

Muddied Waters

The Crisis of the Legal Regime of the Caspian Sea, the Actors, and Its Impact on the Global Oil and Natural Gas Industry

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Introduction

At the United Nations general assembly in 1967 Maltese diplomat Arvid Pardo introduced the concept of the ocean floor and seabed as the “common heritage of all mankind.”¹ In delivering his motivational speech to the world’s diplomats, Pardo sought to ignite discussion and action within the international community for the protection of the world’s bodies of water. Pardo’s speech was given at a time when there was no legitimate agreed upon governing law for the seas. Countries claimed diverse nautical areas as part of their borders and clashed with neighbors for ownership. With the rapid growth in development of the ocean’s resources imminent, the international community needed legislation to control the fight for the oceans. Pardo’s speech inspired conventions to develop international law of the seas. While nations have now spent decades determining governing systems over bodies of water, one resource-rich sea remains ungoverned: the Caspian. The Sea’s growth as an oil and natural gas producing region is contingent upon the determination of its status in the realm of international law. Currently development cannot progress smoothly because until delineation issues are resolved, disputed fields cannot be developed. As a result, tensions are likely to rise and militarization will become a more pressing issue. Through an analysis of historical evidence, regional customary law, current hot-button issues, and the main great power influences, one can determine the most likely outcome and what it will mean for the region’s geopolitics.

International Law on Legal Status

The official legal status of the Caspian Sea has been a point of contention among its littoral states as well as the global oil and gas industry since the fall of the Soviet Union. The breakup of the Soviet Union increased the number of littoral states from two to five. Three new republics, Azerbaijan, Kazakhstan, and Turkmenistan, grasping for economic life in an uncertain

and often volatile region saw the resource-rich Caspian as their ticket to ensured political and economic independence. However, a complex history of legislative activity concerning the Sea left many open questions as to who was allowed access to what and under what conditions. The confused states all seemed to produce divergent historical accounts and expectations for the future.

Globally, countries claim different bodies of water on different terms. The general benchmark for control over bodies of water bordered by two or more states is outlined in guidelines set forth by the United Nations Convention on the Law of the Sea (UNCLOS) in 1982. Yet, the distinctive features of the Caspian Sea do not match the parameters that the convention defines. While it specifies rules concerning enclosed or semi-enclosed seas in Article 122 of Part IX, there is a distinction made that the sea be

“A gulf, basin or sea surrounded by two or more States and connected to another sea or the ocean by a narrow outlet or consisting entirely or primarily of the territorial seas and exclusive economic zones of two or more coastal States.”²

If the Caspian is to be considered under this jurisdiction, then the UNCLOS instructs that it be divided into sectors. The alternative classification would be to deem the Caspian an international lake. Under such a distinction, the littoral states legally need not abide by any governing rules when forming a legal regime. A legal regime, as opposed to a legal status, determines the set of rules and obligations in regards to the governed entity while a legal status defines classification under international law.³

Similar Cases

Due to the unique circumstances surrounding the status of the Caspian Sea, many scholars have argued that its legal status should be determined *sui generis* of other international

laws. Yet, even though its context, resources, and political attributes may be unique, legislation concerning bodies of water with similar features should not be overlooked entirely and may be used as a reference point for predicting the future legal landscape of the Sea. According to the Dante Caponera's 2003 book, *National and International Water Law and Administration: Selected Writing*, "Generally, if a stretch of water separates one state from another, jurisdiction over the same water (is) divided in the middle (median line), and exclusive jurisdiction (is) exercised on the respective portion of the water body."⁴ He mentions a number of cases in lake arbitration. Caponera mentions the demarcation cases of Lake Ladoga and its shift in sovereignty claims from Sweden to Russia as well as two lakes that lie on the borders of modern-day Italy and Switzerland. These two lakes, the Lake of Lugano (Figure 3) and Lake Maggiore (Figure 4) were delineated in treaties between Milan and Switzerland in 1576 and 1752 respectively.⁵

More often than not, the debates over water resources in international lakes focus on regulation of water use or fishing; not oil and natural gas. Barbara Janusz, in her 2005 briefing paper, "The Caspian Sea: Legal Status and Regime Problems", cites a September 1923 ruling by the German Empire Court in Criminal Matters to address the interpretation of enclosed bodies of water in international law. The case concerned Lake Constance which shares its shores among Germany, Austria, and Switzerland. Janusz notes that "the Court concluded that the general rule of international law did not support the notion of condominium."⁶

Another case in international law that Janusz mentions is the International Court of Justice's case between France and Spain over Lac Lanoux in 1954. In this case Spain argued that France's use of the lake's natural resources, in this case water, went against the rights of Spain to the same water. The Court concluded that one state did not have the right to interfere with another's use of resources under its sovereignty. It argued that cases of condominium in

international law do occur, but they are the exception.⁷ These rulings support claims for the delineation of the Caspian.

Historical Legislation

The classification of the Caspian Sea will determine the legal regime on a spectrum between the polar opposites of condominium or joint sovereignty and delineation. A condominium or joint sovereignty regime would entail all five countries equally splitting revenues from any resources on the Sea. A delineated regime would mean specific territorial borders in which a country could claim ownership over the resources it section contains. International cooperation and decision-making concerning the Caspian can be traced as far back as 1729 in the Treaty of Resht between the Russian and Persian empires.⁸ Although the decisions of this treaty may not be significant to the evolution of legal status discussion, its existence serves as evidence of how deep-seated this dispute is in the region. During the 19th Century the first significant steps were taken that showcase the historical discourse over regime debates. This took place with the Treaty of Golestan in 1813 which affirmed equal access to commerce but prohibited Persian naval ships on the Caspian.⁹ This century also saw the later Turkmenchai Treaty of 1828 which added the land boundary of the states.¹⁰ The latter specifies a boundary for the two states that ends at the water's edge, signifying no intention to delineate the sea. The next important Treaty comes in 1921 from a newly Bolshevik Russia and Persia. The treaty of Friendship granted both powers naval rights and, for the first time, hinted towards delineation. Following the signing of this treaty in February, in October the Russian Soviet Federative Socialist Republic was granted the right to fisheries in the Southern Caspian through a 25-year joint venture with another Persian fishing company. Although there was no specific delineation

as a result of this treaty, because Iran, up until 1993, continued to “grant” fishing concessions off the Southern Caspian coast a delineation-norm is implied.¹¹ The next two treaties, the Treaty of Establishment, Commerce and Navigation in 1935 and the Treaty on Commerce and Navigation in 1940, granted both states the right to fish up to 10 miles from their respective shorelines. However, beyond the 10 mile limit, the waters were considered condominium in terms of commerce. The second treaty went further to restrict the rights to navigate the sea to only the two littoral states. It even forbade foreign nationals from working as crew on ships. A related agreement in 1954 hinted towards a shifting attitude towards demarcation. The Astara-Hasankuli line did not divide the Sea but did create an administrative border for the countries which was later used in aviation as the line to determine flight paths.¹²

An agreement which was later a source of contention was reached in the early 1970s when the U.S.S.R. Ministry for Oil and Gas Industry decided to divide its portion of the Sea, in accordance with the Astara-Hasankuli line, into economic zones among its own states (See Figure 2). This meant that Russia, Kazakhstan, Turkmenistan, and Azerbaijan had the right to develop fields in their respective sectors.¹³ However, they did not have the right to market the resources they produced; all natural resources belonged to the Union at large. It is clear that the Soviets would sell the oil that came from Azerbaijan at a fraction of its worth. To further swindle Azerbaijan, the Soviet government would pay them in rubles for the oil they had received hard currency for. The Soviets would discount the exchange rate of the rubles, therefore paying Azerbaijan far less than the market-value of their oil.¹⁴

The status of the Sea prior to the dissolution of the Soviet Union paints a pretty stable picture of the progression of legal regime of the Sea. Yet, when the Soviet Union dissolved and three new states were introduced into the geopolitics of the region, the picture became much

more blurred. According to the Alma-Ata decision of 1991 and the Memorandum on Mutual Understanding on the Issue of Legal Succession in Relation to Treaties of the Former U.S.S.R. which all succeeding countries signed, treaties made by the U.S.S.R. were meant to be upheld by the constituent states.¹⁵ Confusion resulted as these states determined different approaches as to which treaties should be upheld.

