



# COMMENTARY

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## How Dependent Should We Be on Russian Oil and Gas?

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While Europe is now re-evaluating its growing dependency on Russian energy imports, the U.S. continues to count on increased Russian supplies to fill the energy gap created by declining domestic and Canadian production, and by political instability in Venezuela, Nigeria, and the Middle East. Energy Secretary Samuel Bodman has stated that the U.S. will import 10 to 20 percent of its natural gas needs from Russia in the next few years.

Increasing our dependency on an authoritarian Russia that uses energy to regain control over its neighbors cannot be good policy, particularly when the Putin government continues to centralize control over energy resources in the Kremlin and when the business climate in Russia becomes less, rather than more, transparent. EU countries and the United States previously ignored the petro-politics of the Kremlin as long as they were confined to the former communist states of Eastern and Central Europe, but now it is now clear that the policy is being used in an attempt to influence U.S. and Western European security policies.

Moscow's cutoff of gas shipments to Ukraine and much of Europe in January is merely the most recent instance of many in which oil and gas shipments have been shut off or reduced to Russia's energy customers for political and economic reasons. This action, taken in the dead of winter by Russia's government-owned and directed Gazprom, has served as a wake-up call to Western Europe. The business climate for Western energy investors is becoming less, rather than more transparent. The Baltic Sea gas pipeline deal, put together with the help of former German Chancellor Gerhard Schröder, illustrated the opaque connection of former intelligence officers from Russia and Germany putting together deals that will weaken the energy security of the region.

The only thing that remains transparent is the Kremlin's intention to use energy for geopolitical gain and to reverse democratization trends in the former Soviet republics. Russia's energy companies have become clear instruments of foreign policy. Dmitry Medvedev, Gazprom's chairman, is the country's first deputy prime minister; Also, Igor Sechin, chief of the Kremlin administration, is CEO of Rosneft, Russia's fastest growing energy company.

While Lukoil and other Russian companies are free to buy control of U.S. energy assets, such as Getty Petroleum, American companies are limited to the role of minor shareholders in Russian energy companies. Why should we allow ourselves to become more dependent on Russia when the Putin government is undercutting U.S. security interests in Uzbekistan and other Central Asia states, in the Middle East, including Palestine, and is undermining the new democratic states of Ukraine, Georgia, and Moldova? A serious move toward reducing domestic energy demand and increased use of alternative energy sources is smarter policy than becoming more dependent on a Kremlin that uses foreign energy dependency to project its geostrategic interests.

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