CHAPTER 3

DETERMINANTS OF ENERGY POLICY MAKING TOWARDS KAZAKHSTAN AND TURKMENISTAN
Many factors influence the formulation of US energy policy. This chapter provides a comprehensive description of the institutions which shape US energy policy towards Central Asia in general, and Kazakhstan and Turkmenistan in particular. The chapter will examine and assess the importance of domestic determinants such as the Congress, the Federal Bureaucracy and Interest Groups in shaping US energy policy towards these two nations. In addition the chapter will also focus on the impact of external developments on energy policy that have proved to be catalytic to the US policy in Central Asian Region. By examining the official documents, the chapter will explain why and how the US policy formulation is decisively influenced by both domestic and external factors. The main question that is raised by the study is how the US energy policy reflected both changes and continuities over a period of time? Further, the study suggest that while domestic factors in the shape of executive and legislative institutional interactions with interest groups shape and influence policy, the executive branch still remains the lead actor in foreign policy. It is interesting to note that since energy security encompasses both domestic sphere and external relations, there is almost an equal role for both the Congress and President. As investigation shows, there were major debates and discussions in the Congress before consensus could be reached with the executive on the issue of energy policy and relations with Kazakhstan and Turkmenistan.

Throughout the 1970s the prominent players i.e. the Congress, the Bureaucracy and the Interest Groups in energy policy making that would facilitate the citizens involvement were a matter of discussion. However, by 1980, the President and the Congress reached a consensus on basic issues faced by the US following the onset of the ‘energy crisis’. It resulted in the formulation of a stable national energy policy system. This rudimentary energy policy system that was in

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5 Energy crisis is a situation in which the nation suffers from a disruption of energy supplies (in this case, oil) accompanied by rapidly increasing energy prices that threaten economic and national security. The threat to economic security is represented by the possibility of declining economic growth, increasing inflation, rising unemployment, and losing billions of dollars in investment. The threat to national security is represented by the inability of the US government to exercise various foreign policy options, especially in regard to countries with substantial oil reserves.
place by 1980, provided the framework necessary to manage both energy supply and demand and to develop new resources (Barkenbus 1982:413-414).

Before defining the role of the "iron triangle\(^6\), i.e. the Congress, the Bureaucracy and Interest Groups in energy policy making towards Kazakhstan and Turkmenistan, a brief understanding of how energy policy making is influenced by the interactions between the Congress, Interest Groups and the Bureaucracy would be appropriate.

**The Congress:** US law is formulated in the Congress and is implemented by the Bureaucracy, but their process of decision making differs. In fact, it can be said that the differing institutional setting of the two organizations greatly influences the policy outcome. The Congress is considered to be a crucial component of the "iron triangle". The President is very often constrained by the Congress as it has to finally approve presidential policy proposals. It is the Congress who legislates on energy policy and raises the resources to underwrite it. The President’s freedom to act independently of Congress on energy matters is limited by law, custom and political circumstances. Documents show that policies may even be formulated by the judges or administrators, by interpreting or implementing a congressional enactment. However, this kind of policy making is limited in scope by congressional guidelines (Cowhey 1985: 82-86). Thus, the role of the Congress is substantial and significant both at the formulation and implementation stage.

The US Congress is perceived as a house divided and authority dispersed between its two chambers. Further, its members are torn by conflicting claims of local and national interests. Nevertheless, despite being fragmented, Congress is the focal point of policy innovation. It is important to note here that there were considerably fewer committees and subcommittees dealing with energy matters

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\(^6\) In United States politics, the iron triangle is a term used by political scientists to describe the policy-making relationship among the congressional committees, the bureaucracy (executive) (sometimes called "government agencies"), and interest groups.
during the 1950's and 1960's which subsequently grew from 1970 onwards as a result of the "Oil embargo". As a result in the 96th Congress (1980) jurisdiction over some aspects of energy policy issues was claimed by more than 38 committees of the House of Representatives. It is important to note here that in spite of having fewer committees than the House of Representatives the Senate had at least ten major committees and several dozen subcommittees exercising some authority over energy legislation.\(^7\)

It is appropriate to mention here that the committees are proposed by the legislators in order to deal with major public issues. Since the need for energy laws is substantial, some have noted that it perpetuates jealousy and competition between subcommittees and their leaders. According to this view, this conflict was further intensified by rivalries between the House and the Senate energy committees. The reasons for such competitions were the traditional differences between the two chambers, their divergent constituencies, constitutional responsibilities, institutional histories, conflicting personalities and committees' aspirations. Moreover, the various energy committees within and between the two chambers, often respond to different energy interests. (Raycraft and Kash 1984: 239-241).

According to analysts, the fragmentation of power in the Congress is not only due to the formal division of authority among committees. There are other significant causes as well. For example, there are five hundred and thirty-five members from various geographical units. These include the various states and the congressional districts. They constitute a wide range of diverse parochial interests with powerful influences in the legislative process. The Senators and the

\(^7\) On January 4, 1977, in the 1st session of the 95th Congress, Senator Adlai Stevenson and Senator Bob Packwood introduced S. Res. 4, the Committee System Reorganization Amendments of 1977. That resolution was based on a 1976 study and report of the Select Committee on Committees which they had co-chaired. On February 4, 1977, the Senate adopted S. Res. 4, and the Committee on Energy and Natural Resources was created. Its jurisdiction included most of the functions of the Committee on Interior and Insular Affairs in addition to the new areas of natural gas pricing and regulation, energy regulation, energy research and development of all forms of energy, coal production, hydroelectric power and non-military development of nuclear energy.
Representatives serve as ambassadors of their respective units and are considered to be the guardians of local interests. Thus policy making role of the Congress is not a straightforward, linear process.

