



Highlights of [GAO-07-170](#), a report to the Chairman, Committee on International Relations, House of Representatives

## Why GAO Did This Study

Rising oil prices, resulting from growth in energy consumption by rapidly developing Asian nations and by most industrialized nations, have increased concern about competition over oil and natural gas resources. In particular, Congress expressed interest in how the United States participates in energy cooperation through international forums. GAO was asked to review: (1) what are the key international energy forums in which the United States pursues energy cooperation, (2) what are some of the key emerging energy market issues that are important for international energy cooperation, and (3) how is the United States addressing these issues through its participation in these forums. GAO's work is based on contacts with agency officials and energy experts and review of documents.

## What GAO Recommends

GAO recommends that the Secretary of Energy emphasize improving international energy information efforts, particularly by examining how EIA statistical expertise can contribute to data efforts and U.S. data submissions to IEA can be made more timely. DOE expressed concerns and provided alternative language related to EIA's role and efforts.

[www.gao.gov/cgi-bin/getrpt?GAO-07-170](http://www.gao.gov/cgi-bin/getrpt?GAO-07-170).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Loren Yager at (202) 512-4347 or [yagerl@gao.gov](mailto:yagerl@gao.gov).

# INTERNATIONAL ENERGY

## International Forums Contribute to Energy Cooperation within Constraints

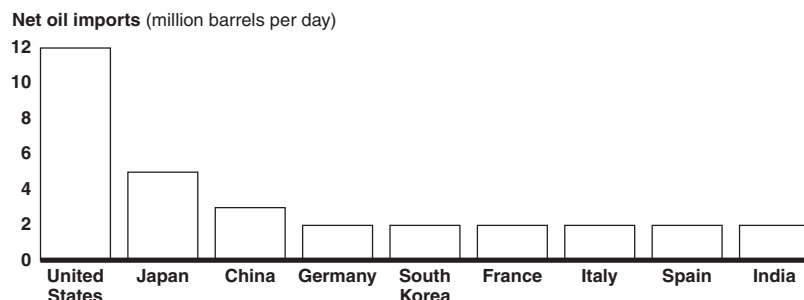
### What GAO Found

The United States pursues energy cooperation through several international energy forums designed to meet specific cooperative needs. They include a formal institution with binding petroleum reserve obligations, regional associations, and informal gatherings designed to facilitate information exchange. Major forums include the International Energy Agency (IEA), the Asia Pacific Economic Cooperation Energy Working Group, the North American Energy Working Group, and the International Energy Forum.

GAO identified three energy market issues that are important for U.S. efforts in international energy cooperation. First, a tighter energy market with higher, more volatile, prices has developed. This is due to (1) an unanticipated rise in energy demand and (2) constrained supply due to less spare crude oil production capacity and increased political frictions in certain supplier countries. Second, market participation of national oil and gas companies, which are majority owned by governments, has led to limitations on access to resources. Third, more reliable energy market information is needed to facilitate market stability and plan investment.

The U.S. government has addressed these issues through its participation in international energy cooperation forums; however, the nature of the forums can limit their impact. Forums have restricted membership, consensus-based agendas and decisions, and voluntary participation. They generally focus on noncontroversial issues such as energy efficiency and technology. Within these constraints, the United States has tried to mitigate effects of tight markets by supporting emergency preparedness. It has not directly addressed the impact of national oil companies, but it has pursued related areas. It has sought to improve energy information, but Energy Information Administration (EIA) statistical expertise has not been consistently leveraged for purposes beyond data exchange, and U.S. data submissions to the IEA have not been timely.

### Top World Oil Net Importers, 2004



Source: GAO analysis of EIA data.

Note: This includes all countries that imported more than 1 million barrels per day net in 2004.