The Global Energy Market:
Comprehensive Strategies to Meet
Geopolitical and Financial Risks

Conference Agenda

Wednesday, May 21, 2008
James A. Baker III Institute for Public Policy, Rice University
Houston, Texas
The international community is facing the most difficult energy market it has seen in two decades. Oil prices have experienced record swings, oil capacity surpluses have disappeared across the operational chain, and significant gains in demand are being driven by the expanding economies of the developing world. In the short term, security of existing supplies remains a key challenge to global energy markets.

In the Middle East, exporters face greater risks from terrorist attacks following Al-Qaeda’s 2004 call for attacks on regional oil facilities and infrastructure. Risks to navigation through the Strait of Hormuz have also risen in recent years following an increase in sea-based terror attacks and mounting international tensions with Iran over its nuclear program. Unfettered access to Russia’s energy supply has also been more problematic following the Kremlin’s reorganization of the country’s energy industry under President Vladimir Putin. In many countries in Africa and South America, civil unrest, heavy government interference in the energy sector, bureaucratic inefficiency and corruption are hindering the development of oil supplies and, in some cases, have disrupted immediate exports.

The Baker Institute conference, “The Global Energy Market: Comprehensive Strategies to Meet Geopolitical and Financial Risks,” brings together senior policymakers, economists, academic specialists and industry professionals to discuss the geopolitical risks currently facing international energy markets and the global financial system. It also investigates the consequences that such risks could pose to energy security, pricing and supply, as well as to the transparent and smooth operation of the global market for oil and natural gas trade and investment. At the conference, the Baker Institute will release a new energy study titled “The Global Energy Market: Comprehensive Strategies to Meet Geopolitical and Financial Risks.” By analyzing these key geopolitical threats in depth, the study identifies a series of policy frameworks that can be used to fortify the current market system and ensure that it can respond flexibly to the array of threats that might be encountered in the coming years. The study also examines the impact of emerging climate policy on future U.S. foreign and national energy policy.

About the Conference

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Organizing Partners

The James A. Baker III Institute for Public Policy

The mission of the Baker Institute is to help bridge the gap between the theory and practice of public policy by drawing together experts from academia, government, media, business and nongovernmental organizations. By involving policymakers and scholars, as well as students (tomorrow’s policymakers and scholars), the institute seeks to improve the debate on selected public policy issues and to make a difference in the formulation, implementation and evaluation of public policy, both domestic and international. The Baker Institute is an integral part of Rice University, one of the nation’s most distinguished institutions of higher education. The efforts of Baker Institute fellows and affiliated Rice faculty focus on several ongoing research projects, details of which can be found on the institute’s Web site, http://bakerinstitute.org.

The Baker Institute Energy Forum

Located in Houston, Texas, the energy capital of the world, the James A. Baker III Institute for Public Policy has created a multifaceted program designed to promote original, forward-looking discussion and research on the energy-related challenges facing our society in the 21st century. The mission of the Energy Forum is to shed light on important trends — both regional and global — that shape the nature of global energy markets and influence the quantity and security of vital supplies needed to fuel world economic growth and prosperity. The choice of
The word “forum” is deliberate. It reflects the group’s goal to serve as a focal point for the exchange of ideas on how to improve understanding of the complex political, cultural, religious, economic and social forces that influence open access to energy resources and their equitable distribution.

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The Institute of Energy Economics, Japan
The Institute of Energy Economics, Japan (IEEJ) was established in June 1966 and specializes in research activities in the area of energy from the viewpoint of Japan’s national economy in a bid to contribute to sound development of Japanese energy supply and consumption industries and to the improvement of domestic welfare by objectively analyzing energy problems and providing basic data, information and the reports necessary for policy formulation. With the diversification of social needs during the three and a half decades of its operation, IEEJ has expanded its scope of research activities to include such topics as environmental problems and international cooperation closely related to energy. The Energy Data and Modeling Center (EDMC), which merged with the IEEJ in July 1999, was established in October 1984 as an IEEJ-affiliated organization to carry out such tasks as the development of energy data bases, the building of various energy models and the econometric analyses of energy.
Conference Agenda
Opening Keynote Addresses

8:30 am  Welcoming Remarks
The Honorable Edward P. Djerejian
Founding Director, James A. Baker III Institute for Public Policy, Rice University