Regional Customary Law and Preferences

In order to predict the effects of delineation among littoral states on the oil and natural gas industry, one must first predict how the Sea will be divided. To do so, historical evidence should be investigated alongside the actions and motivations of states after 1991, which constitutes the region's customary law. Bilateral agreements since 1991 are also important to take into account when analyzing specific state preferences. The first agreement of this kind came in 1996 between Azerbaijan and Kazakhstan. It focused on the sectorial division of the Sea based on international law concerning an enclosed sea supporting the delineation of nautical territory as well as the seabed resources. In similar fashion a year later, Kazakhstan and Turkmenistan also agreed to delineation along the median line (refer to Figure 2). Russia who at first advocated for condominium signed bilateral agreements with Kazakhstan and Azerbaijan, in 1998 and 2001 respectively, to adhere to territorial borders along an adjusted line.¹⁶

Azerbaijan

In an article published in autumn 2000 by *Azerbaijan International* Khoshbakht B. Yusifzade, Vice President of the State Oil Company of the Azerbaijan Republic (SOCAR), stated that the company's actions "have always been based on the sectorial division of the Caspian as determined in 1970 by the Ministry of Oil Industry of the former U.S.S.R."¹⁷

Azerbaijan's coastal city of Baku had been the jewel of the Caspian oil industry since first extracting its abundant natural resource over a century ago. In 1991, oil companies were frantic about getting their hands on the Caspian Sea, which had been off-limits under Soviet rule and was now being viewed as the potential "new frontier" of oil production. Azerbaijan was the natural place to start. The infrastructure in place would make the launch of Caspian Sea exploitation quicker and easier. In fact, Roland Sinker mentions in his article *The Management of a Transboundary Resource: the Oil and Gas of the Caspian Sea* that in September 1991 Azerbaijan's President Ayaz Mutalibov stated: "we need to undertake a radical modernization of this sector (oil) of the economy and, we are fully aware that we will need foreign capital to do so."¹⁸ With this declaration, he highlighted how vital oil revenue was to the newly independent state and emphasized the need for foreign investment.

Prior to this statement, in June of that year AMOCO had reached an agreement with Azerbaijan to develop the Azeri oilfield. In September of the next year, BP and Statoil signed an agreement to develop the country's Dustlof field at a price of \$1.5 billion. In October Ramco and Pennzoil, along with the Azerbaijani off-shore oil company Azerineft, were granted the rights to develop the Guneshli field.¹⁹ Yet, when a new government came to power in 1993 under the leadership of the high-ranking ex-communist official, Heyder Aliyev, there were significant changes in the direction of the country. Aliyev began his political career in the local KGB in Azerbaijan, but later rose to power to become one of the most powerful people in the Soviet Union. After a disagreement with Mikhail Gorbachev, Aliyev was banished from Moscow as well as Baku. He spent many years as a recluse in a remote region of Azerbaijan before returning to politics in the early-1990s, refocused on his concept of government. Aliyev, whose new political ideology would characterize him as an Azeri-nationalist, believed oil and gas production

were Azerbaijan's key to political and economic independence. Unsatisfied with the oil agreements reached thus far by the new Azeri government, he announced that there would be a re-working of the concessions. In his new proposal the Azeri, Chirag, and Guneshli fields would henceforth be lumped together as a single field. This massive field was located 75 miles offshore very close to the Caspian's median line dividing Azeri and Turkmen claims.²⁰ Today, this conglomerate oil field is considered to be the world's third-largest.²¹

It wasn't until September 1994 that a deal was struck that was so complex and uncertain that it was dubbed the "deal of the century."²² The external signatories of this deal became the consortium known as the Azerbaijan International Operating Company (AIOC) and signed along with the Azeri state oil company: the State Oil Company of the Azerbaijan Republic (SOCAR).²³ The deal's signatories were: BP, Amoco, Lukoil, SOCAR, Pennzoil, Unocal, Statoil, TPAO, McDermott, Ramco, and Delta Nimir. BP received the largest share at 17.1% followed closely by Amoco at 17%. SOCAR and Lukoil, the companies representing Azerbaijan and Russia respectfully, both received 10%. In total, 6 countries were represented in the deal.²⁴

Azerbaijan's actions since its very early days as an independent state demonstrate a clear preference for dividing the sea into sovereign borders. Recognizing the wealth of natural resources it is sitting atop of, Azerbaijan understands how pivotal revenue from oil and gas could be to its economy. Throughout history, the nation of Azerbaijan has rarely been independent. Constantly subject to Turkish, Persian and Russian rule, Azerbaijani's know that maintaining the independence they now have is crucial. If, as Heyder Aliyev saw it, oil is the means to that end, Azerbaijan must be sure that the commodity is safely under its possession. It has no intention of being too reliant on other states, as a regime of condominium would suggest, and prefers to be the sole proprietor of its wealth and future.

Kazakhstan

Kazakhstan holds a similar inclination as to the regime of the Caspian Sea. Yet, it doesn't have any ongoing disputes over fields along the median line like Azerbaijan does as explained later. The status of its only field along the median line was resolved peacefully with Russia long ago. Historically, Kazakhstan has not had a presence as an oil and natural gas producer in the world market. In fact, it wasn't until 1985 when spy satellites spotted an explosion in one of the darkest corners of the Soviet Union that the rest of the world realized oil existed there.²⁵ The well that caught fire belonged to the Tengiz oil field, considered to be the fifth largest oil field in the world. In 1990 a consortium of U.S. companies came together to invest in the exploration and development of the field.²⁶ The Tengiz field is not an entirely offshore field; it lies in wetlands on the shores of the Caspian. Yet, it is important to the discussion of delineation of the Sea. How Kazakhstan handles its major onshore fields speaks to its infrastructure capabilities to develop and export its offshore fields as well.²⁷

In the offshore spectrum, Kazakhstan's section of the Sea is estimated to contain at least 14 billion barrels of oil.²⁸ Evidence of Kazakhstan expressing sovereignty over "its" portion of the Sea can be found in the Kashagan field. This field lies an entire fifty miles offshore and was one of Kazakhstan's first offshore operations after independence. Oil was struck in this portion of the Northern Caspian by a consortium of Western companies that began exploring for oil in 1997. The consortium developing the field is the Northern Caspian Operating Company (NCOC) and is led by: KazMunayGas (KMG) (Kazakhstan's state-owned company), Eni, ExxonMobil, Shell, and Total, each holding 16.8%. The field has proved to be one of the hardest to produce to date due to the low quality of the oil extracted along with the challenging climate and transportation conditions. The timetable for the first phase of production was pushed back until

2013 from the original startup date of 2005. Phase II is predicted to start production in 2020. Yet, current transportation infrastructure is not prepared to handle the increase in outflow from the second phase of production of the Kashagan field.²⁹ In order to successfully export its production to world markets Kazakhstan and the consortium companies will have to build additional transportation infrastructure which will drive up the cost and timetable involved in the development of this lucrative field. The field has great potential as the “largest single oil field discovered since 1968.³⁰” Yet, as recent efforts indicate, it also faces many challenges.

Since independence, Kazakhstan’s oil exploration has mainly been focused on onshore production, evidence of its offshore concessions, agreements with Russia concerning disputed fields, as well as recent treaties make its preferences clear. Kazakhstan prefers delineation of the Caspian Sea along the median line, leaving sovereign sections for littoral states to explore and develop. Yet, the atmosphere of the oil industry here is much different than that of Azerbaijan because it is not as focused on distancing itself from the dominant countries in the region to ensure independence. Because of the geography of Kazakhstan to the West and political obstacles to the South, it is difficult to imagine export routes that don’t rely, at least in some respects, on Russia. In addition, the major field that lies on the sea-border with Russia, Kurmangazy, necessitates Russo-Kazakh cooperation for development. While oil wealth will guarantee Kazakhstan formidable economic independence, compared to Azerbaijan’s ability to avert Russian dominance, the Kazakhs must maintain a stable relationship with their neighbors to the North.