**The Bureaucracy:** The executive branch of the federal government is a constitutional unit. Within the executive branch there are thirteen cabinet departments, fifty-two independent agencies, five regulatory commissions and numerous lesser entities. More than 2.8 million employers divide their loyalties among these institutions. When closely observed, the executive branch is seen as a mosaic of disparate bureaucratic interests, each determined to achieve its special mission. To bring these different/diverse interests into accord with the President's administrative programmes is very challenging. It requires a very assertive President to fuse these diverse interests and make a successful and coherent policy. In order to unite the bureaucracy, the President must constantly fight for the competing claims of agencies' self-interest, the political pressures on the agencies from the Congress and the pressure from an agency's own clientele. In other words, the federal bureaucracy can be seen as a plurality of institutional interests. However, they are always active in shaping the policies solely administered by them. Since the bureaucracy is government's interest lobby, interactions between congressional and bureaucratic actors is continuous and occurs in a variety of settings and for a variety of reasons. The most basic reason is the constitutionally based governmental feature of separate institutions sharing powers. This feature necessitates that the two branches interact in order to produce, implement, and assess governmental policy (Ripley 1998:63).

**Interest Groups:** The number of interest groups striving to attract the attention of the government is enormous. Nearly every organised interest group in the United States is involved in politics. The addition of politically dynamic local groups and states to the already existing portfolio of active interest groups signifies the presence of interest groups in the US governmental system. They represent virtually every major social group with some claims on the government. Generally
the rise of new issues on the governmental agenda stimulates the growth of major groups. Conversely, it is believed that new issues on the agenda reflect the growing political influence of new interests. With regard to the energy issues, the quantum of interest groups increased significantly after the 1973 oil shock (Jones 1979:99-105).

Undoubtedly, the oil companies form the major interest groups in terms of energy policy formulation. In fact, they can be said to play the role of non governmental bodies. The presence of oil companies as interest groups have added a degree of variety to international political relationships. However, sometimes they have complicated the international relationships complicated which might otherwise have been quite harmonious. Oil industries are primarily economic institutions. One important feature of the economic actors is that as long as they can function reasonably well, they generally accept the status quo. One may therefore argue that no industry would sacrifice its profit for the sake of political principles of a given government. Further, none of the oil industries will turn down the chance of developing important new deposits. Naturally oil companies have to choose between possible ventures. The political climate of the countries in which these ventures fall is perhaps one of the factors considered keeping in mind that the political tactics available to them for gaining access to promising markets are limited. Their strategies have largely been based on lobbying of Congressional members.

American policy makers point out that the strategies adopted by the oil companies are usually predictable. The underlying economics of the industry make it possible to predict the general direction in which companies will move. As study noted:

An oil company's development can be stimulated by following factors-

- ease of access of oil deposits,
- the source of existing oil production,
- the size,
• development and location of the world’s leading economies,

• some information about the level of government experience in most of the potential oil producing countries (Levy 1982: 85-90).

The size of the US market and the fact that there was a significant oil industry existing in the US meant that American oil companies were bound to play a dominant role in American energy policy formulation. With reference to Central Asia, the US oil companies of significant engagement with the region before 1990s. It was the discovery of energy resources in the Caspian Sea by 1990, the elevated the region to a high priority item in their future plans. As they 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 (US 105th Congress, Session 2nd, House of Representatives, Committee on International Relations, Subcommittee on Asia and the Pacific, Hearings, “US Interests in the Central Asian Republics”).

The Role of ‘Iron Triangle’ in Central Asia: Central Asia and the Caspian Region are blessed with abundant oil and (natural) gases. Based on this belief that the natural resources of Central Asia can enhance the lives of the region’s residents and provide energy for growth in both Europe and Asia, US commercial interests and US foreign policy makers decisively engaged in the region. The United States stepped into the Caucasus and Central Asia in 1991 when major oil contracts were signed between its oil companies and the governments of Kazakhstan and Azerbaijan. As a result, the region and its development became critical for US. The commercial interests of US oil companies in exploiting new energy reserves proved to be a catalytic factor for fresh US policy towards the region. In the US’ view Caspian resources were one of the few prospects that could deflect world energy supplies away from the Middle East (Overland, Heidi and Kendall, 1999: Online: web).
Debates in the Congress: By carefully scrutinizing the role of Congressional debates on Energy Policy, with particular focus on Central Asia, the complexity of policy formulation can be understood. Further the various Hearings held by the Congress also provide significant evidence that explains the changed nuances of energy policy towards Central Asia. Therefore, to understand the full extent of Congressional perception, focus is placed on the Energy Security Act-S.932 of 1980.

Energy Security Act – S. 932: It was observed by the Democratic Senator from Connecticut, Christopher J. Dodd in June 1980, that since US did not have consistent energy policy, it was unable to meet a long standing commitment of promotion of its energy independence through federal dollars. He highlighted the country’s growing dependence on foreign oil. To counter this growing dependence, he proposed an act that reserved $25 billion for research and development on fuel alternatives, conservation and development of renewable resources. It made two actions mandatory - Research and Development on the problem of acid rain and the filling of strategic petroleum reserves. Although the historical Energy Security Act of 1980 made references to issue of synthetic fuel, it was not entirely dedicated to the synthetic fuel bill. The act also reserved $3.1 billion for the establishment of solar conservation banks which offered federal subsidies through loan guarantees, below market loans, grant of funds for energy conservation and solar work at homes, apartments and small-scale enterprises. Dodd argued that this amount was insufficient, as it did not make use of the potential of conservation and solar energy to the fullest. Nevertheless, it was considered an encouraging start. The outcome over the next few years proved that oil imports could be substituted with these alternative sources of energy. He also maintained that the US government needed to formulate a national strategy in order to overcome the hold of OPEC, while energy conservation in residences and business houses should be of vital importance in the US strategy for energy independence (US 96th Congress, 2nd Session, Senate, Christopher J. Dodd., Report on Energy Security Act S.932, 23-41).
The assertiveness of the “iron triangle” in formulating US energy policy towards Central Asia can be better understood through the 105th Congressional Hearing on *U.S. Interests in the Central Asian Republics* before the Subcommittee on Asia and the Pacific in 1998. The hearing examined the US interests in the region, by acknowledging that Kazakhstan and Turkmenistan possess large reserves of oil and natural gas. The committee further observed that Uzbekistan too had oil and gas reserves that may make it self-sufficient in energy and gain revenue through exports.

Congressmen 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 the following factors:

- Independence of the states and their ties to the West.
- Breaking Russia's monopoly over the oil and gas transport routes.
- Promoting Western energy security through diversified suppliers encouraging the construction of the East-West pipeline and,

In addition, the then Deputy Secretary of State, Strobe Talbott observed that the United States sought to discourage any one country from gaining control over the region. Further, he said that the US urged that all responsible states should cooperate in the exploitation of the region’s natural resources. He also mentioned that the Central Asian Region had emerged as one of the significant opportunities for investment for a wide range of American companies (Ibid).