Shell Distinguished Lecture Series Keynote Speaker:
The U.S. Economy, Financial Markets and the Price of Oil
Martin Feldstein, D. Phil.
George F. Baker Professor of Economics, Harvard University, and
President and Chief Executive Officer, National Bureau of Economic Research

Sources of Instability In the Middle East
Thomas Fingar, Ph.D.
Deputy Director of National Intelligence for Analysis and Chairman, National Intelligence Council

International Energy Policy and American Diplomatic Engagement
The Honorable Reuben Jeffery III
Under Secretary, Economic, Energy and Agricultural Affairs and
Coordinator for International Energy Affairs, U.S. Department of State

Morning Session I – Geopolitical Risks to the Global Energy Market

10:00 am  Overview of the Study
Amy Myers Jaffe
Wallace S. Wilson Fellow in Energy Studies, James A. Baker III Institute for Public Policy

Oil, the Dollar and Financial Markets
Mahmoud Amin El-Gamal, Ph.D.
Rice Scholar, James A. Baker III Institute for Public Policy, and
Professor of Economics, Rice University

11:00 am  Break

Morning Session II – Geopolitical Risks to the Global Energy Market (continued)

11:15 am  Russian Roulette: Risk Scenarios for Russian Gas
Kenneth B. Medlock III, Ph.D.
Fellow in Energy Studies, James A. Baker III Institute for Public Policy, and
Adjunct Assistant Professor of Economics, Rice University
Peter R. Hartley, Ph.D.
Rice Scholar, James A. Baker III Institute for Public Policy, and
George and Cynthia Mitchell Chair and Professor of Economics, Rice University

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Iran and the Nuclear Standoff
Daniel Brumberg, Ph.D.
Associate Professor, Department of Government, Georgetown University, and Acting Director, United States Institute of Peace Muslim World Initiative, Center for Conflict Analysis and Prevention

Oil and Terrorism
David Cook, Ph.D.
Associate Professor of Religious Studies, Rice University

12:30 pm  Lunch
Grand Hall, Rice Memorial Center

Afternoon Session I – Energy Security and Resource Conflict

2:00 pm  Resource Nationalism: The Case of Bolivia
David R. Mares, Ph.D.
Baker Institute Scholar for Energy Studies, James A. Baker III Institute for Public Policy, and Professor of Political Science, University of California, San Diego

Iraq and Oil Wars
Yahia Said
Director for the Middle East and North Africa, and Senior Advisor, Revenue Watch Institute, and Research Officer, Centre for the Study of Global Governance, London School of Economics and Political Science

Militarization of Energy
James A. Russell
Co-Director, Center for Contemporary Conflict, and Senior Lecturer, Department of National Security Affairs, Naval Postgraduate School

Market Solutions: Why Militarization is Unlikely
Ronald Soligo, Ph.D.
Rice Scholar, James A. Baker III Institute for Public Policy, and Professor of Economics, Rice University

China and Economic Levers
Richard J. Stoll, Ph.D.
Rice Scholar, James A. Baker III Institute for Public Policy, and Professor of Political Science, Rice University

3:45 pm  Break
Afternoon Session II – Energy and U.S. Foreign Policy

4:00 pm  U.S.–Iranian Relations: Nuclear Aspirations and Other Issues
Daniel Brumberg, Ph.D.
Associate Professor, Department of Government, Georgetown University, and
Acting Director, United States Institute of Peace Muslim World Initiative,
Center for Conflict Analysis and Prevention

U.S. Foreign Policy and Climate Change
Matthew E. Chen
Energy Research Associate, James A. Baker III Institute for Public Policy
Joe Barnes
Bonner Means Baker Fellow, James A. Baker III Institute for Public Policy

U.S. and Joint Oil Consuming Country Strategies
Amy Myers Jaffe
Wallace S. Wilson Fellow in Energy Studies, James A. Baker III Institute for Public Policy
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**Speaker Biographies**

**Joe Barnes** is the Bonner Means Baker Fellow at the James A. Baker III Institute for Public Policy. His chief area of interest is international economics with a focus on the geopolitics of energy. In addition to numerous institute studies, Barnes’ work has also appeared in The New York Times, the Houston Chronicle, Survival, Z Magazine, Oil and Gas Journal, Energy Markets, the Newsletter of the Royal United Services Institute, the SAIS Policy Forum Series, and The National Interest. He is a contributor to two volumes, “Energy in the Caspian Region” (Palgrave Press) and “United States Tax Reform in the 21st Century” (Cambridge University Press). His work was recently published in “Natural Gas and Geopolitics from 1970 to 2040” (Cambridge University Press, 2006). Barnes is advisor to the Baker Institute Student Forum. From 1979 to 1993, he was a career diplomat with the U.S. State Department. Barnes is a graduate of Princeton University.