Turkmenistan

Meanwhile, Kazakhstan's neighbor to the South, Turkmenistan, has never exhibited a consistent outlook concerning its preference of legal regime over the Caspian Sea. Many factors have contributed to Turkmenistan's shallow position on the legal regime issue and its apathetic attitude to the development of its oil and natural gas industry. Turkmenistan's unrealized potential as the "fourth-largest holder of conventional natural gas resources in the world"³¹ can mainly be attributed to its inefficient government. Until his death in 2006, Turkmenistan's radical leader Saparmurat Niyazov had led the country with a cult-like ideology that inhibited the development of an export-oriented industry. One example of the inefficiency under Niyazov's rule is that the country was known to sell the same product to multiple buyers.³² Investors were hesitant to invest in a state that was so poorly-run. Lacking foreign capital for exploration, not much has been done in what is considered the Turkmen sector of the Caspian Sea.

In addition, Turkmenistan's failure to diversify the markets for the oil and natural gas which it exports to has left Turkmenistan reliant on Russia. The relatively ancient infrastructure leftover from Soviet times remains the country's only real export routes. Attempts to create pipelines such as the Trans-Afghan Pipeline (TAP) and the Central Asian Oil Pipeline (CAOP) in the 1990s were extinguished because of the routes' reliance on an increasingly unstable Afghanistan as well as continued non-cooperation between conflict-prone Pakistan and India. The United States government and many of its companies refused to support a pipeline that went through volatile areas, subject to the threat of terrorism and exploitation for political means.³³ Turkmenistan's inconsistent position towards the legal regime of the Caspian Sea makes predictions for their future positions difficult to decipher.

Russia

For centuries the dominant power in the region, the new-Russian state had an interesting hand to play after the dissolution of the Soviet Union. Russia's reaction to the shifting geopolitics in the region is evident in its own transformation of opinion in regards to the governing legal regime. After the break-up, Russia initially advocated for the provisions made in the Alma-Ata Declaration, that all previous treaties and agreements must be upheld by succeeding states. Yet, they argued that a two-way border between Russia and Iran, as alluded to by the Astara-Hasankuli line, never existed. Because the inclination in earlier treaties between Russian and Persian states had been towards condominium, Russia began by supporting such a regime. Further, Russian officials realized that the significant oil fields that existed at the time would not be considered part of Russian territory if boundaries on the Sea were to be drawn. In their article *The Caspian Sea: Quest for a New Legal Regime* authors Sergei Vinogradov and Patricia Wouters summarize the early position of the Russians by stating that the Caspian "as territory beyond national jurisdiction, the legal regime of which has to be decided by all (the littoral states), proceeding from the premise that they have equal rights to it utilization."³⁴

However, as time progressed the Russian position began to waver. Russian companies began to affirm the position of other states by purchasing portions of concessions to sections of the Sea that other littoral states claimed sovereignty to. For example in Aliyev's "deal of the century" the Russian company, Lukoil, purchased 10% of the ACG field. Evidence of Russia's transitioning attitude can be found in its 1998 bilateral treaty with Kazakhstan. This treaty was built off an initial agreement in 1996 that focused on the Sea's division between the countries of Azerbaijan and Kazakhstan.³⁵ Since 1997 Russia has expanded from this position. In a speech at the Third Caspian Summit in 2010 Russian President Dmitry Medvedev described his country's

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current preference for delineation. “I believe that today the ‘Caspian Five’ has come close to resolving the key matter: determining the width and the operation of national maritime zones.³⁶” By asserting that “zones” exist on the Caspian Sea, Russia provided key insight to its preference for legal regime. However, he also made it clear that there be no unilateral actions taken in regards to the Caspian, whether it is the seabed resources, fishing, or military activity saying, “It would be inadmissible for any party to take unilateral steps that could disrupt the existing balance or complicate or frustrate the efforts toward the new convention.³⁷” One can conclude that it is likely Medvedev stressed his opposition to unilateral action in an attempt to maintain the former status quo of the Caspian, one of Russian dominance and sever alliance tendencies between other states and the West.

Iran

The other historical presence on the Caspian Sea, the former Persian Empire and now Iran, has been in support for what it calls a “fair” agreement in two different forms. Initially, this meant a regime of condominium. However, recently they have advocated for an “equal-share” divide. One must investigate the possibility of a deeper root to Iran’s desire for joint sovereignty of the Caspian.

Throughout recent history, Iran has never taken too much interest in the exploration and development efforts of natural resources in the Southern Caspian Sea. There are several factors that have contributed to the lack of exploration. First, the seabed is much deeper in Iran’s region of the Caspian. Therefore, extraction requires advanced technology and can be very costly. Low on foreign capital, due to U.S. sanctions, Iran may not be able to develop the technological capability to cultivate deep-water resources. Second, Iran is currently the second-largest

producer for OPEC and already has proven reserves of 151 billion barrels outside the Caspian³⁸. Sufficient onshore resources make it improbable that Iran would spend much to explore possible offshore fields any time soon. In fact it was only in a May 2012 article that *Bloomberg* journalists, Ladane Nasserri and Ayesha Daya, reported that “Iran has discovered oil in its Caspian Sea waters for the first time in more than a century.³⁹” A preference for joint sovereignty would best serve Iranian interests because they would have to contribute less towards development and still reap the rewards. The high cost of development in the deep South Caspian is contrasted by operations at shallower depths under what would be the territorial boundaries of other states. Yet, Iran too has seen expansions from its initial core preference.

After having its propositions towards condominium be rejected multiple times by other states, Iran has now proposed an alternative in order to further its own interests. Citing the definition of legal status as a lake, Iran proposed equal division amongst the five littoral states rather than a division according to coastline length and median line (refer to Figure 2). Essentially, this division would satisfy the inclination of other countries towards delineation but increase the Iranian slice of that pie.⁴⁰ While under the median line and coastline length proposal Iran only receives 13% of the Sea, under the new version it is suggested Iran would receive access 20% of the Caspian and to the disputed Alov field with Azerbaijan (refer to Figure 1).⁴¹

While historical legal regimes concerning the Caspian Sea have been in favor of condominium and joint sovereignty, customary law since the fall of the Soviet Union and recent claims by littoral states suggest a future agreement for the division of the Sea will create territorial borders. These new borders will be formed where countries extend out from their coastline to meet the median line on the Sea. Even the most stringent advocate for condominium, Iran, has shown signs of conversion. Perhaps the point of contention impeding a swift resolution

will be the provision for a multilateral presence when making decisions concerning sovereign portions of the Caspian. This provision is made most vocal by the Russian and Iranian states out of fears of too much Western influence in the Caspian. However, states that oppose it stress that the ability to make unilateral decisions is a component of their independence. They see the provision as an effort of Russia to, once again, seek control over their political and economic decisions.

Disputed Territories

Along with disputed territorial claims come disputes over ownership of certain fields that lie on proposed boundaries. The current climate of the Caspian Sea features both ends of the spectrum; both peacefully resolved disputes in the case of Russia and Kazakhstan and those unresolved in both Azerbaijan and Iran, in the case of the Alov field, and Azerbaijan and Turkmenistan with the Azeri, Chirag and Kapaz fields.⁴² Each situation must be analyzed in order to predict the effects on future negotiations. In terms of the resolved issues it is important to not only note how they were resolved in order to produce a framework but also how each country's influence was represented in the final product. Where negotiations have failed and fields remain disputed, one is able to predict how they will be resolved and the effect a resolution will have over Caspian geopolitics.

