

U.S. Will Not Sanction Main Nord Stream 2 Company – Reports

Biden administration still opposed to the controversial pipeline project, but will not sanction holding company.

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The Nord Stream 2 project is more than 95% complete, but the final section has been delayed for months amid intense U.S. sanctions. **Jens Büttner / dpa / TASS**

The U.S. will not sanction the holding company building the controversial Nord Stream 2 gas pipeline, despite Washington's long-standing opposition to the project, [according](#) to U.S. reports

The Biden administration is set to waive an option to sanction Nord Stream 2 AG — the Swiss-registered firm controlled by Russia's Gazprom constructing the pipeline — and its head Matthias Warnig, citing national security grounds, in a sanctions document to be published Wednesday, Axios [reported](#).

The move will be seen as a possible de-escalation in Washington's opposition to the project,

which drove a wedge between Germany and the U.S. under the Trump administration. Spokespersons for the Biden administration said the U.S. remains opposed to the project, which it says “threatens European energy security and that of Ukraine and eastern flank NATO allies and partners,” and threatened to slap further sanctions on the companies involved.

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Gazprom shares initially jumped as much as 5% on the news Tuesday evening, before falling back at the start of trading in Moscow on Wednesday.

The U.S. State Department is obliged to send the U.S. Congress a report every 90 days identifying companies and vessels involved in the construction of the pipeline which should be sanctioned. It is expected that a handful of Russian ships will be included in the list to be published later Wednesday, Axios reported. Nord Stream 2 AG will be recognized as participating in “sanctionable activities,” but the State Department will waive sanctions against the outfit, citing U.S. national interests.

The pipeline, which would double Russia’s capacity to ship gas under the Baltic Sea directly to Germany, is more than 95% complete. Final construction work has been delayed for months after the U.S. stepped up sanctions against the pipeline, effectively blocking Western-owned vessels from taking part in laying its final section.

The project is heavily opposed not only in Washington but by the Baltic countries and in many European capitals.

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