The year 1997 may well be noted by future historians as the year the United States realized the geostrategic significance of the Caspian Sea basin and began conducting its foreign policy accordingly. Since the beginning of the year, a dramatic rise in the importance of issues related to political and economic developments in the Caspian Basin has been remarkable within the U.S. foreign policy making establishment. A description of how this heightened level of interest has been manifest and an examination of the likely directions U.S. policy towards the region may take as a result, form the basis for this paper.

The emerging U.S. interest in the geopolitics of the Caspian Basin is nowhere more evident than in its relationship with Azerbaijan. The reasons for this are to be found both in geography and politics. First, Azerbaijan's proven and estimated oil resources are considerable and will play an increasingly important role in the world oil market of the 21st century. Secondly, Azerbaijan is strategically located at what was, historically, a confluence of sea and caravan routes. In the present-day context of an evolving transportation and communication link between Asia and Europe (often referred to as the Eurasian corridor,) Azerbaijan's strategic location makes it the region's critical geographical pivot. Like the keystone in an arch, it is an essential component in any East-West link and may also play a role in newly developing North-South links.

There are numerous political factors which contribute to Azerbaijan's recent preeminence as the focus of U.S. interest in the region. Many of these factors will be analyzed in more detail below. Suffice to say, at this point, that the factors operate at a variety of levels of analysis from the level of U.S. domestic politics, where debate currently wages over U.S. assistance to Azerbaijan, to the level of regional politics, where the issue of resolving the ongoing conflict in Nagorno-Karabakh looms large.

For the reasons outlined above, this paper will mirror the phenomenon as it seems to be occurring in the United States and focus on Azerbaijan. In particular, events of this year will be examined. This is not to suggest that interest in the Caspian Basin and its oil resources began this year. Since the dissolution of the Soviet Union and the formation, in its place, of 15 newly independent states, U.S. multinational oil companies have been relentless, as have those from other countries, in their pursuit of business opportunities in the Central Asian and Caucasus regions. Their efforts were borne out, in fact, when the "Contract of the Century" was signed on September 20, 1994 between the State Oil Company of Azerbaijan (SOCAR) and an international consortium. To be sure, there have been government officials who labored behind the scenes to support U.S. interests in the Caspian region. However, the dramatic rise in attention to the Caspian Basin and to Azerbaijan, in particular, is a more recent phenomenon which seems to be in the process of elevating concerns for the region to the level of a "national interest."

Soon after the recent visit to the United States by Azerbaijani President Heydar Aliyev, a book entitled, Azerbaijan Oil in the World Policy, and consisting of a compilation of documents and related transcripts was released in the U.S. Heydar Aliyev himself is cited as the author of the book although its contents were compiled by other senior Azerbaijani government officials including Gasan Gasanov, Minister of Foreign Affairs, and Ilham Aliyev, First Vice-President of SOCAR. Noteworthy among the other interesting facets of this book is its final section which is titled, "A New Stage in Azerbaijan-American Relations."

This perception, held by the most senior Azerbaijani government officials, that relations between their country and the United States had entered a new stage is important. It is with this perception that we begin to survey the events which have contributed to an increasing
From the Azerbaijani perspective, as represented in the Aliyev book, the recent practice of holding conferences and meetings devoted to expanding economic relations with Azerbaijan is significant. A conference sponsored by Cambridge Energy Research Associates in Houston, Texas on February 10-12, 1997 is singled out as noteworthy among such conferences. The conference was attended by about 1500 corporate and government representatives from around the world (including Ilham Aliyev and U.S. Ambassador to Azerbaijan Richard Kauzlarich) and is described in detail. Continuing the momentum generated by the Houston conference, Ambassador Kauzlarich and Mr. Aliyev travelled to Washington, D.C. where they attended a conference sponsored by the US-Azerbaijan Chamber of Conference titled, "Azerbaijan: From Communism towards Democracy and Oil," held February 18, 1997. The conference was attended by representatives of more than 400 U.S. companies and is cited as proof that, "...the most influential state in the world, i.e., the United States displays great interest in Azerbaijan." At this conference, former U.S. Secretary of Defense Richard Cheney and honorary adviser to the Chamber of Commerce received an award for "Defense of Freedom." His appearance was notable and presaged the involvement of a number of high-level, former U.S. officials; elite members of the foreign policy establishment who have played a central role in shaping the opinions of Congress and the American public.

