



SCREENING CHAPTER 15 ENERGY

AGENDA ITEM: INTERNATIONAL AGREEMENTS

General International Agreements in the Domain of Energy (Energy Charter)

Country Session: The Republic of TURKEY
14-15 June 2006



CONTENT

- Overview
- Legal Framework: Transit



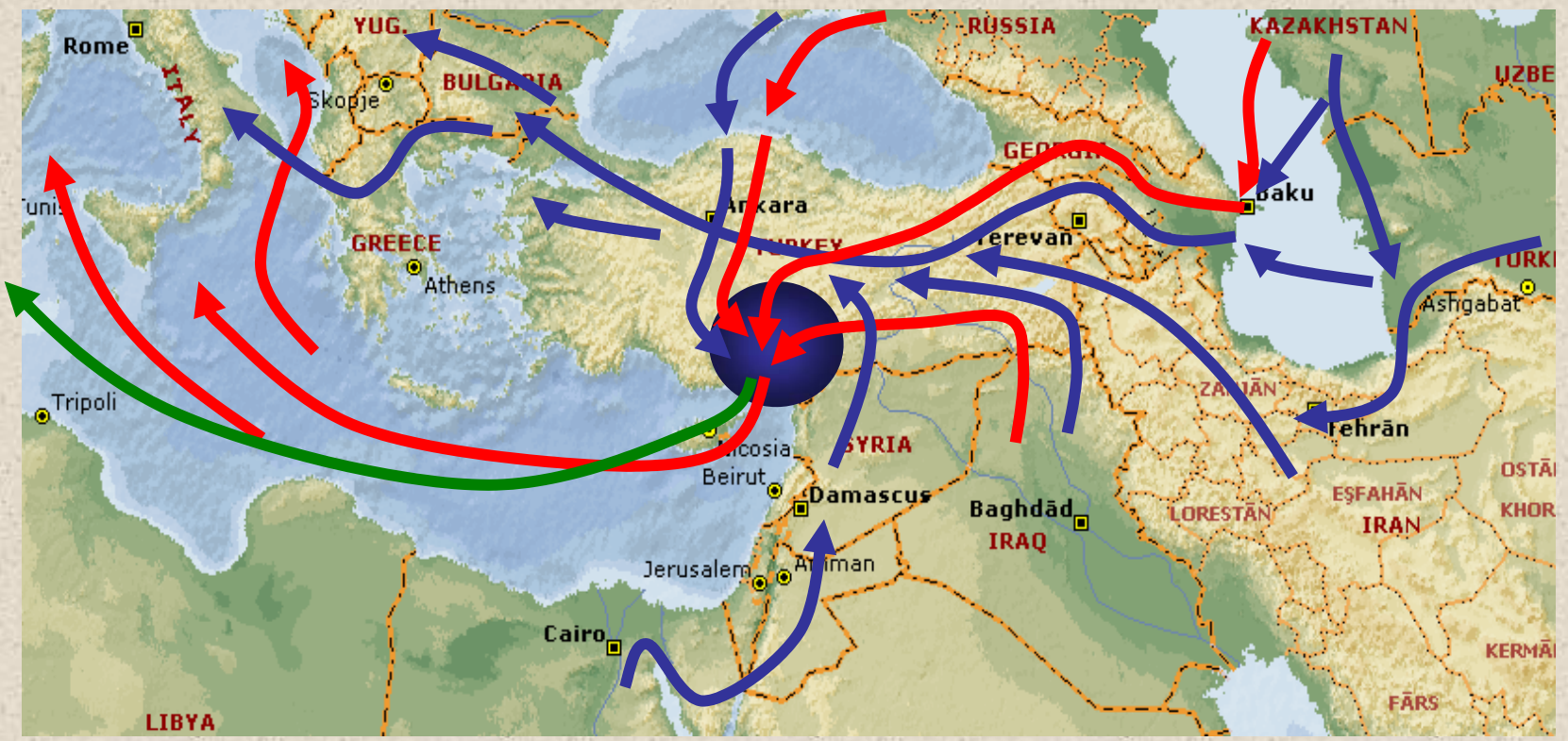
OVERVIEW

MAIN TRANSIT OIL AND NATURAL GAS PIPELINE PROJECTS

- Baku-Tbilisi-Ceyhan Crude Oil Pipeline Project (in operation)
- Baku-Tbilisi-Erzurum Natural Gas Pipeline Project (end of 2006)
- Turkey–Greece-Italy Interconnector Project (beginning of 2007)
- Nabucco Project (2011)
(Turkey-Bulgaria-Romania-Hungary-Austria Natural Gas Pipeline Project)
- Arab Natural Gas Pipeline (Egypt–Turkey Natural Gas Pipeline Project)
- Extension of Blue Stream Natural Gas Pipeline to Israel



