CHAPTER 2

US INTERESTS IN CENTRAL ASIA
The tragedy of September 11, 2001 changed the way the United States viewed the world. Alongside, other countries across the world also began reviewing their foreign policy. The September 11 attack had implications on every aspect of American life and energy issues were no exception. In view of the fact that most of the highjackers of 9/11 were from Saudi Arabia, the US started looking for an alternative source for its energy requirements. In this hour of need, the Central Asian Region appeared to be the new destination. This view is also manifested in Rand report which identifies and evaluates key faultlines in Central Asia and South Caucasus and how they affect the likelihood and possible evolution of armed conflict in these regions. According to this report these faultlines include the role of state, political and economic weakness, the impact of crime and the drug trade, the effects of ethnic tensions as well as foreign interests and influence and finally the impact of competition over natural resources (Oliker and Szayna 2003:Online:web).

This chapter deals with the contours of US energy policy in Central Asia and explain why it is based on a long-term and permanent response to politico-security and energy development of the region. The Chapter also analyses how US policy makers are consistently focusing towards the region for their ever growing energy need. It contends that the Bush Jr. administration established bases and another military access in the region to support US led coalition. It is noteworthy to mention that the present Obama administration has also continued the trend. According to the Congress Research Service Report 2010 , US interests in Central Asia include combating terrorism, drug production, and trafficking; assisting the development of oil and other resources; and fostering democratization, human rights, free markets, and trade (Nichol 2010:Online: web). In this regard, the response of the countries of Central Asian Region towards the presence of US oil companies and its military requirement is emphasized as a policy input.

Historically, it may be recalled that Czarist Russia, Colonial Britain, Napoleon’s France, and the Ottoman Empire have consistently played their ‘great games’ in Central Asia. However, after the demise of the Soviet Union many oil companies such as Unocal, Total, Pennzoil and others have emerged as the new
players in the ‘new great game’. The five countries which make up Central Asia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan, attained their independence in 1991, and captured international attention owing to the phenomenal reserves of oil and natural gas located in the region. At this time, the countries of the Central Asian Region too realised that their interests lie in maintaining political stability and to gain economic independence. Thus their policies and initiatives in opening up to the West and to the US particularly, had an impact on US policy. Domestically too various trends affected US energy policy.

**Energy Consumption in the United States during the 1990s:** It is ironical that along with the growth of the US economy, its energy reservoirs are dwindling. The US’s energy consumption grew by 17 per cent between 1990 and 2000. The consumption grew in all sectors, i.e. residential, commercial, industrial and transportation during the decade. The distribution of energy use among the above mentioned sectors changed minimally between 1990 and 2000. The only change which occurred during this period was that there was a marginal increase in the share of natural gas and a small decrease in the petroleum share. Oil production declined during this period and the net import of energy increased by more than 50 per cent during the 1990s, especially after the ‘Gulf Crisis’. It was believed that the US petroleum imports would continue to grow in the future (Joskow 2001: Online: web).

**US Perception and Central Asia:** In these circumstances America viewed Central Asia and other smaller countries as new friends in their hour of need. The presence of the US military forces in the region was the result of this growing vulnerability in energy in the wake of September 11. The United States stationed nearly 1,000 troops in Uzbekistan and Kyrgyzstan. This development in energy objectives indicates a long-term engagement of the United States towards these countries (Chandra 2002:54-56). In other words, the 9/11 attack led the

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2 ‘Great Game’ is the political rivalry between the British Russian Empire in Central Asia during the 19th century. ‘The New Great Game’ is a term used to describe the conceptualisation of modern geopolitics. Central Eurasia is in competition with the US, the United Kingdom and other NATO countries against Russia, the People’s Republic of China and other Shanghai Cooperation Organisations for influence, power, hegemony and profits in Central Asia and the Trans Caucasus.
administration to realise that "it was critical to the national interest of the United States that they should enhance their relations with the five central Asian countries" in order to prevent them from becoming "harbours for terrorism" (Testimony by B. Lynn Pascoe, Former Deputy Assistant Secretary of State, Quoted in Jim Nichol's "Central Asia: Regional Developments and Implications for US Interests" 2004, Foreign Affairs, Defense, and Trade Division, CRS Issue Brief for Congress Online: web).

There is a synergy between American multinationals (oil companies), the State Department, the Pentagon, US AID and several think-tanks (Joshi 2003:51). It is also evident that such a policy seems to have been based on bipartisan support within the US Congress. US policy goals regarding energy resources in Central Asia and the South Caucasian states have included supporting their sovereignty and ties with the West, supporting US private investment, breaking the Russian monopoly over oil and gas transport routes by encouraging and building pipelines (Ibid).

However, viewing the US involvement in Central Asia only through the prism of oil and gas would not be appropriate. Though the US has considerable interests in the Central Asian Region's hydrocarbons, the strategic location of Central Asia does not allow the US policy makers to be ignorant about the region. In order to understand the US interest in Central Asia, both strategic and economic aspects have to be considered. Thus before going into the strategic and economic considerations of the US, it would be appropriate to have an understanding of the energy reserves in the Central Asian Region.

**Energy Reserves in Central Asia:** In order to analyse the US's growing interest in the Central Asian Region, an introduction of the energy scenario and political situation of the region requires attention. The Caspian region contains tremendous untapped hydrocarbon reserves. The proven natural gas reserves equal more than 236 trillion cubic feet. The region's total oil reserves may well reach more than 60 billion barrels of oil. Some estimates are as high as 200 billion barrels. In 1995, the region produced only 870,000 barrels per day. It is estimated that by 2010, Western companies could increase production to about 4.5 million
barrels a day, an increase of more than 500 per cent in only 15 years. If this occurs, the region would represent about 5 percent of the world's total oil production (US 106th Congress, House of Representatives Transcripts Pertaining to "US Interests in Central Asia", 2001 Online: web).

However, the following table gives us an idea about the ‘energy reserves’ of the Central Asian Region.

