CONCLUSION
Every economy of the world is dependent upon energy. Sufficient energy is required for sustained growth of any nation and energy is also inevitable for the growth of any industrial society. The global struggle for energy is intensifying day by day. This is because of the fact that global supply of energy is not growing fast enough to keep up with the skyrocketing demands. Both national leaders and corporate executives are stepping up their efforts to gain control over major sources of oil and gas. The importance of ‘energy security’ has also been acknowledged by the citizens of nations. For instance, this was evident from the 2007 opinion polls in the US where the issue of energy policy and the US dependence on foreign oil scored a huge 72 per cent vote over the issue of war in Iraq. The polls also revealed the admiration for US’ assertive position on energy issues since it was believed that such an approach ultimately protects the national security interests. In other words, the end of the first decade of the twenty-first century has witnessed, a tremendous groundswell of emphatic opinion in the US on the competitive pursuit of energy. Reflecting this sentiment in the government, the former Secretary of State Condoleezza Rice during her visits across the world raised energy issues at every turn and applied pressure on both American allies and business partners to supply United States with more oil and ignore the appeal of “rogue” producers like Iran and Venezuela. There was a severe insistence that the broad goal of the US policy should be to focused on energy diversification as energy independence is a chimera. The perception was that the US should encourage and support the flow of energy from Odessa and east of Odessa, from the Caspian Sea region and Central Asia to the Western markets.

For observers of American foreign policy, it was clear that for the US, Central Asia has become a region of both growing importance and of growing challenge. American officials acknowledged that, its proximity to Russia, China, Iran, India, and Pakistan ,its location as the center of the Global War on Terrorism; and its large energy holdings make it a strategic region where the United States has important, even vital interests. However, it was clear to them, that America faces military, political, economic and ideological challenges to its interests in the
region. Given these perceptions, there is a need to assess how these challenges are manifesting themselves and how American policy might adapt to meet them. Such an analysis needs to begin however with an understanding of the various stages that the US energy policy has been through as well as the impact of domestic and external developments on policy determinants.

This study has started with an examination of the evolution of and changes in the US energy policy. Beginning with a historical background, the study focuses on why Deputy Secretary of State Strobe Talbott from the Clinton Administration had said in speech at Johns Hopkins University's Central Asia Institute on July 21, 1997, "The United States has a stake in the success of the Caucasus and Central Asian nations" citing the region's estimated 200 billion barrels of oil. "That is yet another reason why conflict resolution must be one job for U.S. policy in the region: It is both the prerequisite for and an accompaniment to, energy development".

As discussed in Chapter One, in the Colonial era the energy policy of the United States was confined to creating easy access to timber for domestic heating and industry. By nineteenth century, coal was used for transport, heating and industry. Over the years it was replaced with oil furnaces, not because of it being cheaper but because it was easier and safer. Coal remained and perhaps remains far cheaper than oil. However, the biggest use of oil accompanied the development of the automobile. The oil that supplied the US auto industry was drawn from domestic sources. As standard reference works inform us, petroleum industry made continual technological advances that allowed it to emerge as society's major source of energy and lubrication during the twentieth century. The immense potential of petroleum resources and applications became apparent, attracting the interest of one of the most well known businessmen in US history, John D. Rockefeller. Working within the South Improvement Company for much of the late 1860s, Rockefeller laid the groundwork for his effort to gain absolute control of the industry, covering each phase of the process and formed the famous Standard Oil Company of Ohio in 1870. Standard Oil's dissolution in 1911 took place due to the antitrust laws passed by the Eisenhower administration.
Rockefeller's company had become so large, that when broken into subsidiaries, the pieces themselves become giants—Mobil, Exxon, Chevron, Amoco, Conoco, and Atlantic among others. Today, the names of Mobil Exxon and Unocal are known all over the world both as oil giants and for their tremendous clout that affects the politics of not only the US but also other countries.

Several historical works dealing with the growth of oil companies and their clout illustrate just how Standard oil had led the way in international oil exploration, suggesting that national borders need not limit the oil-controlling entity. As many of them suggested, throughout the twentieth century, large multinational corporations attempted to develop petroleum supplies and bring them to market. In fact, by the 1960s, many recorded the fact that nations around the world drew from Rockefeller's model to devise a new structure. Massive international companies managed the import and export of oil regardless of the resource's nation of origin. The importer, often companies in Western, industrialized nations was mostly in control of supply and demand and, therefore, prices.

