

# Putin's Gas Trump Card Higher than America's

By [The Moscow Times](#)

March 13, 2014

**The**  **Moscow Times**

WASHINGTON — The U.S., with its abundant supplies of natural gas, would seem to have an easy answer to Europe's fears that a strong response to Russia's rapid takeover of Ukraine's Crimea region could prompt President Vladimir Putin to shut down gas lines that keep European homes warm, factories humming and electricity flowing.

The trouble is that right now there's no way to get meaningful U.S. supplies across the Atlantic Ocean.

Turning natural gas into liquefied natural gas, or LNG, a process that makes the fuel transportable by ship, is very expensive. Beyond that the U.S. government has — until recently — been stingy with permits to build those facilities. And regulations make it difficult to sell U.S. gas to nations that are not in free trade compacts with Washington.

That is not good news for Europeans, who are dependent on Russia for at least 30 percent

of its natural gas. Consequently, Europe's reaction to the Russian seizure of Ukraine's semi-autonomous Crimea, while noisy, has little teeth.

Moscow already has a history of cutting some supplies to Europe. In 2009, Europeans shivered through part of the cold winter because Moscow turned the taps off in a dispute with Ukraine over the price of gas. Some of the pipelines carrying Russian gas pass through Ukraine. And Ukraine is once again in hock to Moscow for \$1.89 billion in gas bills.

European dependence on Russian gas no doubt played into Kremlin leader Putin's calculus when his forces took control of the Crimean Peninsula, home to Moscow's Black Sea fleet and 60 percent populated by ethnic Russians. Natural gas is Russia's trump card.

And while U.S. gas supplies might have given Putin pause before he initiated the current crisis, he knew the U.S. could not quickly make up any shortages.

The crisis in Ukraine is expected to drag on even after Crimea's status is resolved, and Europe could be waiting a while for new exports of liquefied natural gas from the U.S. The first are not expected until late 2015 from a Louisiana facility. President Barack Obama's Energy Department has approved only six LNG export applications in the past four years. All of those, aside from the Louisiana operation, are not likely to be in operation until 2017.

Twenty-two LNG export projects remain pending. Initial U.S. exports, even if they went to Europe rather than pricier markets in Asia, would not suffice to offset Russian domination of the market.

## **Reducing Dependence**

The Obama administration has been determined to use the U.S. energy boom to move the country away from its dependence on imported energy supplies, with many arguments for keeping U.S. natural gas at home. Exports, some argue, would raise the cost for U.S. residents who heat their homes with the fuel and impose higher prices on manufacturers who use the resource to make other products like plastics and fertilizer. What is more, environmental activists contend a booming U.S. export sector would only cause even more fracking — shorthand for hydraulic fracturing — a process that many claim pollutes water supplies and increases greenhouse gas emissions.

Then there is the cost. Russia, using existing pipelines — some of which cross Ukraine — can deliver gas far less expensively than could U.S. companies who would have to undertake the expense of turning the gas into a liquid and sending it by ship to market. And Asians are already paying far more for LNG deliveries than what Europeans spend for Russian gas.

Regardless, writes Michael Levi of the Council on Foreign Relations, a shift in U.S. policy that would exploit exports to Europe, could "deter Putin from using the gas weapon" out of fears Europeans might shift long-term procurement away from Russia and to the U.S. And in future crises, he says, "it could blunt the Russian weapon, since U.S. exports would be available to fill in for Russian supplies."

Vali Nasr, dean of the Johns Hopkins School of Advanced International Studies, agrees.

"America's gas would be more expensive than Russia's, but the mere fact of an alternative would sap Russia's leverage to blackmail Europe with threats of price rises or cutoff," he wrote in The New York Times.

Nevertheless, Michael McFaul, the just-departed U.S ambassador to Moscow, says the availability of American gas to Europe "puts pressure on the government inside Russia if suddenly they are losing those markets."

But, he said, "I want to emphasize this is not going to happen overnight, over years, if not decades, not in days and weeks... ."

So the U.S. cannot do much on the natural gas front right now, but it will become a lever Washington can pull in future crises with Moscow. Given Putin's recent behavior and his drive to bring former Soviet republics back under Moscow's sway, there seems little doubt those future crises will arise.

### **Long-Term Strategy**

The long view might be what prompted the ambassadors to Washington from Hungary, Poland, Slovakia and the Czech Republic to write over the weekend to John Boehner, Speaker of the U.S. House of Representatives, urging the U.S. to increase natural gas exports to ward off shortages if the Russians cut off supplies, even though Boehner needs little convincing.

The ambassadors pushed for quick approval of natural gas exports, saying the "presence of U.S. natural gas would be much welcome in Central and Eastern Europe. All four countries were invaded by Soviet forces or placed under martial law during reform movements before the Soviet Union collapsed in 1991.

They had a sympathetic ear in Boehner, who wrote in the Wall Street Journal last week: "The ability to turn the tables and put the Russian leader in check lies right beneath our feet, in the form of vast supplies of natural energy."

But the White House argues Russia is so dependent on revenue from gas sales that it is unlikely that the Kremlin will cut off supplies to Europe regardless of the Ukraine crisis.

"Proposals to try to respond to the situation in Ukraine that are related to our policy on exporting natural gas would not have an immediate effect," White House spokesman Josh Earnest said.

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