**Daniel Brumberg** is an associate professor in the Department of Government at Georgetown University and also serves as acting director for the United States Institute of Peace (USIP) Muslim World Initiative in the Center for Conflict Analysis and Prevention. A scholar of politics and social change in the Middle East and the wider Islamic world, he is author of “Reinventing Khomeini: The Struggle for Reform in Iran” (The University of Chicago Press, 2001), and co-editor with Larry Diamond and Marc Plattner of “Islam and Democracy in the Middle East” (The Johns Hopkins University Press, 2003). Brumberg has taught at the Graduate School of Business of The University of Chicago and Sciences Po in Paris, and he has also served as a senior fellow in the Carnegie Endowment for International Peace. He has conducted research in Algeria, Morocco, Kuwait, Egypt and Indonesia, and speaks Arabic, French and Hebrew. Brumberg received his B.A. from Indiana University and his Ph.D. from The University of Chicago.

**Matthew E. Chen** is a research associate at the James A. Baker III Institute for Public Policy. Chen graduated cum laude with a B.A. in history from Rice University in 2004, and he also studied at the School of Oriental and African Studies (SOAS), University of London, from 2002 to 2003. He earned a Master of International Affairs (MIA) with distinction from The Australian National University in 2005. His work on global security, energy, human rights and corporate governance has been published by the Baker Institute and has also appeared in Orbis: A Journal of World Affairs and The Whitehead Journal of Diplomacy and International Relations.

**David Cook** is an associate professor of religious studies at Rice University, specializing in Islam. He completed his undergraduate degree at The Hebrew University of Jerusalem, and he received his Ph.D. from The University of Chicago in 2001. His areas of specialization include early Islamic history and development, Muslim apocalyptic literature and movements (classical and contemporary), radical Islam, historical astronomy and Judeo–Arabic literature. His first book, “Studies in Muslim Apocalyptic,” was published by Darwin Press in the series Studies in Late Antiquity and Early Islam. Two further books, “Understanding Jihad” (University of California Press) and “Contemporary Muslim Apocalyptic Literature” (Syracuse University Press), were published in 2005. “Martyrdom in Islam” (Cambridge University Press, 2007) and “Understanding and Addressing Suicide Attacks” (with Olivia Allison, Praeger Security Press, 2007) were completed recently. Cook is continuing to work on contemporary Muslim apocalyptic literature, with a focus upon Shiite materials, as well as preparing manuscripts on jihadi groups and Western African Muslim history.

**The Honorable Edward P. Djerejian** is the founding director of the James A. Baker III Institute for Public Policy. He served both President George H.W. Bush and President William J. Clinton as assistant secretary of state for Near Eastern Affairs and Presidents Ronald Reagan and George H.W. Bush as U.S. ambassador to Syria. He served President Clinton as U.S. ambassador to Israel before completing his foreign service career in 1994. He also served President Reagan as special assistant and deputy press secretary for foreign affairs. He has been awarded the Presidential Distinguished Service Award, the Department of State’s Distinguished Honor Award, and numerous other honors including the Ellis Island Medal of Honor and the Anti-Defamation League’s Moral Statesman Award.

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Mahmoud Amin El–Gamal is a Rice scholar at the James A. Baker III Institute for Public Policy and a professor of economics and statistics at Rice University, where he also holds the endowed Chair in Islamic Economics, Finance and Management. Before joining Rice in 1998, he was an associate professor of economics at the University of Wisconsin–Madison. He has also worked as an assistant professor at the University of Rochester and the California Institute of Technology; as an economist at the Middle East department of the International Monetary Fund (1995–96); and as the first scholar in residence on Islamic finance at the U.S. Department of Treasury (2004). El–Gamal has published extensively on finance, econometrics, decision science, economics of the Middle East and Islamic transactions law. His recent books are “Islamic Finance: Law, Economics, and Practice” (Cambridge University Press, 2006) and “Financial Transactions in Islamic Jurisprudence” (Dar Al–Fikr, 2003), a major translation project for classical Islamic law and its contemporary interpretations. Other publications have included academic journal articles and book chapters on monetary and exchange rate policies, foreign direct investment in the Arab world, growth and investment in various Arab countries, and financial models for employment–generating small and medium enterprises. He has also published extensively on Bayesian updating of subjective beliefs in decision–making under uncertainty and has recently published articles on applications of extreme value theory in financial risk management.

