

WORLD

## Biden weighs sanctions on Russian pipeline he called 'a bad deal for Europe'

Ukraine, Poland, France and a bipartisan majority in Congress oppose the pipeline, saying it will make Europe dependent on Russian energy.



— 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 on Sept. 13, 2019. *Stine Jacobsen / Reuters file*

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**By Dan De Luce and Abigail Williams**

WASHINGTON – President Joe Biden will have to make a decision soon on whether to impose sanctions on foreign companies working on a Russian natural gas pipeline, a move that would

cause friction with Germany and raise tensions with Moscow.

Under legislation adopted by Congress last month shortly before Biden's inauguration, firms that perform work in support of [the Russian pipeline](#) in the Baltic Sea are subject to U.S. sanctions, including companies that insure the project. The law requires the State Department to report to Congress later this month on which companies are deemed to be in violation of the sanctions.

The administration has said it is reviewing the issue and the White House National Security Council was due to hold a working-level meeting on Friday to discuss the pipeline project, two U.S. officials told NBC News.

If the administration chose to delay enforcing the sanctions as requested by Germany, officials would have to issue a waiver – which likely would trigger a sharp reaction in Congress.

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The Russia-to-Germany pipeline, known as Nord Stream 2, has been a persistent source of tension between Washington and Berlin for years, with German Chancellor Angela Merkel arguing it is a purely commercial matter that should not be subject to geopolitics or linked to human rights concerns.

Nord Stream 2 would double the shipments of Russian natural gas to Germany, providing German industry with inexpensive energy as the country makes a transition from coal and nuclear energy to renewable sources.

But opponents of the pipeline, including U.S. lawmakers from both parties as well as governments in Central and Eastern Europe, say the pipeline would render Europe dependent on Russian energy at a time when Russian President Vladimir Putin is crushing dissent at home and adopting an aggressive stance abroad.

The White House meeting comes after [reports](#) that companies have [returned](#) to laying pipe in apparent violation of the U.S. sanctions. Nord Stream 2 [said](#) earlier this month it had resumed work on the project, with a vessel called Fortuna conducting work in Danish waters on the last stretch of pipeline.

"We are aware of the reports of the Fortuna beginning work in Danish waters," a State Department spokesperson told NBC News. "We will monitor activity to complete or certify the pipeline and, if such activity takes place, make a determination on the applicability of sanctions."

— Workers are seen at the construction site of the Nord Stream 2 gas pipeline, near the town of Kingisepp, Leningrad region, Russia, June 5, 2019. Anton Vaganov / Reuters file

The spokesperson added that "sanctions are only one among many important tools" and that the United States will continue to work with allies and partners "to ensure Europe has a reliable, diversified energy supply network that does not undermine our collective security."

Biden has called Nord Stream 2 a "bad deal for Europe."

On Capitol Hill, the sanctions against Nord Stream 2 enjoy strong bipartisan support and lawmakers are watching the Biden administration closely for any sign of delay, congressional aides said.

"Any entity engaging in sanctionable activity to help complete the Nord Stream 2 pipeline – whether they are Russian or not – should be sanctioned immediately as required by law," Rep. Michael McCaul of Texas, the ranking Republican on the House Foreign Affairs Committee, said in an email.

Citing bipartisan backing for the sanctions, McCaul said, "I would strongly urge the Biden administration to stick to their promise to hold Putin accountable by not using any waiver authorities."

As the administration reviewed its options, two members of the Senate Foreign Relations Committee on Friday urged the White House to take action promptly and to issue a report to Congress by Feb. 16 as required by the sanctions law.

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“The U.S. relationship with Germany is a cornerstone of the transatlantic alliance. But allowing the completion of Nord Stream II is not a constructive path forward for this partnership,” Democratic Sen. Jeanne Shaheen of New Hampshire and Sen. James Risch of Idaho, the ranking Republican on the committee, wrote in a letter to President Biden.

“Opposition to the pipeline has been U.S. policy since the Obama administration, and this policy continues to enjoy strong, bipartisan support,” the senators wrote.

[The poisoning and arrest of Russian opposition activist Alexei Navalny](#) has prompted renewed calls on the German government to halt Nord Stream 2. France has said the project should be abandoned given Russia's treatment of Navalny and the sweeping crackdown against his supporters.

Germany's embassy in Washington declined to comment.

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In a White House account of a Jan. 25 phone call between Biden and Merkel, there was no mention of Nord Stream 2. The White House said the two leaders discussed Russia along with other topics, and the U.S. president "expressed his intention to revitalize the transatlantic alliance, including through NATO and with the European Union, as the cornerstone of our collective security and shared democratic values."

When a first round of U.S. sanctions were introduced in December 2019, fewer than 100 miles of the roughly 760-mile long [pipeline](#) system remained to be laid. But the project has been essentially frozen since the measures were imposed.

The sanctions have already led some Western companies to drop out of the project, including Zurich Insurance Group and DNV GL of Norway.

Opponents of Nord Stream 2 also argue it would badly undercut Ukraine's finances and leave it vulnerable to pressure from Moscow, as the project would deprive the country of a crucial stream of revenue it earns from charging Russia fees for transporting gas through its territory.

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Ukraine's state-owned gas company, Naftogaz, said it was optimistic that the Biden administration would introduce sanctions on work related to Nord Stream 2.

"We're confident that President Biden will apply the required congressional sanctions against Nord Stream 2, permanently stopping the Russian project," said Vadym Glamazdin, a senior official at Naftogaz. "Biden is a friend of Ukraine, he cares deeply about transatlantic security, and he would never abandon Ukraine in order to protect the Kremlin and its geopolitical energy projects."

Russia's embassy in Washington did not respond to a request for comment.

German President Frank-Walter Steinmeier has defended Nord Stream 2 as one of the few remaining "bridges" between Europe and Russia, and [argued](#) that Germany owned a debt to Moscow due to Nazi atrocities during World War II and Hitler's invasion of the Soviet Union in 1941.

His comments triggered [outrage](#) in Ukraine and [Poland](#). Ukraine's ambassador to Germany, Andrij Melnyk, [said](#) Steinmeier's "dubious historical arguments" had "cut us Ukrainians to the quick."

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