

Pipe-laying for Nord Stream 2 restarts, triggering U.S. sanctions requirement

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Mon 2/8/2021 9:15 AM

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All --

As reported by [Reuters](#), [Politico](#), [Deutsche Welle](#), and [RFE/RL](#), Russian and non-Russian firms are currently engaged in pipe-laying and pipe-laying facilitation activities for the purposes of Nord Stream 2 construction. Such activities are in direct violation of Congressionally mandated sanctions against Nord Stream 2 in the form of the Protecting Europe's Energy Security Act (PEESA) and the Protecting Europe's Energy Security Clarification Act (PEESCA). These mandatory, bipartisan sanctions were passed by Congress as part of the National Defense Authorization Act (NDAA) for fiscal years 2020 and 2021.

As a reminder, NDAA '20 and '21 require the State Department and Treasury Department to impose sanctions against "pipe-laying" and "pipe-laying activities" for the purposes of Nord Stream 2 construction. **The failure to impose these mandatory sanctions in a timely manner, thus denying Russia the capacity to finish Nord Stream 2 for several years and likely permanently, would be the equivalent of willfully allowing the Kremlin to complete Nord Stream 2, leaving Ukraine and American allies in Central & Eastern Europe at the mercy of Russia's malign influence for decades to come.**

The sanctions in PEESA and PEESCA require the application of U.S. sanctions against:

- (1) "vessels that engage in pipe-laying or pipe-laying activities at depths of 100 feet or more below sea level for the construction of the Nord Stream 2 pipeline";
- (2) entities that have "sold, leased, or provided, or facilitated selling, leasing, or providing, those vessels for the construction of such a project";
- (3) entities that have "provided for those vessels underwriting services or insurance or reinsurance necessary or essential for the completion of such a project";
- (4) entities that have "provided services or facilities for technology upgrades or installation of welding equipment for, or retrofitting or tethering of, those vessels if the services or facilities are necessary or essential for the completion of such a project"; and
- (5) entities that have "provided services for the testing, inspection, or certification necessary or essential for the completion or operation of the Nord Stream 2 pipeline"; and
- (6) entities that have "facilitated deceptive or structured transactions to provide those vessels for the construction of such a project."

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DP GEZINA (under the Bahamas flag)

