

# Inter-American Dialogue

## LATIN AMERICA ADVISOR | Energy

### BOARD OF ADVISORS

**Jeffrey Davidow**  
President,  
Institute of the  
Americas

**Doris Rodriguez**  
Partner,  
Andrews Kurth LLP

**Ramon Espinasa**  
Consultant,  
Inter-American  
Development Bank

**Everett Santos**  
President,  
DALEC LLC

**Luis Giusti**  
Senior Adviser,  
Center for Strategic &  
International Studies

**R. Kirk Sherr**  
Principal,  
The Scowcroft Group

**David Goldwyn**  
President,  
Goldwyn International  
Strategies LLC

**Roger Stark**  
Partner,  
Kirkpatrick & Lockhart  
Nicholson Graham LLP

**Jonathan C. Hamilton**  
Attorney,  
White & Case LLP

**Roger Tissot**  
Director,  
Markets & Countries  
Group  
PFC Energy

**William Irwin**  
Manager, International  
Government Affairs  
Chevron Corporation

**Max Yzaguirre**  
Chief Executive Officer,  
The Yzaguirre Group  
LLC.

**James R. Jones**  
Co-chair,  
Manatt Jones  
Global Strategies LLC

Subscribers may pose questions to the Board of Advisors for the Featured Q&A by contacting [rsimpson@thedialogue.org](mailto:rsimpson@thedialogue.org)

### Featured Q&A with the Energy Board of Advisors

**Q** **Brazilian President Luiz Inacio Lula da Silva was re-elected in a landslide on October 29. What plans do you think Lula has for energy policy in his second four-year term? Will we see any major new government initiatives in the energy sector? How would you rate Lula's energy program from his first four years?**

**A** **Guest Comment: Rafael Schechtman:** "During the first four years there was big interference by the government in the regulatory agencies, and this made the agencies weaker. Besides the political interference, the agencies had very strong cuts in their budget. This made investors very worried about government interference in the market. In the power sector, the Lula government changed the institutional model. This took too long—almost two years. For the first two years of his government, there was no investment because investors were waiting for the new model. The new model doesn't attract the interest of private investors because the government is responsible for the operation of the bidding system. Most of the investments that came out of the auctions were from state companies. These state companies alone do not have the resources to expand the system. Without investment from the private sector, we're going to have problems around 2009 and 2010. This bottleneck could be solved by gas power

plants, because our system is mostly hydroelectric. During this bidding, almost no new hydroelectric power came out. So the system will depend on natural gas power plants. With the Bolivian crisis, we cannot expand our imports of Bolivian gas, so now we also have problems in thermoelectric plants. The salvation of the system will be the thermoelectric plants. The government says that everything is alright. Petrobras changed its strategic plan to increase the domestic production of natural gas and import liquefied natural gas, and said that these LNG regasification

*Q&A continued on page 6*

### PHOTO OF THE WEEK



What plans does Brazilian President Luiz Inacio Lula da Silva have for energy policy during his second term? See adjacent Q&A for analysis.

*Photo: Agencia Brasil.*

### Inside This Issue

**FEATURED Q&A:** What Plans Does Lula Have for Energy Policy in his Second Term?.....1

AES Reports 14 Percent Increase in Third-Quarter Revenues .....2

IDB Lending Argentina \$580 Million for Installation of Power Lines .....2

Panamanian Oil Firm Files Arbitration Claim Against Ecuador.....2

Suez Energy to Build Gasification Terminal in Chile with Gas Atacama .....3

Research Alert: IEA Report Calls for Sustainable Global Energy Policies .....3

Shell Wins Contracts to Develop Brazilian Deepwater Offshore Fields .....3

FMC Technologies Wins Contract To Provide Subsea System for Petrobras .....4

Analysts: US Midterm Election May Lead to US LatAm Policy Changes.....4

## ENERGY SECTOR BRIEFS

**IDB to Hold November 28-29 Conference on Sustainable Energy**

The Inter-American Development Bank announced Wednesday it will hold a conference in Washington, DC on "Sustainable Energy and Climate Change in Latin America and the Caribbean" November 28-29. "The conference will address the future needs of the region at the local and national levels by analyzing ways to support the development of biofuels and carbon finance markets, while looking at current experiences in the private and public sectors, in areas such as housing, transportation, and rural electrification," the IDB said in a press release.

