

RELEASE IN FULL

**From:** Mills, Cheryl D <MillsCD@state.gov>  
**Sent:** Monday, June 4, 2012 3:28 PM  
**To:** H  
**Subject:** FW: Media Coverage: Secretary's Arctic Visit

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**From:** Hammer, Michael A  
**Sent:** Monday, June 04, 2012 2:27 PM  
**To:** Mills, Cheryl D  
**Cc:** Laszczych, Joanne  
**Subject:** Media Coverage: Secretary's Arctic Visit

The Secretary's visit to the Arctic was covered by all the major wire services (Reuters, AP, AFP). Major domestic outlets picked up the wire stories, including the Wall Street Journal, the Chicago Tribune, and the Atlanta Journal-Constitution, among others. VOA also reported on your Arctic trek.

The wire stories focused on the Arctic's vast natural resources and the international competition to secure them using new sea routes.

--Reuters quoted the Secretary as saying it is important to agree on "rules of the road in the Arctic so new developments are economically sustainable and environmentally responsible," and went on to describe the Administration's push to ratify the Law of the Sea treaty.

--The AP focused on the Secretary's message of cooperation: "Our goal is certainly to promote peaceful cooperation," and "committed to promoting responsible management of resources and doing all we can to prevent and mitigate the effects of climate change."

--The AFP focused on the Secretary's observation that many of the predictions about warming in the Arctic are being surpassed by the actual data, and quoted you as saying, "That was not necessarily surprising but sobering." It also relayed your support for the Arctic Council to deal with related questions.

And, as would be expected, there was extensive coverage in Norwegian press.

Wire stories below:

Reuters: Clinton tours Arctic as nations vie for resources

By Arshad Mohammed, Reuters June 4, 2012 – 9:20 AM ET

Saul LOEBSAUL LOEB/AFP/GettyImages

U.S. Secretary of State Hillary Clinton and Norway's Minister of Foreign Affairs Jonas Gahr Stoere (right), talk onboard the Arctic Research Vessel Helmer Hanssen while touring a fjord off of Tromsø, Norway, in the Arctic Circle, June 2, 2012.

TROMSØ, Norway — U.S. Secretary of State Hillary Clinton sailed on Saturday through a sliver of the Arctic Ocean, where the world's big powers are vying for vast oil, gas and mineral deposits becoming available as polar ice recedes.

Clinton boarded a research ship in Tromso, a Norwegian town north of the Arctic Circle, to illustrate U.S. interests in a once inaccessible region where resources are up now for grabs and new sea routes between Europe and Asia are opening up.

"A lot of countries are looking at what will be the potential for exploration and extraction of natural resources as well as new sea lanes," Clinton told reporters after taking a two-hour boat tour of the local fjord.

In the middle of an eight-day trip to Scandinavia, the Caucasus and Turkey, Clinton said it was important to agree on "rules of the road in the Arctic so new developments are economically sustainable and environmentally responsible."

On a blustery morning under mostly grey skies, Clinton and Norwegian Foreign Minister Jonas Gahr Stoere stood on the deck of the "Helmer Hanssen" research vessel and gazed at the fjord's pristine waters and surrounding snow-covered mountains.

The U.S. Geological Survey estimates that, beneath its unspoilt natural scenery, the Arctic holds about 13 percent of the world's undiscovered conventional oil and 30 percent of its undiscovered natural gas.

As ice melts with climate change, Arctic sea passages are also opening for longer periods each year, potentially cutting thousands of miles off trade routes between Europe and Asia.

Stoere described the Arctic as "a region which used to be frozen both politically and climatically, and now there is a thaw."

Key policies governing the Arctic are enshrined in the United Nations Convention on the Law of the Sea, which the United States has not ratified.

The Obama administration is making a fresh push to ratify the treaty, which gives the five coastal Arctic nations rights to exclusive economic zones 200 nautical miles from their coasts and lays out how they may claim areas beyond that limit.

Critics of the ratification say it would impinge on U.S. sovereignty.

Policies are also debated in the Arctic Council, an advisory body made up of the Arctic coastal states – Canada, Denmark, which handles foreign affairs for Greenland, Norway, Russia and the United States – along with Finland, Iceland and Sweden.

Other nations, including China, South Korea and Japan, want to become permanent observers to the council, illustrating the region's importance because of its estimated energy resources and its potential as a new shipping route.