**Oil and Gas Production in the Caspian Sea Region**

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<td>High</td>
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<tr>
<td>Azerbaijan</td>
<td>222</td>
<td>440</td>
<td>900</td>
<td>1,290</td>
<td>0.28</td>
<td>0.18</td>
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<tr>
<td>Kazakhstan</td>
<td>529</td>
<td>1,293</td>
<td>1,900</td>
<td>2,400</td>
<td>0.29</td>
<td>0.84</td>
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<tr>
<td>Russia</td>
<td>n.a</td>
<td>n.a</td>
<td>200</td>
<td>n.a</td>
<td>n.a</td>
<td>n.a.</td>
</tr>
<tr>
<td>Turkmenistan</td>
<td>110</td>
<td>196</td>
<td>165</td>
<td>450</td>
<td>2.02</td>
<td>1.97</td>
</tr>
<tr>
<td>Total Caspian</td>
<td>861</td>
<td>1,929</td>
<td>2,965</td>
<td>4,140</td>
<td>2.59</td>
<td>2.99</td>
</tr>
<tr>
<td>WORLD</td>
<td>73,935</td>
<td>81,088</td>
<td>91,600</td>
<td>72.195</td>
<td>97.534</td>
<td>116.50</td>
</tr>
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n.a. - Not available from specified sources.

\(^a\) Includes natural gas liquids.

\(^b\) Regions near the Caspian Sea.

\(^c\) Consumption.

It is evident from the table that Kazakhstan and Turkmenistan possess large reserves of oil and natural gas, both on-shore and off-shore in the Caspian Sea, which they urgently propose to exploit. Uzbekistan has oil and gas reserves that may permit it to be self-sufficient in energy and gain revenue through exports. The two poorest countries of Central Asia in terms of resources are Tajikistan and Kyrgyzstan. However both of them are rich in water and hydro-electric potential.
Thus, it is obvious that the Central Asian and Caspian Region is blessed with abundant oil and gas that can enhance the lives of the region's residents, and provide energy for growth in both Europe and Asia. The impact of these resources on US commercial interests and US foreign policy is also significant. However without peaceful settlement of the conflicts in the region, cross-border oil and gas pipelines are not likely to be built. Therefore the US Congress firmly supported the UN-led peace process in Afghanistan. The US policy makers have also realised that they should find solutions to all the regional conflicts (US 105th Congress, Session 2\textsuperscript{nd}, House of Representatives, Committee on International Relations, Subcommittee on Asia and Pacific, Hearings, “US Interest in the Central Asian Republics”, 49-52).

The landlocked status of Central Asia makes them marginalised in spite of having enormous hydrocarbon reserves. In other words, the natural resources are landlocked, both geographically and politically. Further, each country in the Caucasus and Central Asia face difficult political challenges. Some have unsettled wars or latent conflicts while others have evolving systems where the laws and even the courts are dynamic and changing. In addition, a chief technical obstacle faced by the industries in transporting oil is the region's existing pipeline infrastructure.

In most Central Asian Republics, after independence from the erstwhile Soviet Union, political power was transferred from Moscow to the local autocratic ruler. Hence there is minimal political participation in Central Asian countries. Several studies point out that the new states of the Central Asian Region suffer from political instability because of their ethnic imbalance. Soviet authorities under Stalin drew their borders in a way that made each state a certain number of different ethnic groups. Immigration of Russian and other Europeans as well as deportations subsequently compounded the ethnic diversity which further led to the divided political entities. This was the way for the Soviet masters to divide and rule. They split the republics by ethnic cleavages as they split each nationality into several republics. The purpose was to prevent any ethnic group from having its
exclusive political and administrative entity. Stalin’s objective was to divide the nationalities to promote the Soviet notion of progress (Manz 1985: 45-49).

The Central Asian States have always been infected with regional influence, political manoeuvring, shifting alliances, commercial competition and outright war. It has always been vulnerable to the intervention of various of interested parties outside the region. Being an important area of the eastern hemisphere it occupies area adjacent to several nuclear powers such as Russia, China, India, and Pakistan. It is also located in proximity to a potential nuclear power, Iran (Department of Energy, Energy Information Administration 2002: Online: web).

Since the region's pipelines were constructed during the Soviet period, they tend to head north and west towards Russia. There are no connections to the south and east. Presently Russia is unlikely to absorb large quantities of foreign oil; hence the existing pipeline is unlikely to be a significant market for energy in the next decade. Apart from this it lacks the capacity to deliver it to other markets (Dekmejian Simomian 2001:50-55).

Furthermore, the countries of the Central Asian Region generally lack transport infrastructure. In addition to this, Russia is doing its best to prevent foreign firms either from accessing its vast gas pipeline network or from building competing pipeline networks. However, multiple gas pipelines connecting Central Asia to outside markets are built. In addition to this, the competitive bidding by companies from energy-consuming countries increased both production and demand for Central Asian gas. Consequently investors and consumers of Central Asian and Caspian oil and gas would derive great benefit from the increases in exploration, development; extraction, and production that have resulted from increased foreign direct investment in the region (Chenoy:2005:27-32).

Though the estimates of Central Asian oil reserves vary widely and the accurate estimates of oil and gas resources await wider exploration and the drilling of the wells. In order to meet this demand, two major energy infrastructure projects were started. One under the aegis of the Caspian Pipeline Consortium (CPC) and
the other is Azerbaijan International Operating Company (AIOC). CPC was formed by Russia, Kazakhstan and Oman. It planned to build a pipeline from the Northern Caspian to the Russian Black Sea Port of Novorossiysk. From Novorossiysk, oil was to be transported by tanker through the Bosporus to the Mediterranean and world markets. The other projects sponsored by a consortium of 11 foreign oil companies including four American companies Unocal, Amoco, Exxon and Pennzoil. However, even after building both the pipelines, it was realised that it did not have the capacity to transport all the oil expected to flow from the region in the future. In Thus, the US Company ‘Unocal’ argued that the crucial factor in planning these pipelines should be the location of the future energy markets that are most likely to need these new supplies. Since Central Asia was the meeting ground between Europe and Asia in past centuries, it was in a unique position to potentially provide service in both these regions (US 105th Congress, Session 2nd, House of Representatives, Committee on International Relations, Subcommittee on Asia and Pacific, Hearings, US Interest in the Central Asian Republics, 12 February 1998:Online:web).

But in his Testimony, John J. Maresca, Vice President, International Relations Unocal Corporation to House Committee on International Relations, Subcommittee on Asia and Pacific on February 12, 1998 argued that if both pipelines were built, they would not have enough total capacity to transport all the oil expected to flow from the region in the future. Apart from this, it does not have the capability to move it to the right markets. Hence other export pipelines must be built.

