



Center for Strategic & International Studies  
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**Baku-Tbilisi-Ceyhan (BTC) Project Security**

*with*

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The Baku-Tbilisi-Ceyhan oil pipeline project is moving forward, and is in its the detailed engineering and financing phases. The sponsor group companies find this project commercially attractive, and construction is expected to start mid-2002. The oil companies are focused on assuring adequate oil volume and financing for the project, as well as the necessary technical security for the pipeline. The Governments of Azerbaijan, Georgia and Turkey are responsible for providing the broader security framework for the pipeline. In light of 9/11, these governments' work clearly must include a careful examination of the social impact of an oil pipeline, and take the necessary steps to ensure transparent and socially sensitive measures for overall security.

Two guests from Turkey will be discussing their work on pipeline security at the next CSIS Caucasus Project meeting. Kemal Kilic is the Secretary of Defense in BOTAS, the Turkish state owned pipeline company. Mr. Kilic is in charge of security for the BTC pipeline. Dr. Cenk Pala has been serving since September 20001 as the Head of Foreign Relations and Strategies Department at BOTAS. Dr. Pala previously was advisor to the General Manager, and also worked in the BTC project directorate.

Our third speaker, Justin Friedman, will give his perspective on Georgia and Azerbaijan's work on overall security matters, as well as the U.S. approach to pipeline security.

## **BTC-The View From BOTAS**

**Dr. Cenk Pala**

- The BTC pipeline will transport Azeri crude to the world markets
- The TACIS INOGATE Program of the European Union conducted a study concluding that Turkey is the inevitable route to transport the Caspian gas to the west and BTC pipeline is the major route to transport the crude oil.

Factors affecting transport fees:

- Investment cost
- Political stability
- Economic stability
- Environmental impacts

BTC Timeline:

- After successful completion of the basic engineering phase, the detailed engineering phase for the Turkish section began on June 19, 2001 · The pipeline will be completed in 2005
- The BTC pipeline shall stay in operation for a minimum of forty years and in Turkey BOTAS will undertake the operation of the pipeline

New BTC Sponsors:

- ENI recently joined the sponsor group. ENI is the operator of the giant Kashagan oil field in Kazakhstan, whose planned flow date is 2005.
- Chevron-Texaco expressed interest in joining the BTC sponsor group. They are presently the biggest shareholder in the Tengiz oil field of Kazakhstan, which uses the CPC line to transport oil to world markets. This line, however, will not be able to transport the entire capacity of oil to be produced at Tengiz.
- Russia's Lukoil expressed a desire to take part in the sponsor group, which demonstrates the success of the project, as Russia was once firmly opposed to the project.

Possible Futures:

- Kazak oil may join the BTC line
- Russia, Turkey, and the giant international companies involved may all work to bring long-lasting political and economic stability to the Caspian region · The BTC pipeline may allow Caspian oil to serve as a significant alternative to Middle East oil, while developing Turkey as an East-West Energy Corridor

Progress of the pipeline

- While the Turkish government is not funding the project, it has given its cost overrun guarantee for the project and is determined to complete BTC without any delay
- Market research indicates that the project will be completed at a sum well below the budget estimates for the Turkish section of the project

## **Turkish Security for BTC**

### **Col. (Ret.) Kemal Kilic**

- The Turkish government is responsible for the 1037 km of the BTC pipeline that will be in Turkish territory.

#### Security steps taken:

- Conducted security risk assessment
- Established a "Security Supreme Committee" to analyze security conditions throughout Turkey · Assessed risks associated with strategy, economy, social, cultural, human rights, and the environment

#### Issues discussed by the "Security Supreme Committee":

- The impact of the 16 years of extraordinary situation in Eastern and Southeastern Anatolia
- Public loyalty to the government, and to the security of the pipeline
- Public perception of benefits associated with the BTC pipeline
- The local population's sensitivity towards working together · Environmental safety aspects
- Public's reception of visitors and expatriates (which was warm)

#### Co-operation in Contention with Important Crimes Contract:

- This contract was signed by Turkey, Azerbaijan, and Georgia in January
- It addresses training, communication, dataflow, and technical issues
- BOTAS will provide training and information to both Azerbaijan and Georgia

#### Location/Technical:

- The BTC pipeline will pass through the Posof border region and then go to Kars-Erzurum-Gumushane-Erzincan-Sivas-Kayseri-Kahramanmaras and Osmaniye regions, then come to the shores of Ceyhan.
- The Turkish section of the pipeline is 1037 km and has 4 pump stations
- The BTC pipeline will meet the Iranian natural gas pipeline in Horasan region and the two pipelines will continue to Sivas. All security precautions have been taken and the natural gas pipeline is operating now.
- The BTC construction will start in July 2002

#### Security precautions for the construction phase:

- The pipeline route will be marked "Special Security Zone" · Social and economic levels of the people that live in the pipeline region will be determined
- These people will be able to use the soil in the area of the pipeline for agricultural activities, with the exception of planting trees
- Structures that can cause damage to the pipeline within the private security region will be prohibited
- A special road will be constructed for the maintenance and repair activities, as well as to patrol the pipeline
- Special security teams will be placed in the pump station areas · The military unit (Gendarme) will provide general security on the whole pipeline route. The protocol that covers these security activities is already signed.

- If it is necessary for the military unit (Gendarme), then patrols will be built.
- The pump stations will be enclosed with wire and lit up. A closed circuit TV system will be set up.
- The pump stations will be provided with an intruder alarm system in all station facilities, buildings, and gates.
- Personnel security issues will be the highest priority and cover the protection of personnel throughout their stay in country and in all their activities on and off the work site.
- BOTAS will work with the construction contractor to develop and implement temporary security procedures for facilities handed over before commencement of operations. Some sections of the pipeline and stations may be completed a year prior to start-up and temporary security measures will be required until regular in-operation procedures are implemented.

Objectives of construction phase security:

- Ensure the safety of personnel against external threats while working on pipeline areas, including travel between various pipeline areas
- Minimize the potential for sabotage, malicious damage, or theft at camps, work sites, pipe dumps, and other areas where tools, equipment, or materials are used or stored
- Minimize the potential for any external threat to lead to environmental damage or adverse impact on BOTAS reputation
- Maintain responsibility for identification, mitigation, and management of security hazards and threats to any personnel engaged under his scope of work
- Protect personnel, field, camps, infrastructure support, access routes, material equipment, vehicles, and supplies. This is the responsibility of the contractor.
- Ensure the supply, training, and competency of all security personnel including guards. This is also the responsibility of the contractor.

#### **U.S. Perspective of BTC Pipeline Security - General scenario**

**Justin Friedman (All of Justin Friedman's remarks were made off the record)**