The first public indication that the Caspian Basin would be the focus of special emphasis during the second Clinton administration came in National Security Advisor -- Mr. Sandy Berger's -- first major policy address. In a speech on March 27, 1997 at the Center for Strategic and International Studies, Mr. Berger singled out China, Turkey and the Caucasus as areas of special emphasis and stressed Washington's intent to step up its involvement in the Caucasus and Central Asia. His emphasis on Turkey was also telling as Turkey is a key regional actor in the Caucasus and Central Asia. With a new focus on the Caspian region, the foreign policy makers in the executive branch of the U.S. government joined the country's major oil companies in recognizing the overwhelming importance of the region. While chiefly motivated by different reasons; the administration by business and politics and the oil companies by the promise of huge profits, the convergence of interests and the close cooperation between the major U.S. oil companies and the administration is distinct. The policies of each can be viewed as mutually reinforcing.

As the administration embarked on a newly focussed policy towards the Caucasus, the national media picked up their coverage of the issues at stake. As an example, a lengthy article in The Wall Street Journal detailed the potential payoffs and pitfalls of the new oil boom in Azerbaijan. Illustrative of the role played by leading opinion makers in the foreign policy establishment was an article co-authored by former U.S. Secretary of Defense Caspar Weinberger which appeared on the editorial/opinion page of The New York Times. In the article, entitled "Russia's Oil Grab," Mr. Weinberger describes Russian efforts to control the production and flow of the Caspian's oil reserves. Decrying Russia's large-scale military support of Armenia and the resultant threat this poses to Azerbaijan, Mr. Weinberger called on the Clinton Administration to, "encourage closer relations with Azerbaijan and persuade Congress to change its priorities on aid. Our long-term security interests are at stake."

Among those newspaper articles on American interests in Caspian oil and Azerbaijan, perhaps the most revealing, in terms of the emerging foreign policy consensus on the region was titled, "Former Top U.S. Aides Seek Caspian Gusher," and appeared in The Washington Post. The article described the activities of a prestigious group of former high-ranking U.S. government officials who were directly involved in the oil rush in the Caspian and in shaping U.S. policy towards the region. The article states, "These men come from different parties and different past administrations, but they are working together for policy changes that they say are needed to put U.S. companies on an equal footing with foreign competitors in Azerbaijan." The article mentioned specifically two former National Security advisors, Brent Scowcroft and Zbigniew Brzezinski, former White House Chief of Staff John Sununu, former Secretary of Defense Richard Cheney, former Secretary of State James Baker III, and former Secretary of the Treasury Lloyd Bentsen. The lobbying and public affairs efforts of these individuals in support of U.S. policy towards Azerbaijan were described as "intense" and have certainly been instrumental in influencing the opinions of current U.S. policy makers.

Over the course of the last year both the U.S. academic community and a number of policy analysis organizations or "think tanks" have sharpened their focus on the Caspian basin particularly notable among them is The Heritage Foundation, a conservative think tank.
whose chief mission is to provide foreign policy advice to the U.S. Congress. In addition to publishing regular policy analysis on the Caspian region, The Heritage Foundation hosted a banquet in honor of SOCAR Vice-President Ilham Aliyev during his visit to Washington in February 1997.

The fact is that even in the academic community where endless discussions often seem the norm, the circumstances for a more rigorous study of Central Asia and the Caucasus are being created. In many universities, undergraduate and graduate students alike began their fall semesters with opportunities to take new courses related to the Caucasus and Central Asia. At one leading Washington-based university a Center Asia Institute has been formed to conduct research and inform public policy. Earlier this year, the Institute's Director (S. Frederick Starr) published a thought-provoking article on U.S. policy towards the countries of the Caspian basin. The appearance of Deputy Secretary of State Strobe Talbott at the Central Asia Institute to deliver a major foreign policy speech on Central Asia and the Caucasus illustrates the close relationship between government officials and academics in shaping consensus on U.S. foreign policy issues. Mr. Talbott's speech, delivered on July 21, 1997 restated the point made by Mr. Berger in March, underscoring the importance the United States attaches to Central Asia and the Caucasus. Coming as it did, one week before the visit of Azerbaijan President Heydar Aliyev to Washington, the speech was an acknowledgement that a new stage in U.S. relations with the countries of the region, particularly Azerbaijan, has begun.

The recent visit of Azerbaijani President Heydar Aliyev to Washington (July 30-August 1) was the culmination of the transformation to a new stage in relations between the United States and Azerbaijan. President Aliyev met with President Clinton and also with several members of Congress during his visit. A White House press release stated, "President Aliyev's visit marks a milestone in the partnership between our nations and shows the promise of our growing cooperation." An Azerbaijani assessment of Aliyev's visit stated, "...official Baku has added the word "strategic" in front of the phrase "partnership relations" with the United States.

It seems, based on the preceding survey, that the United States places increasing significance on its relations with the states of the Caucasus and Central Asia. Further, to take a more specific case, the United States and Azerbaijan seem to now share a belief that a new relationship is developing between the two countries. Let us now turn our attention to an examination of what actions this new relationship is generating and what future policies it may prescribe.

