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Speech

**REMARKS FOR
VADM THOMAS J. BARRETT, USCG (RET.)
DEPUTY SECRETARY OF TRANSPORTATION**

**ARCTIC TRANSPORTATION CONFERENCE
WASHINGTON, D.C.**

**JUNE 5, 2008
NOON**

Good afternoon. Thank you, Deputy Administrator Nelson, for that kind introduction, and for your leadership. We're going to miss you.

I want to thank Julie, Administrator Connaughton and the Maritime Administration for organizing this very timely gathering...and for giving me the opportunity to talk about one of my favorite subjects—the Arctic.

I know this challenging and fragile environment well, having served as the Coast Guard Commander for North Pacific, a jurisdiction that includes the Alaska coast. Today, I keep a picture hanging on the wall of my office at the Department of Transportation of a wooden ship steaming its lonely way through icy seas.

It is the U.S. Revenue Cutter *Bear*... the original icebreaker ship to navigate the Arctic in the late 1800s and early 1900s.

During her 41 years of Alaska patrol, the legendary *Bear* was the U.S. presence in the Alaska territory...doing everything from rescuing whalers to serving as a floating courtroom.

Ironically, a century later, there is again only one seaworthy ocean-going icebreaker in the U.S. fleet. Meanwhile, global interest in the possibilities and opportunities in the Arctic is exploding. Did you see this week's *Parade* magazine? It featured an article entitled "*The Race to Own the Arctic.*"

That's a clear sign that the "Future is Now" when it comes to the Arctic, as former Washington Redskin's coach George Allen would say. More than most people realize,

the opening of the Arctic is happening now, and it's happening very rapidly. With or without the United States, the resources and opportunities created by the receding Arctic ice will be exploited.

Our neighbors along the Arctic circle, Russia, Canada, Norway, Denmark...are moving full steam ahead. They're investing in the ports and equipment. They're exploring the resources and staking their claims. Russia is already running cruises to the North Pole.

That's why I am so excited to see leaders of our maritime transportation community coming together to discuss the opportunities and challenges presented by the opening of the Arctic. We know the opportunities for transportation are enormous.

At a time when soaring gasoline prices are straining family budgets, there's the promise of vast oil and natural gas reserves. At a time when high energy costs are raising the cost of transportation and threatening to set off an inflationary spiral, shipping shortcuts through the Arctic hold the potential for new efficiencies.

And at a time when trade is driving the global economy, new Arctic trade routes offer the possibility of greater prosperity around the world. What I'd like to do is discuss the implications of these Arctic opportunities in the context of the priorities we are pursuing at the Department of Transportation under Secretary Peters' leadership.

You've probably heard her discuss them. They are: promoting safety, improving the efficiency and performance of our transportation systems, and pursuing 21st Century solutions to today's transportation challenges.

The safety issues associated with Arctic transportation are profound. This is a part of the world that is shrouded in darkness December through April. Navigation seasons are short, temperatures are severe, storms are sudden, and ice is an ever-present threat.

Even with melting ice, there's ice. It isn't always visible on the surface. And what you can see, may be deceptive. The dangers can be illustrated with a story from my own experience. You've heard of Dick Rutan, the famous pilot who received the Presidential Citizens Medal for making the first flight around the world without stopping for refueling....

....The point is that what appeared to be solid ice when Rutan and his party landed, turned out to be a thin layer of sea ice, disguised by a covering of snow. So safety is a concern. And we need to make sure we are training mariners with the skills they will need to navigate these treacherous waters.

There are unique considerations. The Aurora or Northern Lights, for example, penetrate more in Arctic region. This affects everything from electronics, to pipelines, to navigation.

We also need to start thinking about and designing the kinds of ships we are going to need to navigate these waters in a safe and environmentally sensitive manner, not just the icebreakers, but the tankers and containers. Will they need regular hulls, strengthened hulls, icebreaking hulls?

The weather and the ice pose logistical challenges and make the Arctic an expensive environment to operate in. But the shorter shipping distances promise efficiencies that could more than offset the greater costs.

Not since Marco Polo have potential new trade routes generated such excitement. And with good reason. The Northwest Passage could cut 2,000 miles off the trip from Seattle to Rotterdam and reduce costs for a container ship by as much as 20 percent compared to a trip through the Panama Canal.

A container ship sailing from China to New York through the Arctic would shave 3,000 miles off its trip and save 2 million dollars on fuel and fees at the Panama Canal. Think about the impact that would have on the competitiveness of our products abroad, and on the prices consumers pay at home; not to mention the important environmental benefits that come with using 30 percent less fuel.

And while trans-Atlantic shipping wasn't economically feasible for shipping oil from Alaska to the East Coast in 1969 when the *Manhattan* took its proof-of-concept voyage, the economics are rapidly changing. There's even talk about future shippers using trans-polar marine highways.

It's not a new concept. Several airlines already route their planes over the North Pole rather than East-West across the globe because of the efficiencies. Time and again, we've seen that transportation evolves toward the best efficiency. And markets are remarkably creative. That's one of the things I love about them. They drive innovation.

If there's a way to cut costs, save fuel, and reduce transit time, they're going to find it. Receding ice isn't the only thing that's got people taking a second look at Arctic sea lanes. Our 21st Century technologies offer new tools to help safely navigate these challenging waters.

One of my assignments as Deputy Secretary of Transportation is to co-chair the national Space-Based Positioning, Navigation, and Timing Committee with Gordon England, my counterpart at the Department of Homeland Security. This is the committee that is working on policy relating to GPS and other Global Navigation Satellite Systems.

Precision navigation is more important in the Arctic than elsewhere. It gives mariners a much clearer picture of the ice hazards they face, hazards that may lie hidden beneath the surface and may shift.

But while precision navigation is more important in the Arctic, it's also more challenging. The satellite coverage that forms the backbone of precision navigation is

less robust in polar regions than it is in lower latitudes. That's an issue we need to focus on as we look ahead toward Arctic sea-lanes.

There are landside considerations as well. Arctic sea routes don't happen in a vacuum. I want to challenge you to begin thinking about ports to serve the ships, as well as land and rail connections and landing strips. Indeed, it is time for the stakeholder community to come together and develop an understanding of all of the implications of Arctic trade routes.

The opening of the Arctic is happening, and a lot of planning ahead will be required to prepare for the risks and challenges ahead. That's why this conference is so important. I thank you for being here, and look forward to working with you as we enter this exciting new world of Arctic opportunity.

Thank you.

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