**US Interests in Central Asia:** The US’s economic and strategic interests in Central Asia have been discussed at greater length in 110th Congressional Hearing in the Subcommittee on Asia and Pacific in 2008. It was acknowledged in this hearing that the Central Asian Region is important for the US’s strategic and economic interests. In this regard it is inevitable for the US to evolve a policy to advance these interests. The United States has energy security, strategic, and commercial interests in promoting the Caspian region’s energy development. It was acknowledged that US has an inherent interest in strengthening global energy
security through diversification, and the development of these new sources of supply. It was further acknowledged that Caspian export routes would be diversified, while avoiding over-reliance on the Persian Gulf. (110th Congressional Hearing: 2008 Testimony of Richard Boucher, Former Assistant Secretary of State for South Asia and Central Asia on “U.S. Policy in Central Asia: Balancing Priorities” 22 July 2008).

By mid 90s, many in the US believed that in order to make the Central Asian Region conducive for the world energy market, supporting the independence, sovereignty, and prosperity of the newly independent states of the Caspian Basin becomes inevitable. In this regard initiatives were made by the United States towards assisting the development of these states into democratic, sovereign members of the world community of nations which enables them to enjoy unfettered access to world markets without pressure or undue influence from regional powers. However, the maximisation of commercial opportunities for US firms and for other foreign investments in the region's energy development was prioritised. In other words, it can be inferred that the rapid development of the region's energy resources and trade linkages became critical to the independence, prosperity, democracy, and stability of all the countries of that region (US 105th Congress, 2nd Session, House of Representatives, Committee on International Relations, Subcommittee on Asia and Pacific, Hearings, “US Interest in the Central Asian Republics” 12 February 1998:7)

In addition to this, the neighbourhood of Central Asia established the need for US policy makers to believe that the development of the region's energy resources creates opportunities for these countries to cooperate in new ways for the benefit of all. They argued that the pace and extent of that regional cooperation would have a direct effect on the future economic prosperity of the individual states. Thus the United States supported regional approaches to Caspian energy development. In this context it is also believed that the Eurasian corridor will enhance Turkey's energy security through diversification, and will ensure that Kazakhstan, Uzbekistan, Turkmenistan and Azerbaijan have reliable and diversified outlets for their resources (Ibid).
Now the question arises as to how the US is implementing its policy objectives in the Central Asian Region. By way of an answer to this question it can be observed that the US has increased its pace of engagement with the regional governments through cabinet level and senior level visits to the region, and has established formal government-to-government dialogues. The regional leaders have also been invited to Washington.

**Neighbouring Scenario Around Central Asia:** Both Russia and China are engaging themselves in Central Asia for their energy requirements. Thus, it became inevitable that the US policy makers too craft a policy specifically towards ‘energy security’ of the US. Since the United States was determined to reduce its dependency on Saudi Arabia for its energy needs, Central Asia (since it possessed a substantial amount of both tapped and untapped oil) seemed to offer new avenues for investment opportunities for a broad range of American companies which, in turn, were expected to serve as a valuable stimulus to the economic development of the region. The US also noted that Japan, Turkey, Iran, Western Europe, and China were all pursuing economic development opportunities and challenging Russian dominance in the region.

However, US attempted to show that its Caspian policy was not intended to bypass or to thwart Russia. In fact, two key projects closest to fruition had to go through Russia, one, Azerbaijan International Operating Company northern early pipeline, and the other Caspian Pipeline Consortium from Kazakhstan through Russia to the Black Sea port of Novorossiysk. The US also financed a major study to look at ways to export more volumes through the existing Russian pipeline system (Ibid).

This positive aspect in the US approach towards Russia has been attributed to the fact that Russia was itself in the midst of tremendous change in its energy policy by moving towards privatisation and embracing market reform. Russian energy companies were already deeply involved in Azerbaijan and Kazakhstan. It was acknowledged in the 105th Congressional Hearing of 1998 on “US Interest in the Central Asian Republics” to support Russian participation in Caspian production and transportation. The Russian participation in the Eurasian corridor
was welcomed. The understanding was that the US companies were working in partnership with Russian firms in the Caspian Region.

In addition, it was presumed that Iran was in desperate need of foreign exchange and would benefit from oil and gas transit fees. Thus the US perception was that Central Asia could eventually become an important market for Iranian manufactured goods. Additionally, the combination of oil and gas transit and trade could establish Iran as regional power in Central Asia.

Reformulation of US Interest After Cold War: Since the end of the Cold War the United States has seen Iran as one of the major adversaries. The US policy objective towards Central Asia is to isolate Iran. For example, in 1995 the United States government vetoed any Iranian participation on the Azerbaijan oil consortium but accepted a Russian participation. However with Russia asserting its interests in the region’s oil, the US began to face increasing pressure to change its position (Berg1998:2-7). The post Cold War realities also revealed the interests of several other nations who are poised to be serious players in the region. For instance Turkey remained committed to a close relationship with the countries of the Central Asian Region (CAR). It has endeavoured to make a significant effort in forming sound relations with the most populous of the Central Asian states, Uzbekistan. Turkey has motivated the Central Asian countries to de-hyphenate their dependence on Moscow, particularly for an oil export route. The Turks point to Russian policy on the Nagorno-Karabakh issue, and the Abkhaz separatist rebellion in Georgia as prime examples of what they see as the Russian aggressive regional posture. In the meanwhile, China too has recently invited foreign companies to help the exploration and development of the regions, but, in spite of having insufficient capital and lack of technological know-how, China has reserved the promising fields for its own state firms. It expects the Tarim Basin pipeline to bear fruit (Dillon 2002:13-18).

In yet another geographical reality, the critical ally states of Pakistan has also been a factor in the US calculations. It was believed that the Pakistani leaders are as nostalgic as the Iranians about the creation of the “silk route”. As they confront problems of chronic unrest in Afghanistan which lies between Pakistan
and the Caucasus and Central Asia. Owing to this instability financing a venture in silk-route style transport links would be difficult. Therefore the US policymakers thought it to be essential to frame a coherent fuel policy towards Central Asia which in turn will serve the interests of both the United States energy needs and Central Asia's economy as well (Bahgat:2003:14-17). In this endeavour US policy goals regarding energy resources in this region included the following objectives:

- Fostering the independence of the states and their ties to the West.
- Breaking Russia's monopoly over oil and gas transport routes.
- Promoting Western energy security through diversified suppliers.
- Encouraging the construction of east-west pipelines that do not transit Iran.
- Denying Iran's dangerous leverage over the Central Asian economies (Cohen 2006 Online: web).

