Subject: The pipeline that will change the world? Posted by Blazer on Wed, 25 May 2005 09:24:27 GMT View Forum Message <> Reply to Message

Strange that I never heard about this...even on its opening day. And please, serious replies only...I think you are all adult enough to stop saying "I can't be arsed to read all that but omg lol" everytime you are presented with more than a paragraph of text.

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The pipeline that will change the world

It is 42 inches wide, 1,090 miles long and is intended to save the West from relying on Middle Eastern oil. Nothing has been allowed to stand in its way - and it finally opens today By Daniel Howden and Philip Thornton

25 May 2005

The first drops of crude will snake their way along a pipeline that traverses some of the most unstable and war-ravaged countries on earth. This is the oil flow that was meant to save the West, and this morning the taps were turned on.

Only 42 inches wide, the Baku-Tbilisi-Ceyhan was supposed to alter global oil markets forever. The 1,000-mile project has transformed the geopolitics of the Caucasus and its impact is now being felt in the vastness of central Asia.

Output is supposed to reach one million barrels a day - more than 1 per cent of world production - from an underground reserve that could hold as many as 220 billion barrels.

Its architects and investors claimed the pipeline would shore up energy supplies in the US and Europe for 50 years, protecting our gas-guzzling way of life and easing our reliance on the House of Saud.

The goal of the ambitious project, which makes its tortuous way from the Caspian in Azerbaijan, through Georgia to the Mediterranean coast of Turkey, is to ease the reliance of the West on the Organisation of Petroleum Exporting Countries (Opec) and bring cheaper fuel to our filling stations. The pipe threads its way through the region in a seemingly modest private corridor only 50 yards wide but nothing has been allowed to stand in its way. From forests to labour laws and endangered species to democracy protesters: all have given way to the costliest and most significant pipeline ever built.

The project, known as BTC, has driven a wedge between the US and Russia, triggered political unrest in the countries it passes through and their neighbours and sparked concern at extensive damage to the environment.

Since the 11 September 2001 terrorist attacks in the US, concern at the West's dependence on Persian Gulf oil has intensified. For Washington, the opening is a cause for celebration. "We view

this as a significant step forward in the energy security of that region," said Samuel Bodman, the American energy secretary, who stood next to the three heads of state at today's ceremony.

With him at the pumping station controls was the president of the tiny former Soviet republic of Azerbaijan. The BTC has allowed Ilham Aliev to become a firm friend of the West while overseeing a government condemned for human rights abuses and sitting at the head of an administration placed 140 out of 146 in Transparency International's global corruption index.

The politics of the pipeline have also changed the face of Georgia, where the battle for control with Russia saw immense US influence deployed in support of the so-called "Rose Revolution". The popular protest ushered the American-educated Mikhail Saakashvili into power two years ago. Washington's new ties with Tbilisi were amply demonstrated when George Bush became the first US president to visit the country earlier this month.

In the long-term US ally Turkey, where the pipeline crucially delivers its oil direct to the Mediterranean - bypassing the tanker-clogged Bosphorus straits, it is no accident that it does so right next to the American airbase at Incirlik.

When big oil companies turned their attentions to the potential Caspian energy reserves released from behind the collapsing walls of the Soviet Union, the region was billed as the "new Middle East". If only the reserves could be securely transported from the landlocked sea to the Mediterranean, the West would be gifted a vital alternative to the volatile Persian Gulf and the region would be freed from the iron grip of Russia, which had previously monopolised the export routes of their former Soviet satellites.

Once the Soviet empire fell, the Caspian found itself surrounded by five nation states - Azerbaijan, Iran, Kazakhstan, Russia and Turkmenistan.

The region's supply of cheap oil and key position on the historic border between the West and the East meant that countries quickly moved into position like pieces on a chessboard.

Three rival plans were drawn up - a northern route through Russia, a southern alternative through Iran and the central option through the Caucasus to the Mediterranean.

The winner could be in little doubt: the middle road was the only one which guaranteed Washington and its corporate allies a corridor of control.

The US Vice-President Dick Cheney, who was then chief executive of oil services giant Halliburton, was among the first to be swept away in the excitement.

"I cannot think of a time when we have had a region emerge as suddenly to become as strategically significant as the Caspian," he said in 1998.

Now, more than a decade and \$4bn (£2.2bn) later, almost three quarters of which came from bank loans which were underwritten by government agencies and £320m in taxpayers' money, the pipeline is open. But this chapter of what Rudyard Kipling called the "Great Game" - the secret battle to dominate central Asia - has only reached the end of its first phase.

The fanfare at the British oil giant BP's gleaming new terminal at Sangachal in Azerbaijan may yet prove to be premature.

Stripped of the American hype of the 1990s, the crude that began a very modest flow this morning is the first instalment of a reserve many analysts are now convinced is actually only 32 billion barrels - equivalent to that of a small Gulf player such as Qatar.

The game now moves to the transCaspian pipeline and to the immense plains of Turkmenistan and the political cauldron of Uzbekistan, Afghanistan and beyond.