IMO: 9295103

Vessel type: Offshore Supply Ship

Year of construction: 2007

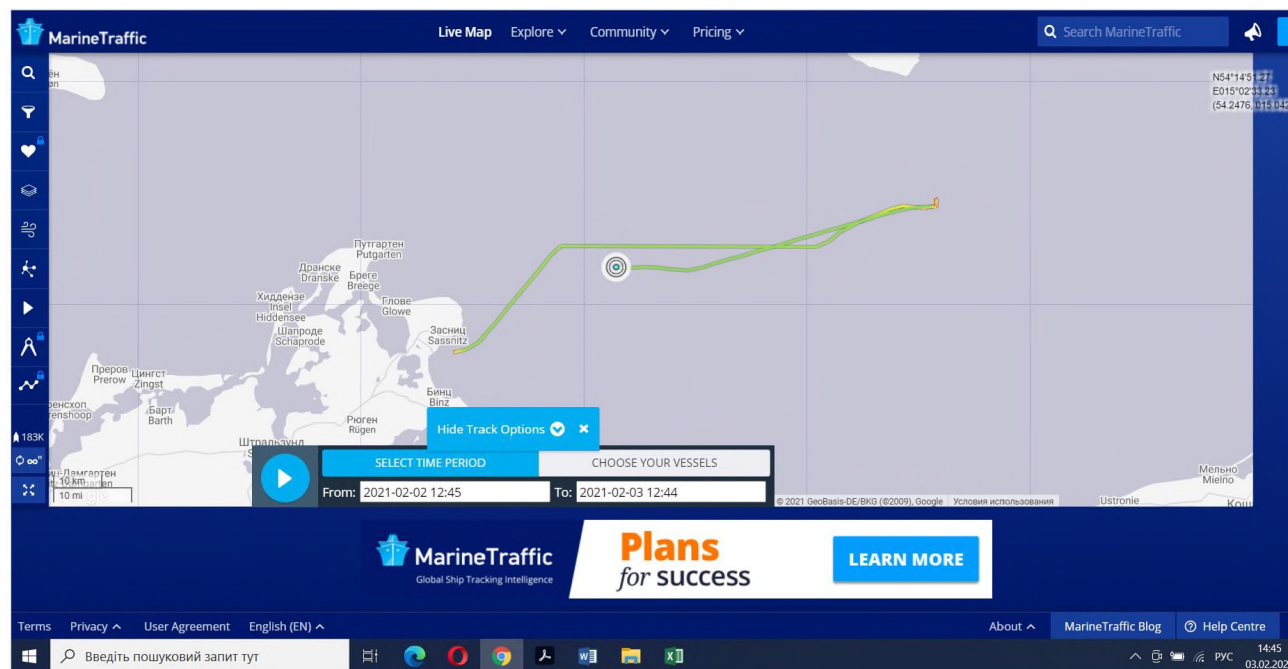
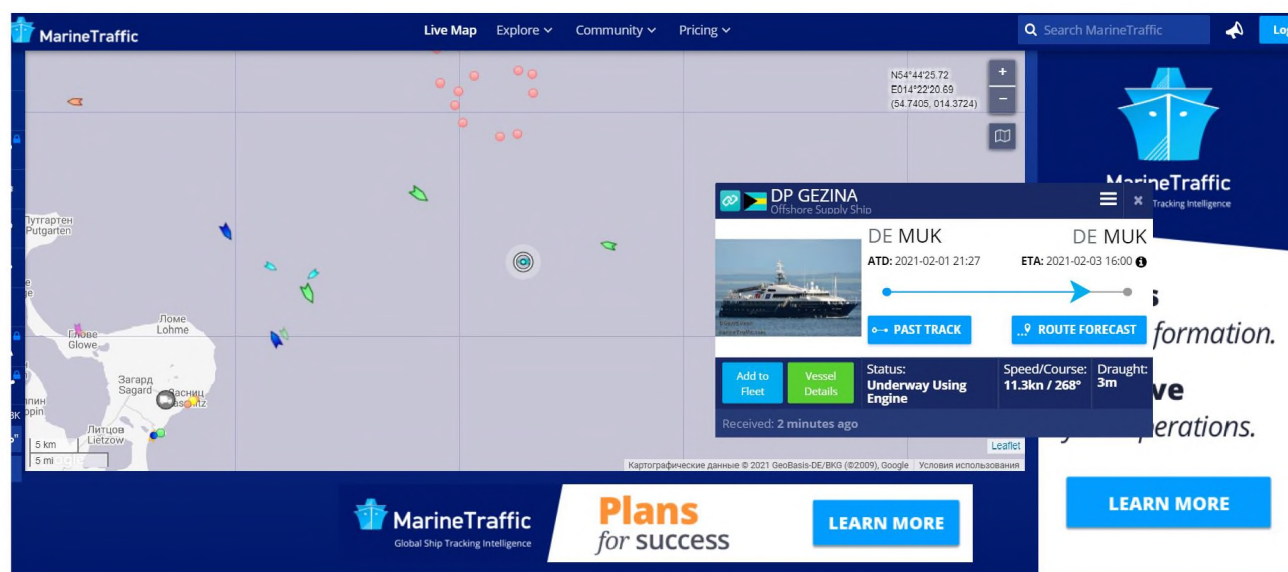
Manufacturer: STOCZNIA GDYNIA S.A. - GDYNIA, POLAND

Owner: CHEVALIER FLOAS - KOOTWIJKERDIJK, NETHERLANDS *(This information may be outdated)*

