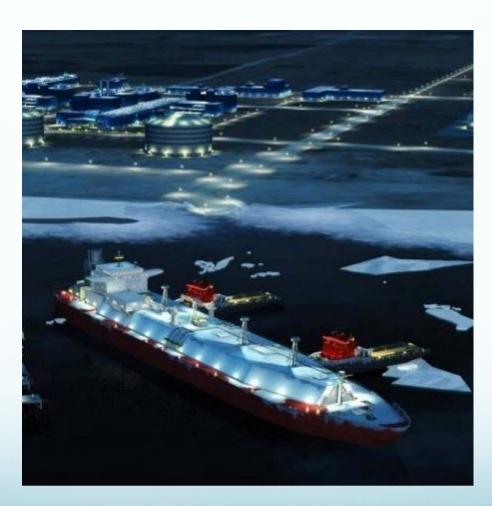


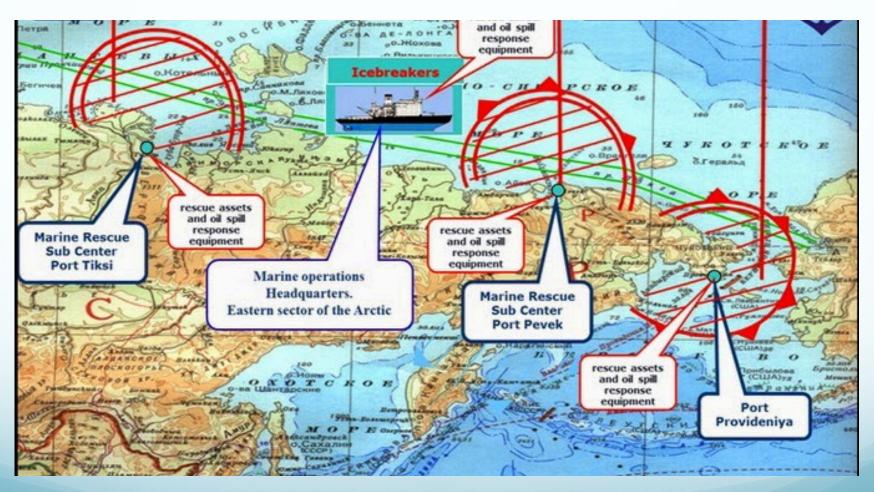
#### RECENT TRENDS

- Arctic transit shipping is down for 2016: Low fuel prices and international disputes.
- Destination shipping within Russia is increasing.
- Intense and destructive competition in shipping.
- Ice conditions for shipping are improving.
- Russian icebreaker capacity increasing to 65MW.
- Alaskans are proposing efficiencies and safety measures.

