# US Strategy of Total Energy Control over the European Union and Eurasia

Nabucco Turkey EU and Obama Geopolitics

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*One of his first foreign visits as new President took Barack Obama to Ankara for a high-profile meeting with Prime Minister Recep Erdogan and other leading Turkish officials. Obama engaged in classical "horse trading" wheeling and dealing. "I give you support for Turkey's EU membership; you open the diplomatic door to Armenia," appears to have been the core of the deal. What other inducements the US President gave in the case of Turkish influence within NATO and such is secondary. Obama's goal was to break a political deadlock in Turkey to construction of a major gas pipeline to Germany and other EU countries in direct opposition to Russian Gazprom's South Stream pipeline.*

Nabucco is an integral part of a US strategy of total energy control over both the EU and all Eurasia. On July 13 with a Nabucco signing ceremony in Ankara the first fruits of the Obama soft diplomacy appeared to be bearing fruit. The question remains if it will be bitter fruit.

Leading Republican Party foreign policy figure, Senator Richard Lugar, went as the Obama Administration's representative to Ankara on July 13 for the signing ceremony approving the controversial Nabucco project.  EU Commission President Barosso was also present along with heads of government of Turkey, Bulgaria, Hungary and Austria.

The Nabucco project when and if finished would take gas from the Caspian region, Middle East via Turkey, Bulgaria, Romania, Hungary with Austria and further on with the Central and Western European gas markets. It would run some 3,300 km, starting at the Georgian/Turkish and/or Iranian/Turkish border respectively, leading to Baumgarten in Austria, costing at least $8 billion. The project is parallel to the existing Baku-Tbilisi-Erzurum pipeline and could transport 20 billion cubic meters of gas a year. Two-thirds of the pipeline will pass through Turkish territory.

Azerbaijan, Uzbekistan, Turkmenistan, Iran and Iraq are being touted as potential suppliers.

Until the Obama-Erdogan talks Nabucco had been stalled largely by Turkish lack of interest. Now that all appears to be changing and Washington has scored a minor coup over Moscow in the new Great Game over Eurasian energy control. At least on the surface. The reality is far more complex.

**Sensitive geopolitics**

The importance of Nabucco to Washington ranks high on the list. The US Senate just held hearings on how the control of energy supplies influences global affairs, something that has been at the heart of US foreign policy since at least the time Woodrow Wilson ordered the US Fleet into VeraCruz Mexico to defend the interests of Rockefeller's Standard Oil in 1913.

At their hearing in Washington, the august Senators were especially interested in the planned Nabucco gas pipeline. Senator John Kerry, chairman of the influential Senate Foreign Relations Committee, commented in the hearings, with definite understanement "There is a striking overlap between the world's sources of energy and the world's sources of instability, and we need to take note of that carefully. Iran, Iraq, Sudan, Russia, the Caucasus, Nigeria, Venezuela are all on the frontlines of our energy supply challenges, but also the fault lines of our geopolitics."

What the Democrat Senator did not mention is that those countries were on the "faultlines of our geopolitics" because US foreign policy since the end of the Cold War had made them into faultline states in order to increase Washington control over the economic future of Eurasia including both China and Russia, as well as over the energy-dependent European Union. For Washington, that control has been **THE** central preoccupation of all US foreign policy since the fall of the Berlin Wall in November 1989.

### Gas for Nabucco?

The major problem with Nabucco now is not the willingness of Turkey to build the longest part of the pipeline to Bulgaria. That has been agreed. What remains however is a huge problem of who will fill that pipeline with ample volumes of natural gas to make it economically practical. Here is where it gets dicey.

Until now the main gas supply for Nabucco should be Azerbaijan, source of large oil reserves to fill another Anglo-American-backed pipeline run by a British Petroleum consortium to bring Baku oil from the Caspian Sea to the west independent of Russia. That Baku-Tbilisi-Ceyhan oil pipeline was the real reason Washington backed the 2004 Georgian "Rose Revolution" that put the erratic dictator Mikhail Saakashvili into power, pushing out veteran Soviet-era fox Edouard Shevardnadze, who had become too friendly with Moscow for the likes of Bush-Cheney oil geopolitics.

But now Azerbaijan may have problems providing enough gas to make Nabucco feasible. In June, Azerbaijan signed with Russia's Gazprom for gas from Stage 2 of the Shah Deniz field — the same field Nabucco hopes to tap for its pipeline.

