



Memo to Washington: Overzealous Support for European Energy Independence May Tank the Transatlantic Relationship

By Kristine Berzina

BRUSSELS — The U.S. House of Representatives voted this week to pass a new bill on sanctions against Russia that should have left Europeans cheering. But rather than celebrate Congress's new bill, European Commission President Jean-Claude Juncker is discussing possible retaliation and lamenting that "America first cannot mean Europe's interests come last."

How did a bill to support Europe by short-circuiting President Trump's friendly approach to Russia cause the latest upset in transatlantic relations? From Brussels, the answer is clear: transatlantic partnership is based on cooperation, but the new bill stinks of condescension. Europe is eager to coordinate and partner with the United States on foreign policy, but Europe needs space to solve its internal challenges on its own.

The European Commission and certain member states — Germany and Austria, in particular — are fearful that a provision in the new bill will allow the United States to kill off Nord Stream 2, a controversial gas pipeline from Russia to Germany. The bill states that "it is the policy of the United States . . . to continue to oppose the Nord Stream 2 pipeline given its detrimental

impacts on the European Union's energy security, gas market development in Central and Eastern Europe, and energy reforms in Ukraine" (Section 257). This is not new — under the Obama administration, the U.S. government fought the pipeline. But the bill goes one step further by giving Trump the power to sanction companies that contribute to Russian energy export pipelines. The five European energy companies^[1] that are financing the project alongside Russia's Gazprom could be subject to U.S. sanctions. Although the House draft bill has added language requiring the president to act "in coordination with allies," the fundamental principle remains: the United States could intervene in an internal political battle in the EU and stop a project it believes is detrimental to Europe's interest.

Europe's opposition to the U.S. bill is not really about the pipeline itself. Before the bill emerged, the debate around Nord Stream 2 focused on Brussels' political opposition to the pipeline and efforts to make the project fit into the EU's goals to diversify energy routes and sources. But the prospect of the United States taking



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a decisive role on the future of the project has pushed the European Commission to defend the European companies that it was displeased with.

Many in Washington and in Europe agree that Nord Stream 2 is not in Europe's interest. The pipeline pits the interests of Germany and Austria against Central and Eastern European countries, fracturing the EU at a moment when the block is finally gaining traction as a geopolitical actor. If built, the pipeline would make Germany a larger energy hub in Europe and would enable Russia to stop sending gas through Ukraine by 2019. Cutting the Ukrainian transit route not only takes away transit revenue for Ukraine, it also jeopardizes the security of gas supplies down the pipeline in Southeastern Europe.

But by threatening to end the Nord Stream 2 project, the United States is depriving the EU of the opportunity to mature as an energy security actor. Since 2015, the EU has been developing an Energy Union that would require member states to better coordinate with each other and to provide a single face to Russia on energy. As with many initiatives in Brussels, progress has been slow, but it is coming; the European gas market is becoming more integrated, and new gas supplies are entering the European market, including from the United States.

Many Europeans see two messages in the bill: first, the United States does not believe that the EU will come into its own on energy and solve its pipeline problems. This lack of confidence certainly does not support Europe in the face of Russian aggression.

The second takeaway is even more troubling: in the Trump era, the U.S. bill is not really about foreign policy but is a tool to enrich the United States at the cost of European business. In June, the German Foreign Minister Sigmar Gabriel and Austrian Chancellor Christian Kern denounced a prior version of the sanctions bill, writing that "what is actually at stake" is "selling American liquefied natural gas and ending the supply of Russian natural gas to the European market. The bill aims to protect U.S. jobs in the natural gas and petroleum industries."

The U.S. government should show Europe that its interest in sanctions is truly to support Europe and Eurasia from Russia's influence rather than to fill its pockets. The bill's text gives credibility to Germany and Austria's fears: "the United States Government should prioritize the export of United States energy resources in order to create American jobs, help United States allies and partners, and strengthen United States foreign policy" (Section 257). European policymakers and businesses may take that to be the order of priority in Washington — jobs first, allies second. Rather than building a narrative of transatlantic cooperation, the bill creates a zero-sum dynamic between European and U.S. companies. That should hardly be the outcome of legislation that seeks to support Europe.

So where do we go from here? The United States should remain patient with the EU's efforts to improve its energy security and should continue to coordinate closely with Europeans on countering Russia's influence. Overzealous pushes for Europe's energy independence and unilateral action against controversial pipelines may not only weaken efforts to improve Europe's energy security but tank the transatlantic relationship as such. Diplomacy and political support will be much better to build Europe's strength.

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