Between the agreed territorial border of Russia and Kazakhstan lie three offshore oil fields, Kurmangazy, Khvalynskoye, and Tsentralnaya (refer to Figure 1). In the 1998 bi-lateral treaty between Russia and Kazakhstan they agreed that the Kurmangazy field be considered under Kazakh domain and the two more southern fields under Russia control. However, the signing of the May 2002 protocol between Presidents Putin and Nazarbaev put the cooperative

development of these fields into motion. The development of the Kurmangazy field is a testament to international cooperation. The consortium produced from the signing of this protocol combined Kazakh and Russian companies leaning slightly in Kazakh favor. The Khvalynskoye and Tsentralnaya fields, according to the 1998 bilateral treaty, are under Russian sovereignty and have been more slowly developed. However, they are controlled by the joint concession to oil companies from each state, as stipulated by in the 2002 protocol. The one possible point of contention lies in the sluggish development of the two fields. Kazakhstan asserted in a 2005 diplomatic note to Russia that it did not feel as though Russian companies were developing the fields in a timely-enough fashion. From the Russian perspective, specifically that of the Russian company Lukoil, development of Caspian resources is not too high of a priority. Russians have enough onshore oil and gas fields to satisfy their needs at the time being and have not been too aggressive to conquer the Caspian reserves that they know they will have in the future. Kazakhstan, on the other hand, sees its Caspian field's development as a more pressing issue. This case shows that even in peaceful resolutions, influence points can be played that put one state at more of an advantage.⁴³

Between the Azerbaijani and Turkmen borders there lay three disputed fields. The first two, Azeri and Chirag are a part of Azerbaijan's "deal of the century" ACG field. Turkmenistan claims that these two sections of the larger field reside in waters belonging to Turkmenistan. Because progress on these fields has already begun, Turkmenistan has suggested that Azerbaijan compensate Turkmenistan in a sort of long-term lease agreement and paying for the years the field as already been in operation. Yet, this proposal has garnered no response from Azerbaijan who claims that the fields are, in fact, in its own territorial waters. As the maps in the Appendix show, the answer to this dispute lies solely in a determined legal regime of the Sea. As displayed

in Figure 2 the fields would be under Azerbaijani control if the median line, supported by Azerbaijan, Russia and Kazakhstan, were to delineate the Sea, but not only if the proposed Turkmen border counted.⁴⁴

The development of the disputed Kapaz field, or Seder field in Turkmenistan, is still ongoing. It began in 1997 when Azerbaijan first announced plans to develop the field. Immediately Turkmenistan denounced Azerbaijani plans and claimed that the field lay in Turkmen waters. A continuous game of diplomatic tag to arrange negotiations culminated in 2009 when, feed-up with the drawn-out dispute, Turkmenistan announced its intention to bring the case to the International Court of Arbitration.⁴⁵

The most ominous dispute is the case of the Alov field in the Southern Caspian. In almost all proposals of delineation the Alov field falls safely under Azeri domain. However, from the Iranian perspective of an equal division of 20% amongst all littoral states, Alov falls directly on the border. The dispute began in the summer of 1998 when Azerbaijan finalized the concession of the field to a consortium Western companies that included BP. Similar to its disputes with Turkmenistan, when Iran objected to the concession and called for Azeri initiatives to terminate, Azerbaijan ignored the objection. To combat the exploration by Western companies, Iran initiated its own negotiations with the help of Shell, among other outside companies. In July 2001 when Azerbaijan objected to Iranian exploration in what it considered to be its portion of the sea, Iran responded by sending a warship and warplanes to threaten Azeri ships. Following this harrowing incident BP left the consortium and the two countries resolved to halt further exploration until an official regime was agreed upon.⁴⁶

While the peaceful resolution of Russia and Kazakhstan may be viewed by many as the ideal framework for negotiations over disputed fields, the effects of power disparities in

negotiations does not produce to the optimal outcome. It is clear from relaxed progress of the two southern fields that are technically under Russian jurisdiction, the Russian stance is likely to prevail despite the opposition its partner, Kazakhstan. This situation suggests that in future dispute negotiations a framework be developed to lessen the likelihood of an outcome with power disparities. Although the Russo-Kazakh agreement may be hampered by the sluggish development of the lower fields, the example of the Kashagan field is a positive one to build from.

Perhaps instead of combining joint development projects with specific sovereignty claims, countries choose a more consistent path. The first option would be to jointly develop a formerly disputed field while acknowledging the fact that the field resides under no single jurisdiction. In this case jurisdiction would belong to a combination of the two states, as seen in the neutral zone between Saudi Arabia and Kuwait. Arguments against condominium in this case would be less likely because there would only be two states involved, instead of five. The other option, which is less likely to be supported by states, would be simply to concede a disputed field, perhaps in exchange for compensation in another arena such as pipeline agreements.

Militarization

The case of the disputed Alov field alludes to the topic of militarization on the Caspian. Movements toward militarization could have a significant impact on development of oil and gas fields due to the response of both internal and external forces. The Caspian could easily fall prey to the threat of resource nationalism. In their article titled “Energy Nationalism Goes to Sea in Asia,” Gabe Collins and Andrew S. Erickson define the threat of energy nationalism in this way:

“Energy nationalism describes a situation in which governments seek assertively to obtain and protect energy supplies, employing tactics ranging from augmented

diplomatic and financial support for acquiring oil and gas reserves to using military posturing and action to secure resource deposits and protect supply lines...⁴⁷”

This interpretation of energy nationalism can be aptly applied to a possible intensifying atmosphere in the Caspian where decisions concerning claims to resources dictate relations between neighboring nations. As new fields continue to be discovered, the absence of a legal regime to govern seabed resources will increase the possibility of countries utilizing military means to achieve their goals. Also, the abundant foreign capital flowing into these oil and gas producing countries in the last two decades have given governments the necessary funds to buy arms.

Evidence of a potential road to war in the region can already be seen as states make efforts to increase naval capabilities. According to *Foreign Policy* magazine, although formerly straggling behind its neighbors in the race for arms on the Caspian, Azerbaijan has recently utilized in close ties with the United States Navy to build its own navy. The U.S. is interested in promoting Azeri security by training the Azeri military. Although often the outlier in regional developments, Turkmenistan has also been building up its military capabilities. It has done so in recognition of possible escalations in its conflicts with Azerbaijan. With Russian help, forces Kazakhstan’s naval capabilities are also increased. In 2012 Kazakhstan launched its first missile boat.⁴⁸

Iran is farther ahead militarily than both Azerbaijan and Kazakhstan and is second only to Russia. In his article, *Foreign Policy*’s John Kucera warns of Iran’s rapid military growth saying that, “Iran has built up its navy on the Caspian from nearly nothing during the Soviet era to a force of close to 100 missile boats, two of which are equipped with Chinese C-802 anti-ship missiles.⁴⁹” It is easy to conclude that Iran began to build up its Caspian arsenal in the post-Soviet era because it recognized that the shifting geopolitics of the region could be a serious

The Second “Great Game”

threat. Russia’s naval fleet on the Caspian is still ahead of all other littoral states. Remnants of the Soviet Caspian Fleet left Russia with a solid base for when they started to rebuild their arms. In fact, it was their arms rebuilding that ignited the arms race with its Caspian neighbors.⁵⁰ In 2004, Mevlut Katik quantified Russia’s formidable naval force on the Caspian (see Figure 5). She reported that Russia’s Caspian fleet, based in the Caspian’s coastal cities of Astrakhan and Makhachkala encompassed about 40 naval crafts and 20,000 personnel.⁵¹

The combination of a security dilemma-induced arms race with the volatile nature of energy nationalism is a recipe for disaster. An agreement on the legal regime of the Caspian and its resources would provide for de-escalation and the normalization of political and economic relations. This is one of the reasons why internal states as well as external influencers should push for a resolution to the legal status and regime of the Caspian Sea.

The Second “Great Game”

Daniel Yergin cites Rudyard Kipling for popularizing the early use of the same phrase when he declares the imminent battle over the claiming of Caspian resources the “Great Game.”⁵² However, he is incorrect in his suggestion that the biggest battle to be fought in the Caspian Sea region will be for ownership of its natural resources. Rather, the most interesting battle will be for regional influence and access to key markets. Almost all major markets have shown an interest in making their presence known in this arena. The battle is likely to essentially be a battle between three prominent powers: the United States, China, and Russia.

