

## Three scenarios for US energy policy in the arctic region

Toril Ringholm, June 2011

<b>1. Project/publication</b>	Rabinowitz, S. (2009): <i>Three Scenarios For US Energy Policy in the Arctic Region</i> . Senior Thesis, Haverford College. On the Internet only a shortened version is available, 67 pages.  <a href="http://thesis.haverford.edu/dspace/bitstream/handle/10066/3657/2009RabinowitzS(Abridged).pdf?sequence=8">http://thesis.haverford.edu/dspace/bitstream/handle/10066/3657/2009RabinowitzS(Abridged).pdf?sequence=8</a>
<b>2. Initiator</b>	This is a thesis handed in as an academic work.
<b>3. Objective</b>	The objective is to sketch various courses of action to ensure energy supplies in the U.S. (and possibly other countries) in the light of the effects of climate change in Arctic areas.
<b>4. Geographical delimitation</b>	The Arctic Region: the area north of the Polar Circle.
<b>5. Time horizon</b>	No specific time horizon.
<b>6. Thematic focus</b>	The main focus is on climate change and energy supply. The starting point is that climate change will lead to melting of the Arctic ice, which will provide access to hitherto unexploited deposits of oil and gas. Because of the increasing scarcity of these resources, international conflicts in this area will increase and different political games will be activated, with the US and Russia as the main actors. This will lead to increased militarization in the Arctic, and it is a challenge for the US not to have a uniform policy for this area.
<b>7. Images of the future</b>	<p>The analysis ends up with three scenarios: full-scale drilling, moderate drilling, and a drilling ban.</p> <ol style="list-style-type: none"> <li>1. <i>Full-scale drilling.</i> This scenario argues for an immediate deregulation and massive drilling, with a strong increase in international conflict as a consequence. The scenario is based on a situation in which the need for oil and gas precedes all other considerations. The US continues its isolationistic policy, which triggers other actors to do the same. In the Arctic, this means first and foremost Russia. As each state try to protect their own interest, this will lead to increased militarization of these areas. Rivalry over oil and gas resources is accompanied by other conflicts involving environmental and fisheries interests, reinforcing the tensions. This scenario implies a catastrophe for the environment.</li> <li>2. <i>Moderate drilling under strict guidelines from the Congress. Multilateral cooperation.</i> The Congress opens for Arctic drilling, however, under strict environmental guidelines. The US is also working multilaterally in order to ensure that the guidelines are met. This will minimize the environmental impacts. The US will increase its military presence in the region, but to a significantly lower degree than what would be the case in scenario 1. The political consequences are less dramatic as well, both nationally and internationally. The response from Russia and other countries will depend on oil prices.</li> <li>3. <i>Arctic drilling ban.</i> In this scenario, the US imposes a total ban on drilling and exploitation of oil and gas in the Arctic. The US cooperates with other Arctic nations in order to establish restrictions on a multilateral basis. This will reduce the exploitation of the petroleum reserves at Shtokman and in Prudhoe Bay in the long run. The two main consequences of this scenario are an increased focus on alternative energy sources and the gradual dismantling of the military presence in the Arctic. With the introduction of such a ban, the market price of oil and gas skyrocket. Prices will flatten out in time, as the use of new energy sources increases, and the demand for fossil fuels reduces as a result.</li> </ol>

<b>8. Key driving forces</b>	<ul style="list-style-type: none"> <li>• Climate change</li> <li>• Demand for oil and gas</li> <li>• Shrinking oil and gas reserves in mature areas</li> </ul>
<b>9. Uncertainties / wildcards</b>	<ul style="list-style-type: none"> <li>• Political relations and judgments from the Russian side</li> <li>• Oil prices</li> </ul>
<b>10. Accomplishment and collaboration</b>	This must be seen as an expert-based study, written by one person only. The scenarios do not seem to result from a dialogue-based method.
<b>11. Methods</b>	The study is based on qualitative and quantitative written sources.
<b>12. Sources of information</b>	Various sources: public statistics, academic publications, official documents, and more.
<b>13. Strengths</b>	The study does not show any special strength, but it makes an interesting link between energy exploitation and security policy issues and militarization in the Arctic.
<b>14. Weaknesses</b>	This scenario study typically opposes a worst-case and a best-case scenario, and builds one scenario in between, which turns out to be the most realistic.
<b>15. Attention and significance</b>	Unknown.
<b>16. Relevance for the Fram Centre</b>	Not so relevant.