To this point in the discussion there has been no mention of the U.S. Congress, which plays a large role in providing direction to U.S. foreign policy especially through it's role in appropriating funds for various programs. While it is beyond the scope of this paper to chronicle the evolution of the role played by Congress in foreign policy, it should be noted that the Congress has become increasingly active and assertive in funding certain foreign policy programs and proscribing limits on others. In this regard, Congress has set distinct limits on U.S. policy towards Azerbaijan. In 1992, after the collapse of the Soviet Union, Congress passed a long-term program of economic assistance to the Caspian region. The program was established by the Freedom Support Act and contained a provision - Section 907 - which prohibits U.S. Government assistance to Azerbaijan until the President can certify to Congress that Azerbaijan has ceased offensive actions against Armenia (including Azerbaijan's economic embargo of Armenia.) In a detailed analysis of Section 907, one American analyst explained its genesis as the result of, "... the successful lobbying efforts of such groups as the Armenian Assembly of America and the Armenian National Committee."

Currently a debate over Section 907 is forming in the U.S. Congress. Pressure to repeal the ban is being generated from a variety of public and private sources. The influential, former high-ranking government officials noted earlier (page 5) have made repealing Article 907 a cause celebre and are lobbying Congress ardently. Two reports released in the last few months are worth reviewing as a basis for developing an understanding of the current nature of the opposition to Article 907. The first report, to Congress from the State Department, provides an exhaustive analysis of the administration's policies towards energy development in the Caspian Region. In the report the administration makes eight specific recommendations to Congress to further U.S. goals in the Caspian. First on the list of recommendations is repeal of Section 907 of the Freedom Support Act. The act, according to the report, limits not only U.S. assistance to Azerbaijan but also U.S. influence in Azerbaijan. A second report, produced by the republican-oriented Heritage Foundation, also recommends that the sanctions against Azerbaijan contained in the Freedom Support
Act be rescinded.

The call to repeal Section 907 was made on behalf of the administration by Mr. Talbott in his speech at the Central Asia Institute. Calling it an obstacle to progress which we inflicted on ourselves, Mr. Talbott flatly stated the administration's opposition to Section 907 and said, "I suspect you'll be hearing more on the subject when President Aliyev arrives next week." No public record is available on President Aliyev's talks with President Clinton nor with several U.S. legislators. However, in a speech delivered at Georgetown University, President Aliyev called the ban unjust and called for its repeal.

In response to the bipartisan efforts of the various institutions and individuals mentioned above, the U.S. Congress has begun to move on the issue. According to a Radio Free Europe/Radio Liberty report:

Congressman Lee Hamilton (D-Indiana), the senior Democrat on the House International Relations Committee, agrees it is time to reconsider the ban on aid. Congressman Peter King (R-New York) has introduced legislation that would repeal the law. In the Senate, Senator Sam Brownback (R-Kansas) the chairman of the foreign Relations subcommittee responsible for the Caucasus, has taken the lead in calling for what he terms a more balanced U.S. policy in the region.

While the results of the debate in Congress over repealing Section 907 are not preordained, it seems likely that Section 907 will be repealed. The growing consensus over the importance of Azerbaijan and the recent emergence of a national interest regarding access to the oil resources of Azerbaijan and the Caspian basin will likely be more politically viable than the more narrowly focussed efforts of the Armenian lobbies.

The first area of consensus on U.S. policy towards Azerbaijan - the need for repeal of Section 907 - arises at the level of domestic politics. A second important area of consensus arises at the level of regional politics. In their reports to Congress, both the State Department and the Heritage Foundation recommend an active U.S. role in resolving the dispute between Azerbaijan and Armenia over Nagorno-Karabakh. In the speech by Mr. Talbott cited above, he states that, "Conflict resolution must be Job One for U.S. policy in the region." The necessity and desirability of an active U.S. role was reiterated in the White House press release issued after President Aliyev's visit. "The President emphasized that a key to that goal [democracy, prosperity and security] is an early, peaceful settlement to the tragic conflict in Nagorno-Karabakh." With France and Russia, the United States currently co-chairs the OSCE's Minsk Group. The Minsk Group is the principal regional/international organization working to resolve the Nagorno-Karabakh conflict. Azerbaijani sources lament the fact that, to date, the Minsk Group's work has been fruitless and that no leverage is being exerted on Armenia to resolve the crisis. Revelations that Russia has supplied, in recent years, nearly one billion dollars worth of armaments to Armenia have complicated the negotiations.

