

ENERGY SECURITY AS A EURO-ATLANTIC CONCERN

Wednesday, September 6, 2006

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The European Commission is expecting comments this month before finalizing its draft Energy Security Paper for publication. Russia's manifold challenges to Western energy security are confronting head-on the European Union's supply diversification and demonopolization goals. Thanks to the Kremlin's political impetus, these processes pose systemic challenges to the West's supply security, market economy, and political integrity. Growing dependency on Russian energy supplies could increasingly impinge on the EU's and some member countries' foreign policy decisions and the strategic coherence of the Euro-Atlantic community.

Brussels and Washington should proceed from the premise that energy security is a Euro-Atlantic concern and that North American and EU supply security is indivisible, requiring the coordination of strategies.

For three decades, U.S. administrations both Republican and Democratic have been more alert than the Europeans themselves to the strategic risks of European overdependence on Russian-delivered energy. For this reason, the United States opposed certain major Russia-Europe pipeline projects and transfers of relevant technology during the 1970s and 1980s. Motivated in part by similar concerns in the 1990s, the Clinton administration initiated and promoted the East-West Energy Corridor to bring Caspian oil and gas directly to Europe, bypassing Russia. The European Union, the main prospective consumer of Caspian energy, responded with collective indifference. By 2001, the Corridor project was taking off in the western Caspian basin: the Baku-Ceyhan and Baku-Erzurum pipelines from Azerbaijan for oil and gas, respectively. The former came on-stream in mid-2006 and the latter is due to start operating this year just ahead of winter (an expected life-saver for Georgia even before that gas reaches farther downstream).

These recent successes notwithstanding, the Corridor project has only materialized thus far on the western side of the Caspian, as a relatively small rump of the original project. The eastern side, where the great bulk of the basin's reserves are concentrated -- oil in Kazakhstan and gas in Turkmenistan -- and which was included in the U.S.-led project from the outset, has yet to be connected with the planned East-West Corridor. For years, Russia has intimidated those two countries and certain Western oil companies into delaying or withholding decisions on their participation in the projected Corridor.

The Bush administration commissioned an energy policy review as a high priority matter immediately upon taking office in 2001. Under Vice-President Richard Cheney's oversight, the policy review was to prepare recommendations for direct transit to Europe from the eastern side of the Caspian. Again, a strategically minded United States was taking the lead in a project of which EU countries were the main prospective users. In the post-9/11 period, however, this policy review seemed to lose its priority status, and the

subsequent policy itself lost its focus on transit from the eastern Caspian shore, even as adverse global trends increasingly required a common Western effort to fulfill the Energy Corridor vision. Paradoxically, U.S. support for trans-Caspian pipelines slackened when it should have redoubled. Those projects are more vital in today's global energy context of growing scarcity and insecurity than they were in the relatively benign pre-9/11 environment and before the Kremlin had turned monopolization of transit and markets into strategic policy tools.

Instead of clarifying and coordinating their policies with a view toward opening direct access via the Black Sea to the eastern Caspian basin, Washington and Brussels wasted years with the poorly conceived, separately pursued U.S.-Russia Energy Partnership and EU-Russia Energy Dialogue. The Kremlin's challenges, however, have by now conclusively shattered the expectations associated with those Western endeavors.

The EU and the United States need to organize consultations toward a common strategic concept of energy supply security and to coordinate their measures to achieve it. They ought to clarify for themselves and their publics that energy security through diversification of supplies has become a major dimension to overall Euro-Atlantic security; and, on that basis, to propose establishing a regular EU-U.S. consultative mechanism that can evolve into a policy-planning framework.

The EU is moving piecemeal toward its declared long-term goal of a common foreign and security policy, but it has not yet proposed to develop a common energy security policy or a common strategy for supply diversification. Brussels should officially announce that goal as a high priority and propose the necessary institutional format. Such a move can no longer be delayed lest the recent Russian disruptions become recurrent events and lest Russia's inroads into European supply systems continue apace.