The 107th Congressional Hearings on “US Diplomatic Effort in the War against Terrorism” restated the importance of the Central Asian Republics in the fulfillment of US objectives on the “War on Terror”. US officials stated that the Central Asian Region was riddled with terrorist activities and, consequently political instability prevailed. The administration urged the Congress to support its
assistance programmes to these countries so as to develop these new economies. Implicitly it was argued that such assistance programmes will be crucial to business success. A strong technical assistance programme throughout the region was then endorsed by the Congress (US 107th Congress, Session 1st, House of Representatives, Committee on International Relations, Subcommittee on the Middle East and South Asia, Hearings, “US Diplomatic Effort in the War Against Terrorism” 59-75).

Similar concerns regarding eradication of terrorism from the energy rich Central Asian region were raised in the 108th Congressional Hearings. The US officials restated the fact the ongoing problem of terrorism is biggest obstacle in the smooth flowing of natural resources to the world market and thereby providing economic stability to the region. (US 108th Congress, Session 1st, House of Representatives, Committee on International Relations, Subcommittee on the Middle East and Central Asia, Hearings, “Central Asia: Terrorism, Regional Extremism and Regional Stability”39-42).

Further the US sincere effort for combating terrorism is clearly manifested by the observation of 109th Congressional Hearings on “Hezbollah’s Global Reach” in 2006. Sherman, pointed out the urgency to deal with global war on terrorism because it was linked with the each component of economic and diplomatic policy (US 109th Congress, Hearing, Session 2 House of Representatives, Joint Committee on International Relations, Subcommittee on the Middle East and South Asia, Hearings, “Hezbollah’s Global Reach”, 28 September 2006:6-10).

It is interesting to mention here that in 110th Congressional Hearings, in statement before the Committee on Foreign Relations, Leon Fuerth, Research Professor, the Elliot School of International Affairs argued that US involvement in Central Asia actually began before the Clinton Administration. In other words the US started stepping in the ‘future reservoir of energy’ of 21st century immediately after the collapse of erstwhile Soviet Union. He further argued that this involvement was due to fact that after the disintegration Russia needed foreign investments in order to explore its oil potentials and thereby a binational
commission named ‘Gore- Chernomyrdin’ came into existence. The goal of this commission was space light and energy. This Commission by 1995 reached to the Central Asian Region also in order to fulfill its energy need (US 110th Congress, Senate, Session 2nd, committee on Foreign Relations, June 12, 2008: 13-30).

Further what shaped the approach of the US Congress towards Central Asia in general and Kazakhstan and Turkmenistan in particular was answered in the Hearing titled “Oil, Oligarchs and Opportunity: Energy from Central Asia to Europe” before the Committee on Foreign Relations on 12 June 2008. According to the Republican Senator from Indiana Richard G. Lugar, increasing access to energy supply is at the heart of security concerns for nations around the world, including the United States. He acknowledged the urgent need for developing alternative energy sources, expanding attention given to energy issues in US’s diplomacy, and improving alliance cohesion on energy matters. In this Hearing, the potential of Kazakhstan and Turkmenistan in terms of energy was also extensively dealt with. Further Democratic Senator from Delaware, Joseph R. Biden, Jr (chairman) clarified that the biggest worry for the US was the state of its economy, and the explosive rise in the price of oil. According to him, US’s dependence on foreign oil has weakened its economy, driven up defense expenditures, and put the foreign policy in a straitjacket (US 110th Congress, Senate, Session 2nd, committee on Foreign Relations, June 12, 2008: 13-30.).

Speaking to this Committee, Zbigniew Brzezinski former National Security Advisor and, Counsellor and Trustee, Centre for Strategic and International Studies mentioned outlined that in order to diversify the natural resources from the Central Asian Region; Russia should be taken on board as an important component. This is because of the fact that it provides energy routes while the West provides the foreign direct investments thereby producing positive geopolitical consequences. According to him though Russia causes problem in diversifying the natural resources, but he emphasized that the problem was not in the long run, but in the short run. In his analysis in the short term the long-term interests can become quite complicated, there is a possibility that both the Russia and US would begin to
collide against one another. According to him the reasons for this can be attributed to the following facts:

- Russia's ongoing efforts to limit the West's role in upstream aspects of energy cooperation.

- Russian active efforts to isolate the Central Asian region from direct access to the world economy, and particularly access to its energy supplies.

- Repetitive Russian pressure on Ukraine, a pressure derived from political concerns unrelated to the energy relationship.

- Instances of possible threats to Georgia from Russia, motivated not so much, in reality, by any serious territorial problems, but derived more from the desire to gain a controlling hand over the Baku-Ceyhan line (Ibid). This view was quite influential as evidenced by the remarks of various members of that committee.

The above discussion illustrates the argument that the Congress considered the Central Asian Region important for US interests. As a result, it can be inferred that the US government supported the construction of an oil pipeline from Kazakhstan to Azerbaijan and from Ceyhan to Turkey to build regional cooperation and at the same time bypassing Russia. In other words, Congressional understanding of the Central Asian Region as “Enormous Energy Export Potential” was seen as a way to ease the US’ energy dependence on the oil from the Middle East and Latin America with the broader interest of US-Russia, US-Iran and US-China relations being placed on the backburner at that time (2001-2003).

In the meantime, the visit of the Secretary of Defense Donald Rumsfeld to Central Asia in 2004, focused on the increased concerns of US policymakers on security concerns in Central Asia. In particular he visited Kyrgyzstan, Kazakhstan and Turkmenistan to review US cooperation with each of them in the framework of anti-terrorism operations. This added a security dimension to US policy on Central Asia and could point out to the increased role of the military with regard to it (Blua, 2004Online: web).
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 (Cohen: 2009: Online: web).

The Department of Energy further observed that the US had an interest in strengthening global energy security through diversification, and the development of new sources of supply. The Department of Energy’s officials argued that this meant the diversification of the Caspian export routes. They believed that it would help America become less dependent on the Persian Gulf for its energy needs.