### Russian LNG terminal



### Russian Response Centers



#### Russian Icebreaker Construction

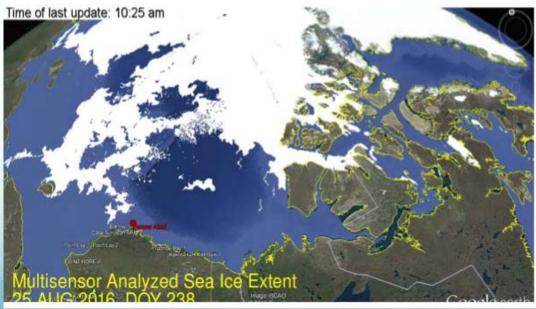


### **NSR** Container Shipments



#### Crystal Serenity and Sea Ice Extent





### **Arctic Shipping Routes**



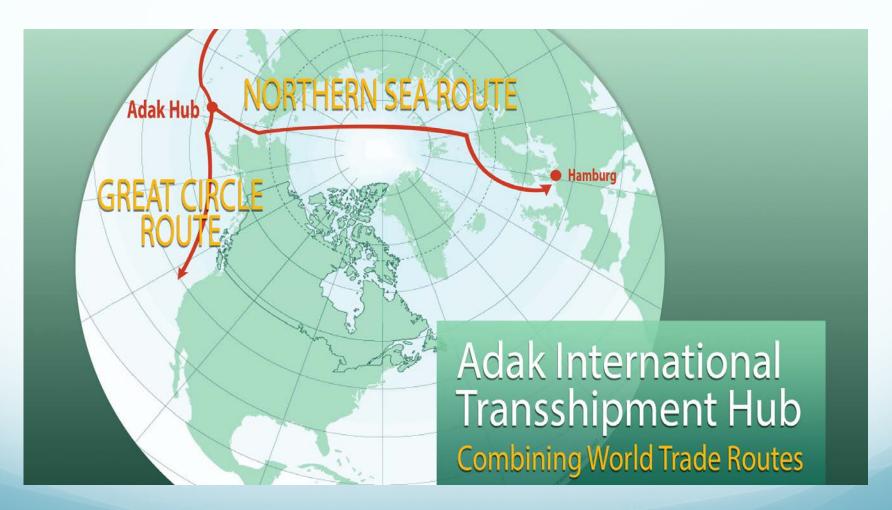
Условные обозначения: Экспорт: 1 - утлеводороды, 2 - металлы, 3 - минеральные удобрения, 4 - продукция Норильского ГМК, 5 - лес, 6 - утоль. Импорт: 7 - продукция (товары).



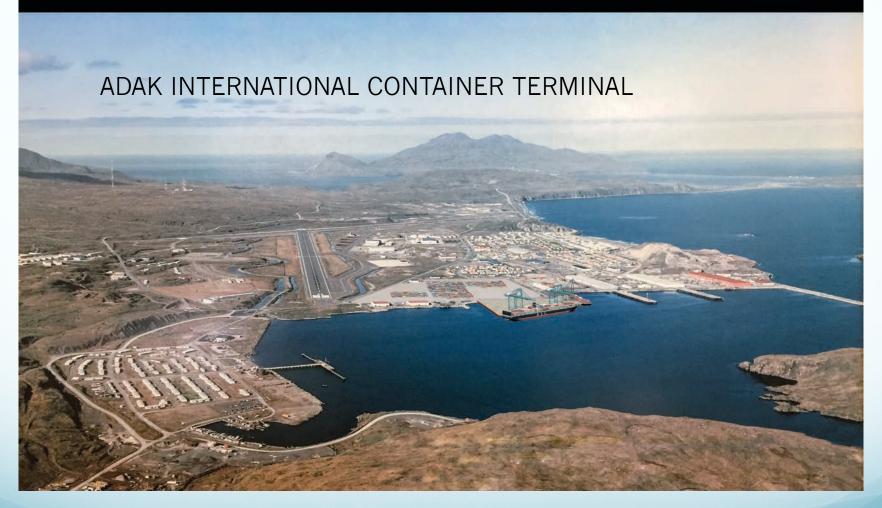
#### Great Circle Route Screen Shot January 15, 2014