**Pipeline Politics in Central Asia:** The US interests in Central Asia can be well understood by analysing in depth the 'pipeline politics' of the region. Though the US "Pipeline Politics" in Central Asia began under Clinton's presidency, but it was enhanced with the visit of the Defense Secretary Donald Rumsfield in December 2002, Vice-President Dick Cheney, former CEO of the oil services company Haliburton.

US policy makers were interested in the promotion of multiple export routes of the oil and gas of Central Asian Region. In addition to the rapid development of the region's resources, the transportation and sale of those resources to hard-currency markets to secure the independence of these new countries was also emphasised. Consequently, the development of multiple pipelines and diversified infrastructure networks to open and integrate these countries into the global market and to foster regional cooperation was promoted. In this regard, developing and improving the east-west trade linkages and infrastructure networks through Central Asia and the Caucasus was facilitated by the US government. An Eurasian energy transport corridor incorporating a trans-Caspian segment with a route from Baku, Azerbaijan, through the Caucasus and
Turkey to the Mediterranean port of Ceyhan was included as part of US energy policy (Chossudovsky, 2008 Online: web).

Further, 'commerciality' was stressed by US policy makers. It was clear in Washington that the commercial considerations would principally determine the outcome. The proposed infrastructure projects must be commercially viable before the private sector and the international financial community would move forward. It was made clear through the 110th Congress in a Hearing that the support of specific pipelines, such as the Baku-Ceyhan oil pipeline and trans-Caspian oil and gas lines, was not driven by any desire to intervene in private commercial decisions. Rather, it is derived from the conclusion that it is neither in the commercial interest of companies operating in the Caspian States, nor in the strategic interests of those host States, to rely on a major competitor i.e. Russia for transit rights (110th Congressional Hearings 2008 Testimony of Richard Boucher, Assistant Secretary of State for South Asia and Central Asia on “U.S. Policy in Central Asia: Balancing Priorities”, 22 July 2008).

In general, the US adopted supporting transportation solutions which are commercially viable and addressed the environmental concerns. In this regard the Baku-Ceyhan pipeline appeared to be the most viable option. Both the US and Turkey were interested in building infrastructure that not only would allow their countries to be a transit route for the export of Central Asian oil, but also they are keenly interested in providing a consumption market for the natural gas that would be developed in that region. Apart from this, they strongly favour a pipeline that would carry the volumes of oil and gas from Baku, Azerbaijan, through Georgia, and ultimately through Turkey, ending in Ceyhan, a port in the Mediterranean. Therefore, Turkey who was considered as an ally, being the only NATO constituent, was mobilised to take steps to make Baku-Ceyhan a commercially attractive option. Further, the US accelerated the processes which can prevent political risk and foster cooperation among the regional states on an approach that can lead to a regional solution for the longer term (Ibid).

With regard to the multiple pipelines, the US supports all the pipelines with the exception of the southern pipeline that would transit Iran. Unocal, and other US
oil companies believe that the central factor in planning these pipelines should be the location of the future energy markets that are most likely to need these new supplies.

Unocal foresees a pipeline which would become part of a regional system that will gather oil from existing pipeline infrastructure in Turkmenistan, Uzbekistan, Kazakhstan and Russia. This 1,040-mile long oil pipeline was planned to extend south through Afghanistan to an export terminal that would be constructed on the Pakistan coast. This 42 inch diameter pipeline would have a shipping capacity of one million barrels of oil per day. The estimated cost of the project, which was similar in scope to the trans-Alaska pipeline, was about $2.5 billion (Gorst 2003: 28-30).

The key question then is how the energy resources of Central Asia can be made available to neighbouring Asian markets. Two possible solutions were realised; one through east across China, but this would mean constructing a pipeline of more than 3,000 kilometres just to reach Central China. In addition, there would have to be a 2,000-kilometres connection to reach the main population centres along the coast. The question then was what would be the cost of transporting oil through this pipeline, and what would be the netback\(^3\) which the producers would receive? The second option was to build a pipeline south from Central Asia to the Indian Ocean. One obvious route was through the south that would cross Iran, but this was foreclosed for American companies because of US sanctions legislation. The only other possible route is across Afghanistan, which has of course its own unique challenges. The country has been involved in bitter warfare for almost two decades, and is still divided by civil war. From the outset, the US has made it clear that construction of the pipeline it proposed across Afghanistan could not begin till a recognised government is in place that has the confidence of governments, lenders, and US company (Frank 2001: 73-78).

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\(^3\) The netback is the price which the producer receives for his oil or gas at the wellhead after all the transportation costs have been deducted. So it is the price he receives for the oil he produces at the wellhead.
But ironically, the Central Asian natural gas sector went into oblivion until recently. Only Russia, through Gazprom, has managed to profit from its position as the largest recipient of gas exports from Central Asia because it has managed to buy Central Asian gas at prices as low as one-quarter to one-third of market prices in Europe and then resells gas at market rates. Since then, Uzbekistan has been working more closely with Gazprom, signing a deal to provide Russia with up to 350 bcf annually, giving Gazprom access to gas fields in the Ustyurt region, and updating dilapidated gas pipelines. In January 2006, Gazprom CEO Aleksei Miller signed a deal with Uzbek President Islam Karimov to transfer three of Uzbekistan’s largest gas fields—Urga, Kuanyshe, and Akchalak—to Gazprom, in effect giving the firm a monopoly over the export of Uzbek gas. Some analysts suggest that Karimov is courting Russian favour in exchange for Russian assistance in regime security. Turkmenistan also signed an agreement in 2009 to sell almost all its gas to Russia. Recently, China has become a new entrant in Turkmen oil and gases. On April 3, 2006, the leaders of the two countries signed a deal whereby an export pipeline will be built from Turkmenistan to China and China will buy 30 billion cubic metres (bcm) of Turkmen gas every year for the period of 30 years beginning in 2009. On the surface, this Chinese–Turkmen deal seems to bode well for the foreign investment climate in Central Asia; however, suspicions abound that Turkmenistan may be overestimating its reserves of natural gas. Thus, there is speculation that Turkmenistan, in making its deal with China, may have oversold its reserves. This very feasible possibility highlights the lack of transparency in Central Asia’s oil and gas markets (Blank: 2007:35-39).

