

Region: TurkStream pipeline could be targeted to US sanctions

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State Department is taking steps which could open to US sanctions under a 2017 law investors in two pipeline projects that will carry natural gas from Russia to Turkey and Europe, announced US Secretary of State Mike Pompeo.

State Secretary Pompeo said the Department is updating public guidance for authorities under the Countering America's Adversaries Through Sanctions Act that could put at risk of US sanctions investors in the Nord Stream 2 gas pipeline as well as the second line of TurkStream pipeline, intended to deliver Russian gas to southeastern and central Europe. He stressed that this action puts investments or other activities that are related to these Russian energy export pipelines at risk of US sanctions, which is a clear warning to companies that aiding and abetting Russia's malign influence projects will not be tolerated.

In June, a group of bipartisan US senators earlier this month submitted legislation to stop Russia from completing the controversial natural gas pipeline along the floor of the Baltic Sea. The United States already has taken steps to halt the 11 billion dollar worth project. A bill passed late last year allowed Washington to impose sanctions on any vessel that helps Russia complete the pipeline, forcing Western-owned ships to stop work. To get around the legislation's impact, Russia has sent its own vessel to the Baltic Sea to lay the remaining 160 kilometers of pipeline.

The new proposed legislation widens the sanctions in the existing law to include any entity that provides insurance, port facilities or tethering services for the project as well as any company that certifies Nord Stream 2 for operation.

The United States opposes Nord Stream 2, claiming it undermines Ukraine and strengthens Russia's grip on Europe's energy industry. The pipeline would enable Russia to reroute natural-gas exports to Europe around Ukraine, depriving the country of billions of dollars in transit revenue.

The second line of TurkStream gas pipeline should deliver Russian natural gas to southeastern and central Europe. Serbia has already completed its section of the pipeline, while Bulgarian section is still under construction and should be completed by the end of 2020. Last month, Serbia and Hungary have signed an agreement on the construction of gas interconnection between the two countries and it is expected that first volumes of gas will flow to Hungary via TurkStream extension in October 2021.