#### The Aleut Corporation Proposal



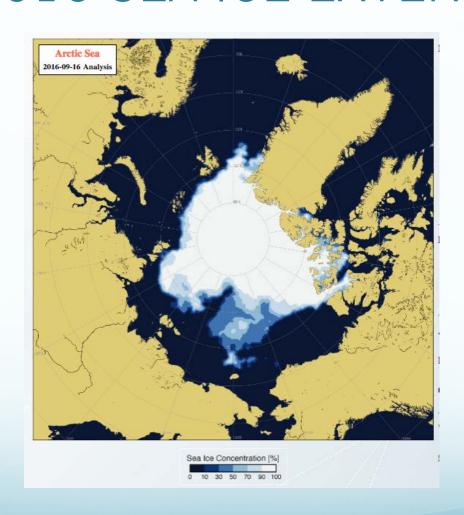




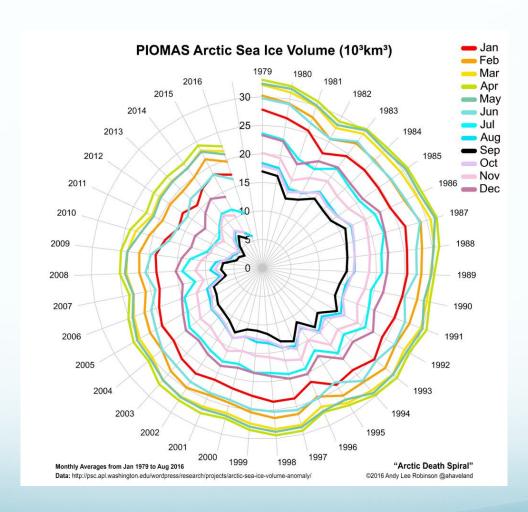
# Basis of NSR Container Trades

- Use standard vessels in open waters.
- Use icebreaking container vessels in Arctic waters.
- Vessels assisted by Russian icebreaking escorts.
- Operate 6 months per year.
- Connect Asian, North American and European ports through Transshipment port at Adak Alaska.

#### 2016 SEA ICE EXTENT



#### LOSS OF ICE VOLUME



### Multi year and 1 year ice



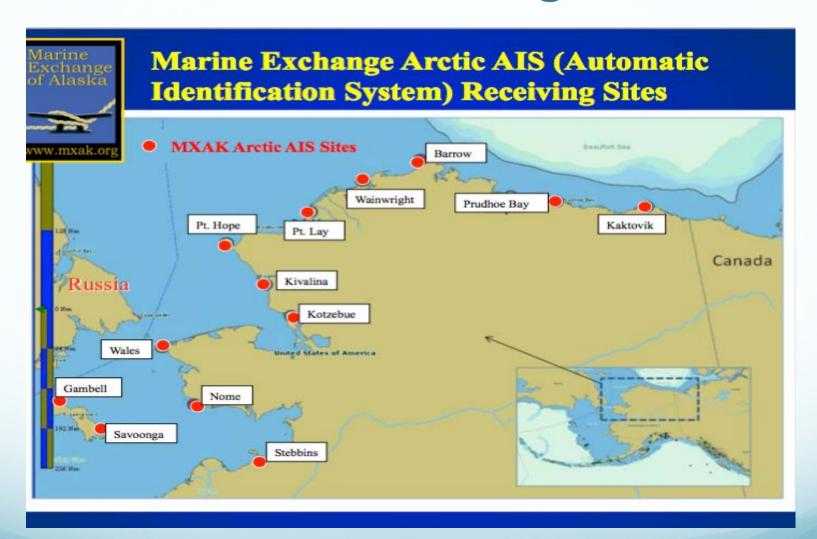
### Prevention Measures

- Prevention measure in Alaskan waters:
- Ships must be tracked and monitored via AIS
- Ships must sail at least 50 miles offshore
- Ships must notify loss of power or steering
- Nearby rescue vessels are identified
- Ship towing and arrest packages are prepositioned
- Ports cooperate in emergency response
- Need international agreements to extend prevention

