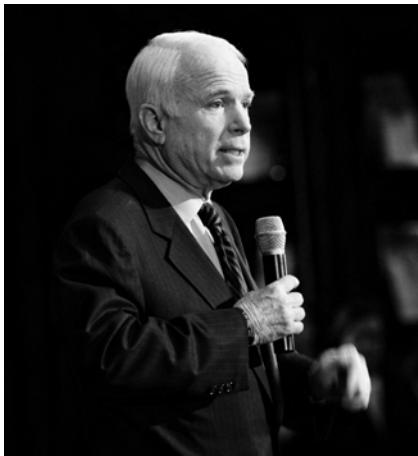




BAKER INSTITUTE REPORT

NOTES FROM THE JAMES A. BAKER III INSTITUTE FOR PUBLIC POLICY OF RICE UNIVERSITY

SEN. JOHN MCCAIN ADDRESSES CAMPAIGN ISSUES AT TOWN HALL FORUM



Sen. John McCain, R-Ariz.

Less than a week before the Texas primary, Republican presidential candidate Sen. John McCain, R-Ariz., stated at the Baker Institute that he has the experience and knowledge to lead the country.

The Feb. 28 town hall meeting was open to Rice University students, faculty, staff and guests invited by the university, along with the news media. McCain's visit was prompted by an invitation from Rice and the Baker Institute to

speak. Invitations were also extended to Democrats Hillary Clinton of New York and Barack Obama of Illinois, and Republicans Mike Huckabee of Arkansas and Ron Paul of Texas. McCain was the first to accept.

Introduced as a "consensus builder" by former U.S. Secretary of State and Baker Institute Honorary Chair James A. Baker, III, McCain spoke about energy, taxes, Iraq and

continued on page 27

SEN. JOHN KERRY URGES ACTION ON CLIMATE CHANGE POLICY

In his keynote address at the Baker Institute conference "Beyond Science: The Economics and Politics of Responding to Climate Change," Sen. John Kerry, D-Mass., challenged U.S. policy-makers to take immediate steps to deal with the threat of climate change. A long-standing advocate for the environment, Kerry, along with former Vice President Al Gore, held the first Senate hearings on global warming in 1987. In December 2007, Kerry represented the Senate at the United Nations conference on climate change in



continued on page 28

Sen. John Kerry, D-Mass.

IN THIS REPORT

Director's Letter	2
Campaign 2008:	
The Issues Considered	3
Energy Forum	7
Science & Technology	10
Rush Conference Center	13
Kelly Day Endowment	14
Associate Roundtable	15
Latin American Initiative	16
Space Policy	18
Diplomacy	20
Technology, Society & Public Policy	24
Homeland Security & Terrorism	
Student Forum	26
In the News	32
New Publications	34
Fellows and Scholars	35

LETTER FROM THE DIRECTOR

This fall will mark the Baker Institute's 15th anniversary.

At the time the institute was launched in 1993, it was temporarily located on the ground floor of Fondren Library on the Rice University campus. In 1997, we inaugurated James A. Baker III Hall, the institute's home. Then, we had plenty of space. Today, Baker Hall is filled to capacity with institute fellows and the administrative staff to support them.

Far more important than the space in which we work, of course, is the substance of what we do here. The last 15 years have seen the steady development of outreach and research programs that compare favorably with the very best public policy institutions in the country. Indeed, this year the Baker Institute was rated as one of the nation's 30 most influential think tanks.

When the institute began, we worried about our ability to attract world leaders to our forum. Today, we boast one of the most impressive speakers' programs in the country. Prominent leaders have come to the institute to share their policy experience, including U.S. Presidents Gerald R. Ford, Jr., Jimmy Carter, George H.W. Bush and Bill Clinton; President Nelson Mandela of South Africa; Presidents Mikhail Gorbachev and Vladimir Putin of Russia; King Abdullah II of Jordan; President Hosni Mubarak of Egypt; Sheikh Hamad bin

Khalifa Al-Thani, Emir of Qatar; Prince Saud al-Faisal of Saudi Arabia; President Shimon Peres of Israel; and Chancellor Helmut Kohl of Germany.

Most importantly, we have developed ongoing research programs in critical areas of domestic and foreign policy. The final test of any public policy institute is its intellectual product. We are proud of our record in bringing institute fellows, Rice faculty, and outside scholars and experts together to examine topics as varied as energy, tax and expenditure policy, conflict resolution in the Middle East, health care, science and technology, China's emerging middle class, and the U.S.-Mexican border and Latin America. Our work in these areas has gained a reputation among policymakers in Washington and elsewhere for in-depth and unbiased, nonpartisan analysis.

The heart of our research program remains the institute fellows, who bring extraordinary experience and insight to their fields of interest. We are drawing on the expertise of our fellows in our current "Campaign 2008" series featuring discussions on some of the most important issues confronting the American electorate as we prepare to choose a new president in November.

We also forge partnerships with other institutions. In 2002, we worked with the Council on Foreign Relations on a much-cited study detailing the chal-

lenges of post-conflict Iraq. In 2006, we were one of the institutions that facilitated the work of the bipartisan Iraq Study Group that assessed the situation on the ground in Iraq and recommended a way forward that could promote U.S. and regional interests.

We have deepened our relationship with the Rice community over the years. University faculty play a central role in our research. The Baker Institute Student Forum helps us reach out to undergraduates and graduates alike. And from Rice president David Leebron on down, we have a close working relationship with the university's administration.

Looking forward, we hope to build on our past achievements. This means, first and foremost, sustaining the flow of first-rate analysis from our existing research programs. It also means identifying new areas of research where we can bring our expertise to bear. We intend to broaden our international outreach through enhanced recruitment of international fellows and exchange programs. And we also plan to expand our thriving internship program in order to provide Rice students with more extensive exposure to the field of public policy.

In sum, the past 15 years have been truly an act of creation. We now face the challenge of sustaining and building the research programs in a dynamic manner

continued on page 27

EXPERTS WEIGH IN ON U.S. HEALTH CARE POLICY

In the first event of the Baker Institute's series "Campaign 2008: The Issues Considered," held Feb. 26, two experts analyzed the current state of U.S. health care and offered policy recommendations to the next U.S. president.

The main presidential candidates share many beliefs about health care, said Karen Davis, president of The Commonwealth Fund, a private, charitable foundation based in New York. "Where they divide has to do with the issue of whether everybody should have coverage, who should pay for it ... and the role of private insurance and the role of private markets."

Davis discussed the findings of a recent study by the fund's Commission on a High-Performance Health System, which set four goals: high-quality safe care, access to care for all, efficient high-value care, and system capacity to innovate and improve.

There are three basic approaches to extend health care to all Americans, Davis said. The first involves tax incentives for people to purchase health insurance in the individual insurance markets. The second expands our current system of mixed private-public group insurance with shared responsibilities for financing across federal/state government, employers and households. The third, and most radical, is to institute public insurance.

"If we do nothing," Davis said, "we will go from spending 16 percent of the gross domestic product on health care to 20 percent in 10 years."

However, Davis said, citing the study, if a serious reform effort begins today and tackles the organization of care, the way it's paid for, and includes investment in health-promotion activities, transparent information and information technology, "we can achieve savings over time sufficient to offset much of the cost of expanding coverage."

Jonathan Skinner, the John Sloan Dickey Third Century Professor of Economics at Dartmouth College, focused on health care costs and ways to limit their rapid growth. He sought to answer why health care costs are escalating and to examine the value of the expenditures.

Skinner pointed to a 2004 study that found no correlation between spending and the quality of health care. Doctors in different regions, he said, differ widely on treatments.

For example, Skinner compared medical expenditures in two Texas border cities, El Paso and McAllen. While they had similar health care costs in the early 1990s, McAllen now spends significantly more.

To cut medical costs, Skinner suggested, "Let's look at the places where we're able to achieve low-cost growth and see if we can emulate those regions in other parts of the country."

While cutting health care costs won't be easy — "To us it's a cost; to somebody else, it's income" — Skinner suggested two guiding principles. First, he urged that incentives should reward value for each dollar spent, emphasizing "value" in an economist's sense. Second, Skinner called for measuring quality more deeply. His model, he said, might be a "Southwest Airlines of health care."



Karen Davis, president of The Commonwealth Fund (center), and Jonathan Skinner, the John Sloan Dickey Third Century Professor of Economics at Dartmouth College (right), discuss the future of health care, with James A. Baker III Institute Chair in Health Economics Vivian Ho moderating the panel.

RIVAL ECONOMISTS FOR MCCAIN AND OBAMA DEBATE

Two leading economists from rival political campaigns spoke at the Baker Institute April 24 to discuss the economic positions of their candidates. Douglas Holtz-Eakin, former director of the Congressional Budget Office and senior policy adviser to Sen. John McCain, and Austan Goolsbee, the Robert P. Gwinn Professor of Economics at The University of Chicago and economic adviser to Sen. Barack Obama, presented their positions in a panel discussion.

The event, hosted by the institute's Tax and Expenditure Policy Program, was part of the institute's "Campaign 2008: The Issues Considered" series. John Diamond, Edward A. and Hermena Hancock Kelly Fellow in Tax Policy, and George Zodrow, Baker Institute Rice scholar and professor of economics at Rice University, moderated the discussion.

Goolsbee described a "squeeze on ordinary Americans" that he believed would be the most important economic issue this fall. "The boom that has just ended," he said, "was the first ... where the median family is actually worse off in real terms than it was when the boom began." The failure of wages to keep up with inflation and recent rising fuel, food and health care costs have exacerbated income inequality and will be on voters' minds in November, he argued.

Rising income inequalities pose a serious problem. Goolsbee said the Bush tax cuts should be allowed



Douglas Holtz-Eakin, senior policy advisor to Sen. John McCain (left), and Austan Goolsbee, economic advisor to Sen. Barack Obama (right), participate in open discussion about their respective candidates' economic policies.

to expire. Holtz-Eakin criticized the Bush administration's "reckless spending" and contrasted it with McCain's pledge to remove earmarks from federal spending bills. He emphasized McCain's theme of "service to a cause greater than our own self-interest," including bold reforms to health care, education, budget and tax policy, and energy policy.

Holtz-Eakin also said that McCain supports individual accounts like those Bush proposed in 2005 to shore up Social Security, as well as a comprehensive health care program that weighs success according to healthy outcomes rather than money spent. Goolsbee said Obama seeks to reduce Medicare costs.

An audience member asked how the cost of the wars in Iraq and Afghanistan affects the budget. Holtz-Eakin said McCain is com-

mitted to the war effort, which he described as necessary to defeat al-Qaida. It will involve "considerable and painful sacrifice" in financial and human terms, he said. Goolsbee countered, "The thing to do if you're for extended deployment in Iraq is not to cut \$500 billion a year of taxes." Obama plans to begin withdrawing U.S. forces from Iraq if he is elected, Goolsbee added.

Holtz-Eakin concluded, "McCain believes deeply that people have lost their trust in government. We need to return to one where the people believe we are promoting the general welfare." Goolsbee said Obama agrees that trust in American government must be restored. But, he argued, "We can't just keep cutting taxes to promote the general welfare. It's clear there are investments we need to make that are good for the economy and good for America."

HBO SCREENS “RECOUNT” AT BAKER INSTITUTE

Hollywood came to the Houston on May 20 as HBO Films screened the made-for-TV movie “RECOUNT” at the Baker Institute. The film chronicles the 36 days after the 2000 presidential election, centering on the contested results in Florida.

