

In Midst Of Afghanistan Disaster, Biden Turns To Nord Stream 2

Forbes.com

August 26, 2021

Daniel B. Markind

This article originally ran on Forbes.com on August 26, 2021. All rights reserved.

Daniel B. Markind is a Forbes.com energy column contributor. The views expressed in this article are not to be associated with the views of Flaster Greenberg PC.

During a press briefing on Friday afternoon, State Department spokesman Ned Price abruptly changed the subject from the disastrous pullout in Afghanistan to the Nord Stream 2 pipeline.

A Russian ship, the Ostap Sheremeta, and the ship's owner, JSC Nobility, will face United States sanctions for their role in construction of the pipeline, along with the Russian construction company, Konstanta. Tellingly, neither the German company in charge of the project, Nord Stream AG, nor its executives will face any sanctions. The Biden Administration waived those earlier this year in an attempt to mend relations with Germany.

Mr. Price called out Nord Stream 2 as a project the United States opposes, but the sanctions will have little effect on stopping its completion.

Over the weekend, Ukrainian President Volodymyr Zelensky had a tense meeting with German Chancellor Angela Merkel. Zelensky warned Merkel that Nord Stream 2 places a great political weapon into Russian hands and he continued his harsh criticism of it. Merkel responded by saying the important thing now is to ensure that the current transit contract between Russia and Ukraine, which expires in 2024 and through which Ukraine obtains nearly 3% of its GDP, is extended. In this way, any Russian influence over its neighbors will be lessened.

So far, Ukraine has heard rumblings about its extension but nothing concrete has yet been discussed. By completing Nord Stream 2, much of Ukraine's leverage over Russia will be gone, exactly the scenario Kiev fears.

The American actions concerning Nord Stream 2 are curious given that they may cause some isolated pain but will do nothing to change the overall geopolitical situation. The pipeline will be finished, Russian natural gas extraction in the sensitive Arctic ecosystem will increase, and Russia will gain increasing control over the energy that Germany depends on.

Coming as it does during the botched Afghan withdrawal, in which the Biden team has looked hapless and hopeless, the Nord Stream 2 announcement seems to play into the narrative that the current American administration is unwilling or unable to use its power to truly influence world events.



This will manifest itself in other ways, including in the energy sphere. Expect Canada to take a much tougher line on Enbridge Line 5 (and Line 3), as well as on the Keystone XL and other pipeline projects that involve the United States. OPEC will be less likely to be browbeaten by the Administration to increase its oil production when that same Administration is attempting to limit American development and production.

By failing so badly not only in its execution of the Afghan pullout but also in its communication with its allies, the Biden Administration has raised questions about its competence, strategic vision, and reliability. The Nord Stream 2 announcement may only add to those questions. Why would other countries go out of their way to placate American interests when the United States is either unable or unwilling to take strong, serious coordinated action itself that actually will impact world events?

It's not unusual for American administrations to fumble their first international crisis. However, the magnitude of the failures in Afghanistan put the Biden team in a huge hole. Announcing meaningless sanctions over Nord Stream 2 and saying you oppose it while you do nothing to stop it only adds to the perception of Administration fecklessness, at exactly the time it needs to do the opposite.