During the discussions between the Department of Energy and the Congress, it was unanimously agreed that the US had a vested interest in campaigning for the sovereignty, independence and prosperity of the Caspian Basin’s newly independent states. The states were encouraged to develop into sovereign, democratic nations with the liberty of unrestricted access to the world markets.

In simple terms, then the “Iron Triangle” consisting of the Bureaucracy, the Congress and Interest Groups focused on achievement of four basic goals with reference to Central Asia:

- **Promotion of Multiple Export Routes**—The administration’s policy revolved around rapid development of the region’s resources. Further the transportation and sale of those resources to hard currency markets in order to secure the independence of these new countries was also prioritised. In this regard, the US government actively promoted the development of multiple pipelines and diversified infrastructure networks to open and integrate these countries into the global market and to foster regional cooperation. It also decided to give priority to the support efforts by the regional governments and the private sector to develop and improve east-west linkage and infrastructure networks through Central Asia and the
Caucasus. A Eurasian energy transport corridor incorporating a trans-Caspian segment with a route from Baku; Azerbaijan, through the Caucasus and Turkey to the Mediterranean port was included.

- **Emphasizing Commerciality** - It was realised that the massive infrastructure projects must be commercially competitive. Keeping this in mind the Baku-Ceyhan pipeline was firmly endorsed.

- **Cooperation with Russia** - The US decided to support the continued Russian participation in the Caspian and Eurasian corridor. Moving in this direction further, US companies also began working in partnership with the Russian firms in the Caspian region.

- **Isolating Iran** - The US Government opposed pipelines through Iran because the development of Iran's oil and gas industry and pipelines from the Caspian Basin through Iran will seriously undercut the development of east-west infrastructure. Apart from this, it will also give Iran leverage over economies of the Caucasus and Central Asian States (US 105th Congress, Session 2nd, House of Representatives, Committee on International Relations, Subcommittee on Asia and the Pacific, Hearings, “US Interests in the Central Asian Republics”, 35-47).

Interestingly, John Maresca, the Vice President of International Relations, Unocal Corporation, a prominent American oil company, also focused on following issues regarding Central Asia-

- The need for multiple pipeline routes for Central Asian oil and gas resources.

- US support for international and regional efforts to achieve balanced reforms and development of appropriate investment in the region.
Stressing these issues, the repeal or removal of Section 907 of the Freedom Support Act was recommended by him. He believed that this section unfairly restricted US government assistance to the government of Azerbaijan and limited US influence in the region. Unocal and other American companies, he said were prepared to develop cost-effective export routes for Central Asian resources (Ibid).

In support of the views expressed above, the US based Heritage Foundation published commentary on Russia and pointed out that US interest in Central Asia were security, energy and democracy (Cohen 2009: Online: web). The article outlined the involvement of external players like Russia, China and Iran in Central Asia. It further argued that US-EU need to develop a coordinated effort. In view of the author, this would affect not only Central Asia but US relations with China, Russia and Iran as well (Ibid).

This analysis of the "iron triangle" in terms of the Central Asian Region leads to the conclusion 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.

Impacts of International Developments on Congressional Perception:
Apart from the domestic determinants some international developments, especially after September 11, 2001, played an important role in shaping US energy policy towards Central Asia in general, and Kazakhstan and Turkmenistan in particular.

8 The U.S. Congress passed the Freedom Support Act in the fall of 1992 to facilitate economic and humanitarian aid to the former republics of the Soviet Union, hoping it would help stabilize democratic forms of government and foster economic growth. All 15 republics are eligible for assistance with the exception of Azerbaijan. The countries that receive aid under this legislation include Armenia, Belarus, Estonia, Georgia, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan. Since 1992 the Armenian government has received more than $1 billion in aid under this legislation. Azerbaijan's government has received none. The clause restricting aid to Azerbaijan reads as follows: Restriction on Assistance to Azerbaijan (Title 9: Section 907) "United States assistance under this or any other Act . . . may not be provided to the Government of Azerbaijan until the President determines, and so reports to the Congress that the Government of Azerbaijan is taking demonstrable steps to cease all blockades and other offensive uses of force against Armenia and Nagorno-Karabakh."
As was evident from the Congressional Hearings, Central Asian Region was viewed by most members of the Congress through the following perspectives-

- The Azerbaijan-Armenia issue
- US policy towards Iran
- US policy towards Russia

The Azerbaijan-Armenia Issue: On the basis of documented evidence such as 107th Congressional Hearing by the Subcommittee on the Middle East and South Asia, on “US Diplomatic Effort in the War Against Terrorism” it was found that the Congress used foreign aid legislation as a means of exerting pressure on Armenia’s neighbours particularly Azerbaijan and Turkey in order to prevent them from becoming any obstacle in their access to the natural resources in the region. The most prominent example of this is Section 907 of the Freedom Support Act of 1993 which prohibits US government aid to Azerbaijan. The Congress adjusted Section 907 incrementally each year in order to increase the importance of United States investment in the Azeri oil sectors.

Iran and Russia Factor: Among the countries bordering the Caspian, Iran is considered to be the most stable country both politically and economically. Additionally, it also offers the most attractive pipelines bordering the Caspian. Nonetheless, the Congress was opposed to Iran and had consequently limited the Clinton administration’s flexibility in dealing with it. In the opinion of the Congress no country undermines American interest more than Iran. Since the Iranian revolution the United States sought to isolate Iran diplomatically and

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politically and more recently economically. In pursuance of this objective, Congress passed the Iran-Libya Sanction Act (ILSA). This act was passed along with unanimous voting against the sanctions. It is worth mentioning here that the Congress has rarely adopted any controversial piece of legislation unanimously which had a wide range of implications for any country. (Katzman 2003: 23-28).

Another regional issue clouding Congress’ view of the region has been US policy towards Russia. The Congress is skeptical of Russia, and its relations with Iran. In 1980, opposition to the Soviet Union was an important part of political philosophy for most members of the Congress. In 1997 dozens of bills were introduced seeking to impose sanctions on Russia for supporting Iran in developing nuclear weapons. However the present Obama administration has removed sanctions against three Russian organizations which the US had previously accused of assisting Iran's effort to develop nuclear weapons (The Jerusalem Post, 22 May 2010).