There was a change in the situation on the domestic front too. The Eisenhower Administration implemented quotas on the import of crude oil. As it foresaw the decline of domestic oil quotas were adopted so as to protect the sale of domestic oil. Established in 1959, such quotas infuriated global oil-producing countries throughout the 1960s. Public records show that by September 14, 1960, a new organization was formed to eliminate the practice of companies making money by extracting oil around the world—the Organization of the Petroleum Exporting Countries (OPEC). OPEC's objective was to defend the price of oil and to insist that US companies consult with them before altering the price of crude oil. They also developed mutual solidarity, and strategized to negotiate with oil companies and Western nations in a bid to gain control of the politics of oil markets.

In the meantime, US domestic oil that had increased until 1970, began to decline. Evidence indicates that with its domestic consumption patterns showing an upward trend, US began to be concerned that future would erode American energy
security as it depended heavily on foreign oil. As oil imports increased, US foreign policy was inexorably drawn into Middle East politics, supporting oil-producing Saudi Arabia and patrolling the sea lanes of the Persian Gulf.

As the study traced the various stages of the US energy consumption, it found that that the demand for policy action on energy issue reached a high crescendo in US only after the oil embargo of 1973. Consequently United States started looking for alternative sources of energy. The available literature on the early history of US energy policy illustrates how the 1973 oil crisis made energy a popular topic of discussion in the US. The Federal Department of Energy was started with steps planned toward energy conservation and more modern energy producers. A national maximum speed limit of 55 mph (88 km/h) was imposed to help reduce consumption, and Corporate Average Fuel Economy (aka CAFE) standards were enacted to downsize automobile categories. Year-round Daylight Saving Time was imposed, the United States Strategic Petroleum Reserve was created and the National Energy Act of 1978 was introduced. Alternate forms of energy and diversified oil supply resulted. The study found that it was the 1990-91 energy crisis which forced the administration to develop a national energy strategy. Finally, the occurrence of 9/11 broke the old barriers between politics of military security and economic security and opened up new horizons. The United States along with the aim of protecting itself from terrorists, added fulfilling its energy requirements as part of its foreign policy agenda. It realized the significant role to be played by the smaller nations of Central Asia as the fact of oil interdependence manifested itself.

This study reveals that US policy towards Central Asian Region has been dictated by a policy of engagement due to its economic, political and strategic interests. Evidence indicates that with its domestic consumption patterns showing an upward trend, US was and is concerned that the twenty first century would erode American energy security as it depends heavily on foreign oil dictating a primarily economic based policy. However, US policy goals in Central Asia seemed to have shifted from purely economic interests of the nineties, to the present where it has added strategic and political objectives as well. In particular, it
was found that in the aftermath of 9/11, the euphoria of post Cold War victory evaporated and fresh impetus was given to rearticulating American interests regarding energy security. In this context, US interests in Central Asia spanned economic and politico-strategic objectives and its policy goals began to be determined accordingly.

After recording and analysing the data in Chapter Two, the study clearly indicates that Central Asia and the Caspian region is estimated to be a reservoir of natural resources capable of enhancing the lives of the region’s residents and provide energy for the growth of Europe and Asia. Since their independence from the former USSR, the Central Asian States have become once again the field for great power competition. It is important to notice that the United States has assisted the countries of the region in accelerating political and economic development and addressing common security concerns. Therefore it may be deduced that the US is appearing to move towards a strong and productive relations with all of them. In other words, US policy towards Central Asia is seemingly directed towards gaining broad commercial opportunities as well as pushing them towards becoming liberal democracies.

Further the study reveals that as ‘Energy Security’ emerged as an issue of high priority in US foreign policy agenda Central Asia emerged as an important component in the global energy picture. It appears, as articulated by State Department officials, that the core of American policy in this region was to support Central Asian States as fully sovereign, democratic, stable and prosperous nations, contributing to regional stability and the global war on terrorism and potentially serving as models of ethnic and religious tolerance. In other words, the United States sought to work in multiple areas simultaneously assuring security, promoting economic change, including the advancement of regional integration and cooperation and promoting democratic reform.

