic Coast Guard.

Iceland's contribution towards security in the North Atlantic is of a civil nature.

General Sverre Diesen, the Norwegian Chief of Defence, has recently stressed that even though all the changes in the High North are obviously security related, "they are at the same time very different from the strategic parameters of the cold war period, and consequently they are also different in terms of their potential for military conflict."

From his point of view, a confrontation in the Arctic would in all probability somehow be about the right to collect and exploit natural resources in the international waters and on the seabed of the polar region, be they energy or food resources — or about the command of the sea lanes of communication to and from the Arctic. A certain military presence should be maintained in the region, sending a signal about a nation's interests and ambitions in a given area, since a military vacuum could be misinterpreted as a lack of national interest and priority.

The Norwegian general stressed the need to draw a clear line between the different state agencies employed specifically for resource jurisdiction and conventional military forces. It should be kept in mind, he pointed out, that coast guards, border guards and similar organisations and agencies operate within a political, strategic and judicial framework that is different from that in which military forces operate. This means that there is no credible — or for that matter desirable — link between using a coastguard vessel and deploying a frigate to exercise resource jurisdiction, should the coastguard vessel prove insufficient. This would only serve to lower the

threshold of legitimate intervention by military forces and would consequently play into the hands of the militarily stronger power — instead of referring the matter to be brokered in the proper international bodies and organisations. Conventional military forces should therefore be used with extreme caution, and preferably not at all, for resource management and jurisdiction purposes.

I agree with this analysis. It would not be in any state's interests to give occasion for military conflict in the High North; on the other hand, it is in the interests of all those who want to utilise natural resources, protect the natural environment and engage in profitable shipping operations in the region, to have in force the full security structures that are exercised by the civil authorities. In addition, international agreements are in force, providing a framework for the peaceful and lawful resolution of disputes concerning rights to natural resources and the continental shelf lying outside national jurisdictions.

The disputes, which may be imminent in regard to the control of maritime zones in the Arctic Ocean, may be solved within the framework of the UN Law of Sea Convention by taking note of three basic principles.

In the first place, neighbouring countries, two or more, need to solve any disagreement on the delimitation of their exclusive economic zones and continental shelves within 200 nautical miles, including the baselines used for calculating these zones.

In the second place, states need to reach an agreement on the division of the continental shelf in disputed areas beyond 200 nautical miles. Such an agreement may either entail a complete division or some kind of a joint exploitation area.

In the third place, neighbouring states need to present their submissions, or a joint submission, regarding the outer limits of the continental shelf beyond 200 nautical miles, to the Commission on the Limits of the Continental Shelf. On the basis of the recommendations of the Commission, the states may then determine the outer limits, i.e. the limits between the continental shelf and the international seabed area beyond, in a final and binding manner.

With this in mind it is to be welcomed that the United States is in the process of ratifying the UN Law of the Sea Convention — this will be the basis for Alaska's claim to natural resources beyond the US economic zone in the area.

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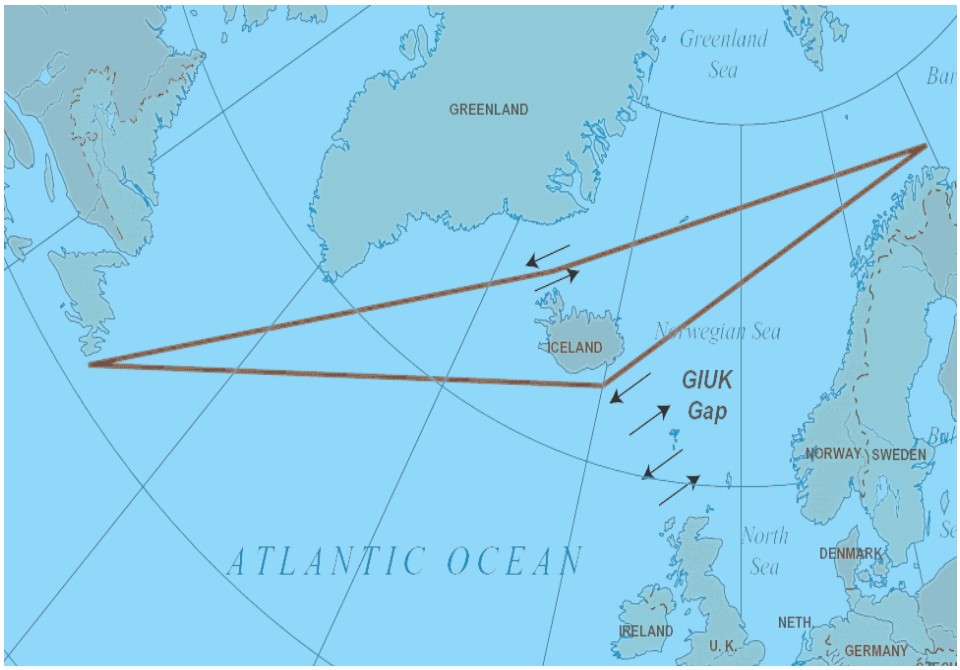

I consider it of great importance to strengthen cooperation between the Nordic countries situated in the west part of the GIUK gap, i.e. the Faroe Islands, Iceland and Greenland, to ensure, to the extent possible, the safety of shipping in that area.