The evidence indicates that US Congress on the while opposes running a pipeline through Iran, is dubious of routes through Afghanistan, is skeptical of routes through Russia and supports pipelines running through Turkey and Georgia.

Therefore, it is obvious why Congress has expressed support for a pipeline along an east-west axis. This also helps to explain why the US government (Congress and the Administration) are increasingly calling the Baku–Ceyhan route “the preferred route” because it belongs to the NATO, ally, and avoid Iran and Russia (Blagov 2006:Online:web).

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10 ILSA was introduced in the context of a tightening of U.S. sanctions on Iran during the first term of the Clinton Administration. In response to Iran’s stepped up nuclear program and its support to terrorist organizations (Hizbollah, Hamas, and Palestine Islamic Jihad), President Clinton issued Executive Order 12957 (March 15, 1995), which banned U.S. investment in Iran’s energy sector, and Executive Order 12959 (May 6, 1995), which banned U.S. trade with and investment in that country. The Clinton Administration and many in Congress maintained that these sanctions would deprive Iran of the ability to acquire weapons of mass destruction (WMD) and to fund terrorist groups by hindering its ability to modernize its key petroleum sector. That sector generates about 20%25 of Iran’s GDP. Iran’s onshore oil fields, as well as its oil industry infrastructure, were aging and needed substantial investment, and its large natural gas resources (940 trillion cubic feet, exceeded only by those of Russia) were not developed at all at the time ILSA was first considered.
The US Central Asian policy can be summarised in the statement of A. Elizabeth John, the former Assistant Secretary of European and Eurasian Affairs. According to her, the US strategic interest in Central Asia can be categorised in three sets:

- Security: includes fights against proliferation, terrorism and narcotics trafficking

- Energy: involving the distribution of economically sound transit of Caspian oil and gas to markets across the world and

- Internal Reform: it incorporates market and democratic economic transformation in support of Human Rights, expanding tolerance, freedom and prosperity in the countries (Elizabeth Jones, Assistant Secretary for European and Eurasian Affairs In Testimony Before the Subcommittee on the Middle East and Central Asia House International Relations Committee Online: web). In sum, these factors influenced the perception of the Congress that eventually incorporated them in their advice and approval.

**External Factors Influencing US Energy Policy Making Towards Kazakhstan:** Since the September 11 attacks, the US focus on Kazakhstan has increased significantly with regard to its vast mineral and petroleum resources. This intense interest, mainly for security concerns was represented through the military campaign in Afghanistan and the overall war against terrorism. Either way, the US has vested interests in Kazakhstan in particular and the Caspian Basin in general. These interests have been extensively articulated by the Bush Junior’s Administration and members of the Congress (Gorst 2003:13-18). These interests advocated a strong US involvement to bolster reforms and stability in the region. Such advocates argued that political turmoil and growth of terrorism in Central Asia can produce spillover effects both in nearby states including US allies and friends such as Turkey and worldwide. They also argue that the US has a major interest in preventing terrorist regimes and groups from illicitly acquiring Soviet era technology of Weapon of Mass Destruction. These advocates of active US involvement prevailed as was evident when the former Secretary of State Colin
Powell, acknowledged the country’s political and diplomatic support for the war on terrorism, and its military support in the form of over flight clearances during his visit to Kazakhstan in 2001. He stated that,

“Kazakhstan’s energy potential calls for strengthened cooperation and commercial dialogue between senior officials of both the US and Kazakhstan” (US Department of State: 2001, Joint Press Release Conference with Nursultan Nazarbeyev, President of the Republic of Kazakhstan).

The US involvement through aid and investment was also viewed as strengthening the independence of Central Asian States and forestalling Russian and Chinese attempt to control them. The joint statement by the former President George W. Bush and President Nursultan Nazarbayev on the new Kazakhstan-American relationship declared that both the countries would endeavour for strengthening the long-term, strategic partnership and cooperation between the two nations, seeking to advance a shared vision of a peaceful, prosperous and sovereign Kazakhstan in the 21st century that is increasingly integrated into the global economy and the community of democratic nations. Various broad issues were also covered such as counterterrorism, on-proliferation, democratic political and free-market economic reform, and market-based investment and development of energy resources. (Whitehouse News Release: 2001 Online: web). This statement reflects how the various perceptions of the Congress, administrative officials and other policy experts gradually coalesced on the determinants that dictates policy to Kazakhstan. Amongst those mentioned, the following merit special attention as US actions were most pronounced in these issues. There are a number of external determinants i.e. international developments which have influenced US policy towards Kazakhstan:

**Issue of Non-Proliferation:** U.S.-Kazakhstan cooperation in security and non-proliferation has been a cornerstone of the relationship. Kazakhstan showed unparalleled leadership when it renounced nuclear weapons in 1993. The United States assisted Kazakhstan in the removal of nuclear warheads, weapons-grade materials, and their supporting infrastructure. In 1994, Kazakhstan transferred more than half a ton of weapons-grade uranium to the United States. In 1995 Kazakhstan removed its last nuclear warheads and, with U.S. assistance, completed

The cooperation between United States and Kazakhstan against the threat of weapons of mass destruction is viewed as a landmark in the US-Kazakh relationship. Kazakhstan has been characterised by the US as leader in countering the threat of weapons of mass destruction in the region. It is interesting to note that with the help from the Nunn-Lugar program, Kazakhstan has eliminated the weapons of mass destruction and related infrastructure inherited from the Soviet Union. (Remarks made by Robert G. Joseph, Under Secretary for Arms Control and International Security at Ulba Blend Down Ceremony, Ust Kamenogorsk, Kazakhstan, October 8, 2005 Online: web).