Martin Feldstein is the George F. Baker Professor of Economics at Harvard University and president and chief executive officer of the National Bureau of Economic Research. From 1982 to 1984, Feldstein was chairman of the Council of Economic Advisers and President Ronald Reagan’s chief economic adviser. He served as president of the American Economic Association in 2004. In 2006, President George W. Bush appointed him to be a member of the President’s Foreign Intelligence Advisory Board. Feldstein is a member of the American Philosophical Society, a corresponding fellow of The British Academy, a fellow of the Econometric Society and a fellow of the National Association for Business Economics. He is also a member of the Trilateral Commission, the Council on Foreign Relations, The Group of Thirty and the American Academy of Arts & Sciences. Feldstein has received honorary doctorates from several universities and is an honorary fellow of Nuffield College, University of Oxford. In 1977, he received the John Bates Clark Medal of the American Economic Association. He is the author of more than 300 research articles in economics. Feldstein is a director of two corporations (American International Group, Inc., and Eli Lilly and Company), and an economic adviser to several businesses and government organizations in the United States and abroad. He is a regular contributor to The Wall Street Journal. Feldstein is a graduate of Harvard College and Oxford University.

Thomas Fingar became the first deputy director of national intelligence for analysis in 2005 and serves concurrently as the chairman of the National Intelligence Council. He was selected for this position while serving as assistant secretary of the State Department’s Bureau of Intelligence and Research (INR). Previous assignments in the State Department include acting assistant secretary for intelligence and research (2003–2004 and 2000–2001), principal deputy assistant secretary (2001–2003), deputy assistant secretary for analysis (1994–2000), director of the office of analysis for East Asia and the Pacific (1989–1994), and chief of the China division (1986–1989). His intelligence career began in 1970 as the senior German linguist in the Office of the Deputy Chief of Staff for Intelligence, USAREUR & 7th Army in Heidelberg, Germany. Between 1975 and 1986 he held a number of positions at Stanford University, including senior research associate in the Center for International Security and Arms Control (now the Center for International Security and Cooperation), and director of the university’s U.S.–China Relations Program. Other previous positions include assignment to the National Academy of Sciences as co–director of the U.S.–China Education Clearinghouse, adviser to the Congressional Office of Technology Assessment, and consultant to numerous U.S. government agencies and private sector organizations. He is a career member of the Senior Executive Service. Fingar has published dozens of books and articles, mostly on aspects of Chinese politics and policymaking. He is a graduate of Cornell University (B.A. in government and history, 1968) and Stanford University (M.A., 1969, and Ph.D., 1977, both in political science).
Peter R. Hartley is a Rice scholar at the James A. Baker III Institute for Public Policy. He is also the George and Cynthia Mitchell Chair and a professor of economics at Rice University. Hartley has worked for more than 25 years on energy economics issues, focusing originally on electricity, but including work on natural gas, oil, coal, nuclear and renewables. He wrote on reform of the electricity supply industry in Australia throughout the 1980s and early 1990s and advised the government of Victoria when it completed the acclaimed privatization and reform of the electricity industry in that state in 1989. Apart from energy and environmental economics, Hartley has published research on theoretical and applied issues in money and banking, business cycles and international finance. In 1974, he completed an honors degree at The Australian National University, majoring in mathematics. He worked for the priorities review staff, and later the economic division, of the Department of the Prime Minister and Cabinet in the Australian government while completing a master’s degree in economics at The Australian National University in 1977. Hartley obtained a Ph.D. in economics at The University of Chicago in 1980. He came to Rice as an associate professor of economics in 1986 after serving as an assistant professor of economics at Princeton University during 1980–86.