The United States

As the world’s predominant Western power, the potential influence doled out by the United States is enormous. Yet, is the Caspian Sea the setting in which the United States will

choose to wield that influence? The possible vastness of Caspian Sea resources does suggest the possibility for diversification of production for the United States. Ambassador to Azerbaijan, Richard Morningstar, in testimony before the Subcommittee on Europe and Eurasia of the House Committee on Foreign Affairs as Special Envoy for Eurasian Energy in 2011 outlined the three key components of U.S. strategy in the region. In his first key point Morningstar states that the United States encourages greater exploration and development of the Caspian Sea’s oil and gas. He does specify, however, that increased production from the Caspian would not go to American markets. The U.S. acknowledges that Caspian oil will most likely serve the needs of their European counterparts. Yet, in doing so, Caspian production will increase the world’s aggregate supplies and the resources that would have gone to Europe could now be utilized by the United States. From this key point one can assume that the export routes of Caspian oil and gas advocated by the U.S. will be directed towards European markets rather than creating an extensive transport system to the U.S. Morningstar says the second component to U.S. strategy, is the diversification of sources as wells as supply routes that feed European markets. This diversification of routes will serve the recipient states in terms of energy security but will also benefit the consumer by increasing the commodity’s competitiveness on the market and keeping prices down. The third component of U.S. strategy runs parallel to the second. In promoting diverse export routes, producing countries too, will benefit from a more competitive market.⁵³ In satisfying this third component, the U.S. can ensure for producing countries that “they can increase in competition for their resources, demand a fair price, and create strong links to the global economy. These countries should also be able to make their own independent choices regarding how they deal with energy resources.”⁵⁴

The major success of U.S. diplomacy in the region came in the construction of the Baku-Tbilisi-Ceyhan (BTC) Pipeline as the main export pipeline for Caspian resources. The route started in Azerbaijan's coastal Caspian capital city of Baku, headed northeast to Georgia in order to avoid the Armenians who were prone to conflicts with Azeris, then south towards the Mediterranean, meeting the sea at the Turkish port city of Ceyhan. Alternate propositions would have favored the Russians or Iranians. The Russian route would have gone north to the Black Sea but ran the possibility of encountering a bottle-neck at the Turkish Bosphorus Strait. Another option would have been a swap with Iran. In this option oil would be delivered from the other Caspian states to Iran's northern ports, used in Northern Iran, and delivered back into the hands of companies in an equal amount of Iranian oil exported out of the Persian Gulf. The American plan offered Azerbaijanis the independence from their northern and southern neighbors that they desired and avoided the areas of prominent concern: the Bosphorus and the Persian Gulf. Winning the B-T-C route for Azerbaijan meant that the United States also won Azeri loyalty. Having the support of one of the five littoral states on the Caspian was an excellent spring-board for advancing U.S. interests in the Sea.⁵⁵

Today, the key focus of the U.S. on the Caspian has been the Southern Corridor. Their main pipeline possibility for bringing Caspian resources to Europe has been the Nabucco Pipeline. The Nabucco is one of three pipeline consortiums; the other prospects being the ITGI and the TAP groups. In the short-term the Nabucco will bring Azeri gas originating in the Shah Deniz field through Turkey to needy European markets. However, its long-term survival is dependent on the abundant gas fields of Turkmenistan.⁵⁶ In 2008 John Kucera reported that the U.S. presence in the Caspian had begun to make efforts to convince the new President of Turkmenistan, Gurbanguly Berdymukhamedov, to support U.S. companies operating to develop

Turkmen gas fields. The companies would only be able to provide the funds necessary to build the pipeline if access to gas was certain.⁵⁷

In this case the U.S. established a framework in which it would attempt to convince Berdymukhamedov. First, the U.S. made the argument that “American companies have better ecological records and better practices of training local works than does the Russian state-controlled gas company Gazprom.⁵⁸” In an attempt to not frighten Turkmenistan of the infiltration of Western interests, the U.S. suggested that while the state-run companies of Russia and China are susceptible to the political objectives of the state, American companies are driven by financial objectives and are not as likely to act as a puppet to sponsor-country concerns. With the exception of a dispute between Turkey and Azerbaijan over pricing, progress towards the Nabucco Pipeline has run smoothly. In a July 14, 2009 article by the Eurasia Daily Monitor, author Saban Kardas states that prior to the signing of the Nabucco Intergovernmental Agreement in Ankara, “Turkmenistan's President Gurbanguly Berdimuhamedov expressed his readiness to export gas through Nabucco.⁵⁹”

China

A quickly developing Caspian Sea regional neighbor to the East, China’s interest in the Caspian region is clear. Chinese prospects in the region feature littoral states that border Western China and with potential resource wealth so highly projected, this burgeoning resource-rich region is an easy magnet for Chinese foreign policy. In terms of energy sources, China has consistently focused on establishing ties with countries that Western states refuse to build connections with. For example, they have maintained ties with Iran, Sudan, Uzbekistan and Venezuela while most other developed countries have attempted to distance themselves diplomatically. In doing so, China has navigated the loophole in a system where Western

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countries try to restrict Chinese access to energy sources.⁶⁰ This was the case in May 2003 when the China’s offshore oil producer, China National Offshore Oil Corporation (CNOOC) attempted to gain access to the development of one of Kazakhstan’s largest oil fields, the offshore Kasahgan field. CNOOC agreed with BG Group in March 2003 to buy half of the Group’s one-sixth share in the consortium to develop the fields. Later, the China National Petroleum Corporation (Sinopec) agreed to purchase the other half of the share. However, before the Chinese bids were finalized, they were blocked by the other members of the consortium. The other members blocked the bid by each increasing their own shares in the development.⁶¹ This incident reinforces the claim made by Zha Daojiong in his article “China’s Energy Security: Domestic and International Issues” that “the strategic question for Beijing is where Chinese oil companies can go to avoid either political or business obstacles, or both, put in place by the international community.⁶²” Daojing forecasts China’s key concern for the future as its exponential growth in consumption but lack of progress over energy efficiency.⁶³ Production of resources from the Caspian region to mitigate Chinese demand, although minimal at the present time, could be substantial in the future.

As consumption grows in China, so does the concern for maritime security. Yet, China has access to surface oil and gas imports via the Atasu-Alashankou Pipeline from Kazakhstan, as well as a Russian pipeline currently under construction meant to deliver Russian resources from Siberia (refer to Figures 6A and 6B). The route from Kazakhstan is the only current overland pipeline into China. Beginning construction in 2002, it was funded by the China National Petroleum Corporation (CNPC) and is operated jointly between Chinese and Kazakh state-owned companies. The pipeline allows all countries involved to diversify their oil portfolio.

However, due to conflicts over pricing between Kazakhstan and China, the pipeline is usually run at a level below capacity.⁶⁴

Russia

We have repeatedly discussed littoral states’ efforts to counter Russian dominance. Yet, Russia’s control over much of the existing infrastructure cannot be ignored. Relics of the infrastructure built during the years of the Soviet Union are still a major factor in the development of Caspian oil and gas. In the case of Azerbaijan, although the country seeks to establish a geopolitical balance with less Russian dominance, it recognizes the need to appease Russia now, while in the grand scheme of politics the state is still in its infancy. It recognizes the need to appease Russia at least for the time being. For example, when negotiating which route was best for that so-called “Early Oil” would take out of Azerbaijan in the 1990s, the country’s reputation in front of Russia needed to be considered. President Heyder Aliyev, who had been a former high-ranking Soviet official, knew how sensitive officials in Moscow could be. Yergin states that the President’s attitude was that “Nothing should be done to alienate the Russians... it was too risky.”⁶⁵

At the Third Caspian Summit in 2010 Medvedev proclaimed a warning against third-party intervention in the affairs of the Caspian states. He stated, "If at some point we allow our interaction to lapse, these issues will be taken up by other states that have no relation to the Caspian Sea but who are interested in making a presence in the region to address their own economic and even political problems."⁶⁶ This proclamation is a clear jab at both American and Chinese interests in the region. Russia has professed its staunch opposition to outside influence in this enclosed body of water and has shown since the fall of the Soviet Union that it will go to great lengths to maintain its position.