Behind these policy pronouncements there were certain fundamental changes that influenced US policy towards the region. The main one was the September 11, 2001 attack on World Trade Centre and Pentagon. When it was confirmed that majority of the highjackers were from Saudi Arabia which held
one-fourth of the world’s oil, US policymakers acknowledged that overdependence on a single supplier or transit route created both economic and political vulnerabilities and could result in supply disruptions to consumers and loss of income for producers. In addition, these vulnerabilities would only exacerbate uncertainties in the current global market. In a world of increasing demand for energy resources, expanding access to energy and enhancing security of supply are crucial parts of ensuring reliable and stable deliveries of energy resources to international markets. Therefore, this view stated that diversifying supply and supply routes, reliable production and transit of energy supplies will lay the foundation for the stability required for markets to flourish within Central Asia and beyond. As early as 1998, US approach turned severely pragmatic when its special Ambassador Stephen Sestanovitch testified to the House Committee on International Affairs of the 105th Congress, 2nd session, that:

“Our approach starts with recognition of the region’s strategic importance to the United States, and not only because of its abundant energy resources. We have diplomatic, political and security reasons for being involved in the Caucasus and Central Asia as well as other economic interests. A strategy towards the Caucasus in Central Asia has four main elements. First, strengthening modern political and economic institutions and advancing market democracy; second, conflict resolution; third, energy development and the creation of an east-west energy transport corridor; and, fourth, security cooperation.”

Evidence in support of such a strategy indicated that the US was providing assistance under the Freedom Support Act in fiscal year 1998 targeting about $250 million in aid to the Caucasus and approximately $90 million to Central Asia. Central Asia alone received approximately $3.1 billion in aid since 1992. US interest in Central Asia is also established by the fact that it was the first Western government to set up embassies in all fifteen of the newly independent states, and the first to legislate funding support for transition processes. Indeed, the Freedom Support Act and other strategic aid plans were enacted as early as 1992, but a preoccupation with the four “nuclear successor states” (Russia, Ukraine, Kazakhstan and Belarus) prevented the Caucasus and Central Asian states from getting much serious attention until 1994. In addition to US preoccupation with reducing the number of post-Soviet nuclear states from four to one, there were additional reasons for the slow development of a robust regional policy. As some
noted, the Department of Defense objectives concentrated solely on the military establishments of the new post-Soviet military establishments in the Caucasian republics. These establishments were viewed largely as obstacles to the types of reforms the US desired. In the revolutionary period of 1991-1992, large blocks of military hardware and manpower were transferred more or less intact from the disintegrating Soviet command structure to the emerging command structure of the new states. As concerned officials stressed, US' information both about these transfers, and about the internal politics of these "new" national militaries, remained extremely limited. Some pointed out that the United States was interested in facilitating the eventual reform of these military structures in ways that would buttress rather than undermine emerging democratic systems, as well as ensure greater regional peace and stability. Evidence from State Department files corroborate these views as they reveal how the US tried to develop and strengthen bilateral, multilateral, and regional security alliances towards this end. Indeed, the U.S. government became keenly aware of the fact that the geostrategic importance and economic potential of the Caucasus warrant a deeper and more sophisticated regional approach and policy.

The pragmatism of US policy towards Central Asia continued to be manifested in the statements made by the former Secretary of State Condoleezza Rice. She noted that US policy is to give impetus to a "corridor of reform" extending southward to Afghanistan and the Indian Ocean, even as the region's ties expanded eastward to China, Japan, Korea, and the Pacific Rim. For this purpose the United States firmly supported maintaining and expanding Central Asia's robust ties to the Euro-Atlantic community, not least through institutions such as NATO and the Organisation for Security and Cooperation in Europe (OSCE). Thus the United States promoted options and opportunities omni-directionally, but increasingly towards the south because it was the least developed direction. The US took a multidimensional approach, working on security, economics and democracy simultaneously. In this regard the US undertook a strategic dialogue on regional cooperation and economic integration with the countries of the region. The United States also began working with multilateral institutions, such as the Asian Development Bank, the European Bank for Reconstruction and
Development (EBRD), and the World Bank, along with national governments and the private sector. Progress in transportation, energy, telecommunications, and trade was the goal. For example, the US-funded $36 million for Afghan-Tajik Bridge which was opened in 2007.

