



United States Mission to the OSCE

Statement in Regard to Energy Security

As delivered by Ambassador Julie Finley
to the Permanent Council, Vienna
January 18, 2007

Mr. Chairman,

At the Ministerial Council in Brussels, the participating States adopted a decision on energy security dialogue in the OSCE. We welcome this decision, which recognizes that the OSCE can work to raise awareness of this issue and serve as a platform for productive energy security dialogue. There is no single economic security issue that has a greater impact on the well-being and prosperity of people than energy security.

The OSCE has a particular advantage in discussing energy security for it can draw from the collective knowledge base of participating States with a variety of perspectives on this issue. This organization brings together energy producers and consumers, as well as transit countries. Energy security affects us all, and the OSCE is a unique forum where we can discuss concerns and share experiences and lessons learned. The OSCE's conference on energy security last November made an important contribution to this important Euro-Atlantic discussion of the geopolitics of energy.

The United States believes that the most solid basis for energy security rests on market forces operating in transparency under commonly accepted rules. We believe our own national security is best served when markets function efficiently. We are focused on three key sets of objectives to improve the efficiency of energy markets: securing supply; managing demand; and bringing new technologies to market. Market forces lead to competition, increased supply, and the level playing fields that benefit all those involved in the energy sector. Transparency also helps producer countries use their assets for the benefit of their citizens and in ways that promote stability and prosperity for everyone.

As we focus on all three sets of objectives in the Euro-Atlantic context, the United States calls for particular attention to security of supply, which can best be achieved by diversifying sources of supply. The weeks since the Brussels Ministerial have underscored how current this issue is throughout the OSCE community. We faced potential disruptions in energy supply in Western Europe, and intense negotiations in the Caucasus to ensure predictable and affordable energy. During the next 10 years, Azerbaijan can emerge as a key source of diversified natural gas supply for Southern Europe, even as Gazprom continues to supply Europe with 40 percent of its natural gas, and imports increase from North Africa and further afield, including through liquid natural gas. More broadly, the United States recognizes that to continue our economic growth in a competitive world, we must find solutions to our own energy needs, and are pursuing a comprehensive vision for a clean, secure energy future that helps wean our nation away from its dependence on foreign oil. The European Commission this month outlined its energy priorities for the Union, and Germany hopes to take decisions on that strategy later this year.

Mr. Chairman, the OSCE region encompasses the entire value chain of the energy sector. It is logical that this organization explore the topic of energy security and exchange ideas. The 2003 Maastricht Strategy Document for the Economic and Environmental Dimension, and the 2006 Ministerial Decision on Energy Security Dialogue, affirm that the OSCE is an appropriate forum for this debate. The United States looks forward to discussing all these issues in the Permanent Council and particularly in the Economic and Environmental Committee during the coming year.

Thank you.