Model for the Measurement of Influence

Taking into account the actions and interests of the three great powers involved in the region, the United States, China and Russia, a model can be proposed to measure the weight of their influence. In this model one must first consider each state’s ability to secure routes to desired markets under their desired terms. For the United States this means the Nabucco Pipeline but even before that, the figurehead of its diplomatic success, the Baku-Tbilisi-Ceyhan Pipeline. The U.S. initial diplomatic victory and progress in its next venture speaks to the ability of the United States to project an appropriate amount of influence to the region. China’s ability to construct a pipeline to the Caspian through Kazakhstan as well as open negotiations to feed in additional resources to the pipeline from Russia attests to its ability to create bilateral agreements with its neighbors. However, the question remains whether China would be able to project its influence further unto the remaining littoral states. As for the Russian case, since 1991 it has succeeded in creating two new pipeline routes to feed into its extensive existent infrastructure. The first was the “Early Oil” path from Azerbaijan and the second the Caspian Pipeline Consortium with Kazakhstan. In 1999 the conflict between Russia and Chechnya shut down transport over the “Early Oil” pipeline. This incident serves as evidence that Russian pipeline projects since the Union’s dissolution have not always been secure.⁶⁷ Yet, as countries grow more independent and construct export routes excluding Russia, as in the B-T-C and Nabucco, its influence may began to wane. Therefore, in terms of the ability to secure export routes, in the near future the United States will be considered the winner. Although in the past this area of measurement may have favored Russia, the expected success of Nabucco will launch the United States ahead. China has established a solid footing in this arena but at this stage, still falls short of the United States and Russia.

The second measurement for influence in this model would be the success of investment in exploration and development. American and other Western companies, quick to jump at the prospect of a “new frontier,” may always lead the way in exploration. With seemingly boundless financing capabilities, they are an easy source of foreign capital. They were some of the first country’s to invest in the opening of Tengiz in Kazakhstan and in Aliyev’s “deal of the century.”

The loser in this realm is China. From the incident concerning the Kasaghan field one can conclude that prospects for Chinese investment, unless conducted bilaterally with a government, face the prospect of obstruction from Western companies. Yet, as China’s nationally owned company continues to rise to challenge the dominance of Western independent oil companies the outlook could change. For Russia, since the fall of the Soviet Union, Lukoil has been successful in getting Russia’s hand in many of the other littoral states’ oil and gas developments. In fact, Lukoil led the way for the shift in the Russian government’s opinion from one leaning towards condominium, to its current stance favoring delineation.

Geopolitical Predictions

When taking into account predictions for the future of the Sea alongside the prominent actors, both internal and external, the future landscape of the Caspian Sea is most likely to be closest to what Azerbaijan and Kazakhstan want. There are three key reasons that the outcome of delineation disputes will benefit these two countries most. First, both Azerbaijan and Kazakhstan have the best relations with the future’s most influential actors. When exercising the power of its influence that means the West, particularly the United States, will have Azerbaijan in mind. On the other hand, Kazakhstan is likely to succeed because it has China, and to a lesser extent Russia, on its side. While along the way the influence of one of these external actors may be

paramount to the other, the strength of their relationship with each littoral state will work towards the state's benefit. Secondly, while exploration is still uncovering fields across the Caspian, the most-lucrative current fields will fall under Azeri and Kazakh sovereignty. While the locations of Azerbaijan's fields are much more disputed, the most likely form of delineation to be adopted is along the median line, giving these disputed fields to Azerbaijan. Which leads to the third reason: Azerbaijan and Kazakhstan are likely to see the portrait developing around them to become what they had envisioned. The progression of perceptions is moving increasingly towards delineation along the median-line. In the past centuries the thought process has shifted from the early Russo-Persian legislation for territorial boundaries at shoreline to the 1970s Soviet division into economic zones. Since the fall of the Soviet Union Russia's attitude has flipped completely and Iran, too, is showing signs of backing down. In addition, this division is most consistent with the definition of an international lake in international law.

Now, what of Turkmenistan, caught somewhere between the predicted fates of the other newly-independent states and Russia and Iran? Crippled by an inefficient and extremist government, Turkmenistan arrived late to the second "Great Game." Predicting the outlook for Turkmenistan as opposed to the four other littoral states depends a lot on the decisions it makes now. Specifically, Turkmenistan must decide whether to rely on its isolated Russian roots or to take this opportunity to build a bridge towards Azerbaijan and the West.

At George Washington University's 2010 PONARS Eurasia Policy Conference, Anar Valiyev of the Azerbaijan Diplomatic Academy discussed the tumultuous, rollercoaster-like, relationship between Azerbaijan and Turkmenistan. He asserts that "Azerbaijan is more open to the West and closely cooperates with NATO and the EU, while Turkmenistan maintains close ties to Russia."⁶⁸ In specific issues where policy departures for the two states occur, specifically

those surrounding militarization and transportation on the Sea, these inclinations certainly play a role in their divergence. As Valiyev suggests, it is in Turkmenistan's best interest as time progresses to move away from a dependency on Russia. Economically as well as politically Turkmenistan would benefit from diversified markets for its resources. In doing so it would also significantly increase its weight in the geopolitics of the Caspian. The opportunity to mend its relationship with Azerbaijan would open up a new venue for Turkmenistan to pursue these goals. However, this would require the two states putting aside their differences and overcoming their historical confrontational tendencies.⁶⁹ Recent developments in relations between the two countries include a June 19, 2012 incident where a Turkmen ship investigating seismic activity on the Caspian was confronted by Azeri Border Patrol ships. Turkmenistan responded by making heated threats towards Azerbaijan of a military response if Azeris continued to provoke it.⁷⁰

The major failure in the hand played by Russia and Iran was that, initially, they choose not to play a hand at all. The fact that each country already was producing oil or gas elsewhere decreased an initial sense of urgency to claim resources. Azerbaijan and Kazakhstan were quicker to develop their resources because they were dependent on these revenues to jump start their journey towards political and economic independence. Because they were the first states to partake in activities on the Sea other states have, thus far, been catching up. Both Russia and Iran were more willing to wait to decide a legal regime before they explored their resources because they had sufficient sources of income from elsewhere in the industry. In order to combat production in other littoral states, as time passed they too, started to explore for resources. For Iran, the first oil strike in their region of the Sea came as late as May 2012. This bleak future for Russia means that as the United States succeeds in exerting influence in the region and export routes are diversified, Russian dominance will fade. Iran is increasingly preoccupied with issues

outside the Caspian and also less dependent on the Sea's resources for its revenues. It will likely benefit less from the Sea in the future than the three newly independent states.

Although a legal regime has yet to be decided, the early actions taken by both Azerbaijan and Kazakhstan put Caspian economic activities on a course adherent to path dependency. The notion of path dependency applies here in that because unilateral actions have governed economic discourse concerning oil and natural gas fields since the breakup of the Soviet Union, it would be a hard habit to quit. States have, for the most part, adjusted to this norm and built infrastructure around it. While a delineation that provides for unilateral economic decisions in the energy industry may be what states are preparing for, militarization efforts make it clear that they are not decided on how delineation should take place. Specifically, Iran and Turkmenistan claim different territorial borders than the remaining three states. The "median-line" delineation, however, will likely be the region's delineation standard. While it is advocated for by the two states that will most likely rule the Caspian geopolitics of the future, it is also sponsored by Russia, the region's preeminent military power. While Azerbaijan and Kazakhstan have external forces working in their benefit, Russia's influence in the region in the short term will serve its delineation goals.

