



# Too little, too late? US sanctions against Nord Stream 2 and the transatlantic relationship

Moniek de Jong<sup>1</sup>

Accepted: 9 March 2022 / Published online: 7 April 2022  
© The Editor of the Journal 2022

## Abstract

In recent years, the transatlantic relationship has been under increasing strain. A key point of friction has been Nord Stream 2, a contentious gas pipeline project connecting Russia and Germany through the Baltic Sea. This study seeks to expand the primarily euro-centric scholarly work on Nord Stream 2 by tracing and explaining the objectives, timing, and effectiveness of US sanctions against Nord Stream 2. Drawing on the canonical ‘multiple streams’ model of the policy process, I find that US lawmakers were primarily driven by Russian interference in US elections, and concerns about Europe’s high dependency on Russian energy supplies and the weakened geopolitical position of Ukraine. The annual budgeting legislation provided the window of opportunity to pass the sanctions. The sanctions were initially very effective and resulted in the termination of contracts for companies working with the Nord Stream 2 consortium, but Russian countermeasures have kept the project afloat. This points to the limits of US structural power.

**Keywords** Nord Stream 2 · Transatlantic relationship · Sanctions · Effectiveness · Multiple streams model

## Introduction

After years of objecting to Nord Stream 2, the United States (US) imposed sanctions against the Russian gas pipeline project in the Baltic Sea in 2019.<sup>1</sup> The Gazprom-owned Nord Stream 2 is expected to bring an additional 55 billion cubic meters (bcm) of Russian natural gas to the European Union (EU) via Germany. Three US presidents

<sup>1</sup> The sanctions also apply to TurkStream, a two-string pipeline from Russia to Turkey under the Black Sea. However, both strings were already completed when the US imposed sanctions; therefore, their effect on this pipeline project is not included.

✉ Moniek de Jong  
Moniek.dejong@ugent.be

<sup>1</sup> Ghent University, Sint-Pietersnieuwstraat 41, 9000 Ghent, Belgium



(Obama, Trump and Biden) have contested the two-string project.<sup>2</sup> In the past, the US imposed sanctions against similar Soviet energy projects to Europe, for example the Friendship and Brotherhood pipelines in the 1960s and 1980s. In the midst of the Cold War, US lawmakers believed the construction of both pipelines would threaten the transatlantic relation by providing the Soviet Union leverage over Europe.<sup>3</sup> However, it is ambiguous what motivated the sanctions against Nord Stream 2 pipeline. Additionally, the timing of the sanctions, which were only introduced when the project was already 87 percent completed,<sup>4</sup> is puzzling. This begs the questions ‘why has the US imposed sanctions against Nord Stream 2’ and ‘why were they imposed so late?’.

To answer these questions, a two-pronged approach is taken. For the first question, this study unravels the domestic process of US sanctions by tracing the legislative process and revealing that Russian interferences in the US elections, concern for Ukraine’s sovereignty and European energy security are the main drivers of the sanctions in Congress. For some policymakers, Liquid Natural Gas (LNG) sales to Europe also seemed to play a (secondary) role.

The second question can best be explained through the multiple streams model of policy process by Kingdon.<sup>5</sup> Kingdon suggests that policy change occurs when the three ‘streams’ merge, in what is called a ‘window of opportunity’, or policy window.<sup>6</sup> The first stream is the *problem* stream that consists of a policy problem that has captured the attention of lawmakers. The second stream is the *policy* stream, in which a solution for the problem is found and generally agreed upon. The first and second streams take place consecutively. The third stream, the *political* stream, is independent from the problem and policy streams and can consist of multiple factors, such as congressional distribution (partisan, bipartisan), election results and public opinion. The policy window is ‘an opportunity for advocates of proposals to push their [...] solutions’<sup>7</sup> and is only open for a limited time. Russian interferences in US politics assisted in the three streams merging through bipartisan desire to punish Russia in 2019 and 2021. The National Defence Authorization Act (NDAA), an annual defence budget bill, provided the vehicle to swiftly have the sanctions approved.

Additionally, this study advances the scholarly field on the effectiveness of energy sanctions, as energy sanctions tend to be understudied.<sup>8</sup> Two assumptions (US

<sup>2</sup> Jeff Mason, ‘Trump lashes Germany over gas pipeline deal, calls it Russia’s ‘captive’’, *Reuters*, July 11, 2018, <https://www.reuters.com/article/us-nato-summit-pipeline/trump-lashes-germany-over-gas-pipeline-deal-calls-it-russias-captive-idUSKBN1K10VI>.

<sup>3</sup> Reuters, ‘Biden: Nord Stream 2 pipeline is a ‘bad deal’ for Europe’, *Reuters*, August 25, 2016, <https://www.reuters.com/article/us-energy-europe-usa/biden-nord-stream-2-pipeline-is-a-bad-deal-for-europe-idUSKCN1101AP>.

<sup>4</sup> Roberto Cantoni. What’s in a Pipe?: NATO’s Confrontation on the 1962 Large-Diameter Pipe Embargo. *Technology and culture* 58, 1 (2017a): 67–96.

<sup>5</sup> Stine Jacobsen and Vladimir Soldatkin. Nord Stream 2 clears major hurdle as Denmark OKs gas pipeline. *Reuters*, October 30, 2019, <https://www.reuters.com/article/us-gazprom-nordstream-2/nord-stream-2-clears-major-hurdle-as-denmark-oks-gas-pipeline-idUSKBN1X91KR>.

<sup>6</sup> John W. Kingdon, *Agendas, alternatives, and public policies* (Little: Brown Boston, 1984), 90, 116, 145.

<sup>7</sup> Paul Cairney and Micheal D. Jones, ‘Kingdon’s Multiple Streams Approach: What Is the Empirical Impact of this Universal Theory?’ *Policy Studies Journal* 44, no.1 (2016): 37–58.

<sup>8</sup> Kingdon, *Agendas, alternatives, and public policies*, 165.

<sup>9</sup> Itay Fischhendler, Lior Herman, and Nir Maoz, ‘The political economy of energy sanctions: insights from a global outlook 1938–2017’, *Energy research & social science* 34 (2017): 62–71.



structural power and countermeasures) on sanctions' effectiveness are probed in the case of Nord Stream 2. The case of US sanctions against Nord Stream 2 has not been studied in scholarly research, as the literature on Nord Stream 2 has been predominantly euro-centric, with studies on the EU,<sup>9</sup> Ukraine,<sup>10</sup> (specific) member states,<sup>11</sup> or Russia.<sup>12</sup>

I would like to highlight that this study does not deal with European or EU actions against Nord Stream 2, or the dynamics of European energy security.

This study is structured as follows: first, the energy sanctions literature is discussed. Second, the US legislative process for three sanctions bills is traced. Third, the multiple stream model is used to explain the timing of the US sanctions, and finally, I summarize the main conclusions.

## Energy sanctions literature and conceptual framework

Despite the extensive research on sanctions,<sup>13</sup> the peer-reviewed literature on energy sanctions is rather limited.<sup>14</sup> Energy sanctions target energy trade or the energy sector of the sanctioned country and are usually imposed to evoke regime

<sup>9</sup> Andreas Goldthau, 'Assessing Nord Stream 2: regulation, geopolitics & energy security in the EU, Central Eastern Europe & the UK,' European Center for Energy and Resource Security: Strategy Paper, no. 10 (2016).