However, the domestic determinants i.e. role of ‘iron triangle’ which constitutes the Congress, the Federal Bureaucracy and the interest groups along with the international developments as discussed in Chapter Three, also influenced US energy policy towards Central Asia in general and Kazakhstan and Turkmenistan in particular. The analysis of the “iron triangle” in terms of the Central Asian Region reveals that the spectrum of power, federalism, interest group pluralism and other checks and balances in the constitutional architecture of the United States political system created a strong bias towards bargaining, compromise and instrumentalism in energy policy making. Further, the energy policy was compelled to abide by the conventional political and economic bias of the legislative constituencies. The focus on various Congressional debates on energy policy, with particular focus on Central Asia, the complexity of policy formulation has been inferred in the study. Further the various Hearings held by the Congress provide significant evidence that explains the changed nuances of energy policy towards Central Asia. For example, the 105th Congressional Hearing on **U.S. Interest in the Central Asian Republics** before the Subcommittee on Asia and the Pacific in 1998 examined the US interests in the region and acknowledged that Kazakhstan and Turkmenistan possess large reserves of oil and natural gas. Congressman Bereuter, Republican from Nebraska, the Chairman of the Subcommittee on Asia and Pacific stated that, US policy goals regarding energy resources in the region were based on factors such as independence of the states and their ties to the West, preventing Russia's monopoly over the oil and gas transport routes, promoting Western energy security through diversified supplies, encouraging the construction of the East-West pipeline and, finally, Isolating Iran. Similarly, US Government through the Department of Energy pointed to the following interests that it has in the Central Asian Region:

- Energy security
• Strategic interest and

• Commercial interest in promoting the Caspian region energy development.

Likewise, the interest groups i.e. the US oil companies have significant engagement with the region even before the 1990s. The study reveals that as these interest groups perceived the tremendous potential of Central Asian Region, they began to lobby the US government for greater engagement and better political relations with those countries. This was particularly true in the case of Kazakhstan and Turkmenistan as testimonies from the industry to several Congressional Committees indicate such as 105th Congressional Hearing.

As per the Energy statistics from Kazakhstan and Turkmenistan it is clear that these two countries are richest in hydrocarbon reserves among the other Central Asian States. Kazakhstan for instance possesses the highest (estimated) 85 billion barrel of oil reserves followed by Turkmenistan with 32 billion barrel of oil. It has also been authenticated by the U.S. Department of Energy (2002) that the Central Asian Region had 16-32 billion barrels of proven oil resources and another 206 billion barrels of possible oil reserves along with 236-337 trillion cubic feet of possible gas resources. Therefore these two countries are in the forefront of US strategy towards Central Asian Region.

The study has found that given the scope of the energy supply and demand challenges today and in the years ahead, Kazakhstan and Turkmenistan can play a helpful role in addressing the world’s energy need. Further, it was found that the US strongly supports the work of its energy companies and their international partners who are focused on ramping up production and improving transportation to markets. US energy companies were among the first non-CIS foreign investors in Kazakhstan. It appears that the US policy is predicated on the assumption that it will have a long-term engagement in the region. This is evident from the reports by the high level American officials who undertook several trips to the region. In fact, one of the major energy reservoirs of Central Asian Region, Turkmenistan, became the focal point of these trips. Numerous press releases and other official documents reinforce the fact that the US viewed Turkmenistan as an important
player in the global energy market and that it would continue to be so for many years to come. Hence, the United States policy is expected to follow the path of continued engagement and cooperation with Turkmenistan especially on the energy issue.

In other words, US approach towards Central Asia suggests a Kazak-Turkmen centric policy, due to the implicitly calculated benefits from such a focus. Moreover, during the last five years it has become evident that the American approach has both commercial as well as geopolitical objectives towards these two countries as expressed by Daniel Fried, former Assistant Secretary for European and Eurasian Affairs.

As has been outlined in Chapter Four that the US seeks to cooperate with Kazakhstan and its neighbours so that together they can assure multiple options and new opportunities in every direction on the compass, east, west, north, and south. It should be noted that the United States' strategic partnership with Kazakhstan gained momentum with the visits of the then Secretary Rice to Astana in 2005 and by the then Agriculture Secretary Johanns and Energy Secretary Bodman in 2006. It was believed by the US policy makers that after adopting the extensive economic reforms, Kazakhstan has an opportunity to achieve stability by upholding standards of democracy and human rights. As discussed, US' acknowledgment of Kazakhstan as an emerging world leader in oil and gas production has resulted in the US' oil companies investing heavily there. However the transport of energy through the existing routes to the Western markets remains a challenge. This heralded the entry of pipeline politics in the region.

In addition to this it was also acknowledged by Washington that Kazakhstan has the potential to play a leading role as an investor in regional infrastructure projects, including in Afghanistan along with the diversification of its energy resources to world markets. US energy policy towards Kazakhstan is thus driven by large strategic and economic considerations.

