

U.S. Backs Caspian Gas Pipeline

By The Moscow Times

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WASHINGTON — The Obama administration told Congress that it strongly supported a Southern Corridor pipeline to bring natural gas from the Caspian region to Europe, which would reduce the role of Russian supplies.

"From the standpoint of U.S. policy goals, the best outcome is one that brings the most gas, soonest and most reliably, to those parts of Europe that need it most," Richard Morningstar, U.S. energy envoy for the Eurasian region, told a House Foreign Affairs subcommittee late last week.

Three pipeline consortiums are competing to bring natural gas from Azerbaijan's Shah Deniz gas field to Europe, and the investment decisions to make that possible should be made by the end of this year, Morningstar said.

However, the United States does not want the pipeline to move gas from Iran, Morningstar reiterated.

Morningstar said the United States faces a difficult decision if it chooses to sanction the Shah Deniz gas project because a subsidiary of Iran's national oil company owns 10 percent of the operation.

He said Iran would probably benefit if the project were hit with sanctions, because Iran needed gas. "It's a serious policy issue," he said.

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