Anke Schmidt-Felzmann, 'Gazprom's Nord Stream 2 and diffuse authority in the EU: managing authority challenges regarding Russian gas supplies through the Baltic Sea,' *Journal of European Integration* 42, 1 (2020): 129–145.

<sup>10</sup> Balázs R. Sziklai, László A. Kóczy, and Dávid Cserecsik, 'The impact of Nord Stream 2 on the European gas market bargaining positions,' *Energy Policy* 144 (2020): 111,692.

Moniek de Jong, Thijs Van de Graaf, and Tim Haesebrouck, 'A matter of preference: Taking sides on the Nord Stream 2 gas pipeline project,' *Journal of Contemporary European Studies* (2020): 1–14.

<sup>11</sup> Bjorn Gens, 'Germany's Russia policy and geo-economics: Nord Stream 2, sanctions and the question of EU leadership towards Russia,' *Global Affairs* 5, 4–5 (2019): 315–334.

Martin Jirušek, 'The attitude of the Visegrad Group Countries towards Russian Infrastructural Projects in the gas sector,' *Energy Policy* 139 (2020): 111,340.

Marco Siddi, 'Theorising conflict and cooperation in EU-Russia energy relations: ideas, identities and material factors in the Nord Stream 2 debate,' *East European Politics* 36, 4 (2019): 544–563.

<sup>12</sup> Antto Vihma and Mikael Wigell, 'Unclear and present danger: Russia's geoeconomics and the Nord Stream II pipeline,' *Global Affairs* 2, 4 (2016): 377–388.

<sup>13</sup> See for example:

Francesco Giunelli, 'Coercing, constraining and signalling: explaining UN and EU sanctions after the Cold War,' ECPR press (2011).

Gary Clyde Hufbauer, Jeffrey J. Schott, Kimberly Ann Elliott, and Barbara Oegg, *Economic sanctions reconsidered* (Washington DC: Peterson Institute, 2007).

Jin Mun Jeong, and Dursun Peksen, 'Domestic institutional constraints, veto players, and sanction effectiveness,' *Journal of Conflict Resolution* 63, 1 (2019): 194–217.

Robert A. Pape, 'Why economic sanctions do not work,' *International security* 22, 2 (1997): 90–136.

Robert A. Pape, 'Why economic sanctions still do not work,' *International security* 23, 1 (1998): 66–77.

Dursun Peksen, 'When do imposed economic sanctions work? A critical review of the sanctions effectiveness literature,' *Defence and Peace Economics* 30, 6 (2019): 635–647.

Maarten Smeets, Can economic sanctions be effective? *WTO Staff Working Paper* No. ERSD-2018–03 (2018).

<sup>14</sup> Fischhendler, Herman, and Maoz, 'The political economy of energy sanctions', 62.



change behaviour.<sup>15</sup> Research on energy sanctions has mostly focused on their effectiveness and the factors improving or reducing effectiveness. Rowe, for example, found that South Africa continued to supply Rhodesia with oil and thereby undermined British sanctions. The actions of South Africa reduced the effectiveness of the sanctions.<sup>16</sup> Countries (e.g. South Africa in the case of Rhodesia) or companies (third parties) willing to engage in (lucrative) deals with sanctioned countries are called ‘black knights’ or sanctions busters. Studies by Torbat<sup>17</sup> and Van de Graaf<sup>18</sup> on Iranian oil sanctions also highlighted this ineffectiveness caused by black knights.

Similarly, different studies on the 1980s US sanctions against the Soviet Brotherhood gas pipeline<sup>19</sup> to Germany indicate the ineffectiveness of these sanctions, because of the European countermeasures.<sup>20</sup> Cantoni’s research on the 1960s construction of the Soviet Friendship oil pipeline to Germany highlighted the ineffectiveness of the US-backed NATO embargo on the sale and export of pipes and pipeline equipment, because the US grandfathered or exempted existing contracts in an attempt to preserve transatlantic relations.<sup>21</sup>

Van de Graaf<sup>22</sup> found that the 2012 EU and US sanctions against Iranian oil exports derived their effectiveness from structural power, as they (US and EU) have the ‘power to shape and determine the structures of the global political economy within which other states, their political institutions, their economic enterprises [...] have to operate’.<sup>23</sup> Besides this study, Gould-Davies indicates that the US’ ‘formidable structural power of the dollar [...] enables [it] not only to isolate a target from

<sup>15</sup> Meghan L. O’Sullivan, ‘The entanglement of energy, grand strategy, and international security,’ in *The Handbook of Global Energy Policy*, ed. Andreas Goldthau (Malden: Wiley-Blackwell, 2013), 30–47.

<sup>16</sup> David M. Rowe, ‘Economic sanctions do work: Economic statecraft and the oil embargo of Rhodesia,’ *Security Studies* 9, 1–2 (1999): 254–287.

<sup>17</sup> Akbar E. Torbat, ‘Impacts of the US trade and financial sanctions on Iran,’ *World Economy* 28, 3 (2005): 407–434.

<sup>18</sup> Thijs Van de Graaf, ‘The ‘oil weapon’ reversed? Sanctions against Iran and US-EU structural power,’ *Middle East Policy* 20, 3 (2013): 145–163.

<sup>19</sup> This pipeline was initially called the Yamal pipeline and should not be confused with the Yamal-Europe pipeline that was constructed in the 1990s. The pipeline ran through Ukraine.

<sup>20</sup> Susan Colbourn, ‘An Interpreter or two: defusing NATO’s Siberian pipeline dispute, 1981–1982,’ *Journal of Transatlantic Studies* 18 (2020): 131–151.

Per Högselius, *Red gas: Russia and the origins of European energy dependence*, (New York: Palgrave Macmillan, 2013), 189–190.

Antony Blinken, *Ally Versus Ally: America, Europe, and the Siberian Pipeline Crisis*, (New York: Praeger, 1987).

<sup>21</sup> Roberto Cantoni, ‘Debates at NATO and the EEC in Response to the Soviet “Oil Offensive” in the Early 1960s,’ in *Cold War Energy* ed. Jeronim Perovic (Cham: Springer Nature, 2017b), 131–161.

<sup>22</sup> Van de Graaf, ‘The ‘oil weapon’ reversed?’.

<sup>23</sup> Susan Strange, *States and markets* (London: Bloomsbury Publishing, 1988), 24–25.



the global financial system but to enforce the compliance of other states'.<sup>24</sup> Cafruny and Kirkham showed how difficult it is for Europe to circumvent US structural power, as an EU Blocking Statute was unable to protect European companies following the 2018 renewal of US sanctions against Iran.<sup>25</sup>

Deduced from this existing research, two assumptions on the effectiveness of energy sanctions can be made. First, black knights or countermeasures<sup>26</sup> block the effectiveness of energy sanctions, as they circumvent the imposed sanctions. Second, the structural power of the sanctioning state has a positive impact on the effectiveness, as this structural power could hamper the functioning of countries, companies or citizens.<sup>27</sup> The case of Nord Stream 2 sanctions will be used to probe the plausibility of these effectiveness conjectures, in an attempt to further conceptualize the energy sanctions literature. Specifically, I will examine the presence of black knights or countermeasures and their effectiveness on Nord Stream 2. For structural power, I will probe whether companies or countries have been hampered by the sanctions, for example if they terminated their involvement or continued.

## Tracing the origins of US sanctions against Nord Stream 2

In this section, a chronological tracing of the US sanctions against Nord Stream 2 is conducted and structured through three separate sanctions episodes.

