

**Opening Statement of Peter Videnieks, Commissioner**  
**June 14, 2007**  
**Washington, DC**

Thank you, distinguished panelists and Vice Chairman Blumenthal, and please let me extend my welcome to all who join us today. Vice Chairman Blumenthal's remarks focused on the strategic and military impacts of China's energy use. I would like to highlight in my opening statement that the energy security vulnerability of the United States resulting from its dependence on oil and gas imports can be mitigated by developing fuels that offer an alternative to oil and natural gas—one of those being clean coal produced by clean coal technology.

The United States has the largest amount of coal reserves in the world—27 percent of global supplies. Currently, coal provides about 23 percent of energy consumed by the United States, compared to nearly two-thirds of the energy China's consumes. Almost 92 percent of all coal consumed in the U.S. fuels the electric power sector. U.S. reliance upon oil as a fuel source is still significantly greater than China's oil consumption, both in absolute and per capita figures. The United States consumes approximately 20 million barrels per day and in 2006 China consumed approximately 7.4 million barrels per day. And the majority of the petroleum consumed in the United States is imported – approximately 59 percent in net imports in 2005. Were the U.S. supply to be interrupted, the nation could initially tap into the U.S. strategic petroleum reserve. But, although it holds almost 700 million barrels, that is equivalent to only 35 days of current consumption and provides only 56 days of current import protection. Once that supply is exhausted, we would be faced with a daunting challenge of how to supply America's energy needs. Some estimate that in the event that the U.S. had to rely on domestic petroleum reserves only, at the current rate of usage, we'd be out of oil in four years.

In China, in addition to energy security concerns, there is great and growing concern about the environmental effects of China's coal consumption – concerns about public health, air quality, and carbon dioxide emissions that contribute to global warming. China relies upon coal for domestic and industrial electricity production, but to date environmental controls have been ineffective in controlling pollution. The problems resulting from China's increasing energy intensity and inefficient coal burning and U.S. increasing dependence on imported petroleum provide the U.S. and China with a unique opportunity to engage in the joint development and use of clean coal technologies that utilize coal supplies available in both countries but also greatly reduce air emissions and other pollutants. This approach could make a significant contribution to addressing our own domestic strategic concerns about the possibility of our oil supply being cut off during a crisis and also to reducing the pollution produced by China's current methods of coal consumption.

The U.S.-China Commission is mandated by the U.S. Congress to investigate and provide an advisory report regarding the effect of the large and growing economy of the People's Republic of China on world energy supplies and the role the United States can play, including joint research and development efforts and technological assistance, in influencing the energy policy of the People's Republic of China. I hope that through the course of this hearing we will hear the opinions of experts on how to positively influence

the energy policy of the People's Republic of China and what types of joint research and development projects can be pursued to reduce our dependence upon oil and gas.

I welcome the comments of today's witnesses and look forward to their testimony. Thank you, and we'll proceed with our first panel.