The United States and Kazakhstan made rapid progress on "one of the world's largest and most successful non-proliferation projects," securing a stockpile of weapons-grade plutonium which was large enough to make roughly 400 nuclear bombs. This far-reaching development occurred when Kazakhstan agreed to denuclearise after the collapse of the Soviet Union. This denuclearization process continued through the Operation Sapphire, by which Kazakhstan shipped

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11 The Nunn-Lugar Cooperative Threat Reduction (CTR) is a programme the United States for assisting the states of the former Soviet Union in controlling and protecting their nuclear weapons, weapons-usable materials, and delivery systems. To aid in the implementation of arms control agreements, CTR also contributes to the dismantling and destruction of a number of nuclear weapons and their associated delivery systems. The CTR program began in 1991. In the 1990s, the US Congress allocated from the defense budget approximately $400 million each year to CTR-related programs, which are administered by the Department of Defense (DOD), Department of Energy (DOE), Department of Commerce, and the Department of State. From 2000-2010, the United States has targeted to spent a projected $1 billion per year on the program. Projects of the Cooperative Threat Reduction Program have included strategic offensive arms elimination; nuclear warhead dismantlement; nuclear weapons storage security; chemical weapons destruction; biological weapons proliferation prevention; reactor core conversions; nuclear material protection, control and accounting; export control initiatives; defense conversion; and others.
600 kgs of weapon-grade uranium to the United States to remove an urgent proliferation threat to the Central Asian Region (Dahl and Kuralbayeva 2001: 429-440).

In the opinion of Richard E. Hoagland, U.S. Ambassador to Kazakhstan, both countries i.e. US and Kazakhstan together, have prioritised the issue of nonproliferation of weapons of mass destruction. After the fall of the Soviet Union, Kazakhstan had the fourth largest nuclear arsenal in the world and it voluntarily gave it up. Further he made it clear that Kazakhstan one of the premier countries to play a role in the Nuclear Security Summit after voluntarily giving up their nuclear arsenal. They also have the credit of being such strong partners in nonproliferation of all kinds of weapons of mass destruction over the years. During one of the plenary sessions with President Obama, President Nazarbayev in his speech called for a nuclear free world thereby publicly declaring his support to supported President Obama's vision to secure all nuclear materials within the next four years worldwide (Hoagland:2010).

It may also be worthwhile to consider at this juncture a set of external determinants. Broadly these may be examined under the theme Kazakh-Russia, Kazakh-Iran and Kazakh-Turkmenistan relations. The reason for such a perusal is due to the belief that Kazakhstan relations with these three countries form a crucial factor in its ongoing relationship with the US. Even more importantly, the three set of relationship influence Kazakhstan’s rapidly changing energy policy. This in turn has significant consequences for US policies. The Kazaks-Russia relationship has a direct impact on the US policy. As was discussed earlier in the chapter, US has its own understanding of the Russian role. However, as Kazakh- Russia relations demonstrate there is also a need for the US to assess the extent of Russian influence on Kazakhstan in energy matters. As observed by the former Secretary of State Colin Powell,

"we have to make it clear to the Russians that even though they may have concerns in the periphery of the old Soviet Union and now the periphery of Russia, they cannot act in a heavy-handed way, and they cannot intimidate these countries, and they cannot threaten these countries, and they should not think about trying to re-
create the old Soviet Union in some smaller way. These will not further their interests in the West (Azernews, 2001: Online: web).

In other words Russia’s aggressive behavior both in the past and in the present have pushed its neighboring states to seek partnerships with other nations in order to serve as a counterbalance to Russian dominance. Thus, it can be concluded that the United States decided that it ought to think carefully about what its goals are in the region and to re-examine its relations with post-Soviet states as a regional whole, rather than as a series of bilateral relationships (Collins and Legvold 2009: Online: web).

**Iran:** The budding relationship between Kazakhstan and Iran can be seen from the fact that KazMunaiGaz, the former state-owned oil and gas company, initiated a 'new leap' presided over by its new president, Kairgeldy Kabyldin. He is guiding the company towards closer cooperation with Iran, and has made it clear that international sanctions against the Islamic Republic will not stand in his way (Elina: 2009 Online: web). Kabyldin, the third chief of KMG, addressed the Kazakhstan International Oil and Gas Exhibition (KIOGE) in Almaty 16 October 2008, where he affirmed that "there are proposals from Iran regarding the shelf of the Persian Gulf."(Pannier 2008: “Kazakhstan Set to Increase Cooperation with Iran” Online: web). The suggestion of potential cooperation may have been a surprise for some, however it manifests the fact that Kazakhstan and Iran are increasing their oil industry ties. He also stated that Iran is a happy contender of the energy cooperation that would help Kazakhstan to reach the Persian Gulf and gain access to the Asian markets. In this regard it should also be noted that even Iran is reciprocating on similar intensity. This is evident from the statement of an official of the Interior Ministry official of Iran, Morteza Safari Natanzi’s. He stated that the talks between the two countries were already being held to construct an oil pipeline from Kazakhstan to Iran via Turkmenistan. He added that Iran's Kharg Island could be used to export oil to Asia. Bolat Auelbekov, an expert at Kazakhstan's Presidential Economic Research Institute (ERI) maintains that a similar plan is already under negotiation on the Kazakh side (Ibid).
However, the KMG officials have not yet confirmed any plans for building an oil pipeline south to Iran from Kazakhstan. Nonetheless Kazakh Deputy Energy and Mineral Resources Minister, Lyazzat Kiinov, speaking at the Kazakhstan International Oil and Gas Exhibition conference, said there is an Iranian proposal for exchanging "oil and gas assets." Kazakhstan and Iran have been exchanging oil assets for a decade. Kazakhstan ships oil via tanker across the Caspian Sea to the northern Iranian port city of Neka. In exchange, Iran delivers Kazakhstan's foreign customers crude oil of comparable quality, sending it to those clients from a Persian Gulf oil terminal. In this context it should be noted that the KMG chief Kabyldin had acknowledged that current international sanctions complicate deals with Tehran. But he was quoted as saying "there are a number of Kazakh companies, not bound by these obligations that are shipping their oil through Iran." (Pannier 2008: Online: web). Clearly, this has the potential of becoming crucial issue with the US, given the state of US-Iran relations which has been discussed earlier.

**Turkmenistan:** It is worthwhile to mention that Kazakhstan is broadening its horizon towards its neighbouring countries especially Turkmenistan. Kazakhstan is "already in talks with Turkmenistan about the North-South project," Auelbekov said. "A project proposed by Turkmenistan that includes Iran, Kazakhstan, and Russia to join in a transportation route initiative. But so far this plan centres primarily on railways" (Overland, Heidi, and Kendall 2009: Online: web). This development would probably be an important determinant to the US policy towards Kazakhstan.

