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White House says Biden believes Nord Stream 2 pipeline is 'bad deal' for Europe

By Timothy Gardner, Trevor Hunnicutt



FILE PHOTO: A road sign directs traffic towards the Nord Stream 2 gas line landfall facility entrance in Lubmin, Germany, September 10, 2020. REUTERS/Hannibal Hanschke/File Photo

WASHINGTON (Reuters) - President Joe Biden believes the Nord Stream 2 natural gas pipeline is a “bad deal for Europe” and his administration will be reviewing restrictions on the project included in a bill that passed during the Trump administration, the White House said on Tuesday.

The restrictions on the undersea pipeline project were included in the annual defense policy bill that passed on Jan. 1. Sanctions in the measure apply to any companies helping Gazprom, the Russian state energy company leading the project, to lay pipeline, insure vessels or verify equipment.

The Trump administration, like the Obama administration before it, opposed the project on the grounds it would strengthen Russian President Vladimir Putin’s economic and political influence over Europe. Russia has cut deliveries of the fuel to Ukraine and parts of Europe in winter during pricing disputes.

Biden has also opposed the project, which would bypass Ukraine and deprive it of lucrative transit fees, since he was vice president under former President Barack Obama. Russia and Germany say the pipeline is a purely commercial project.

“We continue to believe, the president continues to believe, that Nord Stream 2 is a bad deal for Europe,” White House Press Secretary Jen Psaki told the daily briefing, adding the administration “will be reviewing” the restrictions included in the defense policy legislation.

The \$11 billion pipeline, which is 90% complete, would double the capacity of the existing Nord Stream duct to deliver gas from Russia to Europe via Germany under the Baltic Sea.

The issue is coming to a head as the Senate has begun confirming Biden Cabinet members who could weigh in on decisions on the project, including Secretary of State Antony Blinken, and as construction resumes after being stalled for about a year following a threat of sanctions from the United States and the withdrawal of pipe-laying company Allseas.

A ship called the Fortuna on which Washington slapped sanctions on former President Donald Trump’s last full day in office last Wednesday, has begun work in deep waters off Denmark, ahead of the resumption of construction, Nord Stream 2 said on Sunday.

The State Department is expected to issue a report to Congress soon on the companies helping Gazprom complete the project, which could add pressure to firms to drop out. Some companies, including Zurich Insurance Group and Norway’s risk management and quality assurance firm DNV GL, have dropped work on the project.

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