The screening was followed by a panel discussion with Jimmy Carter, 38th president of the United States, and James A. Baker, III, 61st secretary of state. David von Drehle, editor-at-large for TIME magazine and co-author of the book “Deadlock: The Inside Story of America’s Closest Election,” moderated.

Von Drehle began by explaining that objective analysis by his team from The Washington Post — where he worked at the time — still yielded mixed results. “All of the results we came up with existed within this infinitesimal margin of error,” he said. No one could know with absolute certainty which candidate won the election.

The recount emphasized the need to reform election laws. Carter and Baker discussed the findings of the Commission on Federal Election Reform, which they co-chaired in 2005. The commission’s 87 recommendations expanded upon the earlier Carter–Ford Commission. It included requiring paper trails for electronic voting, photo IDs for voters (with state outreach and free IDs), statewide interoperable voter registration, a uniform presidential primary system and voting rights for convicted felons.

Though not all of the recom-

mendations have been implemented, Carter said the fact that they are “on the record” was evidence of progress. Baker described this as “unfinished business” — what needs to be done is known, but the government needs to find the way to implement these reforms.

Baker was consulted by HBO during the film’s production. He congratulated the filmmakers on a

“solidly entertaining film.” However, Carter and Baker disagreed with the film’s portrayal of Warren Christopher, the 63rd Secretary of State and an adviser to Al Gore. Carter referred to Christopher as “the finest public servant I had ever known.” “I have the highest respect for [Christopher],” said Baker. “I don’t think that was a really fair

continued on page 30



Above: TIME Editor-at-large David Von Drehle (left) moderates the panel on federal election reform with former Secretary of State James A. Baker, III (center), and former President Jimmy Carter (right). Below: The cast and crew of HBO Films’ “RECOUNT” hold a press conference to discuss the film’s premiere at the Baker Institute.



THE CHINA ISSUE IN THE 2008 ELECTIONS AND CURRENT U.S.–CHINA RELATIONS

China's emergence as an economic heavyweight has coincided with growing self-doubt in the United States, setting the stage for a newsworthy summer that features the Beijing Olympics and the U.S. presidential election. Experts weighed in on the status of U.S.–Chinese relations at the second annual “CHINA Town Hall: National Reflections, Local Connections” event, held April 17 at the Baker Institute.

The event consisted of a national webcast featuring Norman Ornstein, a resident scholar at the American Enterprise Institute, speaking live from Washington, D.C., as well as a local panel discussion titled “The China Issue in the 2008 Presidential and Congressional Elections.”

Ornstein noted unhappiness among U.S. voters this year and explained that criticizing China has become part of the popu-

list response. However, after the U.S. party conventions conclude, Ornstein said the candidates will probably cool their populist rhetoric and the eventual election winner will likely focus more on the U.S. national interest, which must to some degree include cordial relations with China.

The world's attention will be on China because of the Olympics, said Jacques deLisle, the Stephan A. Cozen Professor of Law at the University of Pennsylvania. That attention can “cut both ways,” he said. The Chinese government will seek to benefit from the publicity, while its opponents will try to use the spotlight to embarrass Beijing.

Hans Stockton, associate professor at the University of St. Thomas' Center for International Studies, spoke about the duality of U.S. views on China. U.S. leaders con-

demn Chinese behavior toward domestic dissidents, Tibetan nationalists and Taiwan, but U.S. consumers continue to buy Chinese goods with little disincentive from the U.S. government.

Steven Lewis, director of the Baker Institute's Transnational China Project, noted the growing role of individual Chinese in the world economy, which will have an obvious impact on the U.S. economy. He urged Americans to keep in mind “the perceptions, the psychology, of individual Chinese, and not just what the Chinese government says and does.”

Lewis also pointed out that most Chinese still support the neoliberal economic model. Nightmare scenarios of a future clash between the United States and China may be tempered by a shared economic ideology, he said.

Addressing the question of China's leadership, Lewis described a “fair amount of predictability.” Explaining a new mandatory retirement rule for the Chinese hierarchy, Lewis said, “It's very likely that the people who are in the Politburo now — at least several of them — will be the next leaders. So we need to think about that and cultivate them.”

The National Committee on United States–China Relations co-sponsored the CHINA Town Hall. The panel discussion was co-sponsored by The Houston Forum, the Baker Institute and the Center for International Studies.



From left: Steve Lewis, Baker Institute fellow in Asian studies, discusses U.S.–China relations with Hans Stockton, associate professor at the University of St. Thomas, and Jacques deLisle, the Stephan A. Cozen Professor of Law at the University of Pennsylvania. Frank Jones, counsel at Fulbright & Jaworski (far right), moderates.

BAKER INSTITUTE ENERGY FORUM DISCUSSES STUDY RELEASED ON THE GLOBAL ENERGY MARKET

On May 21, the Energy Forum hosted a conference to present preliminary findings from their study, "The Global Energy Market: Comprehensive Strategies to Meet Geopolitical and Financial Risks." The study identifies and examines major threats and risks to oil pricing, supply and smooth operation of the international oil market.

The study included several working papers that analyze scenarios including the militarization of energy, possible politically motivated cutoffs of oil or natural gas supplies by a large energy supplier, conflicts in Iran and Iraq, terrorist threats to energy infrastructure, and the growth of resource nationalism. The study also examines the consequences of environmental intervention to combat climate change. For key findings from the study, please see page 29.

Opening the conference was Shell Distinguished Lecture Series keynote speaker Martin Feldstein, president and CEO of the National Bureau of Economic Research. In his talk, "The U.S. Economy, Financial Markets and the Price of Oil," Feldstein said that the U.S. economy could still slide into a recession due to structural problems caused by a lack of regulation and financing problems in the social security and medical sectors, as well as the ongoing crisis in the mortgage and housing markets. "The greatest risk to the economy is a downward spiral of house prices with the incentive to default,"



As part of the Shell Distinguished Lecture Series, Martin Feldstein, president and CEO of the National Bureau of Economic Research, delivers the keynote address at "The Global Energy Market: Comprehensive Strategies to Meet Geopolitical and Financial Risks."

he said, also noting that one-third of the U.S. trade deficit has been spent on increased oil prices. Efforts to offset recessionary pressures — such as tax rebates and substantial increases in exports — will have little impact, in Feldstein's opinion, since tax rebates only offset half of the drag on the economy due to the rise in oil prices, and exports only constitute 7 percent of U.S. GDP.

Thomas Fingar, chairman of the National Intelligence Council, discussed "Sources of Instability in the Middle East," emphasizing Iran's quest for nuclear status and its support of terrorist activities in the Middle East. The United States lacks legitimacy in the region, he said. It is considered a "one-sided supporter" or a "meddler" in Israel and Iraq.

In his keynote speech, "International Energy Challenges and American Diplomatic Engagement," Reuben Jeffery III, under secretary for economic, energy and agricultural affairs in the U.S. Department of State, noted that the United States must maintain its good relationship with traditional energy suppliers while continuing to diversify energy production and transportation routes, as well as to support transparency in the energy market. He said that oil supply has been constricted by resource nationalism, which has limited opportunities for commercial investment, and by U.S. and multilateral sanctions, which have restricted access to foreign capital as a means to achieve diplomatic objectives.

continued on page 29

NEXT CENTURY FORECASTED SEA LEVEL RISE

Sea level rise is currently accelerating due to intensified land-ice melting and ocean warming. Such changes may increase the severity and frequency of storms, holding important implications for the construction and maintenance of coastal infrastructure and transport systems. Climate science and environmental experts discussed these issues in an April 9 Baker Institute Energy Forum seminar, "Next Century Forecasted Sea Level Rise: What Does it Mean for Houston?"

"There is almost no doubt in the climate community that sea level is related to global warming," stated Anny Cazenave, senior scientist at the Laboratoire d'Etudes en Géophysique et Océanographie Spatiales and member of the French Academy of Sciences. She noted that before 1850, sea level was nearly constant for 2,000 or 3,000 years; now, scientists have documented with satellite altimetry a rise of 3.1 ± 0.4 millimeters a year since 1993. Cazenave emphasized that multidisciplinary impact studies on long-term climate systems must be developed to reduce uncertainty regarding sea-ice and land-water contributions.

The Intergovernmental Panel on Climate Change report, "Climate Change 2007," notes that rain-storm severity has increased; furthermore, the U.S. Department of Transportation's Gulf Coast Study, which analyzed the potential impacts of climate change on infrastructure and developed an assessment framework, projects a 7

percent increase in rainfall, manifested as less frequent but heavier rains and an increase in the number of severe storms. Referencing this data, Philip Bedient, the Herman Brown Professor of Engineering in the Department of Civil and Environmental Engineering at Rice University, has also found evidence that the severity and frequency of storms in Houston has increased. He has observed changes in sedimentation patterns and the tidal ranges of rivers and bays; storm surge flooding has increased, with saltwater intrusion into wetlands and impacts on barrier islands.

Alan Clark, director of transportation and air quality programs and director of the Metropolitan Planning Organization for the Houston-Galveston Area Council (HGAC), cited the Gulf Coast Study when concluding that increased flooding would structurally damage

vulnerable facilities, resulting in expensive remedies. He urged policymakers to "link decisions about development and transportation" and plan for long-term implications during project design, as well as to integrate operational approaches with design standards and scenario-planning development. Clark opined that climate change effects "can be sudden, rather than gradual," so planning systems must identify and reduce infrastructure vulnerability, as well as account for new threats. Clark and Bedient are part of the HGAC Climate Impact Task Force, which develops recommendations for local governments on how to adapt to climate change.

The seminar was sponsored in conjunction with Rice University's Center for the Study of Environment and Society and the Shell Center for Sustainability.



Experts answer questions regarding impending sea level rise. From left: Alan Clark, director of transportation and air quality programs and director of the Metropolitan Planning Organization for the Houston-Galveston Area Council; Philip Bedient, Herman Brown Professor of Engineering at Rice University; Anny Cazenave, senior scientist at Laboratoire d'Etudes en Géophysique et Océanographie Spatiales and member of the French Academy of Sciences; and Andre Droxler, director of the Center for the Study of Environment and Society at Rice University.

U.S. FUELS AND THE TRANSPORTATION SECTOR

Renewable fuels will not dramatically change the supply-demand balance in the U.S. transport sector by 2010, according to Al Troner, president of Asia Pacific Energy Consulting. "Transportation is the sector hardest to substitute for oil products," he stated.

Troner identified trends in gasoil and automotive diesel oil (ADO) demand, refining, trade and the future of renewable/alternative fuels at a Feb. 19 presentation titled "On the Road: How Quality Will Shape Future Transport Fuels." The event was sponsored by the Baker Institute Energy Forum.

Troner said it would be several years before cellulosic solutions hit the market, noting that other

alternative fuel solutions were even further away. In the short term, he urged policymakers to look at partial solutions, such as standardized boutique product specifications, that would increase supply by adding more finished product imports. He also said the United States needed to push for additional gasoil refining capacity and the reduction or elimination of tax/tariff walls on biofuel imports and ADO/biodiesel. Troner noted that ADO/biodiesel has the potential to significantly reduce gasoil demand in the United States, as it has already done in Europe.

Troner also stated that meeting projected U.S. gasoline and ADO demand would require increasing imports from traditional suppliers,

such as Europe and Venezuela, and new suppliers, such as India, despite the additional refining capacity expected in the United States by 2010. Troner estimates that China and India will make up more than three-quarters of Asia-Pacific's incremental base capacity. Because of investment in refining capacity, India could become one of the leading exporters of gasoline to the United States.