The above discussion demonstrate that growing cooperation of Kazakhstan with the neigbouring countries galvanized the White House and consequently led to an enhanced participation by the US Congress towards this 'potential country'. Ties between US-Kazakhstan strengthened as a consequence of the various determinants mentioned so far. However, by 2008 positive actions by both contributed to a long term US policy towards Kazakhstan. In this context the meeting by the Kazakhstan’s Prime Minister with the US Congress delegation headed by Nick Rahall, House Committee on Natural Resources in Astana, (the US
Congress delegation comprised of the representatives of the state of West Virginia, California, Illinois, Louisiana and Georgia) where in the two sides focused on issues of bilateral political and economic cooperation led credence to this observation. According to N. Rahall, “Kazakhstan and America have established strong ties among them. It is of great importance to the US that Kazakhstan has been a partner of the USA in terms of security within the region in this volatile period” (Issenova 2008: Online: web). On the other hand, the Kazakh’s Prime Minister. Massimov noted that Kazakhstan as a major trade and investments partner of the USA in Central Asia would further adhere to the principles of comprehensive, open and positive relations (Government of the Republic of Kazakhstan News 2008: Online: web).

The Congressmen lauded Kazakhstan’s economic development level, pointing to the progress made by country in its in Oil & Gas sectors. Kazakhstan’s Prime Minister reciprocated by highlighting the openness of the national Oil and Gas sectors in such a short time to US companies’ investments. In addition to this the Kazakh Government also guaranteed the stability of contracts in effect. In the course of the meeting the sides exchanged opinions on a wide range of issues such as mutual investments, agriculture, etc. The two sides expressed confidence in further expansion of bilateral ties between Kazakhstan and the USA (Ibid).

As far as the consistently intensifying relationship between the US and Kazakhstan is considered it has been observed by scholars that natural resources, particularly oil and gas, currently provide the greatest opportunities for strengthening ties between the United States and Central Asia in general, and Kazakhstan in particular. The former Vice President Dick Cheney had been the most senior US official to speak at length about Kazakhstan, while commenting on the administration’s comprehensive national energy plan. He had stressed the importance of Kazakhstan in the context of diversifying foreign oil supplies. He added that, "We need to develop projects to get pipelines built so that we can get access to the oil, get it into the international market that will help stabilise prices and diversify supply (New York Times, 06 May 2006).
External Determinants in Shaping US Energy Policy Towards Turkmenistan: This section discusses the external variables that help to understand the US policy towards Turkmenistan. As argued earlier, the US bilateral relationship with this country was based on the need to develop a “new silk road” with Central Asia which would connect east-west and north-south trade and cultural exchange. In particular, US was keen to recommend to Turkmenistan that, in pursuance of its goal and increased energy cooperation and diversification, it should and must use multiple sets of pipelines, multiple transport corridors and multiple trading partners (Daniel, Sullivan, US Embassy In Astana, Turkmenistan, 2007: Online: web) It was in this context that Turkmenistan’s relations with major players of the region became part of the sources to US policy. Turkmenistan played a vital role as a natural gas supplier in the Soviet system. In the post-Soviet period, Russia remained the republic's top trading partner, with Turkey moving into second place in the mid-1990s. A crucial rail link with Iran was also an important commercial improvement.

Throughout the 1990s, Turkmenistan's economic policy continued to rely heavily on the West's demand for natural gas. However, as the nation became increasingly isolated along the east coast of the Caspian Sea, gas sales depended strictly on pipeline movement. Turkmenistan realised that the existing lines, built to serve the Turkmenistan-Russia north-south axis were no longer capable of handling the growing needs of the region. However these plans faced strong opposition from both regional powers and from the United States. Hence, Turkmenistan believes that until the pipeline problem is solved, it would be able to sell gas only to the customers whom it had served in the Soviet era. One such customer has been Turkey. Turkmenistan made a long-term agreement to sell as much as 15 billion cubic metres of gas per year to Turkey between 1998 and 2020. Turkey also received development rights for a field in Turkmenistan believed to contain 20 million tons of oil (Ochs 1995:1-6).

Till recently Turkmenistan exported its gas exclusively through Russian-controlled energy pipelines. While reaffirming its commitment to uphold long-term contractual obligations, which required Turkmenistan to continue shipping more
than 50 billion cubic metres annually to Russia, the Berdimukhammedov administration has begun exploring additional export routes, including eastward into China and southward towards Pakistan. Much uncertainty persists regarding the extent of Turkmenistan’s gas reserves, which is estimated to be 3 trillion cubic metres (tcm) by the industry experts while the Turkmen government representatives claim it to be as high as 20 tcm. The legacy of the USSR’s integrated pipeline system has compelled Turkmenistan to rely on Soviet-era energy pipelines to reach the world market. Turkmenistan’s dependence on transit routes through Russia has allowed the Russian gas company Gazprom to buy Turkmen gas for lower than market prices $65 per 1,000 cubic metres before August 2006; $100 per 1,000 cubic metres since then and then resell it at much higher prices (over $250 per 1,000 cubic meters) to European customers (Weitz: 2007 Online: web).

As pipeline routes needed diversification, Turkmenistan began to reach out to other nations in order to minimise Russian influence. The most important of these were with China, Iran and European Union apart from Russia. There are numerous external factors which shaped US Policy towards Turkmenistan:

**China**: Chinese government officials have started lobbying Ashgabat to expand bilateral energy cooperation between two nations. During Berdimukhammedov 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 (Dowran: 2009: Online: web).

**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 (Weitz: 2007).
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 (Nichol 2007: Online: web).

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. For example:

- 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 US had found 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 (Katzman: 2003:1-5).

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 (Quoted in ibid).

**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*” (Blagov 2006:Online:web).

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 attitudes, 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.

**US Engagement with Turkmenistan:** Since 2001, a sustained effort has been launched by the Bush Junior’s administration to turn the page and explore opportunities to elevate the Turkmenistan-American relationship to a higher degree. US executive branch agencies have sent more than a dozen delegations to Turkmenistan following President Niyazov’s death. It is consistently moving towards a broad dialogue in many significant areas such as economics and agriculture; democracy and Human Rights; education; public health; and cooperation in Afghanistan and other regional security issues.

