

State Department press briefing [via FNC's *America Reports*]

02/23/22

2:13:12 p.m.

4 minutes and 5 seconds

MATT LEE: On Nord Stream 2, you guys have been saying for months — indeed, for over a year since the waivers were — were first granted that, in fact, this gave you additional leverage, withholding the sanctions did and would serve as a deterrent. Clearly, it didn't — you — it didn't provide you with any leverage at all that we can tell cause of what you just said in your opening statement about the invasion beginning. So, you know, how — how do you explain to people why you didn't impose these — these sanctions earlier?

NED PRICE: So, Matt, it's important, and let's just rewind the tape and remember what has happened in recent hours. Yesterday, within a short time frame of the Russian invasion beginning, Germany took decisive, resolute action to take Nord Stream 2 off the table. Today, we followed with our own complimentary authorities using the powers and capabilities that we have. We have always said in the context of Nord Stream 2 and the context of the steps that we are taking with partners and allies around the world, that one of the most important tools we have in our arsenal is trans-Atlantic unity. The fact that Germany acted so quickly, so decisively, is in many ways, a product of the coordination of the consultation we have done now with two successive German governments. Of course, it started with Chancellor Merkel and her government and in more recent months, we have had concerted discussions with Chancellor Scholz and his government. The fact that we are acting in unison, immediately to take these steps that essentially remove Nord Stream 2 from the equation, that is a by-product, that is a result of the work that we have done together with the German government over the course of these last several months, over the last year or so.

LEE: So it sounds to me — correct me if I'm wrong, but your argument is that, if you had imposed the sanctions earlier, the Germans wouldn't have suspended — the Germans wouldn't have done what they did yesterday or it would have been a much bigger lift to get them — to get them to do that?

PRICE: What we have said in our — what our strategy has been predicated on the knowledge that trans-Atlantic unity is the most powerful instrument we have.

LEE: That's not what I — I don't — but — but — the pipeline's already been built, okay? Now whether it gets turned on or not — I — is another —

PRICE: Well —

LEE: — is — is another —

PRICE: — right, so you — you —

LEE: — but presumably, you had more leverage and I don't understand why you don't think you

would have had more leverage if it hadn't been — if these sanctions had been imposed before the pipeline was finished.

PRICE: — so, Matt, you also raise a good point. The pipeline, when this administration came into office, was more than 90 percent complete. We have imposed sanctions under PIZA on a number of targets associated with this pipeline, persons and entities, but the fact is had we sanctioned Nord Stream 2 AG, had we sanctioned its corporate office holders, it is far from clear that that would have kept the pipeline from going into operation. What the Germans did yesterday was to ensure that the pipeline is no longer part of the equation.

LEE: Correct.

PRICE: So, by acting together with the Germans, how we did, when we did, and the way in which we did, we have ensured that this is an \$11 billion prize investment that is now a hunk of steel sitting at the bottom of the sea.

LEE: Right. Well, I don't think you can prove and — and the converse can't be proven either, but you just don't know if imposing the sanctions would have more of a deterrent effect or any deterrent effect.

PRICE: Well, if we would have made it a sunk cost many, many months ago for the Russian Federation, I don't think that would have had much deterrent capability.

LEE: Well, it hasn't anyway.

(....)

3:04:27 p.m.
38 seconds

LEE: So, now you're saying sanctions isn't a deterrent? I thought we just spent, like, the last couple of months — you and the administration spent the last couple months arguing that the threat of sanctions was the deterrent and that if you imposed — that if you actually imposed them, then you would lose that deterrence.

PRICE: Matt, you've heard us say —

LEE: But you can't have it both ways.

PRICE: We're not having it both ways, Matt. You have heard us say clearly if Russia's invasion escalates — if Russia's actions escalates, so too will our response. We are prepared to enact an escalating series of measures against the Russian Federation, if and unless — until and unless the Russian Federation changes course.