

Biden looks to appoint special envoy to kill Russia-Germany energy pipeline

BY NATASHA BERTRAND, ANDREW DESIDERIO | 04/07/2021 01:05 PM EDT



Amos Hochstein, who served as the special envoy and coordinator for international energy affairs under President Barack Obama, was informally offered the special envoy role late last month and is being vetted. | AP Photo/Pablo Martinez Monsivais

The White House is in talks to appoint a special envoy to lead negotiations on halting the construction of Russia-to-Germany gas pipeline Nord Stream 2, current and former U.S. officials said, as the Biden administration grapples with how to stymie a nearly completed energy project that would serve as a major financial and geopolitical boon to Moscow.

Amos Hochstein, who served as the special envoy and coordinator for international energy affairs under President Barack Obama and was a close adviser and confidant to then-Vice President Joe Biden, was informally offered the role by National Security Adviser Jake Sullivan late last month and is being vetted, the officials said, but he has not yet accepted the job.

Hochstein, who stepped down from the supervisory board of the Ukrainian energy company Naftogaz late last year, declined to comment.

The potential appointment of an envoy indicates a new strategic focus by the administration. Previously, the White House had tasked the European affairs experts at the National Security Council and the State Department with handling the pipeline diplomacy; officials tell POLITICO there's consensus that the thorny geopolitics surrounding Nord Stream 2 now require more dedicated attention — especially as the pipeline, which is already nearly 96 percent finished, races toward completion.

It's also a nod to the pressure campaign from Capitol Hill, where senators from both parties have been pushing the Biden administration to effectively cripple the pipeline before it's too late. Sen. [Ted Cruz](#) (R-Texas) has held up speedy confirmation of Biden's top State Department nominees as part of that effort, and other senators have publicly called on the administration to accelerate a sanctions package targeting entities involved in the pipeline's construction, as required by law.

In a recent private meeting, Cruz pressed Victoria Nuland, Biden's pick to lead the State Department's political affairs office, about the possibility of appointing an envoy to handle the matter, according to two people familiar with the conversation. (The senator's office declined to comment.)

Cruz's efforts, though incremental, are having an impact. Last month, the Texas Republican released his hold on CIA Director William Burns' nomination after Secretary of State Antony Blinken [publicly committed](#) to shutting down the pipeline.

"The [State] Department reiterates its warning that any entity involved in the Nord Stream 2 pipeline risks U.S. sanctions and should immediately abandon work on the pipeline," Blinken said.

But one U.S. official familiar with the matter argued that the administration was already dragging its feet. The Justice Department gave legal sign-off last month to at least two sanctions packages targeting Nord Stream 2 AG, the company responsible for the planning, construction and subsequent operation of the pipeline, and its CEO Matthias Warnig, the official said. But the packages have not yet been implemented, and it remains to be seen whether the administration will include Nord Stream 2 AG and Warnig on the list of sanctionable entities that it is required to provide to Congress next month.

Some officials, however, are wary that the appointment of an envoy could actually be counterproductive, and further delay sanctions against Nord Stream 2 by telegraphing to Germany and Russia that the U.S. is open to some form of reconciliation. But a Senate Democratic aide told POLITICO that Hochstein's appointment to the role would be "welcomed" by Democrats. "Amos would be a great person for this position," the aide said, noting that he "has a good reputation" and worked on similar issues during the Obama administration.

While it is not yet clear what the envoy's exact mandate and parameters would be, the role would at least initially be focused on managing delicate negotiations over how to impede the pipeline without alienating a key U.S. ally in Berlin. It might then expand to deal more broadly with international energy issues, similar to what Hochstein was doing at the State Department under Obama, said two people involved in the discussions.

The diplomatic situation is extremely delicate, officials said. The administration wants to impede Moscow's energy leverage — Biden has called it "a bad deal for Europe" — but it also wants to strengthen the U.S. relationship with Germany, which has been lobbying Washington for the pipeline's construction to continue unabated. "We're between a rock and a hard place," a senior administration official said last month.

The German government has floated several potential offers to get the U.S. to lay off the pipeline, said people familiar with the

conversations, including trade deals and increased investment in green energy projects in Europe and Ukraine.

But U.S. lawmakers from both parties have argued that regardless of any German attempts to sweeten the deal for Washington, the pipeline would place Russian infrastructure inside NATO territory and thereby threaten its member states. It would also make some European countries more dependent on Russian energy, the lawmakers contend, while depriving Ukraine of billions of dollars in revenue by allowing Russia to circumvent the country when transferring gas to Europe.

“[C]ountering Russian malign aggression is in the vital national security interests of all of NATO, all EU members, and our partners in Eastern Europe,” Senate Foreign Relations Committee Chairman [Bob Menendez](#) (D-N.J.) and Sen. [Jeanne Shaheen](#) (D-N.H.) wrote [in a letter](#) to Blinken late last month. “We cannot lose sight of this central principle as we engage diplomatically on the pipeline.”

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