The converging views on the strategic importance of Azerbaijan and the Caspian Basin shared by major government officials from the executive and legislative branches, both political parties, members of the foreign policy establishment, academia and oil companies executives are all based, above all, on oil. The vast reserves of Azerbaijan and the other states of the Caspian Basin hold the promise of a diversified supply for the 21st century. A diversified supply would make the U.S. less reliant on the Persian Gulf, a welcome strategic development against which few would argue. Yet, despite the current agreement on the importance of the region and the advisability of repealing Section 907 and participating actively in a settlement of the Nagorno-Karabakh conflict, there are, below the surface, subtle differences in foreign policy orientation which may, over time, be reflected in divisions over how to proceed in the region.

In his speech at the Central Asia Institute, Mr. Talbott outlined four dimensions of U.S. support to the countries of the Caucasus and Central Asia: 1) The promotion of democracy; 2) The creation of free market economies; 3) The sponsorship of peace and cooperation within and among the countries of the region; and, 4) integration into the larger international community.

Mr. Talbott's first point bears some thought concerning future of U.S.-Azerbaijani relations. It is a an accepted tenet in the liberal school of international relations that regime type is important and that, further, democracies are more stable, more peaceful, and easier to do business with. The administration's policy of promoting democracy in Russia is well known and need not be examined here. Within the administration the policy seems to have some universal applicability as in the case of the Caspian region.
Suffice to say, for the purposes of demonstrating an area where future policy makers may diverge, that the realist school of international affairs would argue that regime type does not matter and relations with any state should be guided by its geopolitical behavior, not its internal politics. In cases where national strategic interests are involved (Middle Eastern oil provides a compelling example) strategic realities seem to take precedence over ideology. The current administration's emphasis on promotion of democracy begs the question, What if the Azerbaijani government were to develop towards a system other than a democracy? Would U.S. strategic interests change? As U.S.-Azerbaijani relations evolve these and other questions are likely to be posed. The interrelationship of ideology and geopolitics in the formulation of U.S. foreign policy will bear watching as well.

A subtle manifestation of the tension between ideology and geopolitics can already be discerned in the Caspian region. U.S. policy options in the region are severely constrained due to a policy of containment directed at Iran, and sanctions against companies who do business with Iran. Some foreign policy experts have called for a reconsideration of U.S. policy towards Iran in light of the recent political developments and considering the geopolitics of the Caspian Basin. There are indications that this policy is being reconsidered.

The development of relations between the United States and Russia will also play an important role in determining future U.S. policies in the Caspian Basin. Inveighing against what he considers an outdated conception of competition in the Caucasus and Central Asia, Mr. Talbott admonished any who would consider the "Great Game" as a model on which to base current views of the region. He proposed, instead, an arrangement where everyone cooperates and everyone wins. Recognizing that his conception may be more idealistic than realistic, Mr. Talbott cautioned that, "Today there are still plenty of questions -- and, among Russia's neighbors, plenty of anxieties -- about how Moscow will handle its relations with the other members of the CIS." He revealed the question, "How will Russia define its role as a great power?" is often on his mind and on President Clinton's. Meanwhile, more conservative or pragmatically inclined observers charge that, "The Clinton Administration -- intent on placating Moscow -- has hesitated to take advantage of the strategic opportunity to secure U.S. interests in the Caucasus."

It will, in the final analysis, be a mixture of domestic and international pressures, ideological and geopolitical influences which informs U.S. policy towards Azerbaijan and the other states of the Caspian region. What is clear, at this point, is that Azerbaijan and the other states are finally emerging free from being lumped as part of the "Former Soviet Union," and are gaining recognition and importance in their own right.

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The Caspian Sea Basin is considered one of the largest energy reserves in the world. The subsoil of this immense land-locked sea has become a serious bone of contention among the littoral states grappling with the Caspian Sea legal regime. Despite the Alma-Ata Declaration of 1991, the new coastal states rejected the 1921 and 1940 treaties between Iran and the Soviet Union and insisted on creating a new legal regime. At the third summit of the five Caspian Sea littoral states in Tehran on 16 October, 2007, Kazakhstan President Nursultan Nazarbaev stated The Caspian Sea is the biggest enclosed body of water on Earth, having an even larger area than that of the American Great Lakes or that of Lake Victoria in East Africa. The length of the Caspian Sea is 1204 KM and total surface area is 436.000 KM2, to compare with total surface area of Great lakes $\approx 244.000$ KM2; coastline is 6000 KM; and depth varies from 200 m in North to 700 m in Central and 1000 m in South parts.B Aristotle, Herodotus etc in their works described the Caspian Sea as closed basin or ocean bay. Strabo described the Caspian Sea as the basin stretched on parallel from West to East.B A new stage of cooperation between littoral countries and other interested states was commenced in 1995. These relations, based on mutual trust and cooperation among the Caspian littoral states, are necessary for them, as well as their partners, he noted. In the process of developing the convention, the Caspian littoral states also demonstrated such elements of high political culture as a unique regional identity, responsibility and the ability to be masters of their own destiny, Mammadyarov said. Related videos.