



OPENING STATEMENT

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Chairman

“Pipeline Politics: Achieving Energy Security in the OSCE Region”

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(as prepared for delivery)

Good afternoon. I want to warmly welcome you to this hearing of the Commission on Security and Cooperation in Europe.

Today’s hearing is the first of three hearings the Commission plans to hold on the topic of energy security, an issue that spans the security, economic and environmental, and human dimensions of the Helsinki process. This hearing series is designed to give the Commission a comprehensive picture of this complex issue and highlight areas where the Commission, the U.S. Government and the OSCE can take effective action.

Today’s hearing will focus on conflict prevention and the security of supply and transit of oil and gas. The supply and transit of energy is often a source of insecurity and conflict. For OSCE participating States, the recent challenges faced when Russia shut off gas supplies to transit and consumer countries highlighted the potential for political and economic conflict.

The second hearing in the series will focus on the development of democracy and civil society in countries with abundant energy resources. This problem is often referred to as the “resource curse.” In the economic sense, energy resources are a blessing as they provide countries with needed income, but these resources can also lead to unintended consequences such as stunted economic and political development.

It is remarkable that only two of the world’s top 10 oil exporters are established liberal democracies. I hope I’ve piqued your curiosity on that one--you’ll have to come to the hearing to find out which countries they are. We’ll look at efforts to combat this “resource curse” through programs that seek to instill transparency and accountability into this payment system.

The third hearing will address the nexus of energy security and environmental security, focusing on the diversification of energy supply and sustainable technologies. The quest for diversification of energy supplies and greater energy security gives consumer countries an opportunity to address the environmental challenges of energy supplies by adopting new technologies that not only decrease dependence on foreign sources, but also help address environmental concerns.

But today we are going to take a geostrategic look at energy supply and transit. Specifically, we hope to address questions such as: What are the factors in ensuring reliable and predictable

supply and transit of oil and natural gas? What is the United States doing to ensure our own energy security? And: What role does the United States have to play in Eurasian energy security?

To answer these complex questions, we are pleased to have an excellent slate of witnesses. In addition to our exceptional (and unusually large) panel of U.S. government witnesses, I am quite pleased to welcome two distinguished Ambassadors from the OSCE participating States of Azerbaijan and Belarus. Both countries represent different aspects of the issue of energy security and we are pleased to hear their experiences and insights on how they view energy security given their geographic and political positions in the world.

Clearly, during today's hearing we are going to hear a lot about Russia's role as a supplier of oil and natural gas. And notice I didn't say "reliable" supplier—the jury is still out on that decision. Just in the past week President Putin stated that Russia has a major stake in forming "an infrastructure of trust" in the global and regional economies, including in the energy sector. That would be a welcome development, although many would say that there is already plenty of evidence to convict at this point based on Russia's actions in the recent past.

I want to state for the record that we did invite the Russian Ambassador to join us here today so that we could hear the Russian view on these issues, but he declined. That said, I am very pleased with the assembled witnesses here today. I will be interested to hear from our panelists on the prospects for improving the energy security situation, where they think Russia is going, and actions the U.S. can take to foster a more secure energy environment.

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