Natural Gas: Export Troubles for US Policy: The issue of natural gas exports from the Caspian Basin is equally complex and difficult as the oil pipeline routes. It has been estimated that by 2008 the production of natural gas was 6.6tcf. It is further estimated to be 7.8 trillion cubic feet, 8.2 trillion cubic feet and 8.0 trillion cubic feet by 2015, 2020 and 2030 respectively (US Department of Energy, Energy Information Administration (EIA), International Energy Statistics, 2009 Online: web). However, this potential growth is highly dependent on the development of secure, accessible markets for this gas. In addition to this,
availability rather than productive capacity is likely to be the constraining factor, and a lack of access to export markets currently plagues gas producers in Azerbaijan, Kazakhstan, Turkmenistan and Uzbekistan. So far, US diplomacy has failed to loosen the stranglehold of Russia on natural gas exports from the region. Unlike the oil pipeline race where both east-west non-Russian routes, northerly Russian routes and southern Iranian routes remain viable, Russia maintains an upper hand in the struggle to control natural gas sales from Central Asia (Kalicki 2001: 120-125).

The establishment of the Trans-Caspian Pipeline (TCP) has received US backing from 1999 onwards. This $2 billion gas line carried up to 30 billion cubic metres of natural gas per year from Turkmenistan to Azerbaijan under the Caspian Sea to Georgia and Turkey. Several private energy companies have also looked at the feasibility of the project, including the Trans-Caspian Gas Pipeline Project, a grouping of Bechtel, General Electric and the Royal Dutch Shell Group. Though the project is technically feasible, it still faces stiff competition from other better organised, cost-effective competitors, including BP's Shah Deniz gas field in Azerbaijan and a $3.2 billion Russian–Italian–Turkish project called Blue Stream which would bring Russian gas to Turkey via a 750-mile long pipeline beneath the Black Sea (Ibid).

However, one significant development occurred in June 2000. The Trans-Caspian Gas Pipeline Project announced that it would close its Istanbul and Baku offices and further reduce the spending because the former President Of Turkmenistan Niyazov refused to make any commitment to the project. Turkmenistan failed to renew the companies' mandate to continue work. The arrangement technically expired in February 2000. But by November, Turkmen President Saparmurat Niyazov had reached an agreement with Russia's gas monopoly Gazprom to sell it as much as 30 billion cubic metres of natural gas a year. US rhetoric continues to support the TCP project but its competitors were gaining momentum in late 2000. Blue Stream, which partners Russia's state gas monopoly Gazprom with Italy's ENI conglomerate, had announced that it arranged
$1.7 billion credits from Banca Commerciale Italiana, Mediocredito Centrale and West LB with an additional $660 million expected from the Japan Bank for International Cooperation and Japan’s Ministry of International Trade and Industry (MITI) (Jaffe 2001 :12-15).

Keeping in mind the enormous natural gas supplies of Central Asia, the United States objective was to link gas resources with the nearest viable markets. This was basic for the commercial viability of any gas project. However the proposed projects also face geopolitical challenges. Further, Unocal and the Turkish company Koc Holding were interested in bringing competitive gas supplies to Turkey. The proposed Eurasia natural gas pipeline would transport gas from Turkmenistan directly across the Caspian Sea through Azerbaijan and Georgia to Turkey. Of course, the demarcation of the Caspian remained an issue between Russia and CIS countries with the US siding latter (Gorst 2003: 28-30).

Recently, the Central Asia Pipeline Consortium, called CentGas, in which Unocal holds an interest, was formed to develop a gas pipeline which will link Turkmenistan's vast Dauletabad gas field with markets in Pakistan and possibly India. The proposed 790-mile pipeline will open up new markets for this gas, travelling from Turkmenistan through Afghanistan to Multan in Pakistan. The proposed extension would move gas on to New Delhi, where it would connect with an existing pipeline. As with the proposed Central Asia oil pipeline, CentGas cannot begin construction till an internationally recognised Afghanistan Government is in place (Corell: 2002, 307-310). Thus these US interest would indicate that its “Afghanistan-Pakistan” strategy cannot remain concentrated only on elimination of Al-Qaeda. It would probably emphasise a nonmilitary approach in the Afghanistan-Pakistan Policy so as to protect these interests.

It is in light of this argument that one notes that US assistance in developing these new economies will be crucial to business success. US commercial firms, i.e. the oil companies. These companies also encourage strong technical assistance programmes throughout the region. For instance, they urged
the repeal of Section 907 of the Freedom Support Act as this section unfairly restricted the US government assistance to the government of Azerbaijan arguing that such a provision limits US influence in the region. While considering the long term interest of the US in Central Asian Region it is important to analyse the response of the Central Asian Region towards the presence of US oil companies and US military presence.

**CAR Response to US Oil Companies:** In the 1990s, many strands of US foreign policy towards the Central Asian Region coalesced into two distinct areas: political and economical instability of the Central Asian Region and transporting oil through the existing pipeline infrastructure. The second aspect particularly involved the US oil companies in a major way and played a significant role in shaping pipeline politics.

From the Central Asian perspective Kazakhstan appears to have the brightest economic prospects among whole Central Asian States. Hence the Kazak government had an inherent interest in developing quickly oil and gas reserves. The Nursultan Nazarbayev of Kazakhstan has gained power through the control of oil reserves. He visited Washington and Houston during the Clinton Administration and signed a contract with ‘Texaco’, ‘Mobil’, ‘Chevron’ and other US oil companies. Foreign oil companies have pumped $3.5 billion into the Kazak economy since 1991, establishing joint ventures with the state oil company in the huge Tengiz oil field. (Chevron, Mobil), the Karaganak oil field (Texaco, British Gas) and oil exploration site offshore in the Caspian Sea (Mobil, Shale) (Dickey, Levine and Berry 1998:13-18).

As many commentators point out that Nazarbayev has established close ties with US imperialism carrying out the most rapid privatisation of any of the formal

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4 Section 907 of the United States Freedom Support Act bans any kind of direct United States aid to the Azerbaijani government. This ban makes Azerbaijan the only exception to the countries of the former Soviet Union, to receive direct aid from the United States government under the Freedom Support Act to facilitate economic and political stability. The Act was strongly lobbied for by the Armenian Americans in the US, and was passed in response to Azerbaijan’s blockade of Armenia which was at full scale war with Azerbaijan over the predominantly Armenian populated Nogorno Karabakh region of Azerbaijan. Since the 1994 cease-fire agreement, Nogorno Karabakh has established a de facto independent republic, which is not recognised by any country.
Soviet republics authorising joint military exercises with American forces on Kazak soil and he appointed Nurlan Balgimbayev, a former employee of Chevron oil as the Prime Minister (APS Review Downstream Trends, August 3, 1998: Online: web).