Manager: CHEVALIER FLOAS - KOOTWIJKERDIJK, NETHERLANDS *(This information may be outdated)*

<https://www.balticshipping.com/vessel/imo/9295103>

Location: Mukran (Germany) - Construction zone NS-2 in Denmark (25.01 – 03.02.2021)





ENERGY & ENVIRONMENT

FEBRUARY 6, 2021 / 1:21 PM / UPDATED 2 DAYS AGO

Pipe laying for Nord Stream 2 restarts in Danish waters

By Vladimir Soldatkin



MOSCOW (Reuters) - The consortium behind the Russia-led Nord Stream 2 natural gas pipeline has resumed laying pipes in the waters of Denmark, it said on Saturday, despite mounting pressure on the project from Washington.

FILE PHOTO: A specialist works onboard the Allseas' deep sea pipe laying ship Solitaire to prepare a pipe for Nord Stream 2 pipeline in the Baltic Sea September 13, 2019. REUTERS/Stine Jacobsen/File Photo

Construction of the link, which would double the capacity of the existing Nord Stream pipeline to 110 billion cubic metres of gas per year, was suspended in December 2019 due to the threat of sanctions from Washington.

However the German government has stood by the project and late in December a vessel called the Fortuna, which was subsequently put under sanctions by Washington, laid a 2.6 km (1.6 mile) portion of the pipeline in German waters.

Construction of the pipeline is mostly complete but around 120 km is left to be laid in Danish waters as well as 30 km in German waters, before it makes landfall at the northern German coastal town of Lubmin, near Greifswald.

The United States has long said the pipeline will increase Russian leverage over Europe and will bypass Ukraine, depriving Kyiv of lucrative transit fees. The United States is also keen to sell its sea-borne liquefied natural gas to European countries.

U.S. President Joe Biden has said he believes Nord Stream 2 is a “bad deal for Europe”.

The consortium said in emailed comments on Saturday that the latest pipe-laying activities by the Fortuna followed the successful completion of sea trials, adding: “All works are performed in line with the relevant permits. We will provide further information about the construction works and further planning in due time.”

Given its major economic and strategic significance, Nord Stream 2 has been increasingly in focus following the jailing of Kremlin critic Alexei Navalny and Friday’s announcement of the expulsion of European diplomats from Russia.

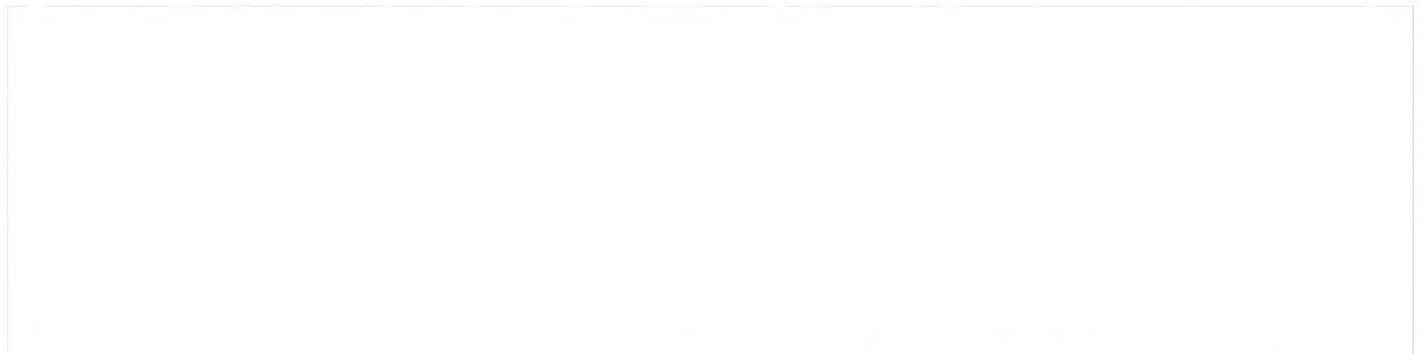
On Friday, German Chancellor Angela Merkel said Berlin was sticking with its support for the pipeline. Germany’s position is that it is a commercial project.