While the cost of energy development could be double those of conventional onshore resources, that has not stopped the oil industry's big players from moving in.

Exxon Mobil is working with Russia's Rosneft to develop blocks in the Kara Sea, off Siberia, despite the presence of sea ice for up to 300 days a year.

Russia's Gazprom is working with Total of France and Norway's Statoil on the 4 trillion cubic metre Shtokman gas field, 550 km offshore in the Barents Sea.

But the rush for oil and gas has brought condemnation from environmental campaigners who say the rights of local people could be trampled.

They say more aggressive action is needed on issues such as fishing quotas and international standards for oil and gas development to protect the pristine, delicate region.

AP: Clinton urges cooperation in resource-rich Arctic

By BRADLEY KLAPPER

Associated Press

Saturday, June 2, 2012

TROMSO, Norway (AP) — U.S. Secretary of State Hillary Rodham Clinton on Saturday ventured north of the Arctic Circle and urged international cooperation in a region that could become a new battleground for natural resources.

On her trip to the northern Norwegian city of Tromso, she conveyed that message of working together in one of the world's last frontiers of unexplored oil, gas and mineral deposits. The region is becoming more significant as melting icecaps accelerate the opening of new shipping routes, fishing stocks and drilling opportunities.

To safely tap the riches, the U.S. and other countries near the North Pole are trying to cooperate to combat harmful climate change, settle territorial disputes and prevent oil spills.

"The world increasingly looks to the North," Clinton told reporters after a two-hour boat tour of the nearby Balsfjord and meeting with Arctic scientists. "Our goal is certainly to promote peaceful cooperation," she said, adding that the U.S. was "committed to promoting responsible management of resources and doing all we can to prevent and mitigate the effects of climate change."

At the least, the U.S. and the other Arctic nations hope to avoid a confrontational race for resources. Officials say the picture looks more promising than five years ago when Russia staked its claim to supremacy in the Arctic and its \$9 trillion in estimated oil reserves by planting a titanium flag on the ocean floor.

The United States does not recognize the Russian assertion and has its own claims, along with Denmark, Norway and Canada, while companies from Exxon Mobil Corp. to Royal Dutch Shell PLC want to get in on the action. China also is keeping a close eye on the region.

Moscow has eased tensions somewhat by promising to press any claims through an agreed U.N. process. But Washington has yet to ratify the 1982 Law of the Sea treaty regulating the ocean's use for military, transportation and mineral extraction purposes.

With 160 countries having signed on, the Obama administration is making a new push for U.S. Senate approval. Refusal puts the U.S. at risk of getting frozen out of its share of the spoils.

Arguing for its ratification at a recent Senate hearing, Clinton said the treaty would offer the U.S. oil and gas rights some 600 miles into the Arctic. She said American companies were "equipped and ready to engage in deep seabed mining," but needed to join the treaty to take exploit oil, gas and mineral reserves.

On Saturday, in the eight-nation Arctic Council's home city, she stressed that the international agreement "sets down the rules of the road that protect freedom of navigation and provides maritime security, serving the interest of every nation that relies on sea lanes for commerce and trade."

The Arctic's warming is occurring at least twice as fast as anywhere else, threatening to raise sea levels by up to 5 feet this century and possibly causing a 25 percent jump in mercury emissions over the next decade. The changes could threaten polar bears, whales, seals and indigenous communities hunting those animals for food, not to mention islands and low-lying areas much farther away, from Florida to Bangladesh.

The changing climate also is changing the realm of what is possible from transportation to tourism, with the summer ice melting away by more than 17,000 square miles each year. During the most temperate days last year, only one-fifth of the Arctic Circle was ice-covered. Little of the ice has been frozen longer than two years, which is harder for icebreakers to cut through.

Europeans see new shipping routes to China that, at least in the warmth and sunlight of summer, are 40 percent faster than traveling through the Indian Ocean, the Suez Canal and the Mediterranean Sea. A northwest passage between Greenland and Canada could significantly speed cargo traveling between the Dutch shipping hub of Rotterdam and ports in California.

The Arctic Council is hoping to manage the new opportunities in a responsible way. It includes former Cold War foes U.S. and Russia, but Norwegian Foreign Minister Jonas Gahr Stoere said governments were prepared to deepen cooperation "in a region that used to be frozen, both politically and climatically."

"Now there is a thaw," he said.