The Gazprom-Azeri deal states that other purchasers must outbid Gazprom, giving Russia a possible lever to stall or even to kill the Nabucco project, (which is intended to decrease Europe's reliance on Russia's gas), by pushing the price of gas from Shah Deniz up too high to make Nabucco profitable on commercial terms as a rival to Russia's South Stream. Azerbaijan's President Aliyev seems to be playing a cat-and-mouse game with both Russia and the EU-Washington, to play one off against the other for the highest price. Gazprom agreed to pay an unusually high price of $350 per thousand cubic meters for their Shah Deniz gas, a clear political not economic decision by Moscow which owns controlling interest in Gazprom.

To keep hopes alive for the completion of a viable Nabucco, Washington has few cards to play. Even were Azerbaijan to agree to sell gas and Nabucco to buy it on competitive terms to Gazprom, industry sources say the Azeri gas would alone not suffice to fill the pipeline. Where could the remaining gas come?

One possible answer is Iraq; the second is Iran. Both are with huge geopolitical problems for Washington to put it mildly.

Senator Lugar, just back from his trip to Ankara to observe the Nabucco signing, told his Senate colleagues the answer to the Nabucco gas supply problem might lie in Iraq, which he claimed could supply up to half of the gas for Nabucco. “Ideally, in the way of the world, the natural gas – and maybe in due course oil supplies – coming out of a united Iraq might provide this kind of capital, which would be a miraculous happening and a wonderful ending to a very tragic period in their history,” Lugar said. Ideally it sounds nice. Practically is another question, even with the US retaining its vast network of permanent US military bases across Iraq. Iraqui gas to Turkey would pass through Kurdish areas providing the Kurds with a lucrative new revenue stream, something not too devoutly desired in Ankara.

The second option, which also happens to hold the world’s second largest reserves of identified natural gas next to Russia, is Iran.

Uuuuuuhaaa. Ouch! That doesn’t quite fit into the geopolitically correct map used in Washington these days.

Turkish Prime Minister Recep Tayyip Erdogan invited both Russia and Iran to join the Nabucco project, RIA Novosti reported. He stated, “We want Iran to join the project when conditions will allow, and also hope for Russia’s participation in it.”

For its part, Teheran is enjoying the cat-and-mouse game: “European companies understand the fact that the project will be economically justified in case Iran is the supplier,”” Seyyed Reza Kasaiizadeh, National Iranian Gas Export Company’s managing director told press on the day of the Ankara Nabucco signing. He claimed, rightly, that supplying the Nabucco pipeline with Iran’s gas is the most economical alternative. “Despite political oppositions, Iran sees itself as s potential supplier of the project,” he added. That didn’t go down well in Washington.

Richard Morningstar, the State Department’s Special Envoy for Eurasian Energy, told the Senate that Iran should not benefit from Nabucco until Tehran agrees to resolve the dispute over its nuclear program. “This would be the absolute worst time to encourage Iran to participate in a project in Nabucco, when we have received absolutely nothing in return,” he said. Significantly, he noted that Nabucco could be used as an incentive to get Iran to better cooperate and engage with the international community.

**Why Armenia?**

The natural route to bring Iranian gas to Europe via Nabucco goes through Armenia, the small and fiercely independent nation sandwiched between Iran, Georgia, Azerbaijan and Turkey. In early 2007 a small pipeline opened bringing Iranian gas to Armenia. A second pipeline, if built, would potentially allow Iran to bring its gas via Turkey and Nabucco to European markets. This begins to explain why Obama made the issue of Turkish reconciliation of the long-standing tensions between Ankara and Armenia over the Armenian charges of genocide during World War I a priority in his April talks with Prime Minister Erdogan.

It seems Obama's advisers are playing a far more subtle geopolitical game than did Cheney and Bush. By holding out several juicy financial carrots, to Turkey, to Armenia, even to Teheran if it were to abandon its nuclear ambitions, Washington hopes to throw a giant monkey wrench into the attempt of Moscow to retain a significant control over Eurasian energy supplies to the EU, a major lever to ensure more stable EU-Russian relations amid growing threats to Russia's security from Washington's misnamed missile defense shield being built in Poland and the Czech Republic.

Notably, on the latter point, it is worth noting that Obama refused to give an inch during the recent summit talks in Russia. That's because Washington's agenda of geopolitical control over the Eurasian Continent is the only lever of maintaining the hegemony of a failing American Century at this point. Full Spectrum Dominance or none seems to be the motto.



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