**Argentine Unit of Gas Natural to Invest 300 Million Pesos**

**Gas Natural BAN**, the Argentine unit of Spain's **Gas Natural**, will invest 300 million pesos to expand service, the head of the unit, Salvador Gabarro Serra, announced Monday. Gabarro made the announcement during a meeting with Argentine President Nestor Kirchner, according to a statement posted on the presidential Web site. Gas Natural BAN, Argentina's second-largest natural gas distributor in terms of customers, will focus on expanding service in low-income neighborhoods, the statement said.

**Venezuela Says Williams Owes \$1.58 Million in Back Taxes**

US-based oil and gas company **Williams Cos.** must pay Venezuela \$1.58 million in back taxes, the South American country's tax authority said last Wednesday, according to Reuters. Williams must pay the back taxes plus a 10 percent fine within 15 days or dispute the charge in court, tax authority Seniat said.

## Power Sector News

**IDB Lending Argentina \$580 Million for Installation of Power Lines**

The Inter-American Development Bank (IDB) on Monday signed an agreement to lend Argentina \$580 million to install 2,150 kilometers of electricity line in the northern part of the country, the government of Argentine President Nestor Kirchner said in a statement. Planning



Kirchner and Moreno.

*Photo: Casa Rosada.*

Minister Julio de Vido said the loan would fund the installation of 1,200 kilometers of high tension electrical wires connecting Argentina's northeastern and northwestern regions, and another 950 kilometers of wires for distribution. "They are going to be the veins that irrigate, across all of northern Argentina, the energy that this line transports," de Vido said during a signing ceremony attended by Kirchner, IDB President Luis Alberto Moreno, and Argentine Economy Minister Felisa Miceli, among other top officials, according to the statement. Argentina will contribute \$120 million in funding for the project, de Vido said. With strong economic growth in the past four years boosting demand for electricity, the Kirchner government is working to increase supplies to avoid energy shortages. However, investment in the sector has been hampered by tariffs that have remained practically frozen since the country's 2001-02 economic collapse.

**AES Reports 14 Percent Increase in Third-Quarter Revenues**

US power producer **AES** increased revenues 14 percent in the third quarter to \$3.15 billion, the Arlington, VA-based company reported Monday. AES' net cash from operating activities in the quarter increased 35 percent to \$837 million, compared to \$619 million last year. Overall, however, the Latin America-focused company, which had invested heavily in Brazil, lost \$340 million in the third quarter because of a broad financial restructuring

of its Brazil businesses that involved selling part of its interest in **Eletropaulo**, a regulated utility. AES voting control was unaffected by the sale, and the proceeds were used in early October to repay in full \$608 million in debt and accrued interest owed to the Brazilian National Development Bank. Refinancing of the remaining holding company debt is expected to be completed later in the fourth quarter. AES said in a financial release that it has a "strong business development pipeline" and that it had almost 2,400 MW of new generation capacity under construction or in advanced engineering and design stages in Bulgaria, Chile, Panama, Spain, and the US, including fossil fuel and renewable energy projects.

## Oil & Gas News

**Panamanian Oil Firm Files Arbitration Claim Against Ecuador**

**City Oriente Ltd.**, a Panamanian oil company run by US investors, has filed an arbitration claim against Ecuador, accusing the Andean nation's government of breach of contract following the passage earlier this year of a measure that requires foreign oil companies to hand over windfall revenues from high oil prices to the government, Reuters reported. Jose Paez, a spokesman for City Oriente, said the company filed the claim with the World Bank's International Center for the Settlement of Investment Disputes (ICSID) on October 10 to force Ecuador not to apply the measure. "This law is a unilateral modification of the contract," Paez was quoted as saying. "We are not asking for damages and we are not closing the door for talks with the government." In April, Ecuador's Congress passed an amendment to the Hydrocarbons Law, requiring foreign oil companies to share with the state at least 50 percent of their extra oil revenues above a benchmark price agreed to within their original contracts. [Editor's note: see related Q&A in the April 25, 2006 issue of the *Energy Advisor*.] Some foreign firms called the law unconstitutional and threatened to take legal action. City Oriente, which produces some 4,000 barrels of oil per day in Ecuador, is the second company this year

to file a claim against Ecuador at the ICSID. In July, the US' **Occidental Petroleum** filed a claim, demanding \$1 billion in compensation for the government's seizure of all its assets in the country in May. The government revoked Occidental's contract and expelled the company from Ecuador on charges the company illegally transferred a stake in an oil block without government authorization. In a research note published last Thursday, **Credit Suisse** analyst Carola Sandy said the City Oriente action could be followed by more claims with the ICSID by other oil companies against the government.