Troner also discussed various regional projections, noting that demand for global transport fuels will continue steady expansion in the Mideast Gulf and Asia-Pacific, with Asia overtaking North America in oil use by 2010.



Above left: From left: Bobby Tudor of Tudor, Pickering, Holt & Co., Jim Mulva of ConocoPhillips, and Tadahashi Okabe of JETRO attended Secretary Baker's (second from left) policy briefing. Above right: James A. Baker, III, with ExxonMobil Chairman and CEO Rex Tillerson (right).



ENERGY FORUM DINNER: Senior executives from member companies of the Baker Institute's Energy Forum met in Houston May 8 for their annual briefing with the institute's leadership. James A. Baker, III, honorary chair, gave an informal briefing on a variety of national and international policy issues. Baker Institute's energy fellows, Amy Myers Jaffe and Kenneth Medlock, discussed recent energy research findings and upcoming policy projects and activities at the Baker Institute and Rice University.

THE ECONOMICS AND POLITICS OF RESPONDING TO CLIMATE CHANGE

“Beyond Science: The Economics and Politics of Responding to Climate Change” brought together leaders committed to debate policy options for addressing the grave challenge of global climate change. Held Feb. 9 at the institute, the conference focused on the economics of climate change, the costs and benefits of mitigation strategies, the role of emerging technologies, and the politics of international, national and subnational response strategies. In particular, the conference addressed the pros and cons of a market-based pollution credit system or utilizing taxes to discourage greenhouse gas emissions.

In the keynote address, Sen. John Kerry, D-Mass., urged the next administration to take a leadership role in dealing with the threat of climate change, which he characterized as a “truly grave and significant” threat. He stated that the Bali roadmap indicates progress toward a post-Kyoto, international framework, and that it “lays out a process for future negotiations, recognizes the importance of the four building blocks to fighting climate change — mitigation, adaptation, financing and technology — and most importantly shows us a path to reach a final agreement in Copenhagen in 2009.” (Please see related article on page 1.)

In the post-Kyoto world, the climate change debate has changed as nations define “shared but differentiated responsibil-



Panelists present possible solutions for combating climate change. From left: Daniel Sperling, director of the Institute for Transportation Studies at the University of California, Davis; Milo Sjardin, head of New Carbon Finance, North America; and Gilbert E. Metcalf, professor of economics at Tufts University.

ity”; countries that once resisted calls to action, such as China and Australia, are becoming more engaged on the topic, Kerry noted. He emphasized that U.S. leadership is key to international cooperation and offered his own opinion that a cap-and-trade system is a better policy path than carbon taxes.

Rosina M. Bierbaum, dean and professor at the University of Michigan’s School of Natural Resources and Environment, and John P. Holdren, the Teresa and John Heinz Professor of Environmental Policy at Harvard’s Kennedy School of Government and director of the Woods Hole Research Center, discussed strategies of mitigation and adaptation in confronting climate change.

Bierbaum discussed how climate change imperils the U.N. Millennium Development Goals

aimed at reducing extreme poverty worldwide. “If we continue with business as usual,” she said, “it would lead to potentially serious and potentially catastrophic climate change that will threaten livelihoods and, we would argue, development goals themselves. But, if we muster the will and the technology and the finances to transform our energy systems and to improve the stewardship of our natural resources, we can achieve a sustainable future.”

Holdren called for an array of measures to mitigate emissions; among the policy options he mentioned were regulations, incentives, design and implementation of technical alternatives and government expenditures on research and development. Some measures involve win-win scenarios, like increasing efficiency and avoiding

continued on page 28

THE EMBRYONIC STEM CELL PATENT BATTLE

A Feb. 21 discussion titled “Patenting Science: The Implications of the Embryonic Stem Cell Patent Battle” examined the controversies raised by patenting scientific research and a current case involving the patents on human embryonic stem cells (hESC). Charles Reed, a lawyer and partner with the Washington, D.C., law firm Kile Goekjian Reed and McManus PLLC, delivered the keynote lecture and remarked that “These cases have created a firestorm of legal, scientific and ethical comment.”

The discussion, which was sponsored by the Science and Technology Policy Program, underscored the continuing debate on patenting human biological materials and scientific research. Currently federal funding on hESC research is limited; if these patents are upheld, funding from private industry could also be limited because of licensing costs.

The first action involving the review of hESC patents occurred in 2007 when the U.S. Patent and Trademark Office (USPTO) released an opinion in favor of the patent challenger. The opinion determined that the patents were obvious and should not have been granted. The patent holder, Wisconsin Alumni Research Foundation (WARF), responded to the opinion, and USPTO began the process of determining the official final action. While the first action supported the challenger’s position, Reed noted that only 12 percent of patents are revoked because of

re-examinations by a third party; therefore, he predicted that the patents would survive.

True to his prediction, one week after the event, the USPTO released its opinion that the patents were nonobvious and therefore valid. This decision will most likely be followed by an internal USPTO appeal, then a federal appeal and could even result in a U.S. Supreme Court review.

Reed’s address was followed by remarks from Richard Behringer, deputy chair of the department of molecular genetics at The University of Texas M. D. Anderson Cancer Center. Behringer reviewed research on hESC at M. D. Anderson and briefly discussed the patents. While the patents do not currently affect basic research (since WARF waived licensing fees to universities), he remarked that

dealing with WARF was difficult, especially with regard to material transfer agreements between institutions. Concerning the WARF patents, Behringer stated that the procedures used were similar to the procedures used in mice. “Broadly, not educated in the law, I would say it was obvious,” Behringer concluded. He posited that because James Thomson, the researcher from the University of Wisconsin who isolated the first hESC lines, had access to more human embryos than other researchers, he was able to do more tests faster and publish first.

This event was the first in the Baker Institute’s International Stem Cell Policy Program, newly endowed by the State of Qatar and the Emir of Qatar, His Highness Sheikh Hamad Bin Khalifa Al-Thani.



Charles Reed, lawyer and partner with Kile Goekjian Reed and McManus PLLC, addresses recent Wisconsin Alumni Research Foundation (WARF) stem cell patent controversy. One week following the event, the U.S. Patent and Trademark Office ruled that the WARF trademarks are valid.

NORMAN HACKERMAN MEMORIAL SYMPOSIUM HONORS FORMER RICE PRESIDENT

On Feb. 28, the symposium "The Corroding of America's Infrastructure" was held in memory of Rice University's fourth president Norman Hackerman, a pioneering researcher in the field of corrosion inhibition. The event included science and policy discussions involving the maintenance of public infrastructure, with the emphasis on the degradation caused by corrosion. It also served to celebrate Hackerman's leadership at Rice. The symposium was co-sponsored by the Science and Technology Policy Program and Rice University's Weiss School of Natural Science.

In the morning, speakers reviewed corrosion research in the fields of oil and gas, nuclear power, and bridge and dam construction and maintenance. They concurred on the need for better detection, better measurements and continual vigilance to ensure that problems within these infrastructures can be addressed before they cause a catastrophe. Such problems can occur from normal environmental exposure or physical traumas such as hurricanes, flooding, or earthquakes. Comparisons of infrastructures that survived versus those that were destroyed are key to finding new ways to protect infrastructures during the actual event.

The afternoon session addressed policy challenges involving improving infrastructure. Acknowledging that few pay attention to America's aging structures until one of them

fails — as happened last August when a bridge in Minneapolis, Minn., tumbled into the Mississippi River during rush hour, killing 13 — six panelists from industry, academia, public service and the media said that awareness is key to fixing the problem.

Eric Berger, science writer for The Houston Chronicle, said such real-time events as the Minnesota disaster provide an opportunity to bring the case to the public. "If there are seven bad bridges in your community, tell the public about it in the aftermath of a tragedy elsewhere. You'll have their full attention." Citing a 2002 study that concluded failing infrastructure costs the American economy \$276 billion a year, Tony Keane, executive director of NACE International, a professional association for corrosion-control technology, argued the case for investment, saying the environmental and economic impact alone of meeting the "critical need to address the corrosion issue" is worth the effort.

Hackerman, a distinguished electrochemist, served as president of both The University of Texas at Austin (1967–70) and Rice University (1970–85) and died June 16, 2007, at age 95. Hackerman was a civic scientist and played an important role in science policy as chair of the National Science Board (NSB), the advisory component of the National Science Foundation (NSF), and the science



Norman Hackerman, a pioneer in the field of corrosion inhibition and Rice University's fourth president.

CODE RED UPDATE

On March 28 the Task Force for Access to Health Care in Texas released an updated version of its 2006 "Code Red" report addressing Texas' chronic uninsured population. Developed in 2004 by Texas' 10 major academic health centers to address the state's first-place ranking in the nation for the number of uninsured, the task force is chaired by Neal Lane, Baker Institute senior fellow in science and technology policy. "Code Red: The Critical Condition of Health in Texas," released in April 2006, contained 10 recommendations for improving access to health care and health insurance. After the 2007 legislative session, the task force decided to review its recommendations and remove those that had been passed, revise divisive points and add new ones. The resulting document can be found online at www.coderedtexas.org.

continued on page 30

INSTITUTE UNVEILS CUTTING EDGE CONFERENCE CENTER

The new R. Stockton Rush Conference Center, located on the third floor of the Baker Institute, was formally inaugurated on May 12, 2008. The facility significantly enhances the institute's capabilities for new communications and outreach initiatives. It is one of the first high-definition facilities of its kind in the nation and serves as a state-of-the-art center. As many as 34 participants can partake in conferences, seminars, workshops and meetings using the very latest in communications technologies, including individual viewing consoles. Additional equipment and technology include six remote-controlled cameras, multitrack audio recording, interpretation booths with three language capabilities, and two 50-inch plasma screens mounted at each end of the conference room for international teleconferencing.

In its final stages of completion, the room has been the setting for significant, high-level meetings. In November, members of the National War Powers Commission, co-chaired by former U.S. Secretaries of State James A. Baker, III, and Warren Christopher, convened in the conference center. It was also the venue for a high-level workshop that hosted a distinguished group of nuclear nonproliferation experts. The event featured presentations by Baker and former U.S. Sen. Sam Nunn via videoconference.

continued on page 30



Above: A view of the R. Stockton Rush Conference Center at Rice University's Baker Institute; Left: Burt and Deedee McMurtry attend the inauguration of the Rush Conference Center; Below: Guests take a hands-on tour of the Rush Conference Center. From left: Jamie Baker, Mike Stude, Hushang Ansary, Deborah Rush, Shahla Ansary, James A. Baker, III, Isabel Rush, Susan Baker, John Spencer, Nancy Rush, Catherine Rush and Adrian Blue.



Left: Stockton Rush (left) and Deborah Rush (center), children of R. Stockton Rush, Jr., with James A. Baker, III (right), at the inauguration of the Rush Conference Center. The picture of R. Stockton Rush, Jr. in the far right will hang in the new conference center.

MUSLIM TELEVANGELIST AMR KHALED DISCUSSES SOCIAL ISSUES IN THE MIDDLE EAST

Muslim televangelist Amr Khaled called for a positive dialogue between the Muslims and Christians in his April 23 lecture at the Baker Institute. The event was the institute's second sponsored by the Kelly Day Endowment on the Status of Women and Human Rights in the Middle East. Khaled, a pioneer in religious and socially conscious satellite broadcasting in the Muslim world, told his audience that "dialogue will be the solution [for] problems in the future."