Kazakhstan's energy cooperation with the main geopolitical actors in Central Asia also persuaded the US policy makers to increase its presence in
Kazakhstan. US policymakers realised that providing several options for this landlocked country can enhance its influence. Apart from this, the role of other geopolitical actors in Kazakhstan proved to be the catalytic factor in enhancing US presence. For example, in order to overcome the Russian influence, the US aimed to make the post-Soviet states independent and prosperous. In this context, the discussions and initiatives on pipeline infrastructure assumed tremendous importance. In the process of planning the pipeline infrastructure, priority was given to routes that bypassed Russia and consequently challenged Russian monopoly in the region. The execution of bypassing Russia was manifested quite explicitly in the ‘contract of the century’, i.e. Baku-Tbilisi-Ceyhan pipeline. It was signed between the state owned oil company of Azerbaijan Republic and a consortium of companies led by the British Petroleum on September 20, 1994. The route was from Baku to Ceyhan in Turkey via Tbilsi in Georgia. This multiple pipeline route has been operational since late 2005.

China, the other important strategic player around Kazakhstan also required considerable attention from the US. Kazakhstan has attempted to find reliable access to the world market and reduce the heavy dependency on the Russian transportation system. In this regard, it was found that sincere cooperation emerged between China and Kazakhstan. Records show that in September 1997, Chinese Vice President Lee Pen visited Kazakhstan, during which the Chinese side promised to invest $9.5 billion in projects with Kazakhstan. The deal included an agreement by China National Petroleum Corporation (CNPC) to build the pipeline from the West of Kazakhstan to China. It was assumed that rapidly developing China could become a main importer of Kazakh oil due to the fact that its own hydrocarbon resources were not enough to meet the domestic energy demand. In order to prevent China from becoming the sole partner of Kazakh oil US policymakers argued with the Congress for increased presence in the country. Likewise Iran was also perceived as one of the leading strategic competitors for Kazakhstan’s oil.

Kazakhstan’s trading possibilities with Iran began in 1992. It exported oil shipment to its northern province in exchange for Iran to export the same amount
of oil on behalf of Kazakhstan from its terminals on Kharg Island in the Persian Gulf. By these means Kazakhstan hoped to export a major part of Tengiz oil. In this connection it is important to illustrate that evidence indicated that in order to diversify its natural resources Kazakhstan even overcame the embargo on Iran. This is evident from the fact that Nazarbayev met the US Vice President Al Gore during the opening of a new UN General Assembly session. Gore agreed to help by giving Chevron its exclusive rights to sell part of its extracted Kazakh oil to Iran and avoid the existing embargo and in November 1995 this was confirmed by US officials government sources. However, it was found that in order to pursue a policy of permanent presence in this “potential reservoir of energy” US arranged the exchange of high level dignitaries, to agree on investment, regional integration and assistance.

The United States and Kazakhstan have enjoyed a constant stream of high level visitors. For example Energy Secretary Bodman met President Nazarbayev and Energy Minister Izmukhambetov, Vice President Cheney met the President Nazarbayev, and Secretary Rice saw Foreign Minister Tokayev and Agriculture Secretary Johanns visited Kazakhstan on an agricultural trade mission. The US optimistically hopes that this trend would continue as it expects deeper involvement with Kazakhstan in the coming years.

The main goals of such an involvement would dictate that the United States should continue to work with Kazakhstan in order to promote transparency and private investment and further encourage leaders to expand cooperation with US energy companies. Moreover the US must work with Kazakhstan and countries of Central Asia and the Caucasus to encourage them to expand infrastructure and in particular to increase options for the delivery of oil and gas to the Western markets.

The United States, as was mentioned earlier, also had overlapping strategic and military interests after 9/11. It assisted Kazakhstan by providing $400 million to combat threats arising from narco-trafficking, terrorism and all smuggling of contraband, including weapons of mass destruction by building up Kazakhstan’s rapid reaction capabilities. In addition to this, the US funded border security training programme by donating three 42-foot patrol boats to the maritime border
guards. Further, security assistance programmes offered by the US are enabling the refurbishment of facilities at the maritime academy in Aktau, and the US maintains a robust programme of engagement to ensure that Kazakhstan has the capability to monitor and manage its land and sea borders. Kazakhstan is also trying with the US assistance to refurbish Huey helicopters for use as part of its rapid reaction forces.

The growing cooperation between the US and Kazakhstan can also be analysed by the fiscal support provided by the US to Kazakhstan. It is important to note here that between 1992 and 2005, the United States provided roughly $1.205 billion in technical assistance and investment support to Kazakhstan. The programmes were designed to promote market reform, to establish a foundation for an open, prosperous, and democratic society, and to address security issues. US foreign direct investment (FDI) was 24.6 per cent of total FDI in Kazakhstan in the first half of 2007. American companies have invested about $14.3 billion in Kazakhstan since 1993. These companies are concentrated in the oil and gas, business services, telecommunications, and electrical energy sectors. Kazakhstan has made progress in creating a favourable environment for investment. In sum, it can be said that with regard to Kazakhstan the United States is taking a multidimensional approach, working on security, economics and democracy simultaneously.

