

Hydrocarbon Resources in the Caspian Sea: Geopolitical Impacts

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Abstract

The collapse of the Soviet Union in 1991 created three new riparian states surrounding the Caspian Sea. This maritime realm is resource rich with vast hydrocarbon reserves. Russia and Iran must now come to terms with the reality that they are no longer entitled to split this body of water and its resources between themselves. Azerbaijan, Turkmenistan and Kazakhstan have rightful claims to regions within the Caspian Sea basin that contain the majority of these offshore hydrocarbon reserves. These natural resources have drawn the outside interests of Europe and the United States. The west wishes to reduce Russia's monopoly over Eurasian energy markets with the construction of a Trans-Caspian Pipeline system which would create an east to west hydrocarbon corridor. However, a legal regime for the Caspian Sea is still vehemently contested between these five states. Russia, Iran, Azerbaijan, Turkmenistan and Kazakhstan all realize that whatever legal regime defines the Caspian Sea will have a monumental affect on hydrocarbon production and transportation.

UNCLOS Zone Structure (Part II, V & XI)

- Territorial Zone - 12 nautical miles outward from coastline. States have sovereignty over this region
- Contiguous Zone- 24 nautical miles outward from coastline. States can enforce immigration & customs laws
- Exclusive Economic Zone (EEZ)- 200 nautical miles outward from coastline. Littoral states have rights to seabed resources within their EEZ
- Based on these concepts each Caspian State now has claim to a continental shelf and a 12 nautical mile territorial zone. The EEZ will be set by a median line in the center of the Caspian Sea so to avoid any overlapping claims

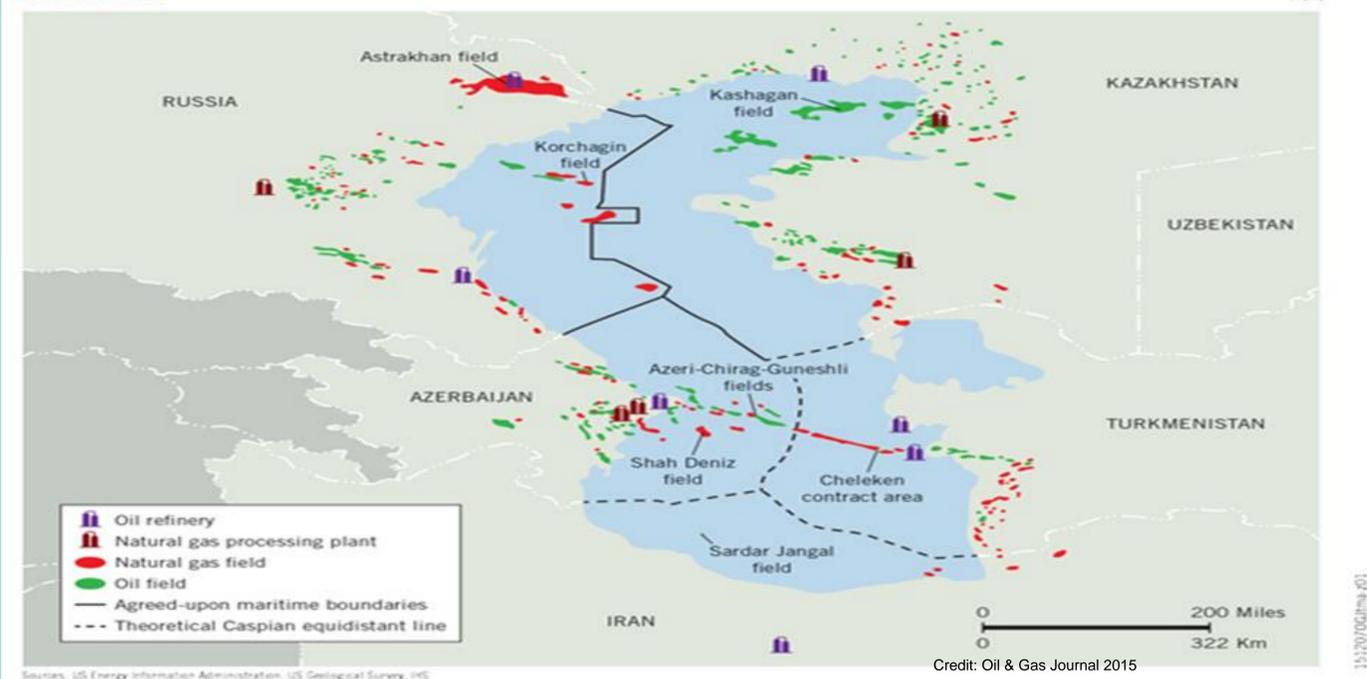
Subsea Cables and Pipelines (Part VII)

- This section of UNCLOS regarding subsea pipelines is crucial to Azerbaijan, Turkmenistan and Kazakhstan's ability to legally construct a Trans-Caspian Pipeline.
- It would allow for a subsea pipeline to be installed between Turkmenistan and Azerbaijan creating an alternate east to west corridor for hydrocarbon exports.

Caspian Sea Petroleum Infrastructure & Fields



CASPIAN SEA



Trans-Caspian Pipeline Concept & Impact

- 300 km from the city of Turkmenbasy Turkmenistan's to Baku-Tbilisi-Erzurum Gas Pipeline located in Baku Azerbaijan
- Originally proposed by the United States in 1996.
- Estimated cost is approximately \$2.5 billion dollars
- It would have the capacity to export 30 billion cubic meters of gas per year.
- It would play a crucial role in creating an "East-West Corridor"
- Would connect natural gas from states to the east of the Caspian Sea to the greater Southern Gas Corridor which transports gas into Europe via Turkey.

Conclusion

Ultimately, a legal regime which defines the Caspian as a sea under UNCLOS would benefit Europe, Azerbaijan, Turkmenistan and Kazakhstan. The most recent Caspian convention agreements indicate that Russia is achieving its goal of prolonging a concrete solution simply by throwing Iran under the bus and appeasing the rest of the littoral states with loosely defined maritime boundaries. This is Russia's tactic to distract actors away from the crucial issue at hand, which is the ability to create a subsea export pipeline, by giving in on the demarcation of territory. The Caspian Sea has the potential to service global energy needs. However, its potential to do so is being squandered by Russia. Azerbaijan, Turkmenistan and Kazakhstan must not capitulate in future Caspian Sea negotiations with Russia. From a utilitarian perspective this body of water needs to be defined as a sea. This type of legal regime will have benefits that will resonate locally with countries in Central Asia and the Caucasus as well as internationally out west.