### Suez Energy to Build Gasification Terminal in Chile with Gas Atacama

France's **Suez Energy** and Chile's **Gas Atacama** said Monday they reached an agreement to develop a terminal in northern Chile for the regasification of imported liquid natural gas, Reuters reported. The companies said the plant, to be located in the port city of Mejillones, would help diversify energy resources in northern Chile, the heart of the South American country's large mining industry. The plant, which could cost as much as \$350 million to build, will be constructed in two phases, according to Reuters. During the first, "fast-track" phase, to be ready in 2008, liquid natural gas will be unloaded from a transport ship, which will serve as a storage facility in the interim, while a loading dock and re-gasification plant are built. During the second phase, to be ready by 2010, a land storage facility for the liquid natural gas shipments will be built. Chile has been stepping up efforts to attract investment in its energy sector amid cuts in natural gas supplies from neighboring Argentina, which in the past has provided almost all of Chile's natural gas needs and powered about one third of Chile's electricity sector.

### Shell Wins Contracts to Develop Brazilian Deepwater Offshore Fields

**Shell Brasil Ltda**, a unit of **Royal Dutch Shell**, on Monday announced the first contracts for the development of the Ostra, Abalone, and Argonauta fields in

## Research Alert

### IEA Report Calls for Sustainable Global Energy Policies

Governments need to implement sustainable energy policies to avoid future energy crises and slow global climate change in the coming decades, according to an annual report published Tuesday by the International Energy Agency.

Projecting current trends, the IEA's *World Energy Outlook 2006* predicts that, if governments do nothing, world oil demand will rise from 84 million barrels per day in 2005 to 116 million barrels per day by 2030, and will be accompanied by a 55 percent increase in carbon-dioxide emissions.

Growth in global energy demand will be fueled by developing countries, led by China and India, the report says.

The report "reveals that the energy future we are facing today, based on projections of current trends, is dirty, insecure and expensive," IEA Executive Director Claude Mandil said in a press release. "But it also shows how new government policies can create an alternative energy future which is clean, clever and competitive," he added.

Under an alternative scenario where governments adopt certain policies, including the promotion of nuclear energy and renewable fuels, global CO<sub>2</sub> emissions would fall by 2030 while energy efficiency would increase, the report states.

“There has been an apparent surge in oil and gas investment in recent years, but it is, to a large extent, illusory.”

- *the IEA's World Energy Outlook 2006*

The report projects that under current conditions some \$20 trillion will have to be invested to meet global energy demand, about half of which would have to target developing countries, and noted that "it is far from certain that all this investment will actually occur."

"There has been an apparent surge in oil and gas investment in recent years, but it is, to a large extent, illusory. Drilling, material and personnel costs in the industry have soared, so that in real terms investment in 2005 was barely higher than that in 2000," according to the report.

Under both scenarios outlined in the IEA report, the United States, the European Union, and Brazil will account for the bulk of an increase in the use of biofuels. However, production of biofuels will compete for arable land use with rising food demand, the report predicts.

"New biofuels technologies being developed today, notably ligno-cellulosic ethanol, could allow biofuels to play a much bigger role—if major technological and commercial challenges can be overcome," the report says.

Nuclear power could also contribute to a reduction of imported gas and a decrease in CO<sub>2</sub> emissions, but governments will need to encourage private investment to finance the large up-front costs.

the BC-10 deepwater block off of the coast of Espiritu Santo state. The BC-10 development plans call for a phased approach, with three fields to be developed in the first phase and a fourth field during a second phase. The initial contracts being awarded include the leased 'Floating Production, Storage and Offloading' (FPSO) vessel, with 100,000 barrels per day of oil processing capacity, and a 10-well commitment. Brazil's National Petroleum Agency approved the phased development plans in early October. The design calls for a development with subsea wells and manifolds, with each field tied back to a centrally located FPSO moored in 1,780 meters of water, placing it in some of the deepest waters for FPSOs in the world. First production is expected "around the turn of the decade," Shell said in a press release. Shell holds a 50 percent interest in the project, and will operate it for Petrobras (35 percent) and India's **ONGC** (15 percent). "The BC-10 development is a key milestone in the commercialization of heavy oil in Brazil's deepwater," said Marvin Odum, executive vice president of **Shell EP Americas**. "It is also a significant step toward Shell's objective to deliver new material oil and to establish a core upstream presence in Brazil," he added. The BC-10 development will be the first full field development based on subsea oil and gas separation and subsea pumping, and requires artificial deepwater lift via high-power electric pumps in seabed caissons and horizontal wells.