Coordination of defence and security efforts in our region is a vital issue.

Iceland and Denmark have made an agreement on close cooperation in these fields. This was signed by me, on behalf of Iceland, and by Sören Gade, Minister of Defence, on behalf of Denmark, and covers fishing observation and reporting, pollution surveillance and the exchange of personnel.

Last April, Iceland signed political declarations on cooperation on security matters in the North Atlantic with Denmark, on the one hand, and with Norway on the other. Our civil institutions are key players in fulfilling the political intentions contained in these declarations. Discussions with Great Britain, Canada and Germany are in progress.

Furthermore, in the near future, Iceland will accede to the convention between Britain, the United States and Canada on search and rescue operations in the North Atlantic.

I welcome the recent establishment of the multilateral North Atlantic Coast Guard Forum, a new maritime security and safety organization in the North Atlantic and

the Arctic. The forum will provide a framework for North Atlantic coast guards to interact and cooperate.

This could lead to all kinds of innovations in the regional context, such as a standing coastguard force in the North Atlantic and the Arctic, with member nations providing vessels and crews.

One of the innovations might be **Regional Maritime Security Operations Centres** (MSOCs) throughout the North Atlantic Region to improve homeland security by enhancing the capabilities of the participating nations in the North Atlantic Coast Guard Forum to track, analyze and react to maritime threats. Canada is now leading an initiative that goes in this direction, and in Iceland we have agencies that could staff such a centre in Iceland around the clock and would have access to various information databases.

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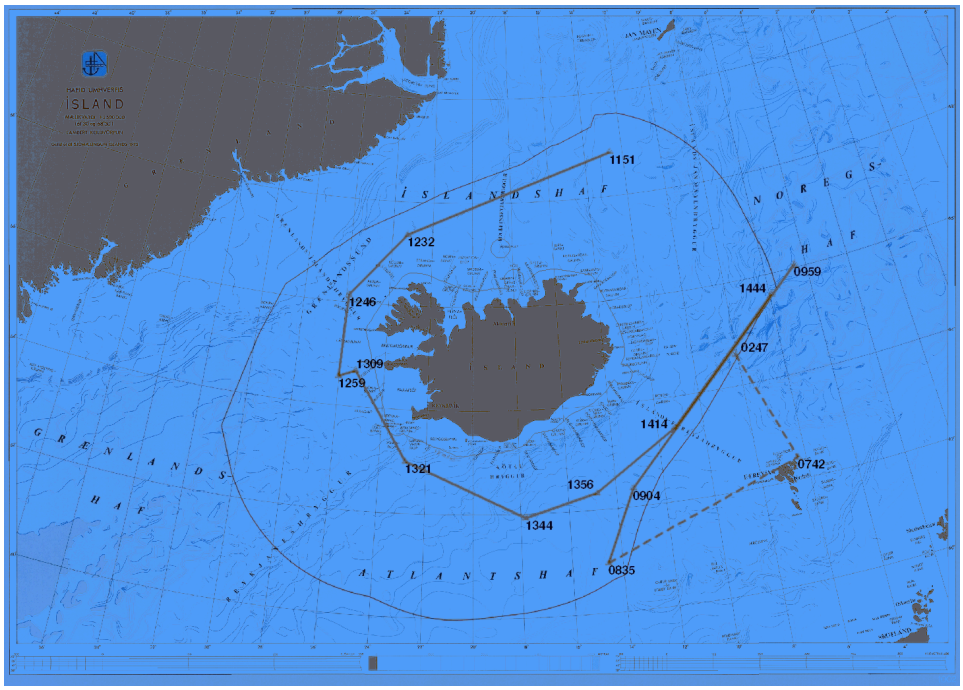
The departure of US military forces from Iceland has raised the question of whether US involvement in the security of the North Atlantic is over and even whether this could mark the beginning of the end of NATO — whether the trans-Atlantic ties are disappearing.

I do not share this view, but it underlines the geopolitical significance of the US decision which was labelled as a "monumental mistake" by a British Member of Parliament at a recent NATO Parliamentarians' Assembly meeting in Iceland.

A permanent US maritime presence in the North Atlantic is of vital importance to guarantee NATO's security interests, enforce international law and influence the international foreign policy process. The European Union has not formulated any maritime strategy for the North Atlantic.