Khaled also described some

of the debates within Islam about the role of women and stated, "I believe that women in the Middle East are ready to participate and to do a great job if we give them the chance."

Speaking in Arabic and English, Khaled referred to the prominence of women during the time of the Prophet Muhammad. "Today, women face much injustice in the Middle East, from domestic violence to so-called honor killings," Khaled said. "Even girls experience different standards: fathers will welcome back wayward sons but will

expel daughters from their homes for the same transgressions."

Khaled placed the debate about women's rights within the context of human rights in the Middle East. Injustice trickles down in hierarchical societies, he explained, and women often suffer because of their already low social status. But, Khaled insisted, this is not in keeping with Islamic teachings.

Khaled, who began preaching in 1990 and whose broadcasts now reach tens of millions, described Life Makers, a youth program

continued on page 30



Clockwise from top left: Fabienne Guerin, Susan Baker, Peggy Barnett, Bill Barnett and Joanne Herring attend the lecture with Amr Khaled; televangelist Amr Khaled speaks on human rights and women's issues in the Middle East; Khaled (center) with James A. Baker, III, Kelly Day, Ghada Irani, Lulu Sanadiki, and Founding Director Edward P. Djerejian.



THE BAKER INSTITUTE ASSOCIATE ROUNDTABLE

In the fall of 2007, the Baker Institute established the Associate Roundtable, an initiative to attract emerging leaders in the Houston community to participate in the institute's public policy deliberations. As part of the broader Roundtable membership program,

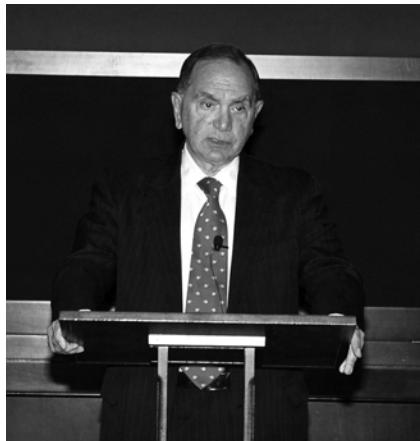
the Associate Roundtable includes young individuals from both the public and private sectors in the Houston area. Current members' ages range from 25 to 45.

With two newly appointed co-chairs, Maynard Holt and Cody Sutton, the Associates held their

first two exclusive events this past year. On Nov. 8, 2007, the group hosted Douglas Brinkley, fellow in history and editor of "The Reagan Diaries." Brinkley offered his personal projections for the 2008 presidential election and provided a comparative historical analysis of other U.S. presidential races.

The second event, held March 13, featured Ambassador Edward P. Djerejian, founding director of the institute and former U.S. Ambassador to Israel and Syria. During his briefing on "Middle East Conflict Resolution: A Mirage or a Possibility," Djerejian discussed the situation in Lebanon, Israel, the Palestinian territories, Pakistan, Afghanistan and Iraq. He suggested policy options for addressing these areas of instability in the region. After his presentation, he addressed questions from the audience concerning Islamic radicalism and geopolitical energy issues.

As the institute's primary membership group, the Roundtable hosts a minimum of twelve events annually for its more than 700 members. These events range from public policy workshops and major policy conferences to lectures with leading national and international dignitaries. The Associate Roundtable receives invitations to these major Baker Institute events, as well as special opportunities to meet with policymakers in the Houston community.



Clockwise from top left: Founding Director Edward P. Djerejian discusses policy options for the Middle East; Baker Institute Fellow in History Douglas Brinkley discusses past and present presidential races; Associate Roundtable Co-chair Cody Sutton kicks off the ambassador's Middle East policy briefing; (from left) Mark Yzaguirre, Brad Nyberg, Anne Loo and John Hale attend the ambassador's policy briefing.



CARLOS FUENTES CALLS FOR ROOSEVELT-INSPIRED APPROACH TO SOLVE GLOBAL ISSUES

Carlos Fuentes called for a “new New Deal” to address challenges faced by the developing world as well as the developed world in a lecture at the Baker Institute April 28.

Speaking at the inaugural event of the Vecinos (neighbors) Lecture Series, sponsored by the Baker institute's Latin American Initiative, the noted Mexican author, scholar and diplomat invoked the memory of former U.S. President Franklin D. Roosevelt as a way to unite disparate groups for the common good. The Vecinos Lecture Series brings Latin American political and cultural leaders to Houston to discuss major issues facing the hemisphere.

Globalization poses a series of problems and opportunities for developing nations, including Mexico, Fuentes said. Latin America was the subject of what he called “the first globalization,”

when Spain and Portugal colonized the region to claim its resources. The Industrial Revolution constituted a second era of globalization, as Europe and the United States exploited Latin American resources to fuel their economic growth.

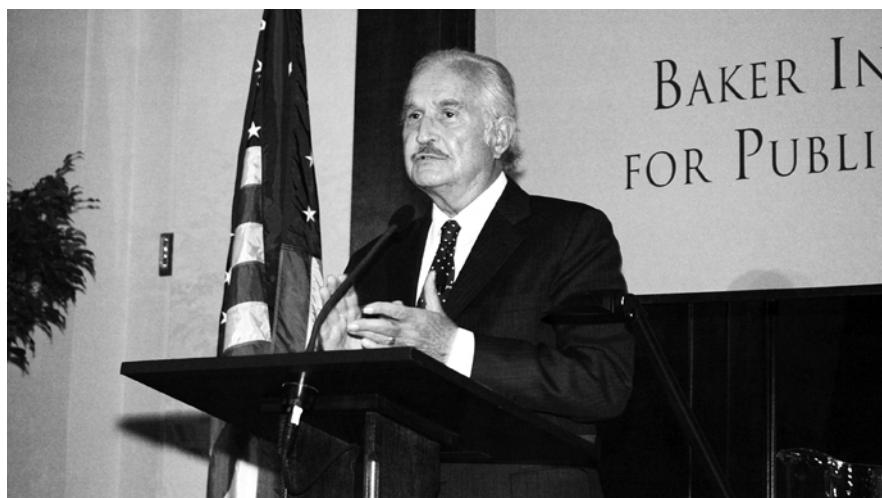
The current phase, which Fuentes preferred to describe as “internationalization” rather than globalization, comes as Latin America is at a crossroads in terms of culture, politics and beliefs. Most Latin Americans believe in democracy, Fuentes observed, but its benefits are not always evident. The question is whether the region's population will be partners in this era of “internationalization,” or remain objects of the process.

For its part, Latin America must transform itself to take advantage of the global challenges, Fuentes argued. Citizens of individual countries already identify themselves as Bolivians, Brazilians, Mexicans,

etc. That is a step that many people in some parts of Africa, Asia and even Europe have not yet made. What Latin Americans need now is to move from identity to diversity, meaning they must enrich themselves and others by embracing other cultures.

Fuentes cited Roosevelt's example for how to bring along the population on great undertakings by meeting local needs first. “There is no globality without locality,” he said. While other countries sought to counter the worldwide economic depression of the 1930s through authoritarianism, Roosevelt was able to use democratic means. “What FDR did was to overcome the worst effects of the Depression while safeguarding constitutional liberties,” Fuentes said.

Using Roosevelt's model, Fuentes called for “global governance that begins from the bottom up.” Such a new New Deal would emphasize education. With an estimated 1 billion people around the world illiterate, education is the “true foundation of development,” Fuentes asserted. Building from below would also entail projects like microloans, which empower people (often women) at the lowest levels of society. And the information revolution provides both challenges and opportunities for global development. “Information and education become prime elements of social cohesion and personal achievement ... but also of international relations, of the understanding between nations.”



Carlos Fuentes, author, scholar and diplomat, gives the inaugural address of the Vecinos Lecture Series, sponsored by the Latin American Initiative. The lecture series brings Latin American leaders to Houston to discuss issues facing the region.

OCAMPO ADDRESSES ECONOMIC GROWTH AND CHALLENGES IN LATIN AMERICA

The last few years have been “exceptionally good” for the economies of Latin America, with the possibility of sustained progress in the future, according to José Antonio Ocampo Gaviria, the Will Clayton Fellow in International Economics at the Baker Institute. Ocampo’s April 3 lecture, “Latin America: The Boom and the Current Turmoil,” analyzed the latest economic trends in the region.

Ocampo said that Latin America as a whole has posted 6 percent annual growth rates over the last four years, the fastest economic growth since the 1970s. He attributed the growth to rising commodity prices, exceptional conditions of external financing and high levels of remittances from citizens working abroad.

The most significant of the three, Ocampo said, is the worldwide demand for commodities. While agricultural prices have risen in recent years, the burgeoning demand for metals and energy, such as Chile’s copper and Venezuela’s oil, has contributed the most to the current boom.

The effects of the economic boom have been “extremely positive” for the region, Ocampo said, resulting in high levels of investment, lower debt, a drop in poverty rates and an improvement in income distribution.

When asked about the causes behind the changes in income distribution, Ocampo pointed to the demographic transition



From left: Will and Debbie Garwood with Will Clayton Fellow in International Economics José Antonio Ocampo and Founding Director Edward P. Djerejian.

that has been taking place across Latin America for a generation. As fertility rates dropped several decades ago, women joined the labor force, increasing the supply of workers. But in recent years, the decline in fertility has meant fewer young people entering the labor market, a development that coincides with the economic upturn and a consequent rise in the demand for workers.

Ocampo acknowledged that not all signs for Latin American economies are positive. “The financial disturbances [in the industrialized world] have had significant effects,” he said. He singled out inflation as the most important short-term threat. In addition, Ocampo noted that only Mexico and Costa Rica have expanded their manufacturing-based exports recently — a cause for concern because most countries that have

developed quickly have done so by focusing on technology-based manufacturing rather than commodity exports.

Still, Ocampo foresaw no signs that the current trends are coming to an end, largely because the quickly growing Chinese economy continues to import commodities at a rapid pace. The ongoing boom has also allowed Latin American countries to increase spending on social projects like education, health care and combating poverty.

Ocampo, the Baker Institute’s newest fellow, was the U.N. under-secretary-general for economic and social affairs until mid-2007. In that post, he directed the U.N.’s Department of Economic and Social Affairs and chaired the U.N.’s Executive Committee on Economic and Social Affairs.

SUMMIT EXAMINES MEDICAL AND BIOMEDICAL CHALLENGES OF LONG-DURATION SPACE FLIGHT

The second International Space Medicine Summit (ISMS II) was held at the Baker Institute May 17–19. The purpose of ISMS II was to build on the success of the first ISMS by bringing together more than 100 of the leading physicians, space biomedical scientists, aerospace engineers, astronauts and cosmonauts from more than 10 of the space-faring nations for high-level discussions of the medical and biomedical challenges space explorers experience in long-duration space flight. The summit included in-depth discussions of medical and engineering lessons learned in human space flight since its inception, opportunities for in-flight space research and data sharing, and future opportunities and challenges for international cooperation and collaboration in space. ISMS II was co-sponsored by the Baker Institute and Baylor College of Medicine.

