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Aug 9, 2021 - Politics & Policy

Scoop: Biden taps Russia hawk for key energy post

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Then-Vice President Biden with Hochstein at the Caribbean Energy Security Summit in 2015. Photo: Brendan Smialowski/AFP via Getty Images

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charged with implementing a [U.S.-Germany deal](#) allowing the Nord Stream 2 pipeline to be completed, sources familiar with the decision tell Axios.

Why it matters: Hochstein has been a leading voice *against* Nord Stream 2, a strategic and financial priority for the Kremlin that will allow Russia to bypass Ukraine and deliver gas directly to the heart of Europe.

- The appointment — which will not require Senate confirmation — lends the credibility of a prominent Russia hawk to a Biden decision that's drawn [intense criticism](#) in Eastern Europe and on Capitol Hill, including from some Democrats.
- Implementing the pipeline deal will be an immediate priority for Hochstein, who's known by key players in Eastern Europe as "Biden's guy."
- Hochstein also will serve a broader global energy role in the Biden administration. He declined to comment for this story.

Behind the scenes: Sources who know Hochstein are surprised he'd agree to take a job that seems in such inherent conflict with his reputation and [stance](#) that the pipeline is "the existential crisis facing Ukraine."

- "They're trying to hide this terrible deal behind his credibility in the hopes it will make people forget just how bad this deal is," said a source who's worked with Hochstein on energy matters and respects him as a staunch pipeline opponent.

hope in Kyiv is that [Hochstein's appointment] is recognition that the policy to date has not been a success and that this appointment results in a real course improvement and is not window dressing."

The other side: A source familiar with the process told Axios that "it's frankly good to have someone who is deeply suspicious of the project and of Russian intentions because he will push hard to execute an effective strategy to manage the threat."

- A Biden official said the appointment has been in the works for some time, and disputed the notion that it's a "course correction" in response to outrage over the deal.
- Politico [first reported](#), in April, that Hochstein was under consideration for a special envoy role to help kill Nord Stream 2. But that was before Biden made the decision to waive sanctions and allow the pipeline to move forward in the interests of improving the U.S. relationship with Germany.
- The Biden official added that Hochstein's experience would be valuable for implementing the deal and that Germany had established its own envoy for him to deal directly with. Hochstein joins an administration that's light on experience in global energy negotiations.

The backstory: Hochstein served as the State Department's special envoy for international energy affairs from 2014 to 2017, overseeing U.S. energy

- He was appointed to the supervisory board of the Ukrainian gas company Naftogaz in 2017, working on anti-corruption reforms at a state-owned energy giant notorious for being plundered by oligarchs.
- During former President Trump's first impeachment hearings, then-National Security Council official Fiona Hill testified that Hochstein was one of the people who first alerted her to the extent of Trump's shadow policy led by Rudy Giuliani.
- Hochstein [announced in an October 2020 op-ed](#) he would resign from the Naftogaz board, citing the Ukrainian government's backsliding on corruption.
- People in Zelensky's orbit were initially concerned about Hochstein's appointment. But on Sunday a source close to the Ukrainian president told Axios: "Despite the op-ed the Ukrainians remain open-minded about Amos and do not doubt his good faith."

The big picture: The Biden administration has condemned Nord Stream 2 — which could be completed [in the coming months](#) — as "a Kremlin geopolitical project that threatens European energy security," but has also called it a "fait accompli."

- Construction [was suspended](#) in December 2019 after the Trump administration imposed congressionally mandated sanctions, but deep-sea pipe-laying [resumed](#) after Biden took office.

importance of repairing the relationship with Berlin after it deteriorated under Trump.

- Another Biden official described it as making "the best out of a bad situation that we inherited from the previous administration."
- Under the terms of the agreement, Germany committed to taking action if Russia tries to "use energy as a weapon," using "all available leverage" to ensure Russia continues paying Ukraine transit fees; and launching a "green fund" to help Ukraine modernize its energy sector.

Bottom line: Hochstein has his work cut out for him. Ukrainians and other Eastern Europeans have cast the deal as woefully inadequate.

- The foreign ministers of Ukraine and Poland [condemned it](#) within hours of its announcement, saying it creates a "political, military and energy threat."
- Senate Foreign Relations Committee Chairman Bob Menendez (D-N.J.) is among the prominent Democrats who have [trashed the deal](#). And the committee's ranking member, James Risch (R-ID), called it "another major victory for Putin."



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Afghanistan

Senate Foreign Relations Committee Chair Bob Menendez. Photo: Office of Sen. Bob Menendez.

Senate Foreign Relations Committee Chair Bob Menendez (D-N.J.) said Tuesday he would hold hearings into the "flawed" U.S. troop withdrawal of Afghanistan.

Driving the news: Menendez, who blamed both the Biden and Trump administrations for the crisis unfolding in the Taliban-controlled country, is one of three top Democrats who head Senate committees who've vowed to investigate the Afghanistan crisis.

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Shawna Chen
18 mins ago - Energy & Environment

Hurricane Grace nears Mexico as Tropical Storm Henri heads for New England

Hurricane Grace on Aug. 18. Image: CIRA/RAMMB

People in Mexico's eastern peninsula and America's northeastern coast should prepare for hazardous weather this week as [Hurricane Grace](#) and [Tropical Storm Henri](#) come ashore, the National Hurricane Center (NHC) said on Wednesday.

Driving the news: Grace is set to reach Mexico overnight Wednesday, while Henri will reach New England by the end of the week and continue through the weekend. Both are expected to cause dangerous storm surges.

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