### CAATSA (2017–2018)

The creation of the 2017 Countering America's Adversaries through Sanctions Act (CAATSA) can be considered a first attempt by Congress to stop Nord Stream 2.<sup>28</sup> CAATSA was proposed by Congress to punish Russia for meddling in the 2016 presidential election<sup>29</sup> and after President Trump hinted at loosening sanctions against Russia.<sup>30</sup> Congress nearly unanimously supported the legislation, while President Trump 'reluctantly' approved the act,<sup>31</sup> as he feared it would obstruct his

<sup>24</sup> Nigel Gould-Davies, 'Russia, the West and Sanctions,' *Survival*, 62, 1 (2020): 23.

<sup>25</sup> Alan Cafruny, and Ksenia Kirkham, 'EU 'Sovereignty' in Global Governance: The Case of Sanctions' in *Global Governance in Transformation*, ed. Leonid Grigoryev, and Adrian Pabst (Switzerland: Springer Nature, 2020), 89–104.

<sup>26</sup> Högselius, 'Red gas', Rowe, 'Economic sanctions do work', Van de Graaf, 'The 'oil weapon' reversed?'

<sup>27</sup> Cafruny and Kirkham, 'EU 'Sovereignty'', Gould-Davies, 'Russia, the West', Strange, *States and markets*, Van de Graaf, 'The 'oil weapon' reversed?'

<sup>28</sup> Kirsten Westphal, 'Nord Stream 2 – Germany's Dilemma,' *SWP Comment*, April 2021, [https://www.swp-berlin.org/publications/products/comments/2021C32\\_NordStream2.pdf](https://www.swp-berlin.org/publications/products/comments/2021C32_NordStream2.pdf).

<sup>29</sup> Patricia Zengerle, 'U.S. senators want stiff sanctions to deter Russia election meddling,' *Reuters*, April 3, 2019, <https://www.reuters.com/article/us-usa-russia-sanctions-exclusive-idUSKCN1RF13V>.

<sup>30</sup> Florian Böller, and Lukas D. Herr, 'From Washington without love: congressional foreign policy making and US-Russian relations under president Trump,' *Contemporary Politics* 26, 1 (2020): 17–37.

<sup>31</sup> Patricia Zengerle, 'Trump administration holds off on new Russia sanctions, despite law,' *Reuters*, January 30, 2018, <https://www.reuters.com/article/us-usa-russia-sanctions/trump-administration-holds-off-on-new-russia-sanctions-despite-law-idUSKBN1FI2V7>.



ability to conduct relations with Russia.<sup>32</sup> With regard to Nord Stream 2, the act provided the president with discretionary power to impose sanctions against persons involved in ‘the construction of Russian energy export pipelines’ (section 232 of CAATSA). Oddly, despite publically opposing the project, President Trump grandfathered Nord Stream 2.<sup>33</sup>

This grandfathering led Congress to make unsuccessful calls to impose sanctions against Nord Stream 2.<sup>34</sup> In March 2018, 39 senators signed a letter to encourage the imposing of sanctions against the project, because of its impact on European energy security.<sup>35</sup> Additionally, multiple congressional bills were proposed that mention Nord Stream 2, in an attempt to have sanctions imposed—see Table 1 for an overview of all proposals until July 2021. Many of these proposals highlight concern for European energy security, as gas flows in Europe could be reversed and Europe would become increasingly dependent on Russian gas. This unease is driven by the transatlantic relation that saw close cooperation between the US and (western) Europe following the end of the Second World War and the fear that Russia will use Nord Stream 2 to influence its relations with individual European countries, to the disadvantage of American interests.

Still, President Trump did not impose sanctions. Maintaining good transatlantic relations is an unlikely explanation for the absence of sanctions, as President Trump withdrew the US from the Paris Agreement and ended the Transatlantic Trade and Investment Pact (TTIP) negotiations.<sup>36</sup> In addition, the suggestion that the Administration delayed sanctions to allow Europe to deal with the issue is improbable, as no sanctions were imposed after the amendment of EU regulations failed to stop the project.<sup>37</sup> President Trump’s unwillingness to impose sanctions might best be explained by his good relationship with President Putin. The US president called a summit with his Russian counterpart easy compared to meetings with western allies<sup>38</sup> and stated that he ‘gets along’ with Putin.<sup>39</sup>

<sup>32</sup> Peter Baker, and Sophia Kishkovsky, ‘Trump Signs Russian Sanctions Into Law, With Caveats,’ August 2, 2017, *The New York Times*, <https://www.nytimes.com/2017/08/02/world/europe/trump-russia-sanctions.html>.

<sup>33</sup> Department of State, ‘CAATSA/CRIIEEA Sect. 232 Public Guidance,’ (2017), <https://www.state.gov/caatsa-criieea-section-232-public-guidance/>.

<sup>34</sup> The public guidance can be adjusted by the Administration and is not fixed.

<sup>35</sup> John Barrasso, ‘Senators Push to Stop Russia’s Nord Stream II Natural Gas Pipeline,’ (2018), <https://www.barrasso.senate.gov/public/index.cfm/2018/3/senators-push-to-stop-russia-s-nord-stream-ii-natural-gas-pipeline>.

<sup>36</sup> Lisbeth Aggestam, and Adrian Hyde-Price, ‘Double Trouble: Trump, Transatlantic Relations and European Strategic Autonomy,’ *JCMS: Journal of Common Market Studies* 57, S1 (2019): 114–127.

Asma Sana Bilal, and Nabiya Imran, ‘Emerging Contours of Transatlantic Relationship under Trump Administration,’ *Policy perspectives* 16, 1 (2019): 3–21.

<sup>37</sup> Reuters, ‘U.S. envoy warns sanctions still an option against Nord Stream 2,’ *Reuters*, November 13, 2018, <https://www.reuters.com/article/idUSKCN1N1IFY>.

<sup>38</sup> John Bolton, *The Room Where It Happened* (New York: Simon & Schuster, 2020): 110.

<sup>39</sup> Barbara Starr, and Jennifer Hansler, ‘As world leaders condemn Russian aggression, Trump says he and Putin ‘get along,’ *CNN*, September 5, 2020, <https://edition.cnn.com/2020/09/05/politics/trump-putin-relationship/index.html>.