The summit included panels on space medicine, human performance and solar radiation risks for lunar operations. One especially significant highlight of ISMS II was a live videoconference from 17,550 feet on the Nepal side of Mount Everest with Dr. Christian Otto, expedition medical lead for the Canadian Mt. Everest Medical Operations Expedition. Recently, the Operational Medical Team, made up of several partner institutions, conducted a successful telemedicine link from Mount Everest to the Ontario Telemedicine



Above: From left, George Abbey, Baker Botts Senior Fellow in Space Policy; Bobby Alford, chancellor at Baylor College of Medicine and CEO of National Space Biomedical Research Institute (NSBRI); and Jeffrey Sutton, president and director of NSBRI, were among the participants of ISMS II. Below: Neal Lane, Senior Fellow in Science and Technology Policy, moderates a panel on the benefits of international cooperation, including (from left) Chiaki Mukai, head biomedical research officer at Japan Aerospace Exploration Agency (JAXA); Volker Damann, head of medical support crew at the European Space Agency (ESA); Dafydd Williams, member of the Canadian Space Agency (CSA) and professor of surgery at McMaster University; Rose Gottemoeller, director of the Carnegie Moscow Center; Gen. Joe Engle of NASA; and Leroy Chiao of NSBRI.



Network (OTN), Canadian Space Agency (CSA) and the University of Ottawa Heart Institute. The expedition's mission is to prepare for emergency medical management on long-duration space missions.

The summit also included in-depth discussions of medical and engineering lessons learned in

human space flight since its inception, opportunities for in-flight space research and data sharing, and the future opportunities and challenges for international cooperative and collaborative activities in space. At the dinner on Sunday, Dr. Michael E. DeBakey made a video

continued on page 19

ISMS II

continued from page 18

presentation to the attendees outlining the benefits of human space flights and discussed the very tangible advancements in medicine and health care that have resulted from the space program. DeBakey, who will celebrate his 100th birthday Sept. 7, received the Congressional Gold Medal from President George W. Bush this past April for his life-

time contributions to medicine and his fellow man.

International cooperation was the underlying theme throughout the summit and the primary topic of the panel on the last day. The overwhelming majority of the participants felt that the advantages and benefits of international cooperation far outweigh any perceived disadvantages. Daily operations on board the International Space Station (ISS) clearly demonstrate

the benefits of working together. The success of the ISS should become the model for international cooperation as mankind endeavors to explore space, return to the moon and embark on a mission to Mars.

Overall, the participants considered the summit an outstanding and enriching experience, and they strongly urged the sponsors and program organizers to follow up with another such summit next year.

U.S. NAVY PRESENTS NEW MARITIME STRATEGY

On Jan. 23, Adm. John C. Morgan, deputy chief of naval operations for information, plans and strategy and a team of officers from the Navy, the Marine Corps and the Coast Guard presented the U.S. Navy's new maritime strategy, "A Cooperative Strategy for 21st Century Sea Power," at the Baker Institute, an event organized by the institute's Space Policy program. The doctrine, which was unveiled in October 2007, is the Navy's first attempt to document a sea power strategy since the 1980s.

The world has changed since the 1980s. Globalization has occurred and the nations of the world and its peoples have become more interdependent. Important maritime milestones have occurred. Russia recently placed a flag on the seabed of the North Pole. Climate change is altering the planet and its navigable waters. The Northwest Passage, a once-mythical sea route through the Arctic Ocean along the North American coast, has opened for the first time. The growing human

population is moving closer to coastlines and into urban centers and as a result, people are moving goods around the world by sea more than ever before.

The new maritime strategy, which took approximately 16 months to complete, represents the first doctrine created jointly by the Navy, Marine Corps and Coast Guard. It shifts maritime strategy from a narrow focus on sea combat toward one that also emphasizes the use of "soft power" to counter terrorism and deliver humanitarian assistance. It recognizes that "no one nation" can secure the world's waters against terrorism and other threats. The new approach represents a major departure from the last U.S. maritime strategy, conceived by the Navy in the 1980s, that focused heavily on offensive operations against the Soviet Union. "Soft power" humanitarian and economic efforts have been elevated to the same level as naval warfare waged with new technology.

The 16-page document outlines

six imperatives. These include the traditional mission of protecting vital sea-lanes by concentrating major combat forces in the Persian Gulf, Indian Ocean and Western Pacific to deter or fight potential conflicts. This is a growing priority since seaborne trade has more than quadrupled over the last four decades and now accounts for 90 percent of all international commerce and two-thirds of global petroleum trade. In addition, the strategy calls for dispersing smaller maritime teams to carry out humanitarian missions as well as to counter terrorism, weapons proliferation, piracy and other illicit maritime activities — partly to contain threats before they reach the United States. These teams, which would integrate Navy, Marine Corps and Coast Guard forces, would deploy to areas such as Africa and the Western Hemisphere to promote closer cooperation with maritime forces in other nations. Proactive humanitarian assistance will be provided by the deployment of U.S. hospital ships to South America, Southeast Asia and Africa.

DALLAIRE CALLS FOR BOLD LEADERSHIP TO DEAL WITH FUTURE GENOCIDES

Lt. Gen. Roméo A. Dallaire, who commanded the United Nations mission in Rwanda in 1994, told an audience March 25 at the Baker Institute that “the whole peace-keeping concept doesn’t seem to work anymore” and called for bold leadership to block future genocides.

Dallaire, who tried to save thousands of Rwandan civilians from certain death with only a handful of troops under his command, placed the blame for the mission’s failure on a lack of political will. “It is not the U.N. that failed me in Rwanda,” Dallaire said. “It is the sovereign states that make up the U.N. that are refusing to give it the capabilities to do the job.”

Dallaire recounted his experience in Rwanda, where members of the ruling ethnic Hutu group felt threatened and planned to exterminate minority Tutsis along with moderate Hutus. They succeeded in killing an estimated 800,000 people in just over three months. “Civilian populations,” Dallaire explained, have become “part of the exercise of war.”

The events in Rwanda brought international calls to revamp the rules on intervening in the internal affairs of nation-states. As stated under Chapter VII of the U.N. Charter, the Security Council can “determine the existence of any threat to the peace, breach of the peace or act of aggression” and take action to “restore international peace and security.” Dallaire



Lt. Gen. Roméo Dallaire, who led the 1994 United Nations peacekeeping mission in Rwanda, presses for international cooperation to end genocide around the world.

suggested a broad interpretation of Chapter VII might be an effective tool to contain atrocities in the future.

Furthermore, he supported a relatively new concept in international relations, the “responsibility to protect” doctrine, which proposes that national sovereignty is no longer an absolute. The doctrine would permit other countries to intervene — militarily if necessary — when they decide a state is unwilling or unable to stop an internal conflict that threatens its civilian population.

Such actions would require substantial political will from the leaders of the intervening states, Dallaire acknowledged. Those leaders would also have to come to terms with questions of self-interest and the amount of casualties they could accept.

Perhaps most importantly,

Dallaire said, any decision to intervene to prevent mass killings would have to grapple with moral issues. He questioned why the rest of the world chose to abandon the civilian population of Rwanda and then sent tens of thousands of troops into the former Yugoslavia. “All humans are human,” he stated.

At its most basic level, the goal of eliminating genocide must start with reconciliation between rival communities, Dallaire said, citing three tools to alleviate some of the problems that can result in mass killings: empowerment of women, education of children and mutual respect for all humans.

Dallaire’s speech was sponsored by the Baker Institute and the Holocaust Museum of Houston. The institute’s sponsorship was made possible through the support of the Shell Oil Company and the Shell Distinguished Lecture Series.

THE U.S. AND THE EMERGING SECOND WORLD

Ambassador Edward J. Perkins spoke March 11 at the Baker Institute about “The United States and the Emerging Second World” and his 2006 memoir, “Mr. Ambassador: Warrior for Peace.”

Perkins, a career diplomat who grew up on a cotton farm in segregated Louisiana, found his service tested when President Reagan appointed him as the first black American ambassador to South Africa with the seemingly impossible mandate to dismantle Apartheid without violence. Perkins achieved this task amidst great criticism and conflict. “He represents,” Ambassador Djerejian said in his introductory remarks, “the very

best of our United States Foreign Service.”

In his lecture, Perkins described the Second World as an emerging economic, political and social phenomenon consisting of nations that are developing from the Third World into what he and Parag Khanna, a senior research fellow at the New America Foundation, call the “Second World.” This movement from Third World to Second World is achieved by the establishment of a unified moral code, an education system, and leveraging local resources. As these countries emerge, First World powers, which include the United States, Great Britain, France, China, Russia and

the European Union, will be challenged to balance their need for resources and dominance over one another and the emerging Second World. Perkins explained, “Globalization is the weapon of choice; the main battlefield is the Second World.”

Perkins suggested that a way to avoid strained relations between nations is to alleviate the threat of nuclear weapons throughout the world and to allow justice to thrive. On the home front, he suggested that it is important to get our youth interested in foreign and public service. “We have to have more citizenship books and citizenship discussion,” Perkins said. “There is no greater protection than citizenship.”

ARAB WORLD LECTURE: UNDERSTANDING HIZBULLAH

Lara Deeb, assistant professor of women's studies in the Department of Women's Studies at the University of California, Irvine, spoke April 10 on “Understanding Hizbullah,” part of the lecture series on “The Arab World: History Politics and Culture.”

To address community concerns over the topic, Allen Matusow, associate director for academic programs, introduced the lecture by reminding the 200 people in attendance that the Baker Institute is an open forum with particular expertise in the Middle East. “If you have the authority, if you have something interesting to say — it may be controversial, the views may

be strong — you are welcomed here regardless of your position. That's what universities do; that's what the Baker Institute does.”

Deeb presented an overview of the origins of Hizbullah and the group's development into a multi-faceted political party. She also discussed the social and cultural institutions and networks associated with the party and with its constituents in the southern suburb of Beirut and the party's appeal for many of Lebanon's Shi'i Muslims.

In a lively question and answer session, the issue of Hizbullah as a terrorist group was raised. Deeb said that the Hizbullah of the 1980s is not the same organization that

it is today and until Sept. 11, 2001, the United States viewed Hizbullah as a guerilla group. Deeb added, “I'm sure we would agree that terrorism is directed at civilian populations, but I would include violence directed at civilians by a perpetrator, whether that perpetrator is a state or a nonstate, and [if] we think about terrorism in those senses, we can think of a lot of states that are inflicting violence against civilians. I think it's a question on how you define terrorism.”

The lecture series is co-sponsored by Rice University History Department, the Baker Institute and the Arab-American Educational Foundation Lecture Endowment.

FRANCE AND AMERICA: A NEW ERA FOR OLD FRIENDS

Pierre Vimont, France's ambassador to the United States, heralded a new chapter in Franco-U.S. relations during his March 17 address at the Baker Institute.

Vimont, who was appointed to his post by President Nicolas Sarkozy in August 2007, said the new French leader took office believing that the relationship between the old allies should change and that they must "try to build a relationship of trust and confidence" after years of public disagreement over foreign policy, commerce and the environment.

Overall, Vimont said, Sarkozy's goal is to "return France to the mainstream of world affairs and

the global economy." Sarkozy made an effort to improve relations with the United States in Iraq, in Afghanistan and with NATO. After former President Jacques Chirac's vocal opposition to the U.S.-led invasion of Iraq, Vimont said, Sarkozy has restarted attempts to reconcile feuding sectors of Iraqi society. Sarkozy has also vowed to keep French forces in Afghanistan as long as they are needed, though Vimont added that a purely military solution to Afghanistan's problems is not realistic. France also is reintegrating into NATO's military structure, after former President Charles De Gaulle withdrew French forces in 1966.

While he emphasized France's new approach to dealing with the United States, Vimont was careful to balance the rapprochement with a policy based on realism. He championed a multilateral approach to persuade Iran to halt its enrichment of uranium that included talks with countries that have abandoned past nuclear weapons programs. Vimont also said if the U.N. Security Council wants to maintain legitimacy, it must be reformed so that emerging powers can become permanent members. "We all want democracy," he said, "but we need to promote it in the right way."