Oil and Gas Transportation Through Turkey



 **OIL**
 **NATURAL GAS**
 **LNG**



LEGAL FRAMEWORK: TRANSIT

- Petroleum Law No: 6326
(Official Gazette: 16 March 1954, no: 8659)
- Energy Charter Treaty
(Entry into force: 1998)
- Law on Transit of Petroleum Through Pipeline No:4586
(Official Gazette: 29 June 2000, no. 24094)
- Natural Gas Market Law No: 4646
(Official Gazette: 02 May 2001, no. 24390)
- Amendment to Law on Organization and Functions of the Ministry of Energy and Natural Resources Law No: 4693
(Official Gazette: 05 July 2001, no. 24453)



LEGAL FRAMEWORK: TRANSIT (CONT'D)

PETROLEUM LAW No: 6326

Objective (Article 1):

- To explore, develop and evaluate national petroleum resources in a rapid, continuous and efficient manner in conformity with the national interests.

Transit Through Pipelines (Article 83) (Amended by Law No: 6987)

- The Council of Ministers is authorized to set up all terms and conditions, on a case by case basis, applicable to pipelines through the Turkish territory for petroleum produced or refined abroad and destined to other countries.



LEGAL FRAMEWORK: TRANSIT (CONT'D)

ENERGY CHARTER TREATY

- Member Country,
 - 1994 : Signature
 - 1998 : In Force
- Turkey has already incorporated ECT dispute settlement mechanism into intergovernmental agreements (Baku-Tbilisi-Ceyhan Main Export Oil Pipeline Project, Turkey-Greece Interconnector etc.)



LEGAL FRAMEWORK: TRANSIT (CONT'D)

LAW ON TRANSIT OF PETROLEUM THROUGH PIPELINE No: 4586

Objective (Article 1):

- To regulate the rules and procedures concerning the transit of petroleum and gas through pipeline,
- To ensure enforcement of the provisions of international agreements to which Turkey is a signatory party.



LEGAL FRAMEWORK: TRANSIT (CONT'D)

LAW ON TRANSIT OF PETROLEUM THROUGH PIPELINE No: 4586

- **Scope (Article 2)**

evaluation, determination of corridor, engineering, financing, expropriation acts, construction, commissioning, operation, maintenance, repair, extension, loading from terminals, storage, shipment, management, abandonment acts, environmental rehabilitation activities after abandonment and all other project related activities.

- **Definitions and Authorizations (Article 3 and 4)**

- **General Provisions: Standards, Security, Environment, Expropriation and Registration (Article 5-8)**



LEGAL FRAMEWORK: TRANSIT (CONT'D)

LAW ON TRANSIT OF PETROLEUM THROUGH PIPELINE No: 4586

- Purchase of Service, Other Expenses, Insurance and Tax (Article 9-11)
- Miscellaneous Provisions: Inapplicable Provisions of other Laws, Resolution of Disputes, Amended Provision, Entry into Force, Implementation (Article 12-16)



LEGAL FRAMEWORK: TRANSIT (CONT'D)

NATURAL GAS MARKET LAW No. 4646

- All natural gas market activities has been subordinated to EMRA.
- Any legal person, exporting natural gas or operating transmission lines has to get a license from EMRA.



LEGAL FRAMEWORK: TRANSIT (CONT'D)

AMENDMENT TO LAW ON ORGANIZATION AND FUNCTIONS OF THE MINISTRY OF ENERGY AND NATURAL RESOURCES LAW NO: 4693

Transit Petroleum Pipeline Board was established in order to determine and set the legal, technical, administrative, financial and other services to be implemented for the international transit petroleum and natural gas projects timely and properly.



THANK YOU FOR YOUR ATTENTION