Amy Myers Jaffe is the Wallace S. Wilson Fellow in Energy Studies at the James A. Baker III Institute for Public Policy and associate director of the Rice University energy program. Her research focuses on the subject of oil geopolitics, strategic energy policy including energy science policy, and energy economics. Jaffe is widely published in academic journals and numerous book volumes and served as co-editor of “Energy in the Caspian Region: Present and Future” (Palgrave, 2002) and “Natural Gas and Geopolitics: From 1970 to 2040” (Cambridge University Press, 2006). She served as a member of the reconstruction and economy working group of the Baker/Hamilton Iraq Study Group and as project director for the Baker Institute/Council on Foreign Relations Task Force on Strategic Energy Policy. She was among Esquire magazine’s 100 Best and Brightest honorees in the contribution to society category in 2005. Prior to joining the Baker Institute, Jaffe was the senior editor and Middle East analyst for Petroleum Intelligence Weekly, a respected oil journal. She received her bachelor’s degree in Arabic studies from Princeton University.

The Honorable Reuben Jeffery III is the under secretary for economic, energy and agricultural affairs and serves as the senior economic official at the State Department. Jeffery advises the secretary of state on international economic policy and leads the work of the department on issues ranging from trade, agriculture and aviation to bilateral relations with America’s economic partners. He also serves as the State Department’s coordinator for international energy affairs. Most recently, Jeffery was chairman of the Commodity Futures Trading Commission, and in that capacity he served on the President’s Working Group on Financial Markets. Jeffery previously served on the National Security Council as executive director of the Coalition Provisional Authority (CPA) office at the Pentagon, and as an advisor to Ambassador Bremer in Iraq. He also served as special advisor to the president for Lower Manhattan Development, where he coordinated ongoing federal efforts in support of the long-term recovery and redevelopment of Lower Manhattan in the aftermath of Sept. 11, 2001. Jeffery spent 18 years working for Goldman, Sachs & Co., where he was managing partner of Goldman Sachs in Paris and of the firm’s European Financial Institutions Group (1992–1997) in London. Jeffery has a broad range of international capital markets, corporate finance and merger and acquisition experience. Jeffery received his B.A. in political science from Yale University in 1975 and Juris Doctor and Master of Business Administration from Stanford University in 1981.

David R. Mares is the Baker Institute Scholar for Energy Studies at the James A. Baker III Institute for Public Policy and a professor of political science and an adjunct professor at the Graduate School of International Relations and Pacific Studies at the University of California, San Diego. Mares was previously professor-investigador at El Colegio de México (1980–82), Fulbright Professor at the Universidad de Chile (1990) and a visiting professor

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Kenneth B. Medlock III is currently fellow in energy studies at the James A. Baker III Institute for Public Policy and an adjunct assistant professor in the Department of Economics at Rice University. He is a principal in the development of the Rice World Natural Gas Trade Model, which is aimed at assessing the future of liquefied natural gas (LNG) trade. Medlock’s research covers a wide range of topics in energy economics, such as domestic and international natural gas markets, choice in electricity generation capacity and the importance of diversification, gasoline markets, emerging technologies in the transportation sector, modeling national oil company behavior, economic development and energy demand, forecasting energy demand, and energy use and the environment. His research has been published in numerous academic journals, book chapters and industry periodicals. For the department of economics, Medlock teaches courses in energy economics.


Yahia Said is director for the Middle East and North Africa and a senior advisor at the Revenue Watch Institute, an independent nonprofit organization promoting responsible management of oil, gas and mining revenues in resource-rich countries. He is also a research officer at the London School of Economics, specializing in issues of transition and conflict in postauthoritarian and petroleum dependent countries with a focus on the former Soviet Union, Eastern Europe and the Middle East. Said travels frequently to Iraq, working with government officials, members of parliament, oil industry experts, academics and activists. In 2005 and 2006 he led a program by Revenue Watch on the management of Iraq’s hydrocarbon wealth, which involved key players in that sector. Over the past two years, on a secondment by Revenue Watch, Said led the United Nations technical assistance
team in support of the drafting and implementation of the International Compact with Iraq — a comprehensive, medium-term program for political and economic reforms. He has authored numerous academic and policy publications, including the recently published book “Oil Wars,” which he co-authored with Mary Kaldor and Terry Karl.


Richard J. Stoll is a Rice scholar at the James A. Baker III Institute for Public Policy and a professor of political science at Rice University. His research centers on the study of international conflict and American national security policy. He has published six books and more than 40 articles and book chapters. He has served as the associate director of the Baker Institute, associate dean of social sciences, and department chair of political science (all at Rice University). He has contributed research papers to a number of Baker Institute studies. He has also been the recipient of major funding from the National Science Foundation on several occasions. During his time at Rice, Stoll has won 10 teaching awards and has also been honored on a number of occasions for advising and mentoring students.