ETHICS, POLITICS AND SOCIETY LECTURE: PHILIP PETTIT

Philip Pettit, the Laurance S. Rockefeller Professor of Politics and Human Values at Princeton University, discussed his theories on the third dimension of democracy in a Feb. 14 lecture. The lecture was part of the Ethics, Politics and Society Lecture Series co-sponsored by the Baker Institute and the department of philosophy. In his lecture, Pettit, who is known for defending a version of republicanism in political philosophy, expounded upon three approaches to fulfill this third dimension of democracy and gave a critique of the American political system.

The third dimension of democracy is derived from the third

principle in Lincoln's Gettysburg Address, the famous triad, "government of the people, by the people, for the people," and it is in this last principle that the necessary element exists for an ideal democracy to function, Pettit said. After examining the first and second dimensions of the triad, which secure people's ultimate authority and the exercise of government through representatives, Pettit stated that they do guarantee the people influence on the government, but they do not guarantee the people control of the government.

Pettit claimed that in order to have the third dimension, some account of the people's influence

must be directed to a systematic end. There are two basic approaches that characterize this aim: satisfaction of the common good and satisfaction of the common will. Pettit found fault with each of these, saying there is difficulty defining the common good and common will. These approaches give rise to a form of tyranny thus putting those in the minority at a disadvantage. Pettit concluded that the government should promote a "common mindset" instead. Thus, a government would be responsive to the needs and duress of the people and would justify policies on the people's terms.

THE FUTURE OF REPUBLIC OF KOREA–U.S. RELATIONS

Ambassador Hyun Chong Kim, the ambassador and permanent representative of the Republic of Korea to the United Nations, argued for the ratification of a Korean–U.S. free trade agreement in a Jan. 31 lecture at the Baker Institute. In his talk, “Beyond the Alliance: The Future of the Republic of Korea–U.S. Relations,” Kim said that a free trade agreement would benefit both parties involved, strengthen the existing alliance between the nations, and provide a regional framework for peace and security.

“A peaceful, prosperous and democratic Northeast Asia is the same goal that Korea and the U.S. want to achieve through both their alliance and the free trade agreement,” Kim said.

Kim previously served as the minister of trade in the Republic of Korea’s Ministry of Foreign Affairs and Trade, where he championed negotiations for a Korean–U.S. free trade agreement. The agreement, signed in June 2007, was hailed as “the most significant trade liberalization pact in more than a decade,” said Rice University president David Leebron in his introduction to Kim’s lecture. Estimates predict that it will boost trade between the two countries by as much as \$22 billion per year, he said.

Kim traced Korean–U.S. relations back to the early 1950s and the Korean War, when the United States and its allies aided South Korea in its conflict against com-



Hyun Chong Kim, ambassador and permanent representative of the Republic of Korea to the United Nations, advocates the passage of a Republic of Korea–U.S. free trade agreement and a new era of alliance between the two nations.

munist North Korea. South Korea has since developed into a significant economic and cultural entity. “With the help of the alliance with the United States, Korea has become a vibrant democracy with a thriving economy,” Kim said.

The ambassador said the next step would be the ratification of the free trade agreement. “The agreement is expected to deliver a wide range of benefits on both sides, including, obviously, increased trade and investment, opening of the services market, and enhanced productivity and efficiency,” Kim said. He predicted that the agreement would boost the overall wealth of the Republic of Korea as it prepares for future change and development with the eventual reunification of the Korean peninsula.

In a question and answer session, Kim speculated that North and South Korea could be united as quickly as within the next decade, bringing about major economic, social and political adjustments to the entire peninsula. Though the process will undoubtedly be difficult, Kim emphasized that a free trade agreement with the United States would help make the transition as smooth as possible, both for Korea and the region.

Ambassador Kim’s visit to the institute marked the first collaboration among Rice University’s Office of the President, the Chao Center for Asian Studies and the Baker Institute.

BAKER INSTITUTE ADDRESSES DIGITAL CONVERGENCE AND CONNECTIVITY

Only 24 hours after the City of Houston announced policies to expand wireless Internet connectivity, the Baker Institute held the “Conference on Convergence and Connectivity: Wireless, Broadband and Mobile” (CCC 2008).

Organized by the Technology, Society and Public Policy Program, the March 26 conference addressed recent changes in telecommunications, broadcast media and public management due to emerging information technologies.

Since 2004, members of the Rice University Electrical and Computer Engineering Department and local nonprofit Technology For All have been delivering wireless Internet to Pecan Park, a low-income neighborhood in Houston’s East End. Originally a research tool employed by Rice professor Edward Knightly, the network is now the largest experimental wireless fidelity (Wi-Fi) network in the country.

The network, now serving more than 4,000 users, is intended “to empower under-resourced communities through technology,” Knightly said. Jerome Crowder, assistant professor of anthropology at the University of Houston, has studied the network’s impact for several years. “We can begin to learn how people think about the Internet,” he said, “about how people think about using technol-

continued on page 31



Above: Keynote speaker James Cicconi, senior vice president for external and legislative affairs at AT&T, is interviewed by the press. Below: Kamran Khan, vice provost of Information Technology at Rice University, moderates a panel discussion of chief information officers, featuring (from left) Lloyd Boyd, CEVA Freight Management; Rick Diaz, El Paso Corporation; and Rick Miller, The University of Texas Health Science Center at Houston.



SECURITY AND CRIME ON THE TEXAS BORDER

Opposing forces in Mexico currently are battling for control, and in no place is this more evident than Nuevo Laredo and its surrounding communities, including those across the border. Of the \$16 billion in cash flow between the United States and Mexico, \$10 billion cannot be accounted for by legal activity. Additionally, alien smuggling profits are now approaching drug smuggling profits. Approximately 1.2 million undocumented persons are caught annually, indicating an annual flow of at least 5 to 10 million persons. To discuss and educate the public about these issues, the Baker Institute's Homeland Security and Terrorism program sponsored an event on May 13, titled "Security and Crime on the Texas Border: The Situation and Consequences."

David L. Stone, consul of the United States in Nuevo Laredo, explained that violence has been extensive, including in areas surrounding the consulate. The majority of businesses have closed, and businessmen seek asylum in the United States from the threats of kidnapping and killings. Tourists have disappeared from Nuevo Laredo, and travel advisories have been issued by the state of Texas and the U.S. Department of State.

In recent months, the level of reported violence in Nuevo Laredo has declined, though the reason is uncertain. While the introduction of Mexican troops and the U.S. National Guard to the area likely has an effect, the decline may actually be a sign of cartel consolidation. Additionally, the press has been silenced after repeated

attacks on offices and staff.

Jose M. Garza, Jr., the director of homeland security for Kansas City Southern Railway and former organized crime analyst, described multiple cartels vying for control of the lucrative plazas, or border towns, where drugs cross over to the United States. Nuevo Laredo has traditionally been the most lucrative plaza, a prime location owing to the level of trade, due to the North American Free Trade Agreement, at its bridges. Garza agreed that the decline in crime might be indicative of the consolidation of power in Nuevo Laredo, with civil authorities choosing not to challenge the status quo.

However, danger will likely escalate as new alliances are created. The aggression has intensified as cartels have lured in members of Mexico's and Guatemala's special forces, taking advantage of their training and access to weapons. The cartels have also adopted intimidation tactics, particularly beheadings and videotaping torture.

The speakers emphasized that cartel activity spills across the border, threatening U.S. law enforcement and landowners. Ranchers have been approached by groups of men with military-style weapons, and kidnappings are becoming more frequent. Finding a solution to remedy the influence of these human-smuggling cartels will require cooperation and education about the issue from both sides of the border.



David Stone, consul of the United States in Nuevo Laredo, Mexico, joined Baker Institute Fellow in Homeland Security Joan Neuhaus Schaan to address violence and crime along the U.S.–Mexico border.

BAKER INSTITUTE STUDENT FORUM SPRING EVENTS

This semester, the Baker Institute Student Forum (BISF) expanded the ways it engages students in public policy by planning events around the 2008 elections, building on popular past programs and introducing a new online public policy journal.

The BISF welcomed students back Jan. 11 with a panel discussion on “The Changing Nature of Presidential Primaries.” The event featured Jerrold Rusk, Rice professor of political science, who discussed the evolution of the American primary system, and Ryan O’Donnell, director of the Presidential Elections Reform Program at the nonpartisan organization FairVote, who spoke about implications of the changing primary system for voter participation and the democratic process. Audience questions led to a discussion about how these factors might affect the 2008 elections.

With the expansion in the number of states holding primaries on Super Tuesday this election year, the BISF planned an event to promote student awareness about the candidates and their policy positions. On Feb. 5, about 70 students gathered around the televisions in Willy’s Pub to watch election returns and enjoy election-related trivia.

Capitalizing on the popularity of last semester’s film series, the BISF Community Committee sponsored a screening of “Yossi and Jagger.” Set in Israel, the film brought an international perspective to gay and lesbian rights. The Student Forum also continued its brown bag series

of informal policy discussions, during which students read and discuss a short article on a pertinent policy debate over lunch. Topics have included U.S. drug policy and American foreign aid programs. A March 12 talk with Rice alumnus Steven Schooner, senior associate dean for academic affairs and associate professor of law at The George Washington University Law School, addressed private military contractors in Iraq.

On March 24, the Student Forum hosted a panel discussion on uninsured children in Harris County. Panelists Rose Valadez-McStay, the director of government relations for Texas Children’s Hospital, and Sherea McKenzie, the executive director of the Joint City/County Commission on Children, covered a wide range of topics relating to the status of uninsured children. Karoline Mortensen, Rice political science professor, moder-

ated.

This semester BISF also introduced its new publication, *The Rice Cultivator: A Student Journal of Public Policy Research*. Published online, the journal showcases undergraduate research to promote reasoned dialogue about public policy within the Rice community and to stimulate student interest in local, national and international affairs. The journal’s inaugural issue features four articles based on original research, as well as a “News & Views” section consisting of analytical essays on current events. The journal’s contributors shared insights from their research and exchanged ideas about undergraduate policy research during an April 24 launch party. Next fall, the Student Forum will work to sustain momentum and encourage future submissions by coordinating a mini-symposium for authors to discuss their work.



Ryan O’Donnell, director of the Presidential Elections Reform Program at FairVote (left), and Jerrold Rusk, Rice professor of political science (right), discuss the presidential primary system with the Baker Institute Student Forum, along with student forum President Tim Borden (center).

McCain

continued from page 1

immigration.

The senior senator from Arizona began with energy and climate change, which he termed issues of national security. The United States, he said, sends \$400 billion overseas to pay for energy, funds which sometimes go to "countries that don't like us very much." That poses a danger to the United States, he said, suggesting that American money could end up in the hands of terrorists. Climate change is another challenge, McCain said, but the United States possesses the "entrepreneurial, technological, innovative base" to deal with energy dependence and global warming.

Pointing to a major difference with both front-runners for the Democratic Party, McCain said he supports free trade. Governments that have practiced protectionism in the past have paid a heavy price, he argued. The North American Free Trade Agreement has created jobs in the United States and also benefited Canada and Mexico. McCain called for more free trade agree-

ments, specifically urging passage of a proposed treaty with Colombia.

