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US sanctions Nord Stream 2 pipeline

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The U.S. Department of State released guidance^[1] Oct. 20 regarding the new sanction regulations targeting a Russian natural gas pipeline, Nord Stream 2, that the U.S. claims harms its national interests and those of the European Union.

Sanctions were originally placed on Russian, North Korean, and Iranian entities—including the energy sector—through the Countering America's Adversaries Through Sanctions Act in 2017.^[2] Those sanctions have been updated to include companies that help refit, update, or install equipment on sea vessels that work on Nord Stream 2.^[3] The new sanctions could possibly kill the pipeline, as there are currently no ships capable of finishing the project without being refitted.^[4]

The threat of U.S. sanctions has driven away several partners already. The U.S. sees Russia's energy sector as an extension of the Russian government's interest, and it fears that Nord Stream 2 would give Russia undue leverage over the European Union and also freeze out U.S. natural gas suppliers that must traverse the Atlantic in order to deliver their product to market.

¹ U.S. Department of State, "Protecting Europe's Energy Security Act (PEESA)," guidance, October 20, 2020, <https://bit.ly/2FU8lEw>.

² Countering America's Adversaries Through Sanctions Act, Pub. L. No. 115-44, 131 Stat. 886 (2017), <https://bit.ly/3dOi1Nc>.

³ U.S. Department of State, "Protecting Europe's Energy Security Act (PEESA)."

⁴ Brett Forrest, "U.S. Broadens Sanctions to Thwart Completion of Russian Gas Pipeline," *The Wall Street Journal*, October 20, 2020, <https://on.wsj.com/2IXwsmT>.

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