**Table 1** Congressional proposals that mention Nord Stream 2 until July 2021

Introduced <sup>a</sup>	Bill—Sponsor	Cosponsors
26/06/2018	H.R.6224 Protect European Energy Security Act—Denny Heck (D-WA)	17 (R-12, D-5)
16/07/2018	H.R.6384—Countering Russian Power Plays Act—Jared Huffman (D-CA)	0
18/07/2018	S.3229—Energy Security Cooperation with Allied Partners in Europe Act of 2018—John Barrasso (R-WY)	3 (R-3)
19/07/2018	H.R.6437—Secure America from Russian Interference Act of 2018—Steny Hoyer (D-MD)	41 (R-3, D-38)
07/02/2019	H.R.1081—Protect European Energy Security Act—Denny Heck (D-WA)	21 (R-13, D-8)
02/04/2019	H.R.2023—Protect European Energy Security Act—Denny Heck (D-WA)	47 (R-31, D-16)
14/05/2019	S.1441—Protecting Europe’s Energy Security Act of 2019—Ted Cruz (R-TX)	5 (R-4, D-1)
11/06/2019	H.R.3206—Protecting Europe’s Energy Security Act of 2019—Adam Kinzinger (R-IL)	9 (R-5, D-4)
13/06/2019	S.1830—Energy Security Cooperation with Allied Partners in Europe Act of 2019—John Barrasso (R-WY)	19 (R-19)
18/07/2019	H.R.3841—Stopping Aggressive Incursions on Liberty by Ordering Russian Sanctions Act—Marcy Kaptur (D-OH)	3 (R-2, D-1)
23/10/2019	H.R.4818—Protecting Europe’s Energy Security Act of 2019—Andy Barr (R-KY)	7 (R-7)
26/03/2020	H.R.6395—William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021—Adam Smith (D-WA)	1 (R-1)
04/06/2020	S.3897—Protecting Europe’s Energy Security Clarification Act of 2020—Ted Cruz (R-TX)	4 (R-3, D-1)
23/06/2020	S.4049—National Defense Authorization Act for Fiscal Year 2021—James M. Inhofe (R-OK)	0
25/06/2020	H.R.7361—Protecting Europe’s Energy Security Clarification Act of 2020—Adam Kinzinger (R-IL)	10 (R-6, D-4)
23/07/2020	H.R.7751—Energy Security Cooperation with Allied Partners in Europe Act of 2019—Carol D. Miller (R-WV)	10 (R-10)
24/09/2020	S.4728—Holding Russia Accountable for Malign Activities Act of 2020—Christopher A. Coons (D-DE)	5 (R-2, D-3)
02/10/2020	H.R.8507—Holding Russia Accountable for Malign Activities Act of 2020—Steven Cohen (D-TN)	4 (R-2, D-2)
03/02/2021	S.208—Holding Russia Accountable for Malign Activities Act of 2021—Christopher A. Coons (D-DE)	5 (R-2, D-3)
23/02/2021	H.R.1223—Holding Russia Accountable for Malign Activities Act of 2021—Steven Cohen (D-TN)	9 (R-5, D-4)
17/03/2021	S.814—Ukraine Security Partnership Act of 2021—James E. Risch (R-ID)	7 (R-4, D-3)
18/03/2021	H.R.2046—Energy Security Cooperation with Allied Partners in Europe Act of 2021—Carol D. Miller (R-WV)	4 (R-4)
18/03/2021	S.819—Energy Security Cooperation with Allied Partners in Europe Act of 2021—John Barrasso (R-WY)	16 (R-16)
20/05/2021	S.1764—POWERS Act—Kevin Cramer (R-ND)	14 (R-14)
28/05/2021	H.R.3598—POWERS Act—Fred Keller (R-PA)	4 (R-4)

Source: Compiled by the author from Congress<sup>b</sup>

<sup>a</sup>Date is listed in dd/mm/yyyy format

<sup>b</sup>Congress, (2020). Search term “Nord Stream 2”, <https://www.congress.gov/>





## PEESA (2019)

In May 2019, a second congressional attempt to impose sanctions was spearheaded by Texas Senator Cruz (R) in an effort to ‘block the construction of Nord Stream 2’.<sup>40</sup> Cruz proposed the Protecting Europe’s Energy Security Act (PEESA) that included non-discretionary sanctions that were limited to pipe-laying vessels. The name of the proposal already highlights that European energy security is one of the concerns. Increased Russian gas supplies to Europe would make European countries more vulnerable to Russian malign influence, according to Cruz and other congressional lawmakers (e.g. Jeanne Shaheen (D-NH), Tom Cotton (R-AR)). Similar concern also drove the sanctions imposed against the Friendship and Brotherhood pipelines, decades earlier.<sup>41</sup>

A few US senators worried about the impact of the sanctions on the already strained transatlantic relations under President Trump,<sup>42</sup> caused by the breakdown of TTIP and the renewed Iran sanctions under President Trump. The PEESA sanctions would limit Europe’s ability to conduct (energy) relations with Russia and especially Germany, an important ally, would be impacted by the sanctions.

However, the failed efforts of the European Commission to stop the pipeline,<sup>43</sup> the majority of Nord Stream 2 already being constructed,<sup>44</sup> the issuance of a Danish construction permit,<sup>45</sup> and the Mueller Report, which found Russian interference in the 2016 presidential election to be ‘sweeping and systematic’<sup>46</sup> resulted in broad congressional support for the narrow sanctions bill. The bill was added to the NDAA,<sup>47</sup> a ‘must-pass’ defence bill.<sup>48</sup> Attaching a ‘rider-bill’ to the NDAA is

<sup>40</sup> Ted Cruz, ‘Sens. Cruz, Shaheen Lead Bipartisan Bill to Impose Sanctions for Involvement in Russia’s Nord Stream 2 Pipeline,’ *Press release Ted Cruz*, (2019), [https://www.cruz.senate.gov/?p=press\\_release&id=4474](https://www.cruz.senate.gov/?p=press_release&id=4474).

<sup>41</sup> Cantoni, ‘What’s in a Pipe?’

<sup>42</sup> Patricia Zengerle, ‘U.S. senators offer bill targeting Russia-Germany pipeline,’ *Reuters*, May 14, 2019, <https://www.reuters.com/article/us-eu-gazprom-nordstream-usa/us-senators-offer-bill-targeting-russia-germany-pipeline-idUSKCN1SK24A>.

<sup>43</sup> Moniek de Jong, and Thijs Van de Graaf, ‘Lost in Regulation: Nord Stream 2 and the Limits of the European Commission’s Geo-Economic Power,’ *Journal of European Integration* 43, 4 (2021): 495–510.

<sup>44</sup> Nord Stream 2 AG, ‘1000 Kilometres of the Nord Stream 2 Pipeline Laid,’ *Nord Stream 2 AG*, (2019), <https://www.nord-stream2.com/media-info/news-events/1-000-kilometres-of-the-nord-stream-2-pipeline-laid-122/>.

<sup>45</sup> Danish Energy Agency, ‘Permit for Nord Stream 2 Natural Gas Pipelines,’ *Danish Energy Agency*, (2019), [https://ens.dk/sites/ens.dk/files/OlieGas/permit\\_nord\\_stream\\_2.pdf](https://ens.dk/sites/ens.dk/files/OlieGas/permit_nord_stream_2.pdf).

<sup>46</sup> Robert S. Mueller, ‘Report On The Investigation Into Russian Interference In The 2016 Presidential Election, Vol. I,’ *U.S. Department of Justice*, (2019): 1.

<sup>47</sup> Demetri Sevastopulo, Henry Foy, and Nastassia Astrasheuskaya, ‘US lawmakers agree bill to force Trump on Nord Stream 2 sanctions,’ *Financial Times*, December 10, 2019, <https://www.ft.com/content/3a0fde0c-1b10-11ea-97df-cc63de1d73f4>.

<sup>48</sup> A must-pass bill: ‘A vitally important measure that Congress must enact, such as annual money bills to fund operations of the government. Because of their must-pass quality, these measures often attract “riders” (unrelated policy provisos).’ Source: United States Senate, 2021, [https://www.senate.gov/reference/glossary\\_term/must\\_pass\\_bill.htm](https://www.senate.gov/reference/glossary_term/must_pass_bill.htm).





usually done when a president is expected to veto the rider bill,<sup>49</sup> as only the entire NDAA can be vetoed and not specific sections.<sup>50</sup> The Trump Administration reportedly ‘pushed back’ against the PEESA bill,<sup>51</sup> but in December 2019, President Trump signed the NDAA. The PEESA sanctions against vessels involved in the off-shore construction of Nord Stream 2 immediately entered into force.