On taxes, McCain said he would make President George W. Bush's tax cuts permanent and cut corporate taxes, which he said were the second highest in the industrialized world after Japan. He also attacked the alternative minimum tax and called for its repeal. "I'm not going to raise anybody's taxes," he said.

McCain addressed the issue of Iraq several times during the forum. He argued that since al-Qaida had emerged as a force inside Iraq, the United States is obligated to remain in the country because al-Qaida leaders have said they would "tell the world they have defeated the U.S." and would "follow us home."

According to McCain, the U.S. military escalation in Iraq over the last year has led to success and he pledged to continue to back that strategy. "The Iraqi military [is] taking over more and more responsibilities," McCain said. "The casualties are down, and we will be able to withdraw and come home — but we will come home with honor."

When asked about the U.S. military prison at Guantanamo Bay

and the issue of prisoner treatment, McCain called for the closure of the controversial facility. He also said the scandal at Abu Ghraib prison has been al-Qaida's best recruiting tool and vowed, "We will never torture a prisoner in American custody again."

McCain acknowledged last year's defeat of the comprehensive immigration bill he supported, saying, "We failed because Americans want border security first." He said he still believes in a comprehensive approach, including a viable temporary-worker program and a way to deal with the millions of immigrants already living in the country, but now backs securing the nation's borders first.

McCain said that he understands the challenge of walking the tightrope between the Republican Party's conservative base and the moderates and independents. He promised to run a "respectful debate" against a Democratic rival. McCain asserted that he was confident he could inspire Americans to support "a cause greater than themselves."

DIRECTOR

continued from page 2

with a clear view on our comparative advantage in addressing specific public policy issues that are central to our country's national and international interests.

Our 15th anniversary commemoration will feature Secretary of State Condoleezza Rice as the keynote speaker. It will also be an

occasion for celebration and for gratitude. We have many to thank for our progress. These include Honorary Chair James A. Baker, III, without whom the institute would neither exist nor flourish; our first-rate fellows and staff; the leadership, faculty and students of Rice University; but most of all our many supporters whose civic-minded generosity has helped the Baker Institute grow from a vision

to a reality in 15 eventful years. On behalf of the Baker Institute fellows, scholars and staff, I would like to thank you all.

Edward P. Djerejian

KERRY

continued from page 1

Bali, Indonesia. "Every person I met with said we need the United States to lead," Kerry said, drawing upon his meetings in Bali. "And the minute we [do], and our marketplace begins to shift, believe me — others will come on board."

Kerry voiced his strong support for climate change legislation. The senator described how Congress was moving to vote on a climate change bill by this summer and

reiterated that all the presidential candidates have expressed support for regulating carbon dioxide emissions through a cap-and-trade system.

Citing his experience designing a cap-and-trade system for sulfur dioxide emissions while serving as lieutenant governor of Massachusetts in the 1980s, Kerry urged Americans to remember that the system has worked well before and could be successful in spurring innovation by U.S. industry. Kerry observed, "If we can get the target

out there, create the framework, let the private sector know with certainty what the standard is, then the science is going to move even more rapidly and the technology will move even more rapidly."

To conclude his remarks, Sen. Kerry said, "I have absolute confidence that of all the countries on the face of this planet, the United States of America can lead on this, knows how to lead on this. We can get this job done."

Please see the article on page 10 for more on the conference.

CLIMATE CHANGE

continued from page 10

deforestation, and that "integrated strategies for mitigation and adaptation together clearly can drive investment and growth in a whole variety of ways."

Conference panelists discussed California's recent efforts to address climate change. Daniel Sperling, director of the Institute

for Transportation Studies at the University of California, Davis, said that California is well positioned to lead climate policy, calling California a "laboratory for others to learn from." He outlined California's initiatives to regulate emissions by fuel providers in the state.

"We have got a lot of political space. We do not have any big coal companies ... [or] any Detroit car companies ... that are headquartered in California. ... [We have] bipartisan political support ... thanks to Gov. Schwarzenegger ... on the Republican side. ... California is home to venture capital and the past industrial revolutions, the information technologies and biotech revolutions," Sperling added.

John Weyant, professor of management science and engineering and director of the Energy Modeling Forum at Stanford University, praised a multipronged approach to limiting climate change, citing contemporaneous moves by California, the European

Union (EU) and other government bodies. Weyant urged policy flexibility.

In a discussion on limiting carbon, Gilbert E. Metcalf, professor of economics at Tufts University, called for a carbon tax, acknowledging that while the tax approach is not politically expedient, he believed public opinion is shifting. And although any form of carbon pricing is regressive, Metcalf said such effects can be undone through a well-designed rebate plan for carbon revenue. Peter Hartley, Baker Institute Rice scholar, argued that higher general energy taxes would be an effective policy that would capture both energy security and climate change goals.

Making a presentation on the European cap-and-trade system, Milo Sjardin, head of New Carbon Finance, North America, noted that the EU emissions trading scheme has been "very successful in stimulating the transition to a carbon-constrained economy."

continued on page 31



Timothy Killeen, director of the National Center for Atmospheric Research, presents the findings from the "International Panel on Climate Change 2007 Report" at the Baker Institute.

ENERGY

continued from page 7

Baker Institute researchers also presented findings from original research on the wide variety of topics covered in the study, including oil prices and the U.S. dollar, international energy scenarios, militarization of energy supply, and climate change and U.S. foreign policy. The study was sponsored by the Institute of Energy Economics, Japan, and the Baker Institute Energy Forum.



Researchers and industry experts discuss energy security and resource conflict. From left: Amy Myers Jaffe, Wallace S. Wilson Fellow in Energy Studies at the Baker institute; Yahia Said, director for the Middle East and North Africa and senior advisor at the Revenue Watch Institute; James Russell, co-director of the Center for Contemporary Conflict; Ron Soligo, professor of economics at Rice University; and Rick Stoll, professor of political science at Rice.

KEY FINDINGS OF THE STUDY ON THE GLOBAL ENERGY MARKET

Traditionally perceived risks are not as drastic as they may appear, and the market has yet to realize that some risks have eased in the past year:

- Geopolitical risks to the global energy market:

- Iran's recent election shows that sanctions policy has been effective; therefore, Washington should avoid direct military confrontation with Iran, which would only strengthen the radicals at a moment when they are losing domestic support.
- Al-Qaida has been more focused on attacking oil facilities in the Middle East since 2004, but their operational reach is reduced and attempts to attack facilities have not been successful.
- A cutoff of Russian natural gas to Europe would temporarily cause a large spike in prices, but European markets would attain alternative supplies relatively quickly after the first year. On the other hand, Russia's long-term market share would be negatively affected for more than a decade.

Energy security and resource conflict:

- Major energy consuming nations have responded to shortages in the past by seeking alternative energy and establishing diplomatic responses to conflict. Such alternatives remain the most effective strategy for current challenges.
- U.S. lawmakers should seriously consider further strengthening automobile fuel-efficiency standards and providing greater incentives to American automakers to develop improved alternative fuel automobile technologies more rapidly.

Other risks are more likely to have an effect:

- The ongoing petrodollar boom cycle threatens energy and financial markets;
- The high speed of globalized market contagion means that any sudden collapse of asset bubbles in one part of the world could threaten the smooth operation of the global financial system, should proper economic policies not be implemented first.

Energy and U.S. foreign policy:

- The focal point for a dialogue with other consuming countries should begin with China, with a goal of a harmonious energy policy that enhances the leverage both countries have with oil producing nations. Energy strategy collaboration with China would also pave the way for broader coordination on global warming policy, removing a key barrier to U.S. domestic political agreement with a post-Kyoto international accord. A deal with China could serve as a model for similar synchronization with the European Union, Japan, India, Brazil and South Korea.

"RECOUNT"

continued from page 5

characterization."

Executive producers Paula Weinstein and Len Amato, director Jay Roach and writer Danny Strong were in attendance, as were actors

Kevin Spacey and Laura Dern. They said they hoped that "RECOUNT" would inspire Americans to be more active and vocal about the election process. "If we're going to hold ourselves up as the bastion of how elections should be done," said Spacey, "then it's our obliga-

tion to get it right." They also supported the recommendations of the reform commissions. "That's why we're here," said Dern, "because remarkable people are fighting for people's voices to be heard in the election process."

HACKERMAN

continued from page 12

advisory board of the Robert A. Welch Foundation — roles that he took great pride in doing well.

"Norm was a phenomenon when testifying before the Congress and interacting with individual

members," said Neal Lane, Baker Institute senior fellow in science and technology policy, quoting comments by Richard Atkinson, former director of the NSF. Other speakers honoring Hackerman during the symposium lunch included Ronald Stebbing, former vice president of student affairs at

Rice; Carl MacDowell, former assistant to Hackerman at Rice; James Kinsey, current chair of the Welch Foundation Science Advisory Board; and Larry Faulkner, former president of The University of Texas at Austin.

RUSH

continued from page 13

The conference center is named in honor of the late Richard Stockton Rush, Jr. (1930–2000), who met Baker while they were students at Princeton. At the inauguration Baker recalled Stockton

Rush as a close friend, bon vivant and raconteur, who also was dedicated to more serious things. Mutual friends of Stockton Rush's, Burton and Deedee McMurtry, initiated the idea to build the facility in 2003 and provided the founding gift for the project. Other generous underwriters of the cen-

ter include Hushang Ansary and Shahla Ansary, James A. Baker, III, and Susan Baker, The Cullen Foundation, Nasser I. Al-Rashid, Clive Runnells and Nancy Runnells, Mike S. Stude and Anita Stude, and an anonymous donor.

KHALED

continued from page 14

he founded. The program's Web site asked visitors to send in their dreams. After a slow initial response, the dreams began to arrive in huge numbers: 700,000 in the first two months, 1 million in the next two. Seventy percent of the respondents were women, he said, wishing for jobs, empowerment and an end to social problems like drug addiction. "They wanted to do something," Khaled

said. "Just give them a chance!"

In 2005, Khaled led a group of Life Makers to Denmark after the publication of a series of controversial cartoons in a Danish newspaper that ignited a firestorm of anger in the Muslim world. "The trip resulted in a meaningful discussion," he said. Khaled also encouraged Muslim women to involve themselves positively in society. "Practical steps, such as women participating in charity volunteer work, will cause men's attitudes to change over time," he said.

Kelly Day offered an introduction on behalf of the endowment, named in honor of her commitment to women and human rights issues in the Middle East. Support for the program was provided by the Ghada Irani Discretionary Fund, named in recognition of Irani's role in establishing the women and human rights program at the Baker Institute.

CCC 2008

continued from page 24

ogy on a day-to-day basis, because it's changing rapidly."

Keynote speaker James Cicconi, senior vice president for external and legislative affairs at AT&T, noted the rapid expansion of broadband use, with an estimated \$72 billion invested annually and expectations that Internet traffic will increase exponentially. "Keeping that investment flowing and growing has to be a priority for public policy concerning the Internet in America," he argued.

Rhea Brown Lawson, director of the City of Houston's public libraries, discussed transforming the library system as a point of access to the digital information resources now available. State Rep. Phil King, Houston City Council member Melissa Noriega and former Texas Public Utility Commissioner Brett Perlman discussed the role of government in regulating telecommunications. Stephanie Gagné, managing director of the Washington, D.C.-based Community Technology Centers' Network, Nicole Robinson, the City of Houston's digital inclusion project director, and Andrea Taylor, Microsoft's



From left: Melissa Noriega, Houston City Council member; Brett Perlman, former Texas public utility commissioner; and State Representative Phil King discuss policy and regulation of developing mobile and broadband technology.

director of community affairs for North America, addressed the issue of connecting more Americans to the Internet.