Similarly Turkmenistan’s hydrocarbon resources are a treasure with the potential to impact people in many corners of the world. These hydrocarbon reserves represent major energy supplies for numerous countries. In turn, Turkmenistan has the opportunity to expand its customer base by pursuing diverse export routes. As part of the strategic energy policy, both on the international and domestic front, the United States has stated its commitment to diversify its energy supplies and energy supply routes.

Chapter Five found that Turkmenistan represents not only a substantial strategic source of hydrocarbons, but also a growing investment opportunity. This is evident by the fact that there has been increased presence of international oil companies in Ashgabat. Turkmenistan now appears to be poised to increase and
diversify its hydrocarbon exports to foreign markets. In addition, Turkmenistan has undertaken a series of economic reforms in order to encourage foreign investment, including successful unification of its exchange rates and currency redenomination. Hence the extensive reforms announced by President Berdimukhammedov, when fully implemented, could make the domestic economy of Turkmenistan more competitive and improve the business to attract more international investors. This analysis has been shared by former US officials as they testified in the 110th Congressional Hearings (2008), the potential of Turkmenistan in terms of energy reserves.

It has been revealed in the study that Turkmenistan represents enormous potential for companies involved in every aspect of the energy supply chain. Some of Turkmenistan’s offshore blocks are already producing and there are many more that are open for bidding. The technically challenging nature of these offshore fields makes them a good fit for experienced international oil companies, which have the technology needed to maximise production. Onshore, the untapped South Yolotan and Osman gas fields are important hydrocarbon fields and will likely be the source of significant economic activity in the future.

However, the Bush Administration argued that, the United States had “strategic and economic interests” in Turkmenistan and “must remain engaged” with the country to gain its “critical cooperation” in reducing threats to regional stability, including terrorism and illegal trafficking in drugs and weapons of mass destruction. Although the United States limited its assistance to Turkmenistan because of its failure to reform, some US aid has been given to help Turkmenistan “achieve political stability, independence and integration into the global economy and to promote security cooperation in the interests of both countries”. It has been observed in the chapter that the Bush Administration spelt out the imperatives and constraints of an active involvement policy. It is evident by the fact that the by former high ranking officials such as John Deutch (Director, CIA) James R. Schlesinger former Defense and Energy Secretary claimed a special Task Force on “National Security Consequences of US Oil Dependency.” Released in October 2006, this report judged that US lack of sustained attention to energy issues was
undermining US foreign policy and national security. It went on to argue that US energy policy was plagued by “myths” such as the feasibility of achieving energy independence through increased drilling and other measures. In the reports view, the US would be better off if it equipped itself to manage its dependence rather than pursue “the Chimera of independence”.

The former Secretary of State Condoleezza Rice stated in April 2006 to the Senate Foreign Relations Committee that they were indeed facing energy issues, and that nothing had taken her back more than the way the politics of energy was covering diplomacy in the world. She noted that it has given extraordinary potential to some states for the international system, states that would otherwise have very little power. Therefore, from Washington’s perspective, though Turkmenistan is a politically repressive country whose regime has demonstrated no willingness to open its political system, its potential natural reservoir does not warrant ignorance by the policy makers. Turkmenistan is also trying to safeguard its independence and develop alternative pipeline routes to transport essential natural resources to the outside world. These pipelines could protect Turkmenistan against Russian capriciousness and pressure, while providing critical natural gas to Turkey. Turkmenistan's success could encourage other resource-rich CIS countries, such as Azerbaijan and Kazakhstan, to persevere with their own pipeline projects. Moreover, Washington is banking the on hope that Turkmenistan supplies Ukraine with the required energy for its own independence and continues on with economic reforms. In this context, the external developments have substantially influenced American policy. For instance, it appears that the US has both geopolitical and commercial aim towards Turkmenistan. At the geopolitical level, the US objective is to help Turkmenistan to develop the oil and natural gas industries, while at the economic level, the development of these oil industries will mean investment opportunities. Apart from this the political objectives of the US towards Turkmenistan is containment of Iran, China, Russian influence and also the reinforcement of Turkey’s role in diversifying its natural resources.

