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Russia Gas Pipeline to Boost Grip on Ukraine and Europe, U.S. Diplomat Says

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Stefan Sauer / DPA / TASS

Russia is seeking to boost its power in Europe and grip over Ukraine with the proposed Nord Stream 2 natural gas pipeline, the top U.S. energy diplomat said on Monday, in a step-up of Washington's rhetoric against the pipeline.

"Through Nord Stream 2, Russia seeks to increase its leverage on the West while severing Ukraine from Europe," Francis Fannon, the U.S. assistant secretary for energy resources at the State Department, told reporters in a teleconference.

The pipeline has been opposed both by President Donald Trump, a Republican, and his Democratic predecessor Barack Obama as a political tool for Russia to consolidate power over Europe.

Much of the gas that Europe currently gets from Russia via pipeline goes through Ukraine, which collects billions of dollars in transit charges making up to 3 percent of its gross domestic product.

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If Nord Stream 2, which aims to bring Russian gas to Western Europe via the Baltic Sea, and TurkStream, a pipeline to bring gas from Russia to Turkey, are completed it would mean transit revenues would evaporate.

"It's kind of just what's left over that would be transited, potentially transited, through Ukraine," Fannon said. "Even then that's only based on whether we can trust [Russia President Vladimir] Putin, I don't think the record should indicate anyone should."

Putin has said that Nord Stream 2, a consortium of Russia's state-controlled Gazprom and five European companies, is purely economic and not directed against other countries. Russian gas could continue to go through Ukraine if the pipeline is completed, Putin has said.

But Russia has stopped shipments of gas to Ukraine in winter in recent years over a series of pricing disputes. Critics of Nord Stream 2 say it could increase Russia's ability to manipulate European energy markets. In an increase in tensions, Russia last month seized three Ukrainian naval ships off the coast of Russia-annexed Crimea in the Sea of Azov after opening fire on them.

Germany's foreign minister, Heiko Maas, said this month that Berlin will not withdraw its political support for Nord Stream 2 and that German Chancellor Angela Merkel had secured a pledge from Putin in August allowing gas shipments across Ukraine's territory.

Fannon made his comments after traveling to Eastern Europe to discuss projects that could offer Europe a more diverse natural gas supply. Those included a floating liquefied natural gas terminal on the Adriatic island of Krk that could one day receive gas imports from the United States, which is increasing its exports of the fuel, or the eastern Mediterranean.

Fannon said he expected Russia's aggression in the Sea of Azov to boost support for several bills in the U.S. Congress that include new sanctions on Russia's energy sector, though he refrained from commenting on any particular legislation.

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