This section of the chapter seeks to elaborate the major aspects of the countries of CAR response in order to highlight the negative and positive fallouts of US policy. A brief perusal on the pipeline infrastructure is useful to understand the context of the countries of CAR response to the US oil company’s presence. Owing to the undeveloped infrastructure, export of Central Asian oil was not practically possible. The Soviet oil industry was never technologically able to develop offshore oilfields at great depth.

US oil companies in the Central Asian Region was initiated and encouraged. Further it was Dick Cheney CEO of ‘Halliburton’ who was successful in winning contracts from the region. According to Amarillo Globe News in 1998, there was talk of oil executives in which Cheney said that “the current hot spot for major oil companies are the oil reserves in the region. Former Soviet states, Azerbaijan, Kazakhstan and Turkmenistan are all seeking to quickly develop their oil reserves which languished during the years of Russian domination” (Flanders 2001: Online: web).

Two major energy infrastructure projects were to meet this challenge. One under the aegis of the Caspian Pipeline Consortium (CPC) and the other is the Azerbaijan International Operating Company (AIOC), a consortium of 11 foreign oil companies which has been discussed earlier. Even after building both the pipelines, it was realised that it did not have the capacity to transport all the oil expected to flow from the region in the future. Americans also stressed that the lack of clearly designed legal structure to protect investment, and the absence of accepted western commercial practices would affect investors’ confidence in the region. As a consequence many of the region’s governments have moved quickly to try to create the necessary legal bases to boost that confidence. However, the energy resources, oil and gas in particular have now become the apple of discord in Central Asia. The stakes involved in the region are power, influence, security and
wealth (Chandra 2002:54-56). The three countries which share the majority of the region, namely Kazakhstan, Azerbaijan, and Turkmenistan are landlocked which makes them dependent on their immediate neighbours for access to the Western market. The essence of this geopolitical game in Central Asia is twofold:

- Control of production of the oil and gas,
- Control of the pipelines which will transfer the oil to the Western market.

Besides these surmises, it is worth noting that the Central Asian countries also have the inherent interest in the US involvement in the region. According to this perception, US military presence will protect the CAR region from Russian dominance, Chinese and other powerful neighbouring countries’ encroachment. Though the countries are rich in natural resources, but because of technological know-how and foreign investments they are unable to use the oil and gas reservoir. Since the United State is making a huge investment in the region it is proving a boon for them. Six oil giants Unocal, Total, Chevron, Pennzoil, Amoco and Exxon have invested heavily in enormous hydrocarbon potentials of the CAR (Department of Energy, Energy Information Administration 2002 “Caspian Sea Region: Regional Conflicts”, Online: web). Their massive financing of gas pipeline and efforts to find an alternate route notwithstanding the difficulties of a gas pipeline being laid down from the gas rich field of Turkmenistan via Afghanistan towards south-east in Pakistan and potentially extending it to the Indian sub-continent became evident. However the Trans-Afghan pipeline continues to be perceived as a viable project as it can potentially deliver natural gas over a 1500 km. landlocked path of rough terrain. "Pipeline Politics" will certainly come to the forefront but it would be incomplete to view the American involvement in the Caspian through the prism of oil and gas. Nevertheless it can be said that oil is the major part of the puzzle in the US policy towards Central Asia (Resizade 2002: 37-40).

Following the collapse of communism, the ex-Soviet Republics of Central Asia, especially Azerbaijan and Kazakhstan, have been trying to exploit their natural resources seen as the prime means of securing their economic and political
independence. Though the oil deposits of the CAR are not equivalent to the deposits of the Persian Gulf, but they are still considered of excellent quality and to provide a significant alternative source of energy in the 21st century. It is estimated that the entire Caspian Sea is a basin starting from Azerbaijan and continue to the opposite shore in the territory of Kazakhstan and Turkmenistan, which is full of oil and natural gas. These deposits are very significant because of the expected exhaustion of the deposits of Alaska and the North Sea by the year 2015 (Ibid).

Apart from the domestic constraint, the geostrategic factors present in the CAR which are responsible for accepting the US presence in the region are: For instance, Russia has economic interest in capturing part of the economic rent from the region's oil and gas through a preferential access and prices below those of the world market and eventually through transit fees. Russia's political interest in relation to Azeri and Central Asian oil and gas seems to be first to deny other external power control of the region. Iran is another actor which needs special focus with respect to the Central Asian Republics. Iran's interests are briefly to get the Caspian and Central Asian oil to the Gulf and establish close political and economic ties with the region (Chossudovsky 2006: Online: web).

The principal issue in discussion between the President of Kazakhstan and the President of the US, Bill Clinton, was the choice of pipeline routes in order to diversify the region's oil and gas to the world market. Both of them wanted an alternative to the Russian controlled Baku-Navorossisk pipeline. The US government was opposed to the shortest and most economical pipeline, south across Iran to the Arabian Sea and pressed Nazarbayev to support an east-west pipeline from Baku through Georgia and Turkey to the part of Ceyhan on the Mediterranean (Gorst: 2003, 28-30).

Similarly, the President of Turkmenistan received the special advisor to the US President and US Secretary of State on energy diplomacy on the Caspian region, John Wolf (Wolf, November 18, 1999: Online: web). The US diplomat expressed his confidence that in the near future Turkmenistan will reach a triumphant success in the energy sector and particularly to transport its strategic goods to world markets. The US special envoy of the US President and the US
Secretary of State informed the Turkmenistan President about the organisational work done to advance the Trans Caspian gas pipeline project from Turkmenistan to Turkey (Cutler 2000, Online: web). He presented a personal message from the US Vice President Al Gore to the US administration’s support for this pipeline route which is crucial not only for strengthening the independent development of Turkmenistan but also for the extension of mutually beneficial cooperation in the region and Eurasia (Ibid). He also communicated the US desire to help in order to accelerate the project. The Turkmenistan President discussed in detail with the special advisor of the US President and US Secretary of State all measures related to accelerating the process of finding solutions to issues on funding the project and beginning construction. In the words of Turkmen President “We are not concealing the fact that behind the event stand the efforts of our friend, primarily US President Bill Clinton and Vice President Al Gore” (Quoted in Shirin Akiner 2004 Online: web).

The US is not merely engaged in Central Asia; it is physically there in the region and has become a central player. The countries of Central Asia have facilitated the growth of American influence in the region, though some of the leaders of the Central Asian states were disappointed at the collapse of the Soviet Union. There is no doubt that today generally engagement with the US oil companies with the region is useful for the following reasons:

- The countries of the region recognised the importance of foreign investment on the way of strengthening their economies. American economic involvement is often seen by the CAR as having a multiple effect. The pressure of the United States through its oil companies is viewed as balancing China and Russia in the region.