Kamran Khan, Rice's vice provost of information technology, steered a roundtable discussion with chief information officers Rick Miller from The University of Texas Health Science Center, Rick Diaz from the El Paso Corp. and Lloyd Boyd of CEVA Freight Management. Julie Hedlund, a senior analyst with the Washington, D.C., Information Technology and Innovation Foundation provided evidence that the United States'

lead in telecommunications was rapidly eroding. Paul Hobby, current chairman and CEO of Alpheus Communications, echoed that sentiment.

Conference participants emphasized that the United States must invest in new technologies for connectivity and convergence to remain a global leader in information technology. The CCC 2008 contributed significant dialogue regarding the need to collaborate in developing national information infrastructure to benefit business, education, government and industry.

CLIMATE CHANGE

continued from page 28

Scott Nyquist, a director at McKinsey and Co., presented McKinsey's new study on the costs of reducing greenhouse gas emissions in the United States. The study concluded that the United States could reduce emissions by

3.0–4.5 gigatons of CO₂ equivalent (GtCO₂e) by 2030 "using tested approaches and high-potential emerging technologies ... [involving] abatement options with marginal costs less than \$50 per GtC."

The event was co-sponsored by the Baker Institute Science and Technology Policy and Health Economics programs, the Baker

Institute Energy Forum, the Energy & Environmental Systems Institute and the Shell Center for Sustainability of Rice University, and supported in part by the U.K. Science and Innovation Section of the British Consulate-General Houston.

BAKER INSTITUTE IN THE NEWS

Compiled using Dateline Rice, these are highlighted interviews given by the Baker Institute fellows between Jan. 1, 2008, and June 6, 2008.

Edward P. Djerejian

- June 6, 2008: Interviewed on World Public Radio (WGBH Boston) regarding how the U.S. should approach a dialogue with Iran.
- May 21, 2008: Interviewed in Al Jazeera on recent conflicts in Lebanon.
- May 13, 2008: Interviewed on Bloomberg Television regarding the current push for peace in the Middle East.
- April 30, 2008: Mentioned in Dar Al-Hayat (Lebanon) about a 2000 institute study on Syrian-Israeli negotiations and its impact on present negotiations.
- March 24, 2008: Interviewed in The Houston Chronicle on the Iraq war.

George Abbey

- Feb. 7, 2008: Quoted in The Dolphin on a recent maritime strategy forum at the Baker Institute.

Douglas Brinkley, Ph.D.

- May 27, 2008: Quoted on Bloomberg.com on the presidential campaign of Sen. Hillary Clinton.
- May 19, 2008: Wrote a review of Sean Wilentz's "The Age of Reagan" for The New York Times.
- May 16, 2008: Quoted in The

Atlanta Journal Constitution on the relationship between former President Jimmy Carter and Habitat for Humanity.

- May 5, 2008: Wrote a commentary in the Los Angeles Times on the photography of Michael Eastman.
- April 1, 2008: Quoted in The New York Times on the election efforts of Republican presidential candidate John McCain.
- Feb. 19, 2008: Interviewed on NPR's "All Things Considered" regarding the "war of words" between the Democratic presidential hopefuls.
- Feb. 11, 2008: Quoted in the Baltimore Sun on the correlation between experience in elected office and presidential success.
- Jan. 2, 2008: Mentioned in The Austin American-Statesman's list of 2007's top books.

Christopher Bronk, Ph.D.

- March 17, 2008: Quoted in The San Diego Union-Tribune on legislative efforts by Congress to regulate the wireless industry.
- Feb. 4, 2008: Quoted on KHOU.com on new regulations on re-entering the United States.
- Jan. 11, 2008: Addressed the issue of recovering deleted e-mail on ABC13 News (KTRK).

John W. Diamond, Ph.D.

- April 21, 2008: Quoted in The Houston Chronicle on

the North American Leaders' Summit.

- March 7, 2008: Quoted in The Houston Chronicle on the effectiveness of NAFTA.

Vivian Ho, Ph.D.

- April 25, 2008: Quoted in U.S. News & World Report on the growing number of privately insured patients who are being referred for imaging scans by physicians who refer patients to their own facilities or machines.
- March 25, 2008: Quoted on TVWeek.com on Michael Moore's documentary "Sicko."

Amy Myers Jaffe

- May 22, 2008: Interviewed on NPR's "On Point" regarding rising gasoline prices.
- May 19, 2008: Quoted by Reuters on a recent meeting on oil production between President Bush and Saudi King Abdullah.
- May 14, 2008: Interviewed by Channel 26 (KRIV-TV) about alternative energy solutions.
- May 8, 2008: Quoted in an OilOnline.com article on cutting world carbon emissions.
- May 7, 2008: Cited in a Fortune/CNN Money article on the possibility of a windfall-profits tax on the major oil companies.
- April 30, 2008: Quoted in The Dallas Morning News on ideas circulating on Capitol Hill to curb high gas prices.
- April 9, 2008: Quoted in The

New York Times on a proposed liquefied natural gas pipeline running from Alaska to Alberta, Canada.

- March 3, 2008: Quoted in The Weekender (South Africa) on oil exploration in Texas.
- Feb. 25, 2008: Wrote a Houston Chronicle op-ed on shifting U.S. energy policy toward sustainability.
- Feb. 13, 2008: Quoted in Financial Times on the greener policies of energy companies.
- Feb. 8, 2008: Quoted in the International Herald Tribune on recent legal action taken by Exxon against Venezuela.
- Jan. 31, 2008: Quoted in The Wall Street Journal on recent trends among major oil companies.

Neal Lane, Ph.D.

- May 27, 2008: Quoted in ABC News in an article on the Phoenix Lander.
- April 2, 2008: Quoted by the American Institute of Biological Sciences on the debate over the politicization of science.
- Feb. 20, 2008: Quoted in Nature regarding the next presidential science adviser.
- Feb. 11, 2008: Mentioned in BusinessWeek on the importance of science in presidential policy.
- Feb. 8, 2008: Co-wrote a Houston Chronicle op-ed with Malcolm Gillis, Ph.D., on challenges the U.S. faces in fighting global warming.
- Jan. 15, 2008: Mentioned in a Mexia Daily News column by Sen. Kay Bailey Hutchison

on the creation of the Texas Academy of Medicine, Engineering and Science.

Steven W. Lewis, Ph.D.

- Feb. 25, 2008: Wrote an op-ed on steering China's developing economy toward sustainability in The Houston Chronicle.
- Jan. 16, 2008: Quoted in the Beijing Review on a new diplomatic envoy program launched by the Bush administration.

David R. Mares, Ph.D.

- May 27, 2008: Quoted in Business News Americas on Mexican President Felipe Calderón's energy reform proposal.

William Martin, Ph.D.

- May 27, 2008: His book, "With God on Our Side," excerpted on an American Chronicle.com article about Democratic presidential candidate Barack Obama.
- March 5, 2008: Quoted in Congressional Quarterly Politics on efforts by groups to eradicate the ban on federal funding of needle-exchange programs.
- Feb. 18, 2008: Cited in The Lubbock Avalanche-Journal on the role played by Baptists in securing the First Amendment to the Constitution.
- Feb 7, 2008: Mentioned in The New York Times on baseball chapel services.
- Jan. 2, 2008: Quoted in The Honolulu Advertiser on the Senate investigation of six prosperity ministries.

Kenneth B. Medlock III, Ph.D.

- May 29, 2008: Quoted by Christian Broadcasting Network News on public reaction to rising gasoline prices.
- May 28, 2008: Cited in an Humble Observer editorial on how to save money in times of high energy prices.
- April 28, 2008: Quoted in The Dallas Morning News on the plans of the presidential front-runners to lower gas prices.
- March 20, 2008: Quoted in The New York Times on the rising price of coal on the commodities market.
- March 10, 2008: Quoted in a Voice of America News story on the declining amount of oil in the world.
- March 4, 2008: Quoted in the Los Angeles Times on the rising price of gasoline.
- Feb. 1, 2008: Quoted in the San Francisco Chronicle on potential problems facing the major oil companies.
- Jan. 14, 2008: Quoted in The Raleigh News and Observer on the permanency of oil prices.
- Jan. 8, 2008: Quoted in Fortune Magazine on the effects of high oil prices on the economy.

Joan Neuhaus Schaan

- April 24, 2008: Mentioned on WorldNetDaily.com regarding a statement at a congressional hearing on the impact of the U.S.-Mexico border fence.

NEW PUBLICATIONS

To download the complete text of these publications and others, please visit our Web site at <http://bakerinstitute.org> and look under Publications.

“Natural Gas in North America: Markets and Security”

Policy Report 36

January 2008

Baker Institute Energy Forum

“Surge in Alternative Energy Development”

Article for Energy Capital Houston

January 2008

Amy Myers Jaffe (Baker Institute) and Ferras Vinh (Rice University)

“Wiretapping, Surveillance and the Internet”

Opinion Piece

January 2008

Christopher Bronk, Ph.D. (Baker Institute)

“Testimony Before the Mexican American Legislative Caucus of the Texas House of Representatives”

Testimony

January 2008

Joan Neuhaus Schaan (Baker Institute)

“Using an Individual Income Tax Panel File to Measure Changes in Marginal Tax Rates: Opportunities and Limitations”

Research Paper

February 2008

John Diamond, Ph.D. (Baker Institute), Ralph A. Rector (U.S. Department of Treasury), and Mike Weber (Internal Revenue Service)

“U.S. Energy Policy FAQ: The U.S. Energy Mix, National Security and the Myths of Energy Independence”

Opinion Piece

February 2008

Amy Myers Jaffe, Kenneth Medlock III, Ph.D., and Lauren Smulcer (Baker Institute)

“Video Briefing Transcript: Prospects for Peace in the Middle East”

Opinion Piece

February 2008

Edward P. Djerejian (Baker Institute)

“Video Briefing Transcript: Convergence and Connectivity”

Opinion Piece

February 2008

Christopher Bronk, Ph.D. (Baker Institute)

“Selecting Parameter Values for General Equilibrium Model Simulations”

Research Paper

March 2008

Timothy Gunning, Ph.D., John Diamond, Ph.D. (Baker Institute), and George Zodrow, Ph.D. (Rice University)

“Considering Sea Level Rise”

Opinion Piece

April 2008

Neal Lane, Ph.D. (Baker Institute)

“Cardiac CON Regulations and the Availability and Use of Revascularization Services”

Research, American Heart Journal April 2008

Vivian Ho, Ph.D. (Baker Institute), Joseph Ross, M.D., M.H.S. (Mount Sinai School of Medicine), Brahmajee Nallamothu, M.D., M.P.H. (Ann Arbor VA Medical Center), and Harlan Krumholz, M.D., S.M. (Yale University School of Medicine)

“The Impact of H.R. 25 on Housing and the Homebuilding Industry”

Research Paper

May 2008

John Diamond, Ph.D. (Baker Institute), and George Zodrow, Ph.D. (Rice University)

“Testimony Before the House Natural Resources Committee, Subcommittee on National Parks, Forests and Public Lands, and Subcommittee on Fisheries, Wildlife and Oceans of the U.S. House of Representatives – Joint Subcommittee Oversight Field Hearing”

Testimony

May 2008

Joan Neuhaus Schaan (Baker Institute)

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

Policy Report 37

June 2008

Baker Institute Energy Forum

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