The bill provided further insights into the objectives of Congress, as continued Ukrainian gas transit was explicitly mentioned. In 2015, Russia proposed Nord Stream 2, as it wanted to circumvent Ukraine as a transit country.<sup>52</sup> Yet, the 2014 Crimea annexation had heightened concern for Ukraine’s territorial integrity and US lawmakers feared that the loss of transit would further weaken Ukraine. Therefore, a clause was added to the bill that sanctions would not be imposed, if Ukrainian gas transit did not decrease by more than 25 percent. After the sanctions were imposed, the Department of State reiterated similar sentiments.<sup>53</sup>

The sanctions had an immediate effect, as offshore construction was halted. Prior to the implementation of the sanctions, Senator Cruz warned Allseas, the pipe-laying company contracted by the Nord Stream 2 consortium, that its US subsidiaries would be subject to asset seizures if it continued construction.<sup>54</sup> After the signing of the bill, Allseas terminated its activities and thereby halted offshore activities. Onshore construction activities could continue, as the narrow sanctions did not include them. President Putin vowed to complete the project using retrofitted Russian vessels, such as the Akademik Cherskiy and the Fortuna.<sup>55</sup> This retrofitting delays the completion of the pipeline.

The announced continuation of the project prompted expansions of the CAATSA and PEESA sanctions. A July 2020 expansion of CAATSA sanctions targeted investors of Nord Stream 2. The public guidance for this expansion indicated that investments made prior to July 2020 would not be under threat of sanctions.<sup>56</sup> This

<sup>49</sup> Jordan Tama, ‘Forcing the President’s Hand: How the US Congress Shapes Foreign Policy through Sanctions Legislation,’ *Foreign policy analysis* 16, 3 (2020): 397–416.

<sup>50</sup> Senate, “‘Must pass’ bill,” *Senate*, (2021) [https://www.senate.gov/reference/glossary\\_term/must\\_pass\\_bill.htm](https://www.senate.gov/reference/glossary_term/must_pass_bill.htm)

<sup>51</sup> Ted Cruz, ‘Sen. Cruz: If Russia’s Nord Stream 2 Pipeline Is Completed, It Will Be the Fault of This Administration,’ *Press release Ted Cruz*, (2019), [https://www.cruz.senate.gov/?p=press\\_release&id=4793](https://www.cruz.senate.gov/?p=press_release&id=4793).

<sup>52</sup> Alexander Medvedev, “Gazprom reiterates no gas exports via Ukraine after 2019.” *Reuters*, June 9, 2015. <https://www.reuters.com/article/russia-gazprom-supplies/update-1-gazprom-reiterates-no-gas-exports-via-ukraine-after-2019-idUSL5N0YV2EK20150609>.

<sup>53</sup> Department of State, ‘Fact Sheet on U.S. Opposition to Nord Stream 2,’ (2019), <https://2017-2021.state.gov/fact-sheet-on-u-s-opposition-to-nord-stream-2/index.html>.

<sup>54</sup> Ted Cruz, ‘Letter to Allseas,’ *Webpage of Senator Cruz*, December 18, 2019, <https://www.cruz.senate.gov/files/documents/Letters/2019.12.18%20Letter%20to%20Allseas%20CEO.pdf>.

<sup>55</sup> Benjamin L. Schmitt, ‘They’re Gonna Need A Bigger Boat: The Curious Voyage of the Akademik Cherskiy,’ *Jamestown*, 2020, <https://jamestown.org/program/hot-issue-theyre-gonna-need-a-bigger-boat-the-curious-voyage-of-the-akademik-cherskiy/>.

<sup>56</sup> Department of State, ‘Updated Public Guidance for Sect. 232 of the Countering America’s Adversaries Through Sanctions Act (CAATSA),’ 2020, <https://www.state.gov/caatsa-crieea-section-232-public-guidance/>.



expansion was futile, as these sanctions remained discretionary and non-imposed. The PEESA guidance was updated to include vessel modification after October 2020,<sup>57</sup> following the retrofitting of the Akademik Cherskiy in Germany. However, this expansion was also ineffective as work on the vessel was already completed.

In Europe, the sanctions received mixed reactions. Germany and Austria rejected the sanctions because of their extraterritorial effect. Other countries, like Poland, welcomed the sanctions.<sup>58</sup> For Ukraine, the sanctions contributed to reaching a new agreement on gas transit until 2024. In early 2019, the transit negotiations were in a stalemate, because of differences in the preferred duration of the agreement and Russia demanding a termination of legal cases against Gazprom.<sup>59</sup> However, by mid-2019, the position of Russia deteriorated, as newly approved EU regulations limited the operating capacity of Nord Stream 2 and the late issuance of the Danish construction permit delayed the project's completion by several months. The sanctions further delayed the pipeline and Russia needed the Ukrainian transit corridor. Days after the sanctions were imposed; a 5-year transit agreement for a total of 225 bcm of gas was reached.<sup>60</sup>

### PEESCA (2020)

In June 2020, Senator Cruz proposed new sanctions targeting certification, vessel maintenance and insurance in a proposal called the Protecting Europe's Energy Security Clarification Act (PEESCA). This proposal was meant to ensure that Nord Stream 2 would never become operational, as Russia sought to circumvent the PEESA sanctions. The rationale for proposing additional sanctions did not change, as European energy security and the position of Ukraine were still important drivers for Congress. Again, concern for the transatlantic relation was voiced in Congress. The US–German relations suffered from the sanctions and other decisions by President Trump, such as the relocation of 12,000 American troops from Germany to other NATO members.<sup>61</sup> Concern over transatlantic relations led to the inclusion of consultations with Europe in the PEESCA bill, in order to address any European concerns with regard to the sanctions. However, if and how European concerns will be mitigated was not specified.

The announced recommencement of offshore construction in December 2020<sup>62</sup> and Russian interference in the 2020 presidential campaign contributed to

<sup>57</sup> Department of State, 'Protecting Europe's Energy Security Act (PEESA),' 2020, <https://www.state.gov/protecting-europes-energy-security-act-peesa/>.

<sup>58</sup> de Jong, Van de Graaf, and Haesebrouck, 'A matter of preference'.

<sup>59</sup> Simone Pirani, and Jack Sharples, 'The Russia-Ukraine gas transit deal: opening a new chapter,' *The Oxford Institute for Energy Studies* (2020).

<sup>60</sup> *Ibid.*

<sup>61</sup> Kate Connolly, 'Simply not OK': removal of US troops worries German communities,' *The Guardian*, August 2, 2020, <https://www.theguardian.com/world/2020/aug/02/removal-of-us-troops-from-germany-will-gravely-affect-local-communities>.

<sup>62</sup> Reuters, 'Construction of Nord Stream 2 pipeline resumes on Friday,' *Reuters*, December 11, 2020, <https://www.reuters.com/article/uk-usa-russia-nord-stream-construction/construction-of-nord-stream-2-pipeline-resumes-on-friday-idUKKBN28L1S8>.



congressional support for the sanctions bill. Again, the NDAA provided a window of opportunity to have the sanctions approved by President Trump. Yet, he vetoed the NDAA bill, because it contradicted his national security and foreign policy actions. In January 2021, Congress overturned his veto and the NDAA was signed into law.<sup>63</sup>

Eighteen companies terminated their contracts with the Nord Stream 2 consortium or winded down operations after the sanctions were imposed. Wintershall, one of the investors to the consortium, indicated that it had completed its investment, despite not providing the pledged EUR 950 million.<sup>64</sup> However, the termination of these companies' involvement did not affect the construction of Nord Stream 2, as construction was restarted in January 2021 using the Fortuna pipe-laying vessel. This means that the consortium has either found replacements or critical partners have not yet abandoned the project.

