

U.S. Seeks Decision on \$5Bln Caspian Oil Pipe Extension

By [The Moscow Times](#)

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NEW YORK — The United States wants partners in the Caspian Pipeline Consortium to decide as early as next month to invest about \$5 billion to expand the network that transports oil from Kazakhstan to the Black Sea, an official said.

Expansion of the Caspian Pipeline Consortium, known as CPC, is "essential" and would improve regional energy security, said Daniel Stein, a senior adviser to the U.S. State Department's special envoy for Eurasian energy. "We hope the decision will be made soon, hopefully in December."

CPC shareholders have agreed to enlarge the capacity of the pipeline, which connects oil fields in Kazakhstan with an export terminal on the Black Sea coast, to 67 million tons of crude a year. The network may be able to transport as much as 76 million tons a year by using anti-friction additives, according to Transneft, which manages the Russian government's stake in the group.

Stein declined to say Monday when actual work on the expansion was likely to start if the partners approved the necessary investment next month. Chevron, one of the partners, said May 30 that work could start this year and be completed in 2015.

Stein also expressed support for other options for exporting oil to Europe from the Caspian Sea region, saying European energy security is in "U.S. national interests." One such option is developing southern export routes for Caspian oil that bypass Russia.

"It's increasingly evident that there will be a south corridor for Caspian oil," Stein said at a conference on Kazakhstan. "Negotiations involving producers and exporters are under way. At some point, we hope that Kazakhstan will participate in the south corridor."

The U.S. official acknowledged that "Russia is and will continue to be the major player" in regional energy markets. "This is just reality. We are not opposed to it," he said, calling at the same time for "alternative benefits."

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