

Foreign Pipeline Plan Matters

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Articles & Testimony

Two recent pieces of news from overseas deserve Americans' careful consideration:

-- Austria, Bulgaria, Hungary, Romania and Turkey signed an agreement last Monday in the Turkish capital Ankara that cleared a key hurdle blocking the construction of the Nabucco natural gas pipeline, designed to stretch 2,000 miles from the Caspian Sea through Turkey to Austria.

-- Iraqi Prime Minister Nouri al-Maliki announced at the Ankara ceremony that Baghdad would supply the proposed Nabucco line with 15 billion cubic meters of gas a year by 2015. That would fill half the line's capacity and start to address the project's greatest obstacle: not enough committed gas so far to make it viable.

The goal in building Nabucco is to diversify Europe's natural gas supplies by using Middle Eastern and Central Asian gas reserves that would not pass through Russia or be controlled by its Russian energy giant Gazprom. Until al-Maliki's offer, Azerbaijan was the only country considered to be a serious potential supplier to Nabucco.

Other countries with natural gas supplies -- Turkmenistan, Kazakhstan and Iran -- are not viable possibilities. Using Iranian gas is impossible because of Tehran's pursuit of nuclear weapons; significant political and technological roadblocks prevent getting gas from Turkmenistan and Kazakhstan into a Nabucco pipeline.

This puts Iraq in the right place at the right time.

Many challenges remain before construction on the pipeline can begin. The list is long:

Nabucco still has no formally committed suppliers; al-Maliki's offer is not a firm promise. Iraq needs energy laws. And while Baghdad wants to expand its gas production, it needs foreign help. A first round of deals on participation earlier this month went poorly; there will be a second round later this year.

But al-Maliki's offer to supply half of Nabucco's gas shows that Baghdad understands it must convince governments and companies that it is serious about its energy future.

The U.S. administration can do something important to support the Nabucco project by working to make concrete al-Maliki's offer of gas for the pipeline. Just as American backing of the Baku-Tbilisi-Ceyhan pipeline (which critics said would never be built but today brings oil from the Caspian through Turkey to world markets) was crucial to its creation, Washington can play a decisive role in making Nabucco a reality.

This pipeline would have at least three benefits for the U.S. beyond increasing global gas supplies:

-- America's European allies and friends would diversify their gas supplies and not be so dependent on Russia.

-- The pipeline would be a positive development in the relationship between Europe and Turkey.

-- By participating, Iraq would take another vital step toward economic success and stability. Plus, Nabucco executives say significant amounts of gas could be available for the pipeline from Kurdish areas in northern Iraq, a possible basis for further Turkish-Kurdish reconciliation.

Getting Nabucco built and more Caspian gas flowing to world markets as part of a coherent Western energy strategy

based on an East-West energy corridor has, thanks to the signing in Ankara and the far-sighted offer from Baghdad, become an opportunity for America.

President Barack Obama appointed Ambassador Richard Morningstar as special envoy for Eurasian energy in April. Morningstar, along with Sen. Richard Lugar, attended the Ankara signing. The ambassador's marching orders are now clear.

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