Last year in Greenland, Clinton and her counterparts from other nations took a small step toward international cooperation by agreeing to coordinate Arctic search-and-rescue missions for stranded sailors and others.

Officials are now trying to enhance the cooperation, including through joint plans to prevent oil spills in an environment that would make cleanup a logistical nightmare.

The U.S. has been championing measures such as shifting away from dirty diesel engines, agricultural burning and hydrofluorocarbons to lessen the effect of short-lived greenhouse gases that are a particularly potent source of climate change in the Arctic.

AFP: Clinton in Arctic to see impact of climate change

By Jim Mannion (AFP)

June 2, 2012

TROMSOE, Norway — US Secretary of State Hillary Clinton took a first-hand look Saturday at the way a warming climate is changing the Arctic, opening the region to competition for vast oil reserves.

Experts here estimate the value of the Arctic's untapped oil alone -- not including natural gas and minerals -- at \$900 trillion, making it a huge prize for the five countries that surround the Arctic if they can reach it.

And with climate warming opening up some 46,000 square kilometres (18,000 square miles) a year that had once been bound in ice, the region is expected to burst open, not just with oil exploration but with East-West trade along a more accessible northern route.

Returning from a tour of the Arctic coastline aboard a Norwegian research trawler with scientists and government officials, Clinton told reporters that she learned "many of the predictions about warming in the Arctic are being surpassed by the actual data."

"That was not necessarily surprising but sobering," she said.

The United States wants to see that change managed by the Arctic Council, an advisory group composed of the Arctic's closest neighbours, even as other countries, among them China, are drawn to the region for oil, gas and trade.

"A lot of countries are looking at what will be a potential for exploration and extraction of natural resources, as well as new sea lanes, and are increasingly expressing interest in the Arctic," Clinton said.

"We want the Arctic Council to remain the premier institution that deals with Arctic questions."

The council has its headquarters in Tromsø, a university town of 70,000 people inside the Arctic Circle that is now emerging as a hub for research and increasingly oil and gas exploration of the region.

"Governance has to keep pace with these changes," Foreign Minister Jonas Gahr Støer, who accompanied Clinton on her visit here, told reporters.

Despite worries that a thawing Arctic could set off a "Great Game" among powers seeking to carve out their slice of undersea riches, experts here say that under the Law of the Sea only five countries can lay claim to most of it.

They are Russia, which has about half the Arctic coastline, Canada, Norway, Denmark and the United States.

Each has a coastline on the Arctic giving it exclusive economic rights to all undersea resources going out 200 nautical miles. Beyond that limit, they can lay claim to the rights to the seabed as far as the continental shelf extends from their territory.

In the case of those five countries, experts here estimate that their seabed rights together will encompass more than 90 percent of the Arctic, leaving a small central portion as high seas open to other comers.

Norway has already won UN approval for its claim to Arctic seabed and has begun producing oil in some areas.

Russia's claim was rejected for lack of detailed documentation, but it is expected to return to the UN authority that manages the process with its claims this year or next.

The United States is not a signatory to the Law of the Sea Convention, so must wait for everyone else's claims to be adjudicated, a process that officials say could take 15 years, delaying development of its area.

But even countries with no territorial claim to the Arctic are being drawn to the region because, as the ice melts, northern shipping routes are opening between Europe and Asia that cut the distance between them by 40 percent.

A big player is expected to be China, which already has made overtures to Greenland and Iceland, seeking not just access to minerals like rare earths and energy but also ports as it extends its trade lines across the Arctic.

"Everyone is interested in the moves that China is making," said Gunhild Hoogenes Gjørv, a political scientist at the University of Tromsø.

"I think it's interesting because so often, for so long the Arctic has been ignored," she said.

Analysts believe that as much as 70 percent of the trade that could in the future move across the Arctic between Europe and Asia will be to and from China.

Currently, that trade is tiny -- just four ships two years ago and 32 ships last year -- but some officials expect it to grow exponentially with as many as 600 to 700 ships a year by 2013.

And US officials believe that the thawing of the ice has significant military implications since more naval and air assets will be needed to protect sea lanes and other strategic interests.

Gjørv, however, says fears of military conflict over the Arctic's riches are overblown, because so many players have a strong interest in cooperating with each other.

"Just thinking about military protection is very narrow," she said. "It just doesn't take on board all the changes that are happening here."