

Ambassador Richard Morningstar
Deputy Assistant Secretary Amos Hochstein
Caspian Oil and Gas Show Joint Press Availability
June 5, 2013

Ambassador Morningstar: Let me say that I am very excited to be involved with the 20th Oil and Gas Show being held here in Azerbaijan. I am particularly excited because this is the first time I am attending as the U.S. ambassador here. I have been to many before in some of my other positions.

I am also happy to welcome my good friend, Amos Hochstein, who is the deputy assistant secretary for policy in our Energy Bureau who has come here from Washington. He is happy to also answer your questions.

Let me just say that this event I think is very important because it is the one time of year where we get companies, government officials, all sorts of stakeholders together to meet and to talk about energy and the importance of energy coming from Azerbaijan, the importance of the southern corridor, and the incredible role that Azerbaijan is playing and will continue to play in European energy security as well as world energy security.

Media: [Through Interpreter]. Mr. Ambassador, during the visit of Deputy Assistant Secretary Thomas Melia, he expressed concerns regarding the human rights situation in this country. He also made relevant statements, but it seems that the Azerbaijani government is not interested in his statements and it continues to persecute political activists. What can you say about that?

Ambassador Morningstar: What I can say is that democracy and human rights is a major part of our agenda with Azerbaijan and that it is a subject that we discuss on an ongoing basis and will continue to do so.

Media: [Through Interpreter]. As an ordinary Azerbaijani citizen, what benefit does this conference have for me?

Ambassador Morningstar: I do not know if this specific conference itself gives benefit, but I think the development of the energy sector does give benefit to ordinary citizens because it helps supply the economic growth of Azerbaijan, it helps to create jobs in Azerbaijan, and, generally, it has helped to expand the economy. When I think of what Azerbaijan was like when I first came here 18 years ago, and I see it today, I see a major difference, and a lot of that can be attributed to the development of the energy sector.

Media: [Through Interpreter]. My question is for Mr. Hochstein. Do you think that Turkmenistan will join in the Nabucco project in the future? Will the United States be able to mitigate, to minimize, the pressures of Iran and Russia?

Ambassador Morningstar: I can answer that. We have supported and we continue to support Turkmen gas going into the southern corridor through a Trans-Caspian gas pipeline. This is an issue that is being negotiated between the European Union, Azerbaijan, and Turkmenistan. We hope those negotiations will be successful, but it will ultimately be up to Turkmenistan and Azerbaijan whether to move forward with a Trans-Caspian gas pipeline. We hope that will happen at some point, and we hope that Turkmen gas can be part of the southern corridor.

Media: Mr. Ambassador and Mr. Hochstein, you mentioned that in coming weeks, the consortium will make a decision on the transportation of Azerbaijani gas to Europe. For the United States, which project will be more profitable? TAP or Nabucco?

Deputy Assistant Secretary Hochstein: As we have stated all along, throughout this entire process, what is important to the United States is that Caspian gas has the ability to make its way to the European market. It is up to the consortium and to the countries involved to make the decision about which avenue is better, the Trans-Adriatic Pipeline or the Nabucco West route. We are neutral on that question and again just focused on making sure the gas can actually make it to European markets sooner rather than later.

Ambassador Morningstar: First, let me say I fully agree with that statement, but I would also point out that both pipeline projects are scalable so that they would

be able to expand as more Azeri gas becomes available, and both pipeline projects would supply gas going into the Balkans.

Media: [Through Interpreter]. Can you please elaborate whether oil and gas development contributes to the development of democracy in our country or not?

Ambassador Morningstar: I think ultimately it helps democracy because as the economy expands, there will be, I hope and believe, more room for growth in democracy as well as in the economy. By working in the area of energy with Azerbaijan, it also allows us to raise with Azerbaijan issues relating to democracy. Nobody can convince me that if there were no energy resources in Azerbaijan or if we did not cooperate with Azerbaijan on energy that somehow democracy would be better off.

Thank you. I know the British are going to also want to answer some of your questions.

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