### FMC Technologies Wins Contract To Provide Subsea System for Petrobras

Houston-based **FMC Technologies** announced Monday that it had won a \$122 million contract to supply the subsea gas production system for Brazilian state oil company **Petrobras**. The project, located in Brazil's offshore Mexilhao field, involves the supply of six subsea trees, and two subsea manifolds with multiplexed controls and related subsea systems. Equipment for the project will be engineered and manufactured at FMC Technologies' facility in Rio de Janeiro, the company said. Deliveries are slated for 2008. The Mexilhao field is located in the Santos Basin about 160 kilometers off the

coast of Sao Paulo state, and has water depths of 320-550 meters. Employing about 11,000 people, FMC provides technology solutions for the energy, food processing and air transportation industries.

## Political News

### Analysts: US Midterm Election May Lead to US LatAm Policy Changes

The shift in power in the US Congress toward Democrats following Tuesday's midterm elections could result in improved US relations with Latin America and in benefits for the region, analysts told the daily *Latin America Advisor* on Thursday. Thomas F. McLarty III, president of **Kissinger McLarty Associates** in Washington, DC who served as a special US envoy to Latin America under former President Bill Clinton, noted that there are "serious tensions" between the US and Latin America. "If the new Congress helps bring about a meaningful change of approach in Iraq, and if the United States is able to restore its global standing and authority through a combination of principled leadership and genuine respect for others' concerns, I believe these tensions will gradually abate," McLarty said. Norman Bailey, a senior fellow at the Potomac Foundation, said a Democratic takeover of Congress would greatly improve the chances for a renewal of trade benefits for Andean nations that expire at the end this year. In addition, support for "draconian border security measures" will lose support, Bailey said. That should be a positive for US relations with Mexico, which strongly objects to US plans to build 700 miles of fencing along the US-Mexico border to keep out illegal immigrants. However, Bailey said that a Democratic-controlled Congress is less likely to approve free trade agreements with Peru and Colombia "without important changes in labor provisions." He added that "it is possible, but not very likely, that the lame duck session will get the Peru FTA passed, perhaps as a rider to a continuing resolution." In addition, according to Bailey, lawmakers will pay greater attention to aid to Colombia and protection of human rights in the Andean

nation. In contrast to the other two analysts, Mark Falcoff, a resident scholar emeritus at the American Enterprise Institute, said the midterm elections would have no impact on US Latin America policy. "No specifically Latin American issue was raised during the campaign, and immigration divides both parties, as it does constituencies left and right," Falcoff told the *Advisor*, adding that the region is losing its "geopolitical weight" in the world. [Editor's note: see Q&A with the above analysts in the November 9, 2006 issue of the daily *Latin America Advisor*.]

### Official: US Relations with Nicaragua Depend on Respect for Democracy

The Bush administration said Tuesday that future US relations with Nicaragua under newly elected President Daniel Ortega, a Cold War foe of the US, would depend on the Ortega government's commitment to democracy, Reuters reported. "The United States is committed to the Nicaraguan people," Gordon Johndroe, spokesman for the White House National Security Council, was quoted as saying. "We will work with their leaders based on their commitment to and actions in support of Nicaragua's democratic future." Bush administration officials had all but urged Nicaraguans to vote against the Sandinista leader in Sunday's election, threatening to end aid to the impoverished Central American nation in the event of an Ortega victory. Ortega, who fought a war against US-backed Contra rebels during his 1979-1990 reign, has the support of Venezuelan President Hugo Chavez and Cuba's Fidel Castro, both fierce critics of the US who on Tuesday hailed Ortega's victory. But analysts say the now 60-year-old Ortega may be more moderate and willing to work with the US than the fiery revolutionary of two decades ago [Editor's note: see related Q&A in the November 8, 2006 issue of the daily *Latin America Advisor*]. Ortega met Tuesday with the second-place finisher in the presidential election, conservative Eduardo Montealegre, and both promised to work together to fight poverty and encourage private investment. "We thank God for this chance to build a Nicaragua

in reconciliation by talking to each other and reaching consensus even with our differences," Ortega said, according to Reuters.