It has been further observed in the study that as pipeline routes needed diversification, Turkmenistan began to reach out to other nations in order to
minimise Russian influence. The most important of these as mentioned under, were with China, Iran and European Union apart from Russia which consequently stimulated US Policy towards Turkmenistan.

**China:** Chinese government officials have started lobbying Ashgabat to expand bilateral energy cooperation between two nations. As evidence indicates that during Berdimukhammedov's visit to China in July 2007, the Chinese National Petroleum Company signed an agreement with Turkmengaz, Turkmenistan's national gas company, to purchase 30 billion cubic metres of Turkmen gas for export to China with effect from 2009. The 4,300-mile Turkmenistan-China pipeline under construction is slated to be one of the longest and most expensive in the world.

**European Union:** The European Union also considers Turkmenistan as an important player in its future energy strategy especially for the Nabucco gas pipeline. In this regard, British Energy Minister Malcolm Wicks travelled to Turkmenistan. Wicks highlighted the Europeans' readiness to pay higher prices than Russia for the country's natural gas.

**Iran:** As has been discussed earlier that the US Congress has always been opposed to Iran. In the opinion of the Congress, no country undermines American interests more than Iran as stated in a Congressional Research Service Report. This underscores the fact that America had some very real disagreements with Iran and that US policy is not simply driven by domestic lobbies. Since the Iranian revolution, the US has sought to isolate Iran diplomatically and politically, and more recently economically. In 2009, Congress passed the Iran-Libya Sanctions Act (ILSA). This Act sanctioned foreign companies that invested in the petroleum sector of Iran. However, this law is causing problems for the companies trying to move Caspian oil to the market because of the following reasons:

* US companies were prohibited from partnering with Iranian firms in the Caspian.
• The Center of the Caspian Sea is ultimately considered to be an area of shared resources; American companies encounter difficulties in moving oil across the Caspian because Iran might be part owner of that territory.

• ILSA is also limiting the pipeline routes for Caspian oil. Although Iran may be the most stable country, politically, that borders the Caspian Sea, the Congress has labelled it off limits to U.S. and foreign companies.

• Another such problem caused by ILSA is the controversial proposed Turkey-Iran (now Turkmenistan) gas deal. The US State Department officials announced before the House International Relations Committee that the deal, as structured, was not sanctionable. The Administration cited the reasons for this, as Turkey's agreement of buying gas from Turkmenistan, superseding the deal with Iran and that Iran would earn only transit fees.

Congressmen inferred the administration's announcement as a gesture of conciliation towards Iran. Further, Congress made it clear that it was premature to alter US policy towards Iran. It was clear from the Congressional reaction to the State Department announcement that from the point of view of Congress, the Iran option was not viable as a pipeline route and was not likely to become feasible in the near future.

**Russia:** The Russia-Turkmen cooperation in the gas sector was established by the agreement signed between Turkmenistan and Russia in April 2003. In announcing the reconstruction of the Central Asia-Centre gas pipeline, scheduled for completion by 2011, Gazprom Deputy Chief Executive Officer Valery Golubev said,

"The main aspects of our work are the purchase and export of gas to Europe. Turkmenistan provides 63.7 per cent of (Gazprom's) gas bought in Central Asia, with 2007 purchases totaling about 67 billion cu m of gas".

Hence, another regional issue clouding Congress' view of the region is US policy towards Russia. The Congress is skeptical of Russia, and its relations with Iran. Many members of the Congress came of age politically during the 1980 and
opposing the Soviet Union was a major pillar in their political philosophy. There are still residual effects of this Cold War attitude, especially in the Republican Party. For instance in 1997 dozens of bills were introduced seeking to impose sanctions on Russia. Congress has consistently opposed Russian efforts of nuclear cooperation with Iran as has been detailed earlier.

It has been deduced in the study that the United States desired to be a partner in Turkmenistan’s own efforts to ensure its oil and gas sectors, fueling the economic growth and development of Turkmenistan and contributing to a stable global energy market. Thus one could argue that the United States’, government, and businesses are in consensus with regard to the policy of deepening engagement with these countries under scrutiny. Even more illustrative of the US policy goals and cooperative mood was the Foreign Operations Appropriated Assistance for Fiscal Year 2007 amounting to $10.87 million $9.35 million FSA aid and $1.52 million. Budgeted aid for FY2008 was $7.2 million. As stated by the Department of State Turkmenistan and United States turned a new page in their bilateral relationship following the death of the Turkmen President Niyazov in 2006. Ostensibly, the focus of assistance was the strengthening of border security and combating narcotic smuggling amongst others, but energy security too lurked at the back. It is authenticated by the fact that US Coordinator for Eurasian energy diplomacy, Steven Mann and special envoy for Eurasian Energy Ambassador C. Boyden Gray visited Turkmenistan to confirm high level talk with Turkmen government officials on energy issues. Thus it may well be argued that US-Turkmenistan bilateral ties were poised to move in a positive direction by the end of the Bush Junior’s administration.