# BERING STRAIT



#### Arctic AIS Receiving Sites



# Network Vessel Coverage



# Network Coverage Area



#### 2015 Milestones

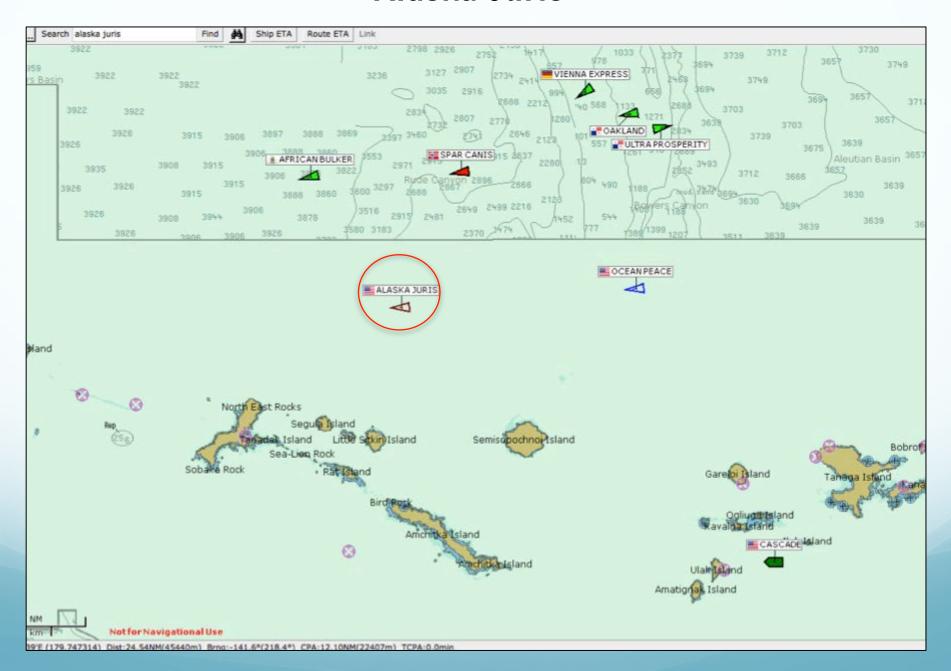
**Routing Measures Work** 

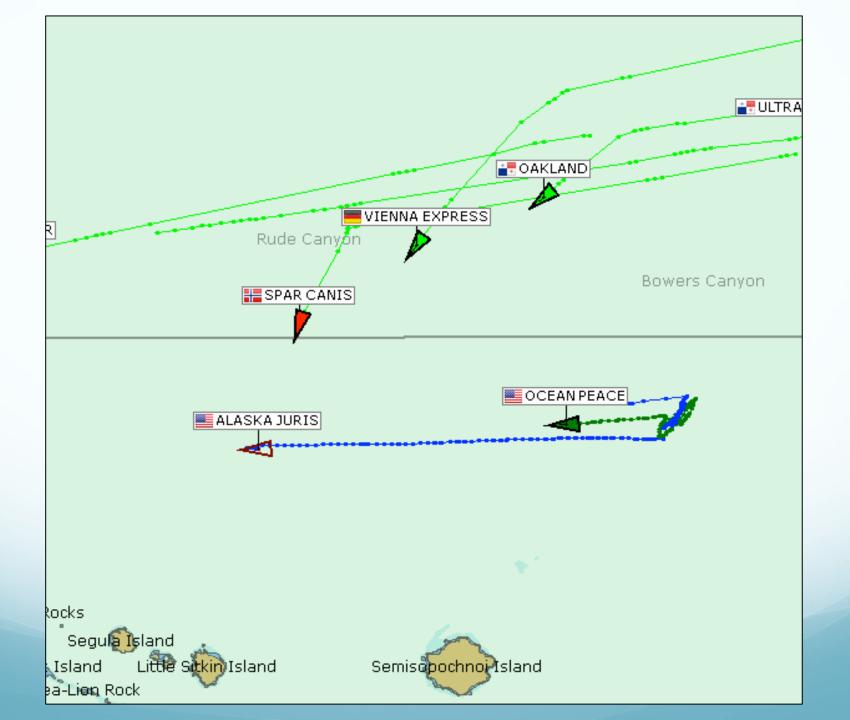


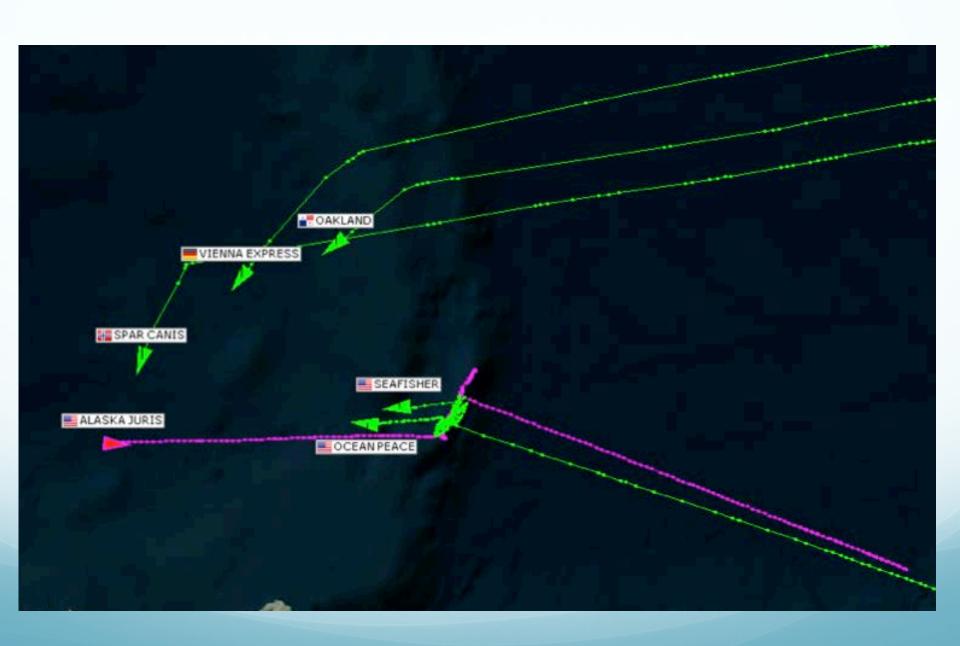


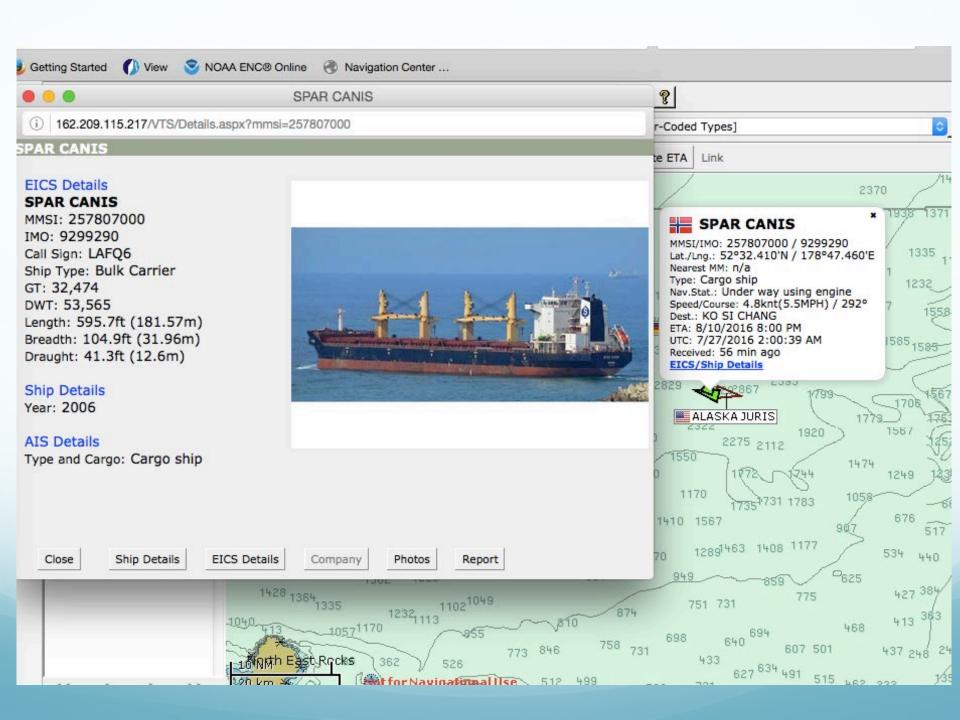


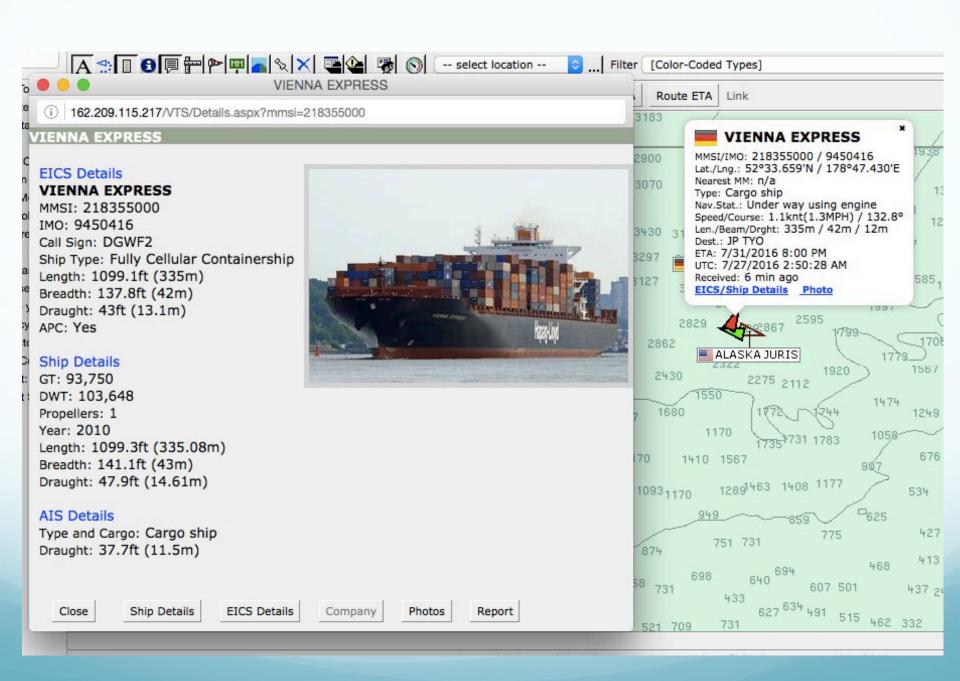
#### **Alaska Juris**











#### Research & Development-Ship Arrestor



Large Vessel Arrestor Sea Trials | Puget Sound, WA. June 22, 2015