In Europe, the reaction to the PEESCA sanctions was similar to the previous sanctions, as the continent remained divided on the pipeline. Eastern European countries again welcomed the sanctions and Germany still rejected any US involvement in its foreign policy towards Russia. The German state Mecklenburg-Vorpommern, the landing state of Nord Stream 2, created a 'climate' foundation to bypass US sanctions against Nord Stream 2. This foundation was criticized by many, including German Federal Minister Maas, who feared the foundation might negatively affect US–German relations under President Biden. The German coordinator for transatlantic relations called for a moratorium on Nord Stream 2, highlighting the precarious position of the project in Germany.<sup>65</sup>

While no uniform European reaction was formed against the Nord Stream 2 sanctions, the extraterritorial impact of these and other sanctions seemed to be more broadly rejected in Europe, as the European Commission proposed to conduct future hydrogen trade in euros,<sup>66</sup> protecting hydrogen trade from US structural power in case of future disputes. Additionally, it appeared as if the EU wanted to discredit US LNG through its EU Methane Strategy.

In the final days of the Trump administration, the Fortuna ship and its owner KVT-RUS were sanctioned under CAATSA.<sup>67</sup> Germany took note of the sanctions 'with regret',<sup>68</sup> but construction of the pipeline continued.

<sup>63</sup> Senator Cruz voted against the NDAA and also against the overturning of President Trump's veto, as the NDAA hosts 'Democrat priorities unrelated to national security'.

<sup>64</sup> Wintershall DEA, '2020 Annual Report', 2021, <https://wintershalldea.com/sites/default/files/media/files/Wintershall%20Dea%20Annual%20Report%202020.pdf>, p. 129.

<sup>65</sup> America Hernandez, 'German official calls for construction 'moratorium' on Nord Stream 2 to repair US relations,' *Politico*, March 31, 2021, <https://www.politico.eu/article/german-official-calls-for-construction-moratorium-on-nord-stream-2-to-repair-us-relations/>.

<sup>66</sup> European Commission, 'Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: A hydrogen strategy for a climate-neutral Europe,' 2020, [https://ec.europa.eu/energy/sites/ener/files/hydrogen\\_strategy.pdf](https://ec.europa.eu/energy/sites/ener/files/hydrogen_strategy.pdf).

<sup>67</sup> Michael Nienaber, 'Germany regrets U.S. decision to sanction Russian vessel involved in Nord Stream 2,' *Reuters*, January 18, 2021, <https://www.reuters.com/article/idUSKBN29N1PU>.

<sup>68</sup> *ibid.*



The Biden Administration has not yet taken any impactful measures against Nord Stream 2, as it seeks to rebuild US–German relations. Senator Cruz, in an attempt to have the sanctions imposed against more entities, withheld the nominations of CIA Director Burns and Deputy Secretary of State McKeon until the Administration indicated a ‘strong declaration’ towards imposing sanctions.<sup>69</sup> In April 2021, President Biden sought to appoint a special envoy to halt the Nord Stream 2 pipeline,<sup>70</sup> but in May, he waived the PEESA sanctions against the Nord Stream 2 consortium and its CEO. According to President Biden, Nord Stream 2 was nearly completed and imposing sanctions would be counterproductive to restoring US–German relations. This led to a wave of indignation, and Senator Cruz vowed to delay confirmations until the sanctions are imposed.<sup>71</sup> Senator Cruz’ demands for sanctions are helpful for his presumed 2024 presidential bid, as it provides him with a tough-on-Russia appearance, in comparison with President Biden’s more diplomatic approach. The sanctions bear no costs for US citizens and companies and therefore no risks to political aspirations. Furthermore, a new legislative proposal (POWERS), aimed at blocking the sanctions waiver, has already been approved by the House of Representatives.<sup>72</sup>

In June, President Putin announced that the first string of Nord Stream 2 is now completed, although this string is not operational. It appears unlikely that the construction of the second string can be stopped.

### Alternative objective: US LNG

Besides Russian interferences, European energy security and the geopolitical position of Ukraine, some congressional proposals might have been driven by the sale of US LNG to Europe. President Trump has linked Nord Stream 2 and US LNG sales,<sup>73</sup> and German officials have connected congressional efforts to US LNG exports to Europe.<sup>74</sup> A report indicated that the construction of Nord Stream 2 could cost US LNG producers as much as USD 5 billion.<sup>75</sup> Eleven of the 25 proposals are

<sup>69</sup> Andrew Desiderio, Martin Matishak and Natasha Bertrand, ‘Ted Cruz releases holds on Biden nominees as administration looks to get tough on Russia pipeline,’ *Politico*, March 18, 2021, <https://www.politico.com/news/2021/03/18/ted-cruz-nord-stream-2-pipeline-476993>.

<sup>70</sup> Natasha Bertrand and Andrew Desiderio, ‘Biden looks to appoint special envoy to kill Russia–Germany energy pipeline,’ *Politico*, April 7, 2021, <https://www.politico.com/news/2021/04/07/biden-envoy-nord-stream-2-479706>.

<sup>71</sup> John Lederman, ‘Ted Cruz holding up all State Department nominees over Russian pipeline,’ *NBC News*, July 2, 2021, <https://www.nbcnews.com/politics/congress/ted-cruz-holding-all-state-department-nominees-over-russian-pipeline-n1273009>

<sup>72</sup> Timothy Gardner, ‘U.S. House panel passes amendment to stop sanctions waiver on Nord Stream 2’, *Reuters*, July 3, 2021, <https://www.reuters.com/world/us-house-panel-passes-amendment-stop-sanctions-waiver-nord-stream-2-2021-07-02/>

<sup>73</sup> Roberta Rampton, ‘Exclusive: In Warsaw, Trump to promote U.S. natural gas exports: Cohn,’ *Reuters*, June 28, 2017, <https://www.reuters.com/article/us-usa-trump-Ing-idUSKBN19J19F>.

<sup>74</sup> Sigmar Gabriel, and Christian Kern, ‘Foreign Minister Gabriel and Austrian Federal Chancellor Kern on the imposition of Russia sanctions by the US Senate,’ *Federal Foreign Office*, June 15, 2017, <https://www.auswaertiges-amt.de/en/newsroom/news/170615-kern-russland/290666>.

<sup>75</sup> WoodMackenzie, ‘Why Nord Stream 2 could cost US gas producers US\$5 bln,’ 2020, <https://www.woodmac.com/reports/gas-markets-why-nord-stream-2-could-cost-us-gas-producers-us5-bl-418263>.



made by senators and congressmen from states with significant shale gas production, as can be seen in Table 2. Coincidentally, Senator Cruz—the most public sponsor of Nord Stream 2 legislation—hails from the largest shale gas producer, Texas. Additionally, 99 of the 253 cosponsors represent the twelve largest shale gas-producing states.<sup>76</sup> Furthermore, in their 2018 re-election campaigns, Senators Cruz and Barrasso received significant funding from oil and gas industry.<sup>77</sup> The involvement of lawmakers from shale gas producing states is undeniable, and the responsibility to their constituencies can explain their forceful rejection of the Nord Stream 2 project. However, the commercial interests of their respective states does not need to be the sole motivation of these lawmakers; the other factors might have also contributed to their opposition against the project.