- American physical presence in the region is the manifestation of the fact that Moscow has accepted the changed scenario in principle.

- Even before the events in Afghanistan apart from Uzbekistan other Central Asian countries also considered it advantageous to do business with the US.
For instance, Kyrgyzstan offered a US military base on its territory in lieu of repayment of its debts.

- The presence of the US oil companies have been viewed by the Central Asian countries as a stimulating factor for their economies. But they have also expressed dissatisfaction. For instance, the former Kazakhstan premier Akezhen Kazhegeldin in an interview with Washington (FOX) News observed that though US oil groups including the then Mobil Corp and Amoco Corp paid a hundred millions of dollars in 1990 for Kazakhstan oil rights, but much of the money went into the account of President Nurusultan Nazarbayev and other senior officials (Mittchel 2008: Online: web).

As an analyst noted the response of the Central Asian Region has been through a consistent line in terms of investment. It cannot be denied that after the disintegration of the erstwhile Soviet Union and thereby the emergence of these newly independent states, there was the desperate need for US investment in the region. The investment was also encouraged to ensure the balance of power in the region and avoid Russia's monopoly of its energy resources. The Central Asian States have always been keen to secure the support of the US government and in turn they supported the US on every front. For instance, during the US-led war on terrorism, Kazakhstan granted US and Western companies the leading role in developing Kazakhstan's crude oil reserves. The countries of the Central Asian Region have realised that maintaining a cordial relationship with the US is important for their economy and, more specifically, oil-related resources. They have acknowledged the fact that a good relationship with the US would facilitate the US investors in the region. However, in recent times, new US investors in Kazakhstan are facing difficulties. High oil prices have emboldened the Kazakh government to strike out "sweetheart" deals in the early 1990s from a position of weakness. A new investment law has also rewritten the rule of engagement to Kazakhstan's benefit (Nichol: 2010: Online: web).

**Response to the US Military Involvement**: The significant impact of the US military presence in the region on CAR has also been a subject of keen scrutiny
by scholars and analysts. It was clear that the linkage between the US military presence and the oil companies, i.e. energy security in CAR, has shaped their response. The question however is how the CAR’s response to American military presence and the American oil companies changed after the September 11, 2001 attack on the US. Further some illumination on whether the CAR response has been conditioned by American pressure is needed to understand the underlying perception and interest of CAR. This part of the chapter would focus on the above mentioned components individually.

It has been discussed earlier that the development of American relations started virtually after the disintegration of the Soviet dissolution in 1991. The Clinton administration moved rapidly to create diplomatic, political and economic ties with countries about which the American government was relatively ignorant in the early years.

The United States committed itself to promoting and protecting the security and sovereignty of these new states. Under the leadership of the then Defense Secretary William Perry the partnership for peace programme was inaugurated as a way of handling the delicate issue of NATO enlargement but also as a way to develop broader ties with the Central Asian countries and to promote the democratisation of their Soviet-style military institutions and behaviour (Lapidus 2001: Online: web). This programme laid the foundation for a growing network of cooperative political and military ties to Uzbekistan in particular which played an unexpected but significant role in facilitating the joint effort after September 11 (Maugeri 2003:165-169).

Central Asia’s fundamental attribute is its proximity to East Asia, South Asia and the Middle East. This geostrategic location of Central Asia makes it a dynamic component of interstate relations. The competing struggle for influence among various small and great powers and the determination of Central Asian rulers to diversify their security policies are constant factors in regional relationships.
From the late 1990s till September 11, 2001 it appeared that there was Sino-Russian hegemony which intended to dominate over Central Asia (Goldstein, Lyle 2005:13-16). But perhaps the sudden and long-term military presence in the region in the wake of September 11, 2001 attack and subsequent US “war against terrorism” changed the equation. The United States, over the course of its anti-terrorism campaign in Afghanistan has gained a foothold in Central Asia. The Central Asian Region has also seized on this opportunity to diversify their security relations. For them, Apart from the geostrategic compulsions some domestic factors are also prompted them to accept the US military presence in the region.

The event of September 11 proved to be a catalytic factor in deepening the level of engagement of the two countries and promised a longer term relationship in the future. It also remains unclear how far the American leadership will go in toning down some of its criticism of human rights and political abuses in the interest of cooperation in the war against terrorism (Ibid).

Domestic factors such as political instability and growth of terrorism in the region were prominent along with economic instability of the region. The Central Asian Region suffered poor economic growth for nearly a decade. The economic problems of the Central Asian Region emerged since its independence in 1991. It is an established fact that the collapse of the USSR ended the budgetary support from the Moscow. Consequently, civil administration and social security were adversely affected. Other effects of the collapse included a rapid end to the distribution system that carried imports and exports between the Soviet Republics, a sharp decline in industrial production, large scale immigration of management and intellectual elites. As an analyst has noted the poor economic condition of the Central Asian Region made them realise that the support of the US could give them the much needed aid. Hence they moved rapidly ahead to establish economic relations with the US further. In this connection it is useful to note that the US can influence international financial institutions like World Bank and IMF to provide loans and aid to these Republics (Nichol 2001: Online: web).

The greatest challenge has to do with the future role of the American government in the region. The event of September 11 and the military campaign in
Afghanistan and in the Central Asian Region (CAR) subsequently have involved the United States deeply in a region which was previously treated as marginal to core American interests. In the process, new ties have been forged with political and military leaders in Pakistan, Uzbekistan, Russia and other states in the region, ties which create some measure of responsibility for continued engagement in shaping the future of the region. But this challenge has not yet been confronted (Valasek: 2002:48-49).

The US security interests in the region before September 11, 2001, towards Central Asia were the following:

• Elimination of the threat caused by the WMD (Weapon of Mass Destruction)

• Strengthening of the sovereignty and independence of the Central Asian States.

• Supporting defence reforms, in order to help these states to reform their militaries to a transition from the Soviet era legacy of top-heavy, bloated militaries to smaller more professional forces capable of supporting legitimate defence needs.

• Encouraging participation or NATO’s partnership for peace.

• Promoting regional peacekeeping capabilities and,

• Fostering greater regional cooperation.

The specific activities taken before the 9/11 included:

• Activities under CTR (Cooperative Threat Reduction) and training for reform and modernisation.