#### Dynamic Resource Protection

Shell Exploration Fleet Monitoring

AFFINITY AIVIO ARCTIC SEAL CRESCENT ISLAND DOCTOR ISLAND FENNICA GUARDSMAN HARVEY EXPLORER HARVEY SISUAO HARVEY SPIRIT IVER FOSS KAVIK RIVER KULLUK LAUREN FOSS NANUQ NOBLE DISCOVERER NORDICA NORSEMANII POINT OLIKTOK SANDRA FOSS SEAHORSE ISLAND SIDNEY FOSS STACEY FOSS TAI HARVEST TOR VIKING TUUO WARRIOR

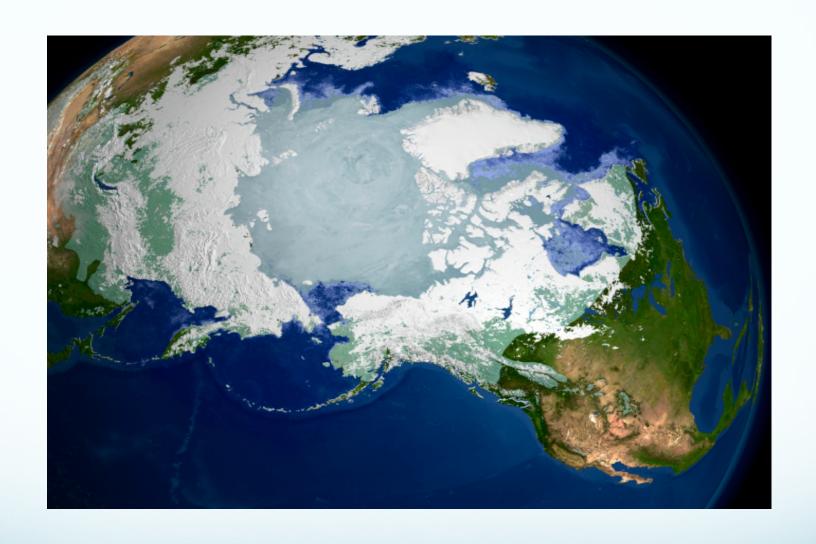


### Shipboard AIS Display



## International Cooperation

- Extend prevention measures to regional and international agreements.
- Standardized requirements are easier to follow.
- Due to lack of infrastructure and nature of the Arctic, prevention measures are paramount
- Formation of League of Arctic Ports
- Arctic nations should pledge to cooperate in the Arctic regardless of other disputes elsewhere.



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