

The American sanctions and the Swiss contractor

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The United States adopted sanctions against the project in December 2019 through the Protecting Europe's Energy Security Act. Because the Act targeted the vessels that laid the pipeline on the seabed, the Swiss company Allseas, which operated the pipe-laying ships, stopped its work immediately. Construction was interrupted when only a short section of the route remained to be laid.¹ Allseas, although headquartered in Switzerland, had its main operations in the Netherlands. Its withdrawal showed the reach of American sanctions over companies that depended on access to the dollar and to American business, foreshadowing the problems that Swiss companies would face after 2022.

Gazprom completed the pipeline with its own vessels and finished the work in September 2021. The American administration had waived sanctions against Nord Stream 2 AG itself in May 2021 in an effort to improve relations with Germany.² The pipeline still needed certification by the German regulator before it could operate. The regulator required Nord Stream 2 AG to establish a subsidiary under German law to operate the German section, in accordance with the rules of the European gas market. It suspended the certification procedure in November 2021.³

1 Notes

1. Allseas, "Allseas suspends Nord Stream 2 pipelay activities", 21 December 2019, allseas.com: suspension in anticipation of the enactment of the NDAA; Wikipedia, "National Defense Authorization Act for Fiscal Year 2020", en.wikipedia.org: signed on 20 December 2019, Pub. L. 116-92, with sanctions on Nord Stream 2; Wikipedia, "Allseas", en.wikipedia.org: headquarters in Châtel-Saint-Denis. ↩
2. Wikipedia, "Nord Stream 2", en.wikipedia.org (citing Reuters and US government statements): US waiver of sanctions on Nord Stream 2 AG and its CEO Matthias Warnig on 19 May 2021; US–German joint

statement of 21 July 2021; completion of construction announced on 10 September 2021. Primary sources were not consulted. ↩

3. Bundesnetzagentur, press release of 16 November 2021, bundesnetzagentur.de: certification procedure suspended; certification only possible for an operator organised in a legal form under German law, so that Nord Stream 2 AG was to establish a German subsidiary for the German section. ↩

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