• Central Asian officers and soldiers attended US military schools and participated in the training programme. These include the courses and seminars sponsored by the INET (International Military Education and Training Programme at the Marshall Center in Germany).
• Some Central Asian nations have played an active role in the NATO “Partnership for Peace” (PFP), “CENTRASBATS” (Central Asian Battalions) and Regional cooperation exercises (US 107th Congress, 2nd Session, Senate, Committee on Foreign Relations, Subcommittee on Central Asia and South Caucasus, Hearings, “Balancing Military Assistance and Support for Human Rights in Central Asia” 27 June 2002).

However, after 9/11 the level of US military engagement in the region has been increased significantly. An American military base has been established at the Manas International Airport, Kyrgyzstan being the most forthcoming states in order to encourage military engagement in the region. Kyrgyzstan’s parliament approved with extraordinary speed the status of forces agreement. The American base at the Manas International Airport include the forces of many American allies: France Italy, Turkey, Norway, Canada and South Korea (Chandra 2002:54-56). Another example is that of Uzbekistan. Uzbekistan has been the most vocal advocate of the OEF (Operation Enduring Freedom). Moreover, Uzbekistan’s President Karimov has strongly advocated active US and coalition involvement in the region. Uzbekistan’s struggle against an indigenous terrorist group the IMU (Islamic Movement of Uzbekistan) facilitated the military engagement by the United States government in the Central Asian Region. (Beehner 2005: Online: web).

However, for the purpose of the study, it is particularly useful to analyse the response of Kazakhstan and Turkmenistan. Kazakhstan, the largest state in the region has also supported and encouraged the US military engagement in the region. The Kazakhstan government agreed to provide over flight clearance for US and coalition aircraft. It has also allowed the use of its air fuelled facilities. In addition, Kazakhstan expedited rail transshipment of supplies to US bases at Karshi – Khanabad on Uzbekistan and Manas, Kyrgyzstan (Ibid).

Kazakhstan has also expressed its desire for the increased cooperation with the United States for restructuring their armed forces and the development of a capability to secure their oil pipeline infrastructure. They have acknowledged the terrorist activities which have originated in the southern part of Kazakhstan. They
are keen to reorganise their forces to address the threat due to growing terrorism. They have engineered a plan to use US security assistance funds to upgrade the facilities in the western part of the country to support naval and military operations designed to enhance the Caspian Sea security (Gorst 2003:23-26).

Turkmenistan also supported United States in OEF (Operation Enduring Freedom) and provided over flights and refuelling operations for humanitarian flights. Subsequently, in 2002, the Bush Administration promised over $ 52 million in assistance to Kazakhstan, partly for military equipment. (Loeb: 2003 Washington Post Online Web).

The CAR has been hoping that the American presence and peace in Afghanistan will ultimately benefit the oil industry which has for long been trying to find a way to bring the oil and gas to the international market. The Bush Administration resorted to a long term policy towards CAR in the changed circumstances. However, US policy towards CAR is strongly opposed by Russia, China and Iran (Blank 2004 Online: web). The reason for this resentment is obvious. Uzbekistan is home to a permanent American base at Khanabad housing 1,500 personnel in Manas, near Bishkek in Kyrgyzstan is described as future "transportation hub" housing 3,000 soldiers, warplanes and surveillance aircraft. More airfields are under US control in Tajikistan and Pakistan (Tisdall, Simon, 2002: Online: web). The Pentagon has begun regular replacement and rotation of troops, thereby institutionalising what were at the outset temporary, emergency deployment. But the response of Central Asian countries started changing after September 11, 2001. The future of the US military deployment in Central Asia has been thrown into doubt by Uzbekistan and Kyrgyzstan. Shanghai Cooperation Organisation has recently called for eventual withdrawal of the US from the Central Asia. Despite the contribution of the Uzbek president Karimov to regional security, he has also been at the forefront of the SCO's move to limit the duration of US military deployment in Central Asia.(Mcdermott 2002:Online: web ).

Russia and China view any US presence in Central Asia as a standing challenge for them, if not a threat, to their vital inertest. Therefore it became a paramount US objective under both the Clinton and Bush administration to uphold
The integrity, independence, sovereignty and security of these countries against Russian and Chinese efforts to make their dominant presence. Further, the US objective was made clearer in 2004 by the then Assistant Secretary of State for Democracy, Human Rights and Labor, Lorne Carner,

"The primary strategic goal of the US in Central Asia is to see the development of independent, democratic and stable states, committed to the kind of political and economic reform that is essential to modern societies and on the path to integration and to the world economy. The strategy that we follow is based on the simultaneous pursuit of three related goals. The first of these goals is security. Our counterterrorism operation bolsters the sovereignty and independence of these states and provides them with the stability needed to undertake the reforms that are in their long-term interest. However, in order for these nations to be fully integrated into the international community, to achieve their potential, they must allow for greater transparency, respect for human rights, and movement towards democratic policy. Finally, the development of Central Asia's economic potential, including its natural resources, requires a free market economy, reforms and foreign direct investment. This is the only way to improve the well-being of the region's people, diversify world energy resources and facilitate the well-being of the region's people, and facilitate the movement of these countries into the world economy" (US 108th Congress, Session, House of Representatives, Committee on International Relations, Subcommittee on the Middle East and Central Asia, Hearing on "Uzbekistan the Key to Success in Central Asia").

The growing importance of Central Asia has been acknowledged in the US in the recent past. As the then Deputy Secretary of State, Richard Armitage stated that "stability in Central Asia is of paramount importance and vital national interest. The growing importance of the region for the White House is also because of the proximity of the CAR to Russia, Iran and China" (Richard Armitage in an interview with Frontline, July 12, 2007: Online Web).

In conclusion, following findings emerged from the above discussion. Firstly, the various interests (economic, political and strategic) have dictated a continuous policy of engagement with Central Asian Region. Secondly, US policy goals seem to have shifted from purely economic interests and upholding of American position as a sole superpower along with establishing continuous military presence in the region. Further, evidence also indicates that with its own domestic consumption patterns show an upward trend, US was concerned that the
twenty first century would erode American energy security as it depended heavily in foreign oil. In the Aftermath of 9/11, the euphoria of Cold War evaporated and fresh impetus was given to the rearticulation of American interest 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. In the following chapter, the study would focus on the determinants i.e. domestic and international developments which influence US energy policy towards Central Asia in general and Kazakhstan and Turkmenistan in particular.