Western partners of Russia’s Gazprom in the project are Germany’s Uniper and the Wintershall Dea unit of BASF, Anglo-Dutch Shell, Austria’s OMV and French-based Engie.

Reporting by Vladimir Soldatkin; Additional reporting by Maria Tsvetkova; Editing by Frances Kerry and David Holmes

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"The pipelay vessel Fortuna has started pipelay works on the Nord Stream 2 pipeline in Denmark's Exclusive Economic Zone today, following the start of works in the construction corridor there on 24 January and successful completion of sea trials," a Nord Stream 2 spokesperson said via email.

Some 75 kilometers of pipe are left to be laid on the 1,200-kilometer project, in German and mostly Danish territory.

Nord Stream 2 had initially said construction would resume in Danish waters on January 15. But that date came and went.

On January 18, then-U.S. President Donald Trump preemptively hit the project's hired Russian ship with sanctions before leaving office under the 2017 Countering America's Adversaries Through Sanctions Act, branding the vessel "blocked property."

A second, expanded set of U.S. sanctions passed in January is triggered the moment Fortuna begins laying pipe in Danish waters.

These additional measures target any entity providing the ship with port facilities, equipment upgrades, insurance, inspection or other services, causing Norwegian certifier DNV GL to cut ties with the project "while sanctions are in place."

Nord Stream 2 added that "all works are performed in line with relevant permits" and that the company would "provide further information about the construction works and further planning in due time."

Construction in German waters is currently frozen due to an administrative challenge to Nord Stream2 's federal permit, filed by NGO Deutsche Umwelthilfe.

CORRECTION: A previous version of this article misstated the date construction resumed.

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RUSSIA

Consortium Resumes Laying Pipe For Nord Stream 2

February 06, 2021 20:01 GMT

Efforts have resumed to complete the last underwater section of the controversial Nord Stream 2 natural-gas pipeline.

The international consortium behind the Russia-led project began laying pipes on February 5 in Danish waters.

The pipeline is intended to carry 100 billion cubic meters of natural gas a year from Russia to Germany, but work was halted in December 2020 following the threat of sanctions from the United States.

Washington opposes the effort to bypass Ukraine in delivering gas to Europe, denying Kyiv a lucrative source of revenue. The United States has also said the pipeline will increase dependence on Russia for energy supplies, with President Joe Biden calling Nord Stream 2 a "bad deal for Europe."

About 150 kilometers of pipe transiting Danish and German waters must be laid to complete pipeline controlled by the Russian state-owned energy giant Gazprom.

On February 5, German Chancellor Angela Merkel said Berlin would continue to support the completion of the pipeline despite Russia's recent crackdown on anti-government protesters and Moscow's expulsion of European diplomats from Russia.

Based on reporting by Reuters and dpa



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Nord Stream 2: Construction resumes in Danish waters

The Russian-led pipeline in the Baltic Sea has almost been completed, despite US sanctions and opposition from some EU member states. The controversial project will double the amount of natural gas exported to Germany.



Several countries have called for Germany to drop the project after the imprisonment of Kremlin critic Alexei Navalny