### Ibero-American Leaders Criticize US Plans to Build Mexico Border Fence

Leaders from Latin America, Spain, and Portugal on Sunday criticized US plans to build a fence along the US-Mexico border to deter illegal immigration and called on the US to reconsider. "We manifest our profound concern with the decision by the United States to build a wall on its border with Mexico," the heads of state participating at the 16th annual Ibero-American Summit in Uruguay said in a statement. "The heads of state and of Ibero-American governments make a firm call on the government of the United States to reconsider the construction of a divisive wall in America." The statement said the fence would not stop illegal immigrants, and that it encourages "discrimination and xenophobia." Last month, President George W. Bush signed into law the Secure Fence Act of 2006, which calls for the construction of 700 miles of fencing along the US-Mexico border. The legislation has drawn strong condemnation from the outgoing government of Mexican President Vicente Fox and from President-elect Felipe Calderon, who takes office on December 1. Speaking at the summit on Saturday, Fox said the fence "isn't a solution" and that Bush's signing of the law was due to midterm congressional elections in the US, the Associated press reported. [Editor's note: see related Q&A in the November 1, 2006 issue of the daily *Latin America Advisor*.]

## Economic News

### Noboa Would Renegotiate Some of Ecuador's Debt—Running Mate

Alvaro Noboa, the frontrunner in Ecuador's presidential race, plans to renegotiate some of the country's debt, his running mate said Wednesday, according to Reuters. Vice presidential candidate Vicente Taiano said Noboa plans to renegotiate the interest coupon and maturities

of the country's global bonds due in 2012 and 2030, calling it a "crime" to pay the annual 12 percent interest on the 2012 bonds. "Unfortunately, the debt has to be paid and honored as a country, but we have to extend payment times as much as possible and seek a renegotiation of that high rate to lower it by at least half or to about six percent," Taiano was quoted as telling local television. The interest rate of the global bonds due in 2030 also needs to be renegotiated, he said. Noboa has a 15-19 point lead over his opponent, left-leaning former Economy Minister Rafael Correa, heading into a second-round vote on November 26, according to three polls released on Monday. Correa had alarmed investors ahead of the first-round vote on October 15 when he threatened to default on Ecuador's foreign debt to pay for social programs, but he has since softened his rhetoric.

### Chavez: Venezuela and China to Create \$6 Billion Investment Fund

Venezuela and China will create a \$6 billion fund for investments in Venezuela, President Hugo Chavez said Friday, according to Reuters. "We have agreed with China to create the 'heavy fund,'" Chavez was quoted as saying during the inauguration of a public transport project. "By December we have been promised everything will be ready for a fund of \$6 billion. China will put in four billion and Venezuela will put in two billion—for investments in Venezuela." Chavez said the fund could also be used to finance projects in neighboring Latin American countries, including a proposal to build a 5,000-mile gas pipeline linking Venezuela with Brazil and Argentina. The Venezuelan leader has sought to strengthen ties with China as he seeks to reduce his country's dependence on the United States as a market for Venezuela's oil exports, and plans to increase oil exports to China to 500,000 barrels per day by 2010, according to Reuters. During a recent trip to China, Chavez signed several energy agreements, including a joint venture deal with **China National**



Noboa  
Photo: PRIAN.

## POLITICAL & ECONOMIC BRIEFS

### Uruguay to Pay Off IMF Debt

Uruguayan Economy Minister Danilo Astori said his government will end its loan program with the International Monetary Fund, paying off its remaining \$1.1 billion to the IMF in the next few weeks. Astori said the payoff of the debt would free Uruguay from IMF conditions that restrict economic policy, according to a statement posted on the presidential Web site. Uruguay's move follows similar actions in the past year by Brazil and Argentina.

### Moody's Upgrades Outlook for Peruvian Foreign Debt to "Positive"

Moody's Investors Service announced Monday it has upgraded its outlook for Peru's foreign currency debt from "stable" to "positive," citing the Andean nation's lowered debt, stronger international reserves, and "evidence of diversified and robust export growth." In a press release, Moody's Vice President Mauro Leos said "indications that the Peruvian government does not need to access the international capital markets to cover its financing needs represent a positive development as it effectively reduces Peru's credit exposure to potential changes in international market conditions."

### Panama Elected to UN Security Council Seat

Panama was elected Tuesday to occupy one of two non-permanent seats reserved for Latin America on the United Nations Security Council, the Associated Press reported. Panama emerged as a compromise candidate after Venezuela and Guatemala remained deadlocked in their rival bids to secure the seat. Panama's two-year term on the Council will start on January 1.

