

CEP Magazine – February 2021 US and Russia in race to see their respective Nord Stream visions realized

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The United States is seeking sanctions against Russia's proposed Nord Stream 2 pipeline, which the US has opposed on economic and political grounds. The US believes the pipeline will further cement the relationship between the European Union and Russia, and that the flow of gas from Russia into the European Union will jeopardize the sale of US natural gas gleaned from the fracking boom.

Russia seeks to sell its gas and show encroachment by the US into its sphere of influence—primarily Ukraine. The race comes down to this:

A ship that has sailed around the world to be refitted in order to handle the right pipes to finish the project vs. the legislative process in the U.S. and its ability to pass sanctions against exactly the type of company that could do the refitting before the ship gets refitted. The geopolitical machinations reflect the risks all companies that operate internationally must face when dealing with large projects, or through their participation in even the smallest part of a project that could draw political scrutiny.^[1]

¹ Brett Forrest, "U.S., Russia Race to Outflank Each Other on Russian Pipeline," November 29, 2020, <https://on.wsj.com/2IqbpJU>.

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