

U.S. Senate Committee on Foreign Relations
Chairman John F. Kerry
Opening Statement for Energy Security: Historical Perspectives and Modern Challenges
May 12, 2009

Chairman Kerry Opening Statement At Energy Security Hearing

WASHINGTON, D.C. – Today, Senate Foreign Relations Committee Chairman John Kerry (D-MA) released the following opening remarks at the hearing titled, “Energy Security: Historical Perspectives and Modern Challenges”.

Full text as prepared is below:

“Why have we not been able to get together as a nation and resolve our serious energy problem?” Those were the words of President Jimmy Carter in 1979. And regrettably, despite the strong efforts of President Carter and others, we are still struggling to meet this same challenge today.

It is a rare honor to welcome a former President of the United States to testify before this Committee. And I am pleased to share this honor with my colleague, Senator Lugar. Senator Lugar was sworn in three weeks before the Carter Administration began, and he has been a leading voice on the issue of energy security ever since.

This is the first in a series of hearings that will build on the important work done by Senator Lugar and then-Senator Biden on the issue of energy security over the last several Congresses. From securing our natural gas pipelines globally to creating clean development pathways, this is a broad issue that cuts across disciplines and regions. We hope to use these hearings to gain insight and perspective on the current state of our challenge.

The downside of our continued dependence on oil is compelling, well-known, and only growing. Economically, it results in a massive, continuous transfer of American wealth to oil exporting nations, and leaves us vulnerable to price and supply shocks. But the true cost of our addiction extends far beyond what we pay at the pump: Its revenues empower and sustain despots and dictators. And it obliges our military to defend our energy supply in volatile regions at great expense.

These were problems the Carter Administration faced, and they remain problems today. And to this long list we can now add two urgent and relatively new threats: global terror funded indirectly by our expenditures on oil, and global climate change driven by the burning of fossil fuels.

To make matters worse, billions of new drivers on the roads and consumers across the developing world will ensure that supplies of existing energy sources grow ever tighter. All the trends are pointing in the wrong direction: According to the International Energy Agency, Global energy demand is expected to increase approximately 45% between 2006 and 2030, fueled largely by growth in the developing world.

We are here today to discuss both the geostrategic challenges posed by our current energy supply, and the need to find new and more secure sources of energy in the future. From development to diplomacy to security no part of our foreign policy is untouched. Region by region, our energy security challenge is varied and enormous:

In Europe, for example, the potential for monopolistic Russian control over energy supplies is a source of profound concern for our allies, with serious implications for the daily lives of their citizens.

Too often, the presence of oil multiplies threats, exacerbates conflicts, stifles democracy and development, and blocks accountability: In Nigeria, massive oil revenues have fueled corruption and conflict. In Venezuela, President Chavez has used oil subsidies to great effect to buy influence with neighbors. Sudan uses its energy supply to buy impunity from the global community for its abuses. Iran uses petrodollars to fund Hamas and

Hezbollah, and to insulate its nuclear activities from international pressure. We know that, at least in the past, oil money sent to Saudi Arabia has eventually found its way into the hands of jihadists. And of course oil remains a major bone of contention and a driver of violence in Kirkuk and elsewhere among Iraq's religious and ethnic groups.

And alongside these security concerns, we must also recognize that access to energy is fundamental to economic development. Billions who lack access to fuel and electricity will not only be denied the benefits of economic development—their energy poverty leaves them vulnerable to greater political instability and more likely to take advantage of dirtier local fuel sources that can damage the local environment and threaten the global climate.

Taken together, these challenges dramatically underscore a simple truth: scarce energy supplies represent a major force for instability in the twenty-first century.

That is why, even though the price of a barrel of oil is today \$90 below its record high from last summer, we cannot afford to repeat the failures of the past.

Ever since President Nixon set a goal of energy independence by 1980, price spikes and moments of crisis have inspired grand plans and Manhattan Projects for energy independence—but the political will to take decisive action has dissipated as each crisis passed.

That is how steps forward have been reversed and our efforts have stood still, even as the problem has gotten worse. In 1981, our car and light truck fleet had a fuel efficiency rate of 20.5 miles per gallon. Today that number is essentially the same. The only difference? Back then we imported about a third of our oil. Today we import 70%.

The good news is that we are finally moving beyond the old paradigm in which crisis gives way to complacency. In recent years, Congress and the Administration have made real progress. In 2007, I was proud to be part of the effort that raised fleet-wide fuel efficiency standards for the first time since the Carter Administration. Then in February, we passed an economic recovery package which was America's largest single investment in clean energy, ever.

Though our progress has been impressive, the lion's share of the hard work still lies ahead. I am hopeful that our hearings on energy security will illuminate the way forward both in securing our existing resources and encouraging the growth of secure, affordable, and sustainable alternatives.

President Carter understands these challenges well. He dealt with them every day in the Oval Office and exerted real leadership. He has been a student of these issues and a strong advocate for change in the decades since. We are grateful he has taken the time to share his insights with us today.

We now would like to welcome Frederick W. Smith, Chairman, President and Chief Executive Officer, FedEx Corporation and General Charles F. Wald, Senior Fellow with the Bipartisan Policy Center.

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