**Featured Q&A***Continued from page 1*

plants will be operating in 2009. That is very difficult to believe. If the Lula government wants to increase GDP by around 5 percent per year, we don't have the power to support this growth. Also, we believe Petrobras for the first four years was so worried about achieving oil

“If the Lula government wants to increase GDP by around 5 percent per year, we don't have the power to support this growth.”

- *Rafael Shechtman*

self-sufficiency that it ignored Brazil's need for domestic gas. In the second Lula term, you have to solve the natural gas shortage and the bottleneck in the power system.”

**A Board Comment: Jonathan Hamilton:** "Foreign investors should be on notice as to one policy that is not likely to change: Brazil does not provide investors the protections of bilateral investment

treaties (BITs) or the opportunity to submit investment disputes to arbitration before the International Center for Settlement of Investment Disputes (ICSID). Investors routinely structure investments in the Latin American energy sector based on investment treaties, but Brazil has not ratified BITs or the ICSID Convention. Fourteen BITs that Brazil had signed but not ratified were withdrawn from consideration in 2003. Instead, Brazil increasingly has adopted legislation providing for the arbitration of disputes arising out of investor-state contracts, including in the energy sector, and last year a Brazilian court confirmed that state-owned entities are subject to arbitration when they consent to it by contract. This is a step in the right direction. But such arbitrations are subject to restrictions that they must be conducted in Brazil and in Portuguese. They offer neither the same protections as BITs nor the neutrality of the ICSID. The lack of investment treaty protections thus remains a risk factor of note."

**Rafael Schechtman** is Director of the Brazilian Center for Infrastructure in Rio de Janeiro.

**Jonathan Hamilton** is a member of the Energy Advisor board and at Attorney at White & Case LLP.

**Petroleum Corp.** to explore for heavy crude in Venezuela.

### Argentina to Agree to Repay \$960 Million in Debt to Spain by 2012

Argentina will sign an agreement by the end of this month to repay \$960 million in debt to Spain by 2012, Spain's secretary of state for Ibero-America, Trinidad Jimenez, said Saturday, according to Bloomberg News. "Before December 1, Argentina and Spain will sign an accord to let Argentina pay its debt by 2012," Jimenez was quoted as telling reporters

at the 16th Annual Ibero-American Summit in Uruguay. Jimenez did not provide details of the agreement. She only said that "the contents of the accord will be known by December." Spain lent Argentina \$960 million during Argentina's crisis in 2001, before the government's default on \$95 billion in debt and on about \$6 billion in loans from European countries, according to Bloomberg News. Argentine President Nestor Kirchner met Saturday with Spanish Prime Minister Jose Luis Rodriguez Zapatero in Uruguay.

**Latin America Energy Advisor**

is published weekly by the Inter-American Dialogue, Copyright © 2006

**Erik Brand,**  
General Manager, Publishing

**Robert Simpson,**  
Editor

**Elisabeth Burgess,**  
Reporter

**Danielle Jetton,**  
Computer Services Coordinator

**Inter-American Dialogue:**

**Peter Hakim,**  
President

**Michael Shifter,**  
Vice President, Policy

**Joan Caivano,**  
Director, Special Projects

**Dan Erikson,**  
Senior Associate, US Policy

**Claudio Loser,**  
Visiting Senior Fellow

**Judith Morrison,**  
Executive Director, Inter-Agency Consultation  
on Race in Latin America

**Manuel Orozco,**  
Executive Director, Remittances and Rural  
Development Project

**Marifeli Perez-Stable,**  
Vice President, Democratic Governance

**Jeffrey M. Puryear,**  
Vice President, Social Policy

**Viron Vaky,**  
Senior Fellow

Subscription Inquiries are welcomed at  
freetrial@thedialogue.org

**Latin America Energy Advisor** is published weekly by the Inter-American Dialogue 1211 Connecticut Avenue, Suite 510 Washington, DC 20036  
Phone: 202-822-9002 Fax: 202-822-9553

The opinions expressed by the members of the Board of Advisors and by guest commentators do not necessarily represent those of the publisher nor do they represent any consensus of belief. The analysis is the sole view of each commentator and does not necessarily represent the views of their respective employers or firms. The information in this report has been obtained from reliable sources, but neither its accuracy and completeness, nor the opinions based thereon, are guaranteed. If you have any questions relating to the contents of this publication, contact the editorial offices of the Inter-American Dialogue. Contents of this report may not be reproduced, stored in a retrieval system, or transmitted without prior written permission from the publisher.