

HASTINGS: Ladies and gentleman, good afternoon. I want to warmly welcome you to this hearing of the Commission on Security and Cooperation in Europe.

I expect that Senator Cardin and others of my colleagues may come along, but in the interest of time I certainly do not want to -- oh, there he is, as I speak.

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 the 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 is going to 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 an 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's remarkable that only two of the world's top 10 oil exporters are established liberal democracies. You're going to have to come back to the other hearings to find out who those two are.

(LAUGHTER)

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'm 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're going to hear a lot about Russia. In today's newspaper, I read of the "South Stream" that is being developed by Gazprom and others. So my notes have not even caught up with what the events of the day are.

And notice, when I talk of them as a supplier of oil and natural gas with no affront meant, 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'm very pleased with the assembled witnesses here today and I'll 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.

Before I introduce the first panel, I'd like to hear from my distinguished friend and colleague for any opening comments he may make, Senator Cardin my co-chair. Thank you, sir. You have the floor.