### Multiple streams model and US sanctions

In this section, I employ the multiple streams model of the policy process by Kingdon to explain the timing of the sanctions in 2019 and 2021 and how this timing co-contributed to the failure to stop (the construction of) the pipeline. The model indicates that a merging of the streams occurs. First, there needs to be a policy problem (*problem stream*), in this case the construction of the Nord Stream 2 pipeline. The pipeline project is considered an issue in Congress, because of concerns over European energy security and Ukraine, Russian involvement in the presidential election and US LNG sales opportunities to Europe. There is thus a recognized policy problem.

Second, there needs to be a suitable policy solution (*policy stream*). For Nord Stream 2, congressional lawmakers considered sanctions the most feasible solution through the CAATSA sanctions, but President Trump exempted Nord Stream 2 from the sanctions, hence highlighting a discrepancy between the White House and Congress' approach to the pipeline. In 2019, Senator Cruz proposed non-discretionary sanctions in the shape of PEESA, which only targeted pipe-laying vessels.

The third stream (*political stream*) consists of a shift in congressional support for the solution (sanctions). Sufficient bipartisan congressional support for the PEESA proposal is given when the European Commission's efforts to stop Nord Stream 2 failed, the Danish construction permit was issued and Russian interference in the 2016 election was re-emphasized by the Mueller report. The window of opportunity presented itself in the shape of the NDAA, as President Trump's willingness to sign the bill was questioned. In December 2019, the non-discretionary sanctions were imposed. However, the narrow scope of the sanctions, the advanced construction phase and Russian alternatives meant that construction was only delayed and the project was not cancelled.

<sup>76</sup> These states are: Arkansas (12.8 bcm in 2019), California (3.4 bcm), Colorado (27.8 bcm), Louisiana (71.8 bcm), New Mexico (29.3 bcm), North Dakota (28.9 bcm), Ohio (73.6 bcm), Oklahoma (64.4 bcm), Pennsylvania (191.2 bcm), Texas (219 bcm), West Virginia (57 bcm), Wyoming (3.8 bcm).

Data from the congressional proposals and EIA, 'Natural Gas Gross Withdrawals and Production,' 2020, [https://www.eia.gov/dnav/ng/ng\\_prod\\_sum\\_a\\_EPG0\\_FGS\\_mmcf\\_a.htm](https://www.eia.gov/dnav/ng/ng_prod_sum_a_EPG0_FGS_mmcf_a.htm).

<sup>77</sup> OpenSecrets.org, 'Oil & Gas: Top Recipient,' 2018, <https://www.opensecrets.org/industries/recipients.php?ind=E01&recipdetail=S&sortorder=U&mem=Y&cycle=2018>



**Table 2** Nord Stream 2 legislative proposals and shale gas production

Senator/Congressman	State	Shale gas production in 2019 (in bcm)	Proposal(s)
Ted Cruz (R)	Texas	219	S.1441, S.3897
Fred Keller (R)	Pennsylvania	191.2	H.R.3598
Marcy Kaptur (D)	Ohio	73.6	H.R.3841,
James M. Inhofe (R)	Oklahoma	64.4	S.4049
Carol D. Miller (R)	West-Virginia	57	H.R.7751, H.R.2046
Kevin Cramer (R)	North Dakota	28.9	S.1764
John Barrasso (R)	Wyoming	3.8	S.3229, S.1830, S.819

Source: compiled by author from EIA<sup>a</sup>

<sup>a</sup>EIA, 'Natural Gas Gross Withdrawals and Production,' 2020, [https://www.eia.gov/dnav/ng/ng\\_prod\\_sum\\_a\\_EPG0\\_FGS\\_mmc\\_f\\_a.htm](https://www.eia.gov/dnav/ng/ng_prod_sum_a_EPG0_FGS_mmc_f_a.htm)

This ineffectiveness of PEESA led to a second round of sanctions, as the policy problem of Nord Stream 2 persisted. In May 2020, a new congressional proposal (PEESCA) was proposed targeting certification and pipeline maintenance, expanding the PEESA sanctions. Thus, a similar *policy stream* appeared. The announcement of the recommencement of construction and new Russian malign activities led to a repeat of the PEESA's *political stream*, as Congress added the bill to the NDAA for 2021. The bill was rejected, but Congress overturned this presidential veto.

The PEESCA sanctions have so far also not resulted in the cancellation of the project. President Biden did not impose additional sanctions against the project; instead, he has waived sanctions in favour of more constructive transatlantic relations. In June, President Putin has announced the completion of the first line of Nord Stream 2. The next stage (certification and maintenance) might be impacted by the PEESCA sanctions, but publically, Moscow is not concerned with these sanctions.<sup>78</sup>

Concluding, the late timing of the sanctions can be explained by the grandfathering of Nord Stream 2 by President Trump and his apparent unwillingness to approve non-discretionary sanctions bills related to Nord Stream 2. Subsequently, congressional lawmakers (like Senator Cruz) needed to wait for their window of opportunity and limit the scope of the sanctions bill in order to obtain sufficient support in Congress. This allowed the construction of Nord Stream 2 to advance.

## Conclusions

In this study, the question why the US imposed sanctions against Nord Stream 2 was answered. US lawmakers, seeking to stop the Nord Stream 2 project, had four different objectives: (1) punish Russia for its involvement in US elections, (2) protect the geopolitical position of Ukraine and (3) European energy security, and, (4) for a

<sup>78</sup> Reuters, 'Russia sees no certification risk for Nord Stream 2' Reuters, June 3, 2021, <https://www.reuters.com/business/energy/russia-sees-no-certification-risk-nord-stream-2-2021-06-03/>



number of members of Congress, US LNG exporting opportunities to Europe might have been an objective.

The timing of the US sanctions against Nord Stream 2 was explained through the multiple streams model, which saw a divide between Congress and the White House in their approach to the project and sanctions. President Trump grandfathered Nord Stream 2, and Congress pushed for sanctions. Both the PEESA and PEESCA bills were narrow and the availability of alternatives (Russian vessels) led the sanctions being ‘too little, too late’, as the first string is now constructed (not operational).

This study probed the influence of black knights and countermeasures on the sanctions against Nord Stream 2. The announcement that modified Russian pipe-laying vessels would complete the pipeline can be considered a direct reaction against the PEESA sanctions. This Russian countermeasure has rendered the sanctions ineffective. Concerning PEESCA, the creation of the Mecklenburg-Vorpommern climate foundation can be considered a countermeasure, but its effect on the sanctions remains uncertain. The EU did not take any direct measures against the Nord Stream 2 sanctions, because of the polarizing effect Nord Stream 2 has on EU internal politics. However, the EU did take measures to restrict US influence on Europe in future through the hydrogen trade proposal and the EU Methane Strategy.

The impact of US structural power on the effectiveness of energy sanctions was also found in the case of Nord Stream 2. The PEESA sanctions resulted in an immediate stop of offshore construction, as Allseas terminated its activities out of fear its US operations would be sanctioned. Following the imposing of PEESCA, eighteen companies terminated their involvement in the project. The threat of sanctions also deterred others from getting involved in the project, as a group of shipping insurers has advised against insuring vessels involved in the construction of Nord Stream 2.<sup>79</sup> US structural power has thus been important in the effectiveness of the sanctions, but at the time of writing has not resulted in the cancellation of the project.