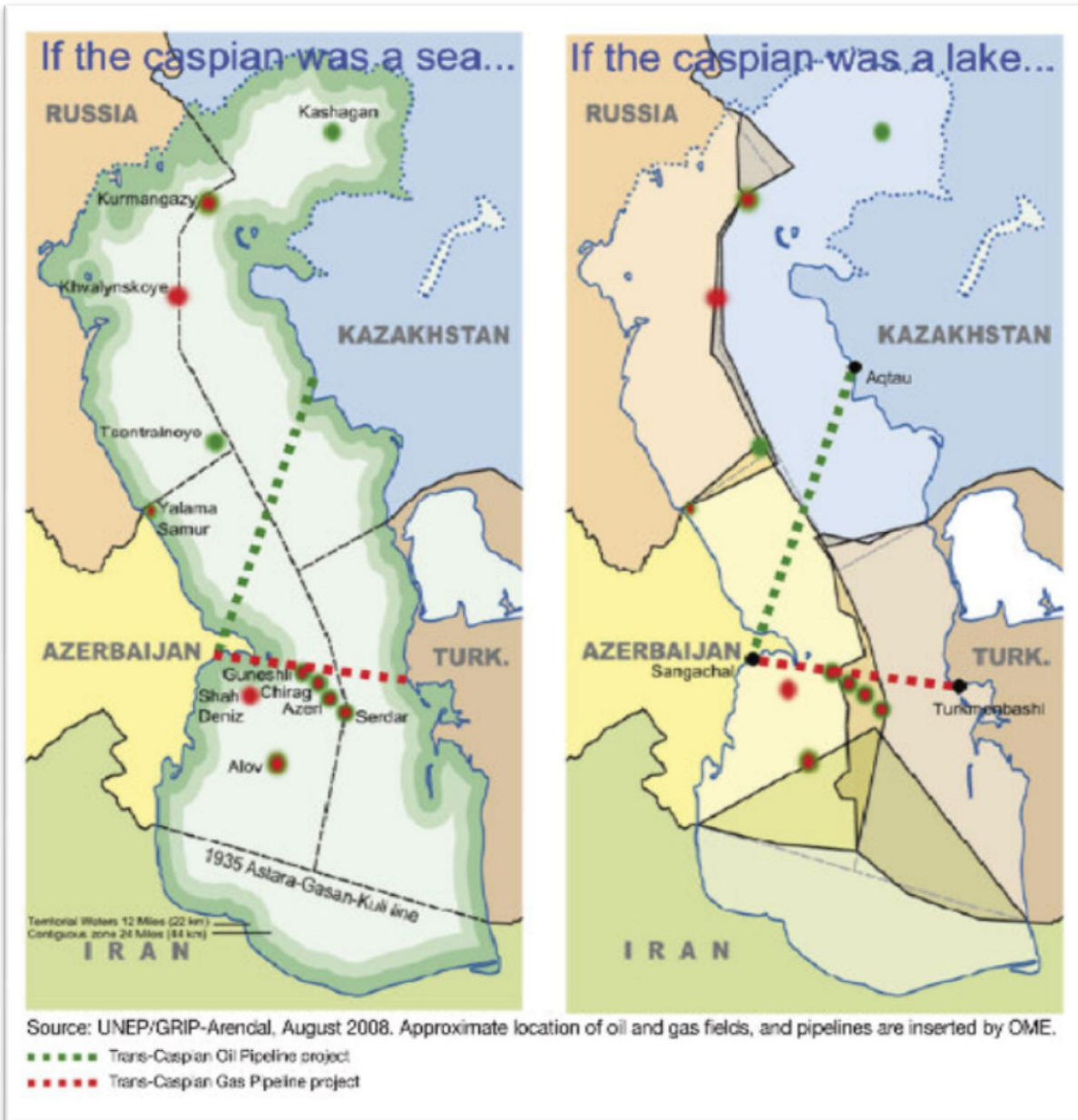
Conclusion

While the international community has focused on appropriation of lake and sea resources for decades, the Caspian Sea still demands acknowledgement. After two decades in economic and political-limbo it is time for decisions on the Sea's legal status and governing regime to be determined. The region's historical and customary laws indicate a certain trend for future decisions. Each country's actions since the dissolution of the Soviet Union have indicated

certain preferences and attitudes concerning the Sea's future and their own access to oil and gas. Yet, an absent agreement upon legal regime has produced conflicts over disputed fields and spurred militarization. Delineation decisions are likely to have global consequence and over the past two decades three prominent powers have exerted influence there: the United States, China, and Russia. The measure of the influence from each country can be computed using a model assessing the success of pipeline negotiations as well as investment in development. In conclusion, the factors dominating the discourse over legal regime of the sea and the division of its oil and gas will benefit Azerbaijan and Kazakhstan the most. Despite their historical reign on the Caspian Sea, the losers of this second "Great Game" will be Russia and Iran. Meanwhile, the fate of Turkmenistan will be determined by the decisions it makes right now. It can either choose to continue to rely on Russia and its timeworn infrastructure, or to reach across the Sea to Azerbaijan and build ties with the West. The geopolitics of the Caspian Sea are unique, shaped by abundant resources, centuries deep history, the search to establish independence from infancy, and a full-scale arms race. Negotiations may not be easy between these five states but agreement is necessary in order to ensure the development of such crucial resources.

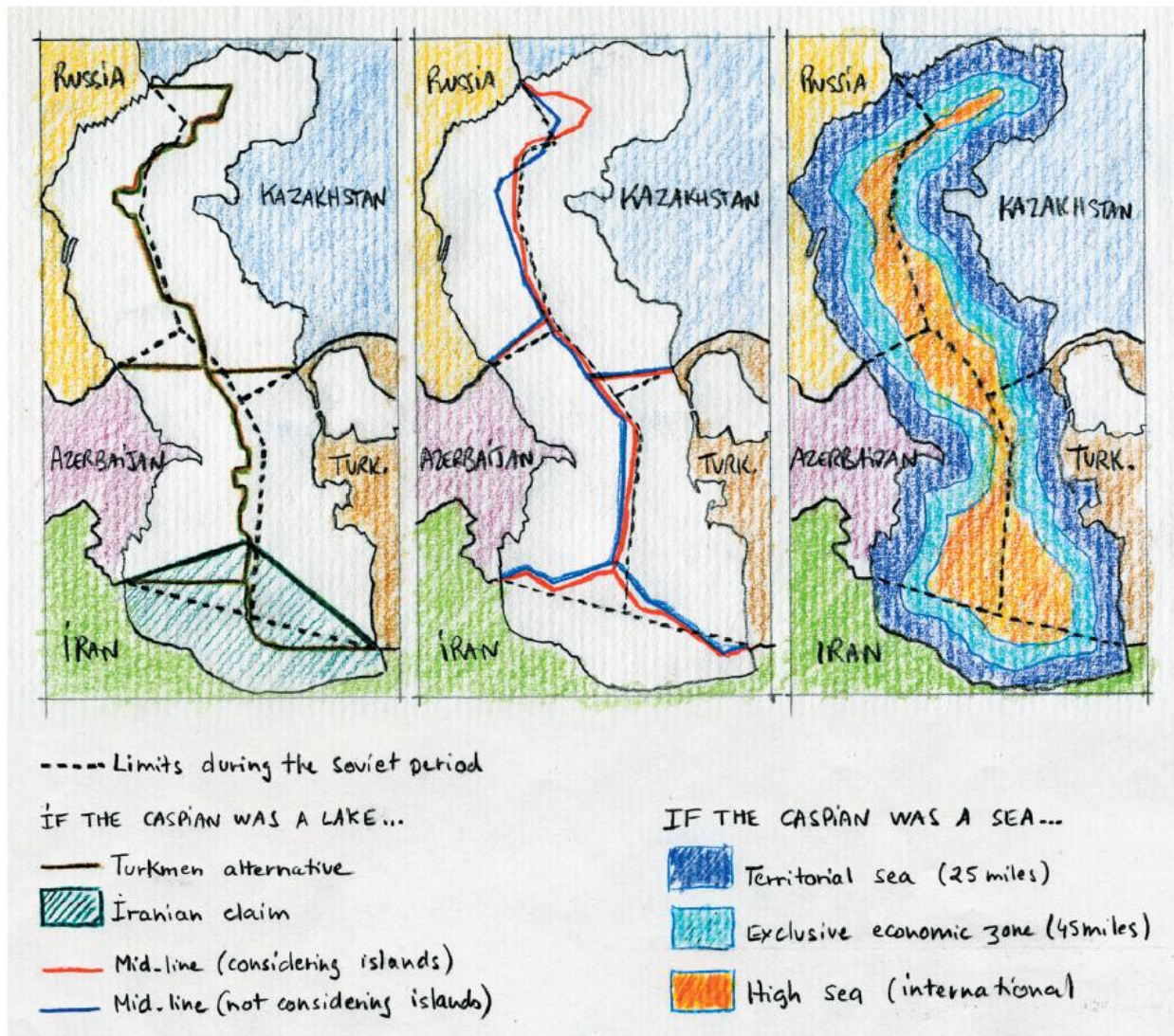
Appendix

Figure 1



Source: Karbuz, Sohbet, Dr. "The Legal Status of the Caspian Sea: Implications on Caspian Resource Development and Transport." *Global Energy for the Mediterranean*. Observatoire Mediterranee De L'Energie, 6 July 2010. Web. 18 Nov. 2012. Kardas, Saban. "Nabucco Intergovernmental Agreement Signed in Ankara." *Eurasia Daily Monitor* 6.134 (2009): n. pag. The Jamestown Foundation, 14 July 2009. Web. 25 Nov. 2012.

