



S.193: The Energy Diplomacy and Security Act of 2007

Introduction

Introduced by Senator Lugar on January 4, 2007 and co-sponsored by Senators Biden, Coleman, Craig, Hagel, Landrieu, Lieberman, Salazar, Snowe, S.193 enhances U.S. capacity to overcome today's energy challenges by increasing international cooperation on energy issues and improving energy policy coordination.

Background

The U.S. is part of a global energy system, in which the energy policies and activities of each nation affect all nations:

- Global fossil fuel dependence is causing climate change, fostering conflict and human rights abuses, and preventing billions of people from lifting themselves out of poverty.
- If the U.S. stopped importing oil tomorrow, it would still face a host of problems as a result of the rest of the world's continued dependence
- As the world's largest consumer of energy, and the largest emitter of greenhouse gases, the U.S. has both a unique power and a real responsibility to exercise its leadership on energy issues
- The U.S. needs to work with other nations to address threats to security, environment and development, and S.193 is an important first step towards a comprehensive, globally-focused U.S. energy policy

Strengthening strategic energy partnerships is crucial for U.S. national security and global stability:

- A tightening global oil market will exacerbate the destructive influence of competition over fossil fuel resources in international relations and undermine U.S. foreign policy.
- The U.S. should work with both producer and consumer nations to find mutually beneficial solutions
- "Not working with major oil and gas exporters will lead to unproductive political showdowns and conflict," said Senator Lugar. While, "partnership with the world's largest consumers will increase leverage in relation to petro-states and speed our own conversion to sustainable energy sources."
- S.193 "would give focus to existing bilateral energy dialogues, which have lacked clear objectives and political backing," according to the Senator.

The U.S. should enhance preparedness for major disruptions in oil supplies:

- The U.S. is a member of the International Energy Program, which coordinates strategic petroleum reserve draw-downs in energy supply crises
- Countries without the capacity to develop such reserves, particularly developing countries are vulnerable to the destabilizing effects of such crises
- "The bill seeks... to offer a formal coordination agreement with China and India as they develop strategic petroleum reserves. This would help draw them into the international system, providing supply reassurance, and thereby reducing potential for conflict. The bill also calls for extension of petroleum supply disruption to developing nations, which are most vulnerable," said Senator Lugar.

Helping developing countries' meet their energy needs without contributing to global warming or conflict is both a security and a moral imperative for the U.S.:

- 2.4 billion people, nearly a third of the world's population, lack access to modern energy services
- Developing countries, led by India and China, will account for more than 70% of the increase in global energy demand between today and 2030, according to the International Energy Agency
- China will pass the U.S. as the world's largest emitter of greenhouse gases in 2009
- As per capita energy consumption in developing countries rises, it increases competition over fossil fuel resources, and could trigger conflict and instability that undermine U.S. national security

FACT SHEET

To overcome today's energy challenges the U.S. needs to improve energy policy coordination: Currently, there is massive disarray in U.S. energy policy, particularly in its international aspects.

- The U.S. has hundreds of bilateral energy agreements with little coordination or accountability.
- Without a high level coordinating mechanism, shared jurisdiction over energy by the Departments of Energy and State makes policy coordination or systematic integration of energy into foreign policy impossible.
 - The Secretary of State appointed a Coordinator for International Energy Affairs in 2006. However, the coordinator is handicapped by lack of a legislative mandate or high-level position.
 - S.193 would create a permanent Coordinator position at the highest level of the State Department - the Secretary's Office.
- S.193 provides policymakers with the tools they need to ensure that the international energy activities of the U.S. government support the national security needs of the United States.

S.193: Key Provisions

Reforms Policymaking and Implementation Structures: [Sections 3b and 4g]

- Establishes Coordinator for International Energy Affairs within the Office of the Secretary of State, integrating energy security into the Department's core mission and improving policy coordination.
- Requires the Executive to Report on current bilateral and multilateral energy agreements, providing policymakers with the information they need to improve energy security.

Expands Strategic Energy Partnerships: [Section 3b and 4]

- Makes it the policy of the United States to advance global energy security through partnership with other nations.
- Authorizes the Secretary of State, in coordination with the Secretary of Energy, to establish and expand strategic energy partnerships with other nations

Establishes Policy Guidelines for International Energy Affairs: [Section 4]

- Promote reliable, diverse and sustainable sources of all types of energy
- Increase global availability of renewable and clean sources of energy
- Decrease global dependence on oil and natural gas energy sources
- Advance access to reliable and affordable energy for underdeveloped areas, in particular energy access for the poor

Strengthens Global Energy Crisis Response mechanisms: [Section 5]

- Calls for establishing bilateral strategic energy partnerships with India and China focused on the development and management of strategic petroleum reserves
- Calls for establishing a Western Hemisphere energy crisis response mechanism under the auspices of the Hemisphere Energy Cooperation Forum
- Calls for expanding developing countries' access to strategic petroleum reserves

Conclusion

Today's energy challenges cannot be overcome by the U.S. alone. As the United States Congress continues to move forward with a series of ground-breaking domestic energy legislation, the U.S. must also work in partnership with other nations to address shared threats to climate, security and development posed by global fossil fuel dependence.

We urge you to support S.193 as a critical first step in achieving a comprehensive, globally focused U.S. energy policy.

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