The Russian bombers now flying over the North Atlantic are intercepted by the Norwegian and British air forces from their home bases in their respective countries. No one has replaced the US interceptors at Keflavik airport in Iceland.



NATO has decided to send some aircraft for air policing from Iceland. The first to decide to allocate planes were the French, who will operate from Keflavík for six weeks next year, with others following them until 2010.

That the French want to become active in our part of the world with aircraft that might intercept flights by Russian bombers is historically very interesting, as this has never happened before. This also confirms President Sarkozy's determination to involve France as an active partner in the military part of NATO after some 40 years' absence.

Iceland has two basic negotiated ties with the European Union. With Norway and Liechtenstein, and the 27 European Union states, it is a member of the European Economic Area — an area of free trade in goods, capital and services and the free movement of people. With Norway, Switzerland and the European Union states, Iceland is member of the Schengen scheme, which is becoming increasingly centred on cooperation on border control and policing, while at the same time opening up the internal borders between the member states.

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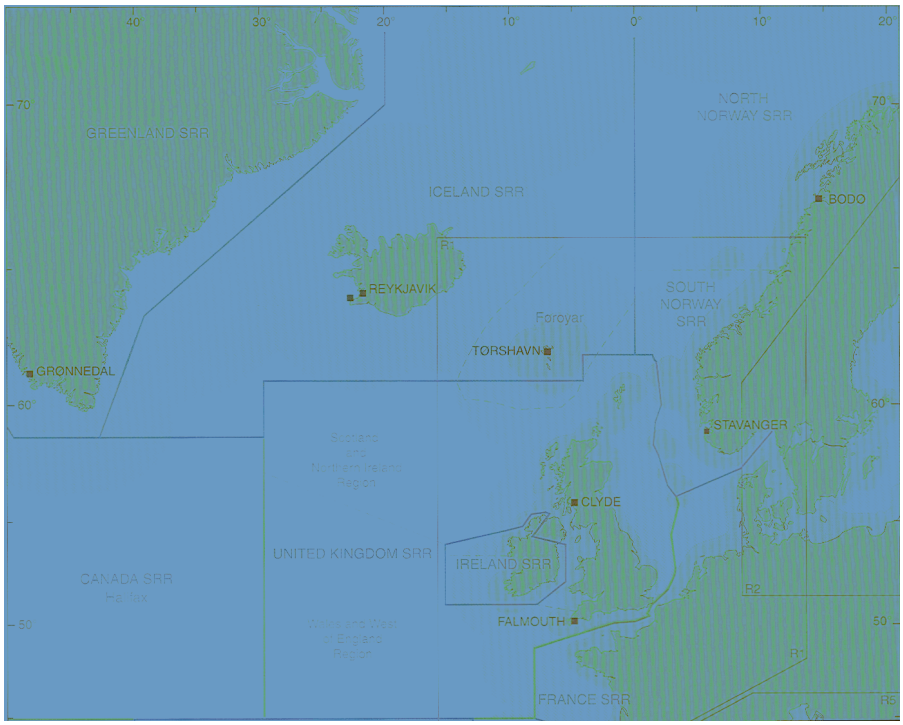

The changes we now face in the North Atlantic in security and defence matters have, as before to be considered with the geostrategy of sea control in mind. With the US military withdrawal from Iceland and the implications of climate change and increased energy transport, a new security concept has to be formulated to ensure sea control in the North Atlantic on behalf of those who see a need for a balance of maritime power in the region.

I urge the United States to take an active part and become involved in the new security developments taking place in the High North and the North Atlantic.

The new geopolitical factors emerging in the area — energy and increased Russian military activity — have vital implications for the United States, both for its own security in the broadest sense and for its position as a leading member of NATO.

Twenty years ago, attention was focussed on a new US Maritime Strategy in the North Atlantic, formulated under the leadership of President Ronald Reagan and its implications for strategic conditions in the High North. We now know that this strategy transformed the entire situation for the better. Soviet military power collapsed and the Soviet fleet and air force left the region.

Although military tension no longer dominates our analysis of the situation in the High North, it remains a matter of urgency and necessity to draw attention to what is happening in the region — in other words, on NATO's Northern Flank. We are

witnessing important changes in activity, both at sea and in the air, which may affect geopolitical interests in areas extending far outside the High North.

There is a need to conduct a review and devise a strategy that calls on NATO, and national coast guards and maritime industries to move to a higher level of maritime collaboration in the North Atlantic for the benefit of all.

Such a review will help define the role of maritime forces in the North Atlantic in protecting vital interests, and a new maritime strategy will highlight the role of NATO sea power in the advancement of the vital national interests of the North Atlantic partners.

The interests of the High North, both locally and globally, are a trans-Atlantic issue that can only be dealt with as part of a strong and realistic security policy and maritime strategy on the part of NATO.