Figure 2



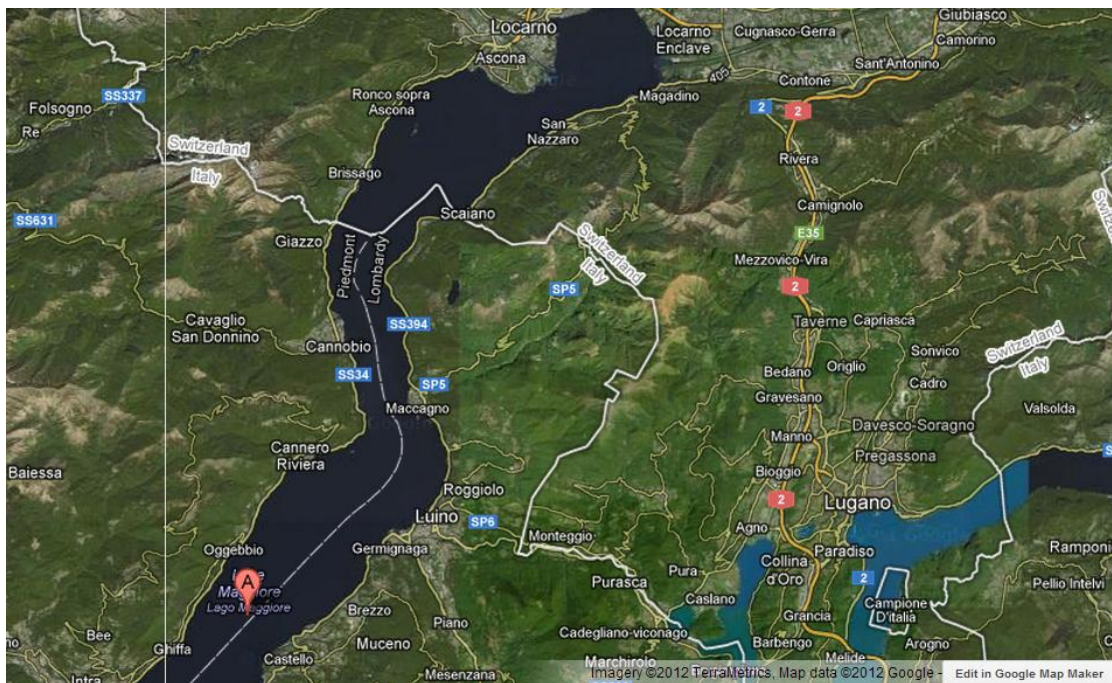
Source: *Vital Caspian Graphics: Opportunities, Aspirations and Challenges*. Rep. 2nd ed. N.p.: Zoë Environment Network and GRID-Arendal, 2011. Print.

Figure 3



Source: Google Maps

Figure 4



Source: Google Maps

Figure 5

Table 18.1 Naval strength of the littoral states

<i>Navy</i>	<i>Submarines</i>	<i>Patrol and coastal combatants</i>	<i>Amphibious</i>	<i>Support and miscellaneous</i>
Azerbaijan	–	6	2	3
Iran	6	53	9	22
Kazakhstan	–	10	–	–
Russia	56	108	25	436
Turkmenistan	–	–	–	–

Source: Compiled from *The Military Balance 2001–2002*, IISS, 2001.

Source: Katik, Mevlut. "Militarization of the Caspian Sea." *The Caspian: Politics, Energy and Security*. Ed. Shirin Akiner. London: RoutledgeCurzon, 2004. 270-82. Print. (p. 272)

Figure 6A

KAZAKHSTAN-CHINA OIL PIPELINE: EXISTING ROUTE

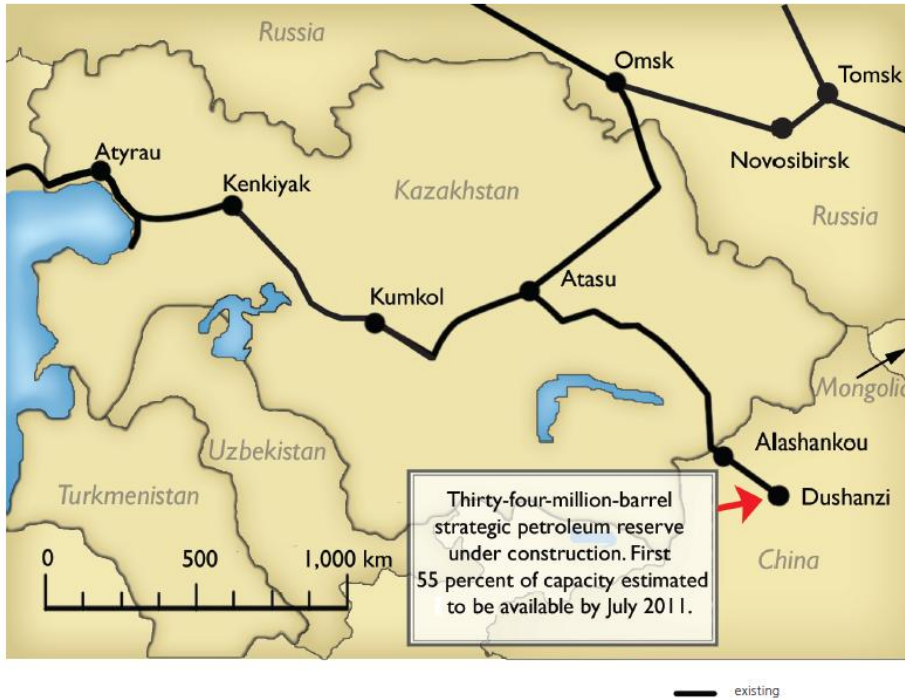
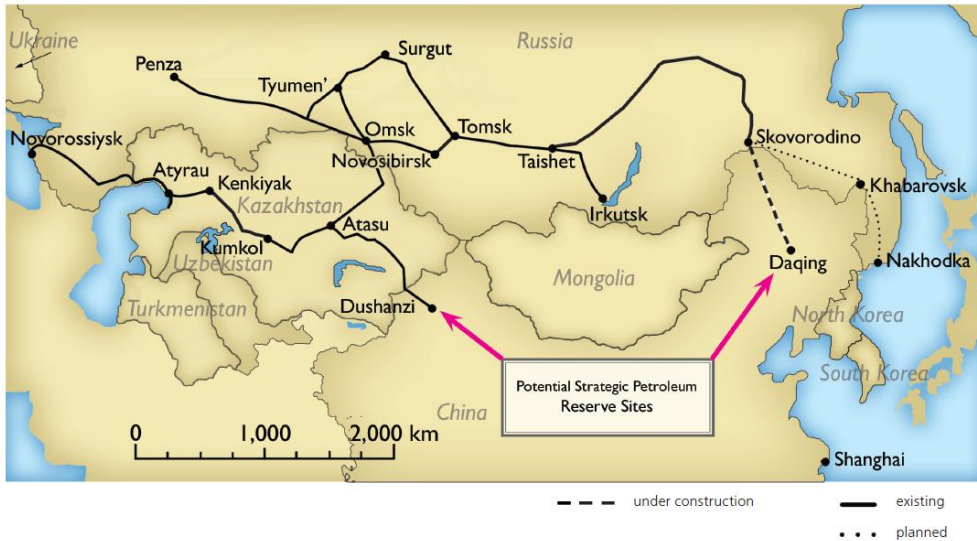


Figure 6B

RUSSIA-CHINA OIL PIPELINES: EXISTING, UNDER CONSTRUCTION, AND PLANNED



Source: Collins, Gabriel, and Andrew S. Erickson., "China's Oil Security Pipe Dream: The Reality, and Strategic Consequences, of Seaborne Imports," *Naval War College Review*, Vol. 63, No. 2 (Spring 2010), pp. 88-111.

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