Evan A. Feigenbaum, Deputy Assistant Secretary of State for South and Central Asian Affairs stated that, Washington attributes considerable importance to
developments in Turkmenistan because they could affect nine issues of critical concern for American foreign policy:

- Russia resurgence in the other former Soviet republics,
- China’s expanding global footprint;
- Iran’s influence in Eurasia;
- energy security;
- democracy promotion;
- the fate of Afghanistan;
- the evolution of Islam;
- transnational terrorism;
- global economic development (Remark by Feigenbaum at Carnegie Endowment, 2007 Online: web).

Despite this comprehensive list of American interests in Turkmenistan, the main objective of US policy has been to diversify Turkmenistan gas exports through a pipeline under the Caspian Sea to Europe via Azerbaijan. The route of this 1,000-mile Trans-Caspian Gas Pipeline (TCGP), being discussed since 2000, would relieve the need of the existing network of Russian-controlled pipelines.

However, officials from Washington have denied that they see themselves engaged in a great-game style competition with Moscow and Beijing for influence in Turkmenistan. Nevertheless, a number of senior U.S. officials such as Feigenbaum, USCENTCOM Commander Admiral William Fallon, as well as high-level State Department officials like Steven Mann, Matt Bryza, and Daniel Sullivan visited Ashgabat since Russia, Kazakhstan, and Turkmenistan agreed in May 2007 to construct their own Caspian Shore Gas Pipeline. Berdimukhammedov signing of this preliminary memorandum of understanding had aroused concern
among the American officials that Turmenistan was losing interest in the US-backed TCGP (US Navy News 2007:Online:web).

Washington's talks with Turkmenistan was pursued at the annual opening session of the UN General Assembly in New York. The occasion marked Berdimukhammedov first visit to a Western country since becoming president. It provided the opportunity for his first meeting with US Secretary of State Condoleezza Rice to further strengthen the relationship between US and Turkmenistan. In addition, some members of the Turkmenistan delegation including Baymurat Myradov, the executive director of the newly created National Hydrocarbon Agency subsequently travelled to Washington and Houston for detailed meaningful discussions on energy policies and other issues (UN News Centre 2007: Online: web).

The discussions between the US and Turkmenistan officials proved to be fruitful. President Berdimukhammedov reaffirmed interest in developing multiple pipelines for his country's energy exports. However it appears to be unfortunate that all the goodwill, so carefully built up, may be at risk as a result of Washington's insistence on linking its interest in Turkmenistan, energy exports to its policy of containing Iran. As is evident by the view expressed by former US Energy Secretary Samuel Bodman at the 12th annual Turkmenistan International Oil and Gas Exhibition, "The USA is confident that Iran is trying to develop its own nuclear weapons. We are trying to do our utmost to make Tehran stop developing nuclear weapons." Bodman further clarified US's reservation against Iran by saying, "We will not be happy if this (Trans-Iranian gas pipeline) project is implemented." (Radio Free Europe/Radio Liberty, 14 November 2007:Online:web). Bodman's rhetoric was in stark contrast to Moscow's and Iran's dealings with Turkmenistan. It was devoid of ideological content and focused on economic issues.

Former Assistant Secretary Boucher stated that the United States "would like to see Turkmenistan develop its resources, its oil and gas reserves in a market fashion that gets them a market price for their energy". Secretary of State Condoleezza Rice on December 28, 2006 voiced similar hopes of revitalised
bilateral relations and US interest in “advancing a stable, democratic, and prosperous future for Turkmenistan.” However according to some observers the instability in Turkmenistan could disrupt its sizeable gas exports to Russia. Since these supplies permit Russia to export its own gas to Europe, such disruptions could have a ripple effect on Europe. Such a risk, as well as the possible opportunities of a Turkmenistan more oriented towards the world economy, might contribute to a greater EU focus on Turkmenistan as part of an energy diversification strategy. Turkmenistan’s Minister of Oil, Gas and Mineral Resources Gurbanmyrat Atayew, on December 28, 2006, reassured foreign gas customers that the country was fulfilling its commitments on natural gas exports “without delay and in full volume.” Berdimukhammedow on January 5, 2007, indicated an interest in enhancing Turkmenistan’s sovereignty by diversifying its energy export routes, including by building the proposed Trans-Caspian and Turkmen-Pakistan pipelines (Weitz 2007:Online:web). In the current context, the Obama administration has reiterated the importance of Turkmenistan in the US policy calculus, especially as it is articulating support for the southern corridor via the Caspian Development Corporation to be set up by the World Bank after a feasibility study (Maher2010:Online:web).

The last few years from 2008-2009 have witnessed the beginning of a annual dialogue between US and Turkmenistan. Robert O Blake, The Assistant Secretary for South and Central Asia has in a series of press conference and events, praised these consultations as productive and as building mutual trust. In particular, he pointed out that it was for the first time a US business delegation had come along with the government to discuss business and energy cooperation (US Department of State 2010, Bureau of South and Central Asian Affairs, Remarks by Assistant Secretary, Robert O. Blake, Jr at the American-Uzbek Business Forum).

It is clear that US energy policy towards both Kazakhstan and Turkmenistan focused on getting around the poor Human Rights records of these countries. Interestingly, the US Congress had seemingly reservation on Turkmenistan’s poor democratisation record and the unimpressive respect for human rights in legislative forms such as Congressional Hearings.
However the consecutive Congress is likely to be flexible on the democratization and the Human Right issues keeping in mind the energy potential of this ‘tiny country’. Though the US government is firm to provide a boost of US assistance in case of Berdimukhammedov pursuance of reforms take a positive turn. However after the above discussion it has become evident that the business partnership in energy sector is being prioritised by US policymakers with regard to Turkmenistan. Other concerns may include the continuation of US-Turkmen anti-terrorism assistance, the possible extension of humanitarian aid to address purported Turkmen food shortages and other urgent quality of life needs, and the possible impact of Turkmenistan’s regime change on western energy security. After analysing the role of “iron triangle” towards Kazakhstan and Turkmenistan it has become evident that the US policy makers are trying to have long term engagement in Central Asian Region. Apart from this the above analyses also falsify the myth that US has only ‘energy interest’ in the region, rather it is driven large strategic and political considerations.