While the case of Nord Stream 2 and US sanctions continues to develop, this study has provided insights into the effectiveness of energy sanctions through countermeasures and the structural power of the US. The insights have raised questions about the theorization of this effectiveness, and further research is required. The (in)ability to start operations in the near future might provide reasons for future research into the case of Nord Stream 2 and the effectiveness of energy sanctions.

## References

- Aggestam, Lisbeth, and Adrian Hyde-Price. 2019. Double Trouble: Trump, Transatlantic Relations and European Strategic Autonomy. *JCMS Journal of Common Market Studies* 57 (S1): 114–127.
- Bilal, Asma Sana, and Nabiya Imran. 2019. Emerging Contours of Transatlantic Relationship under Trump Administration. *Policy Perspectives* 16 (1): 3–21.
- Blinken, Anthony. 1987. *Ally Versus Ally: America, Europe, and the Siberian Pipeline Crisis*. New York: Praeger.

<sup>79</sup> Reuters, ‘Top shipping insurance group will not cover ships linked to Nord Stream 2,’ *Reuters*, 23 September, 2020, <https://www.reuters.com/article/russia-usa-energy-insurance/top-shipping-insurance-group-will-not-cover-ships-linked-to-nord-stream-2-idUSL5N2GK14X>.





- Böller, Florian, and Lukas D. Herr. 2020. From Washington Without love: Congressional Foreign Policy Making and US-Russian Relations Under President Trump. *Contemporary Politics* 26 (1): 17–37.
- Bolton, John. 2020. *The Room Where It Happened*. New York: Simon & Schuster.
- Cafruny, Alan, and Ksenia Kirkham. 2020. EU ‘Sovereignty’ in global governance: the case of sanctions’. In *Global Governance in Transformation*, ed. Leonid Grigoryev and Adrian Pabst, 89–104. Switzerland: Springer Nature.
- Cairney, Paul, and Micheal D. Jones. 2016. Kingdon’s Multiple Streams Approach: What Is the Empirical Impact of this Universal Theory? *Policy Studies Journal* 44 (1): 37–58.
- Cantoni, Roberto. 2017a. What’s in a Pipe?: NATO’s Confrontation on the 1962 Large-Diameter Pipe Embargo. *Technology and Culture* 58 (1): 67–96.
- Cantoni, Roberto. 2017b. Debates at NATO and the EEC in Response to the Soviet “Oil Offensive” the Early 1960s. In *Cold War Energy*, pp 131–161, ed. Jeronim Perovic, 2017. Cham: Springer Nature.
- Colbourn, Susan. 2020. An Interpreter or two: Defusing NATO’s Siberian Pipeline Dispute, 1981–1982. *Journal of Transatlantic Studies* 18: 131–151.
- de Jong, Moniek, and Thijs Van de Graaf. 2021. Lost in Regulation: Nord Stream 2 and the Limits of the European Commission’s Geo-Economic Power. *Journal of European Integration* 43 (4): 495–510.
- de Jong, Moniek, Thijs Van de Graaf, and Tim Haesebrouck. A Matter of Preference: Taking sides on the Nord Stream 2 Gas Pipeline Project. *Journal of Contemporary European Studies* (2020): 1–14.
- Fischhendler, Itay, Lior Herman, and Nir Maoz. 2017. The Political Economy of Energy Sanctions: Insights from a Global Outlook 1938–2017. *Energy Research & Social Science* 34: 62–71.
- Gens, Bjorn. 2019. Germany’s Russia Policy and Geo-Economics: Nord Stream 2, Sanctions and the Question of EU Leadership Towards Russia. *Global Affairs* 5 (4–5): 315–334.
- Gould-Davies, Nigel. 2020. Russia, the West and Sanctions. *Survival* 62 (1): 7–28.
- Högselius, Per. 2013. *Red Gas: Russia and the Origins of European Energy Dependence*. New York: Palgrave Macmillan.
- Hufbauer, Gary Clyde, Jeffrey J. Schott, Kimberly Ann Elliott, and Barbara Oegg. 2007. *Economic Sanctions Reconsidered*, vol. 3. Washington: Peterson Institute for International Economics.
- Jeong, Jin Mun, and Dursun Peksen. 2019. Domestic Institutional Constraints, Veto Players, and Sanction Effectiveness. *Journal of Conflict Resolution* 63 (1): 194–217.
- Jirušek, Martin. 2020. The Attitude of the Visegrad Group Countries Towards Russian Infrastructural Projects in the Gas Sector. *Energy Policy* 139: 111340.
- Kingdon, John W. 1984. *Agendas, Alternatives, and Public Policies*, vol. 45. Boston: Little Brown.
- O’Sullivan, Meghan L. 2013. The entanglement of energy, grand strategy, and international security. In *The Handbook of Global Energy Policy*, ed. Andreas Goldthau, 30–47. Wiley-Blackwell: Malden.
- Pape, Robert A. 1997. Why Economic Sanctions do not Work. *International Security* 22 (2): 90–136.
- Pape, Robert A. 1998. Why Economic Sanctions Still do not Work. *International Security* 23 (1): 66–77.
- Peksen, Dursun. 2019. When do Imposed Economic Sanctions Work? A Critical Review of the Sanctions Effectiveness Literature. *Defence and Peace Economics* 30 (6): 635–647.
- Rowe, David M. 1999. Economic Sanctions do Work: Economic Statecraft and the Oil Embargo of Rhodesia. *Security Studies* 9 (1–2): 254–287.
- Schmidt-Felzmann, Anke. 2020. Gazprom’s Nord Stream 2 and Diffuse Authority in the EU: Managing Authority Challenges Regarding Russian Gas Supplies Through the Baltic Sea. *Journal of European Integration* 42 (1): 129–145.
- Siddi, Marco. 2019. Theorising Conflict and Cooperation in EU-Russia Energy Relations: Ideas, Identities and Material Factors in the Nord Stream 2 Debate. *East European Politics* 36 (4): 544–563.
- Strange, Susan. 1988. *States and Markets*. London: Bloomsbury Publishing.
- Sziklai, Balázs R., László A. Kóczy, and Dávid. Csercsik. 2020. The Impact of Nord Stream 2 on the European Gas Market Bargaining Positions. *Energy Policy* 144: 111692.
- Tama, Jordan. 2020. Forcing the President’s Hand: How the US Congress Shapes Foreign Policy through Sanctions Legislation. *Foreign Policy Analysis* 16 (3): 397–416.
- Torbat, Akbar E. 2005. Impacts of the US Trade and Financial Sanctions on Iran. *World Economy* 28 (3): 407–434.
- Van de Graaf, Thijs. 2013. The ‘Oil Weapon’ Re versed? Sanctions Against Iran and US-EU Structural Power. *Middle East Policy* 20 (3): 145–163.
- Vihma, Antto, and Mikael Wigell. 2016. Unclear and Present Danger: Russia’s geoeconomics and the Nord Stream II Pipeline. *Global Affairs* 2 (4): 377–388.



---

**Publisher's Note** Springer Nature remains neutral with regard to jurisdictional claims in published maps and institutional affiliations.

**Moniek de Jong** is a postdoctoral researcher at the Department of Political Science at Ghent University. Her research focuses on the Nord Stream 2 gas project and European energy issues.