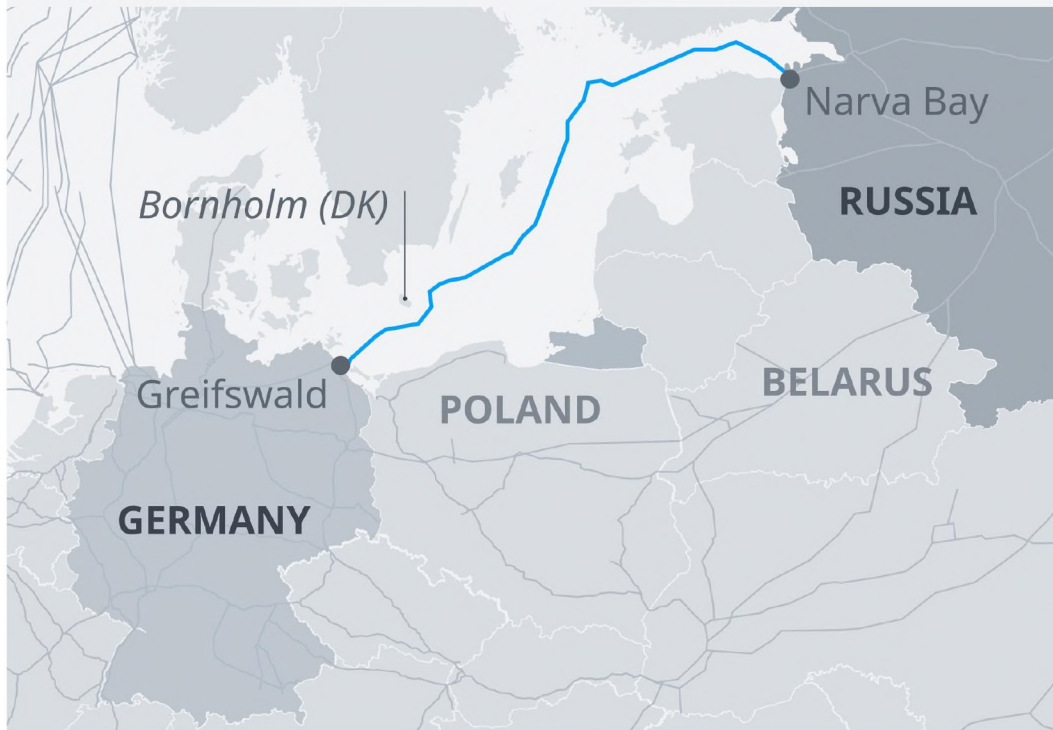
Russia's vessel Fortuna has resumed laying pipes for the [Nord Stream 2 gas pipeline](#) in Danish waters, the project consortium said on Saturday.

The pipe-laying vessel had suspended construction of the almost completed pipeline between Russia and Germany due to US sanctions.

"All works are performed in line with the relevant permits. We will provide further information about the construction works and further planning in due time," the consortium said.

What is Nord Stream 2?

Nord Stream 2



Source: www.nord-stream2.com

Initially stopped in 2019, Fortuna has laid 2.6 kilometers (1.6 mile) of the pipeline in the German exclusive economic zone, bringing the total length of pipeline to more than 2,300 kilometers, according to the dpa press agency.

The remaining construction includes 120 kilometers in Danish waters and another 30 kilometers in German waters.

What is the controversy over Nord Stream 2?

US President Joe Biden has described the pipeline as a "bad deal for Europe," and his administration is expected to [impose further sanctions on the pipeline operating companies](#).

Among the US concerns is Russia gaining leverage over the EU. The US also fears the pipeline's effect on Ukraine's transit fees, which Kyiv typically receives to transport gas from Russia to Europe. Poland, Ukraine and the Baltic states also fear increasing Russian influence in Europe.

Will Biden change US stance on Nord Stream 2?

Some European countries have also criticized the pipeline, as [the EU considers imposing sanctions on Russia](#) over the imprisonment of opposition figure [Alexei Navalny](#).

On Monday, [France urged Germany to cancel the project](#), citing concerns over the Navalny situation.

German Chancellor Angela Merkel said Friday that Navalny's imprisonment would not affect the gas pipeline project. "We reserve the right to continue the sanctions [over Navalny's imprisonment]," she said.

Austrian Chancellor Sebastian Kurz also supported the German stance, describing Nord Stream 2 as a "European project."

"Anyone who believes that the new gas pipeline would only be in Russia's interest is mistaken," Kurz told the *Welt am Sonntag* newspaper on Saturday.

fb/shs (dpa, Reuters)

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