

The Arctic is Hot: A Perfect Storm of Northern Issues at the Dawn of the 21st Century

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The Arctic is hot, and in more ways than one. Northern Canada's sedimentary basins contain large volumes of both discovered and undiscovered conventional oil and gas deposits as well as widespread methane gas hydrates deposits. Areas with energy potential cover a vast region that includes the northern mainland area, the Arctic Archipelago and the bordering continental margins in the Yukon, N.W.T. and Nunavut territories. The declining reserves of the mature Western Canada Sedimentary Basin is forcing industry to look North as companies are jockeying for a growth position in the 21st Century. In addition to expensive exploration commitments in the Mackenzie Delta and ongoing activity in the Mackenzie Valley, multi-billion dollar plans for two pipelines linking the gas deposits of the Mackenzie Delta and Prudhoe Bay (Alaska) are in advanced stages. When (and if) construction of a pipeline gets under way, it will also mark the onset of a massive exploration effort in the Arctic as fields and pools deemed uneconomic until recently, will rapidly become targets of choice. Offshore exploration is already under way in the Beaufort Sea and interest for the Arctic Islands' rich resources, where Canada's largest gas fields are known to occur, is rapidly rising in industry. The unimaginably rich methane resources trapped in gas hydrates are already attracting the attention of key international players in government and industry. Alaska producers are also planning a pipeline of their own and pressures are mounting to open the Arctic National Wildlife Refuge (ANWR) to exploration. This development is compounded by ongoing climate change pressures, sovereignty concerns, devolution of responsibilities from the Federal Government to Territorial and aboriginal decision-makers, a fragile environment prone to concentrate contaminants and slow to eliminate pollutants, and a strong desire by northern populations to properly manage their economic, social and cultural destiny.

On any given day, your average media outlet will showcase two or three stories about the North. Sometimes it is about energy and the competing plans for constructing a pipeline. Often it is about the North's fragile environment and the pressure brought on by climate change. Other times it is about endangered wildlife species and threatened traditional aboriginal ways of life. Sovereignty and security issues regularly make it to the front pages as do a plethora of political, environmental, societal and political issues, each of them with broad-ranging implications for both northerners and southerners, including industry planners and explorationists. The North is changing fast, perhaps faster than experienced by any civilization before, and the convergence of many issues will compound that rate of change. While climate change and Arctic sovereignty are both of primordial importance for Canada, the North, its economy, its environment, its wildlife and populations will be affected equally as fast, if not faster, by resource development, especially energy resources exploration and exploitation.