In so far as the diversified pipeline route is concerned, it is found that the export of natural resources of Gas of Kazakhstan and Turkmenistan face more difficulties than those for oil. Except for a few minor Soviet-era pipelines, there is no way to currently get the Turkmen and Kazakh gas to market. An Iranian route is unlikely, and gas pipelines through Russia face even more serious challenges than oil pipelines. There are two major routes that America is considering: the Turkmenistan-Afghanistan-Pakistan pipeline, TAP and the Trans-Caspian Pipeline.
The Turkmenistan-Afghanistan-Pakistan pipeline, TAP would travel from the Caspian eastward through Turkmenistan and over the mountains into Afghanistan and on to Pakistan and an open-water port and or refinery. The TAP could be extended into India to reach the open market there. Since Pakistan and India have rapidly growing economies and expanding manufacturing sectors, those countries should be eager to receive such a pipeline.

The Trans-Caspian gas pipeline is a proposed submarine pipeline between Türkmenbasy in Turkmenistan, and Baku in Azerbaijan. According to some proposals it will also include a connection between the Tengiz Field in Kazakhstan, and Türkmenbasy. The Trans-Caspian Gas Pipeline project if built would transport natural gas from Kazakhstan and Turkmenistan to central Europe, circumventing both Russia and Iran. The TCP would be favorable for Europe as well. The vast majority of all gas consumed in Europe comes from Russia. If the TCP were constructed, gas could be carried along the proposed Nabucco into the heart of Europe, thereby greatly reducing its dependence on Russian gas. The combined US and EU diplomatic and economic might would make the construction of the pipeline more likely.

Looking at the struggle between Iran, Russia, China, and the US over their preferred pipeline routes for Central Asian oil and gas gives a good glimpse as to the world's future geopolitical order. Despite the formidable difficulties in building pipelines, these four powers are converging upon the region with an eagerness that is almost desperate. This is because of the fact that in the present day world, a country's military is not the sole arbiter of her strength rather it has been supplemented with the economic might. This is due to the fact that all industrial economies and militaries run on oil and gas. The US and China desire the access to those resources to fuel their power plants, factories, automobiles, aircraft, and armored vehicles. Iran and Russia want the pipelines to go through their territory in order to claim transit fees and use the resources as political tools. For each country wresting control of the Central Asian oil and gas is necessarily a vital part of its grand strategy.
The study has revealed Turkmenistan has also reciprocated by pursuing the most independent and pragmatic foreign policy of the five Central Asian Republics. In this regard it is important to mention that Turkmenistan passed legislation declaring permanent neutrality and prohibiting membership in any military or political-military alliance entailing responsibilities for collective action by its members. The President Berdimukhammedov is attempting to open Turkmenistan to Western influence, insofar as it meets Ashgabat's economic needs. Washington, on the other hand, wants to calibrate a joined up policy that brings about a closer cooperative security relationship without alienating the regime politically.

Finally, it is observed in the study that the Turkmenistan's inherent interest in allowing US presence is attributed to the fact that it will provide a counter to the regional powers. Though the former President of Turkmenistan Niyazov always spoke of Turkmenistan's good relations with Russia, but they are fearful and wary of Russian domination.

The intensified relationship of US with the Central Asian Region is expected to continue as evidenced by the remarks made by Robert O. Blake, Jr. Assistant Secretary, Bureau of South and Central Asian Affairs on November 18, 2009 on the occasion of the launch of the Congressional Caucus on Central Asia. On this occasion it was evident that this Congressional Caucus will play a valuable role in order to focus greater attention on U.S. relations with the countries of Central Asia. In other words, the present Obama administration has also placed high priority on building partnerships and enhancing United States' political and economic engagement in Central Asia. For this purpose a structured, annual dialogue was proposed covering a full range of issues: political issues; security issues, including counter-narcotics and counter-terrorism; the human dimension, including democratic reform, rule of law, human rights, and relations with NGOs; and economic and development issues, including trade and investment, health, and education. In order to fulfill these objectives estimated aid for FY2009 was $8.9 million, and $16.65 million for FY2010 has been provided to Turkmenistan.