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Breaking an Ice-Bound U.S. Policy: A Proposal for Operating in the Arctic

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The United States is losing the race to protect its own interests in the Arctic region. It is important to create a sensible policy to field an adequate fleet of U.S.-owned ice-breakers. An adequate, competent, and sustainable fleet is the key to maintaining American presence in the region, protecting U.S. sovereignty, working with allies, and rebuilding the nation's edge in global commerce.

Making America more competitive at a time when Washington is looking to cut corners in federal spending requires creative solutions to demanding problems. The U.S. can jump-start its fleet by privatizing ice-breaker operations and using ships as platforms for national security and federal scientific activities. This initiative would save federal dollars by eliminating old, inadequate, and expensive-to-operate assets while greatly expanding U.S. capacity to operate in the Arctic.

Adapting to a Changing World. Global shipping patterns will change in the years ahead. Melting of Arctic ice will open up new passages for transit, offering significantly shorter routes between Europe and North America and the Pacific—perhaps up to 40 percent faster sailing times and significant fuel savings and emissions reductions. Seasonal commercial lanes through the Arctic ice could appear within less than five years. The ability to navigate the region will increase the search for and development of significant natural resources including oil. Scientific research in the Arctic will also expand.

America's capacity to exercise its sovereignty, protect its interests, and participate in global sci-

entific research and commerce, however, is collapsing. The U.S. had eight polar ice-breakers in 1970. Today, the U.S. Coast Guard has three. The youngest was commissioned 10 years ago, and the other two are approaching 35 and 40 years old, respectively. One other ship is owned by the National Science Foundation. The Department of Homeland Security Inspector General recently concluded that the Coast Guard has neither sufficient ships nor budgetary authority to accomplish its current missions. In contrast, other powers including Russia, Finland, China, South Korea, and South Africa are looking to expand their capacity significantly. America is leaving itself out in the cold.

The lead that other nations will enjoy includes more than just numbers. A new generation of energy-efficient ships with advanced ice-breaking capability is being developed. The best modern ships are multi-purpose vessels that remain operational throughout the year.

Ice-breaker competition is important for more than just commercial advantages. Ice-breakers are a key component of maritime and national security infrastructure. They can serve, for example, as mobile stations or search-and-rescue assets in

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addition to aiding maritime law enforcement and navigation.

A New Paradigm. Ensuring that the U.S. is not left behind will require a new paradigm. First, the U.S. should look to commercialize its ice-breaker fleet.

The U.S. can learn a lesson from Finland. Nearly 80 percent of that nation's trade is exchanged by shipping—and the Baltic Sea around Finland freezes every winter. The Finnish ice-breaker fleet helps ensure that upwards of one-third of the nation's ports remain operational year-round. While the Finnish Transport Agency is responsible for coordinating, developing, and managing winter navigation, ice-breaking services are contracted out. Outside the ice-breaking season, the ice-breakers are leased to offshore operations around the globe. The U.S. government should consider turning over ice-breaking operations to American-owned and operated vendors.

In order to protect U.S. commercial, national security, and scientific interests, U.S. operators should provide facilities, capabilities, and assets so that commercial ice-breakers can perform national security functions. For example, these ships should be capable of hosting U.S. Coast Guard Law Enforcement Detachments (maritime law enforcement personnel that deploy aboard vessels to conduct and support law enforcement). Leasing support from the commercial operators would be far more cost-effective than operating an old and increasingly obsolete federal fleet.

To aid commercial ice-breaking, Congress should exempt U.S. firms from the requirement to comply with the Jones Act. The Merchant Marine Act of 1920, also known as the Jones Act, was meant to save the merchant marine industry by requiring that ships that traveled American waters be built in the United States and manned by American crews.

Like many other protectionist policies, the premises of the Jones Act seem plausible: Require goods moving from one U.S. port to another to travel on U.S.-built ships, with U.S. crews, and you will

protect U.S. maritime and shipbuilding jobs. The last serious review of the Jones Act (a series of congressional hearings in the 1990s) revealed that more than 40,000 American merchant seamen and 40,000 longshoremen had lost their jobs despite Jones Act protectionism. Over the first 76 years of the act, more than 60 U.S. shipyards had gone out of business, eliminating 200,000 jobs.

If the intent of the Jones Act was to save U.S. jobs, it failed. As a result, state-of-the-art ice-breakers can be built overseas today at far less expense. Exempting U.S. contractors from having to comply with an outdated law that has brought more damage than benefit to the U.S. maritime industry would provide a strong incentive for future ice-breaker operators.

Breaking the Ice. It is time for the United States to jump-start an Arctic policy that is as cold as a dead car battery. Moving ahead on what will be a crucial commercial, national security, and sovereignty issue for the U.S. in the future requires bold new solutions. The Administration and Congress should:

- Retire the federal fleet of ice-breakers and replace them with contracted services provided by U.S.-operated commercial vendors.
- Require that U.S. commercial vendors be capable of providing assets that will serve national security, law enforcement, and other federal maritime missions.
- Exempt U.S. commercial ice-breaker operators from the Jones Act.

Washington's goal should be nothing short of providing America the most advanced and robust ice-breaker fleet in the world.

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