

Ukraine Passes Bill Allowing EU and U.S. to Invest in Gas System

By [The Moscow Times](#)

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An employee passes near a control panel at a drilling site near a boosting compressor station (BCS) on the East Poltava gas field outside the village of Kovalivka, in Poltava region, Ukraine.

As the standoff with Russia over gas imports continues, the Ukrainian parliament on Friday opened its doors to U.S. and European investment in the country's state-owned gas pipeline system.

The bill, which still has to pass a second reading before it can be signed into law, creates a Ukrainian gas transportation operator of which European and U.S. investors could own up to 49 percent.

The bill was initially rejected Thursday after failing to collect the necessary support but was passed a day later with 229 votes, barely above the required 226-vote threshold, RIA Novosti reported.

The new operator will have the right to manage or rent both the country's gas pipelines and subterranean storage facilities, currently managed by state-owned gas company Naftogaz.

Ukrainian Prime Minister Arseny Yatsenyuk said previously that several European and U.S. companies had already sent proposals on investment in Ukraine's gas system.

Alexander Medvedev, then the head of Russian gas giant Gazprom's export arm, last week brushed off reports of such a deal as irrelevant to Gazprom.

"This doesn't impact us at all," Medvedev said, RIA Novosti reported. "Ukraine can do whatever it wants with its gas transit system."

Gazprom shut off deliveries to the conflict-torn nation last month after the two sides failed to reach an agreement on gas prices and conditions for the repayment of Ukraine's gas debt.

Medvedev added that Ukraine's energy system will be of no use to Russia once the South Stream project, a contested pipeline to Europe bypassing Ukraine, is completed. Russia supplies about a third of Europe's gas, with half of this supply currently flowing through Ukraine.

EU Energy Commissioner Günther Oettinger has repeatedly rejected the South Stream project, arguing it violates EU legislation that stipulates equal access to pipelines for gas suppliers.

Earlier on Friday, the Ukrainian parliament also passed in its first reading a law that would allow the country's Cabinet to declare a state of emergency in Ukraine's fuel and energy system in case of limited fuel imports — as is currently the case. Under the law, the government could force gas suppliers to sell more natural gas and restrict the energy consumption of heating facilities.

This bill as well had failed to pass the parliament a day previously, when it garnered support from only 142 deputies. On Friday it passed with 237 supporting votes, RIA Novosti reported.

See also:

[EU Claims Right to Sell Russian Gas Back to Ukraine](#)

[Medvedev Predicts 'Full-Scale' Gas Crisis With Ukraine](#)

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