Syllabus
Energy Law: Emerging Markets
Prof. James W. Skelton, Jr.
Spring 2012 (3 credit hours)
Course # 6352, Section # 19891

Welcome to the Energy Law: Emerging Markets course at the University of Houston Law Center! This is the fourth time I have been given the opportunity to teach the course at the Law Center. We will examine the process of investing in the so-called emerging markets with an emphasis on understanding such transactions from both the foreign investor’s and the host country’s viewpoint. We will analyze the various aspects of making an investment in the oil and gas industry of emerging market countries, including the types of impediments and complications that may be encountered.

Textbook and Class Materials.

1. The textbook for this course is Doing Business in Emerging Markets – a Transactional Course, written by Richard N. Dean and Paul B. Stephan. The first edition of this textbook was published by the Foundation Press in October 2009. We will also use the companion “Documents Supplement” that serves as an important resource for related statutes and contracts. In addition, I will provide a notebook with copies of supplementary materials of my own for the purpose of providing examples of real world experiences. Near the middle of the semester we will create teams that will participate in three separate team negotiation exercises. These team negotiation exercises are what distinguish this course from others.

2. The authors of the textbook, Richard Dean and Paul Stephan, introduced this course to the University of Virginia Law School many years ago. I have taught portions of Chapters 4 and 5 with Professors Dean and Stephan at the UVA as a Visiting Professor almost every year since 2000. The UVA offers this course as a seminar.

3. Additional documentary materials may be made available to you as a supplement from time to time by electronic means. Some of such items, as well as all of the materials in the casebook, may be subject to copyright restrictions, and, therefore, will be limited to your personal use for the class. You may not distribute the copyrighted material; it is for your sole use in this class.

Exam, grading, class conduct and makeup classes.

1. Your grade will consist of the results of your class participation, the negotiating exercises and the final exam. Occasionally, brief written assignments will be due in class, which will require no more than 2-3 pages. I will assign certain cases and problems to individuals or teams of students in advance for presentation to the entire class. These writing assignments and presentations will be graded on a Pass/Fail basis, but you will not receive a grade in the course unless you hand in the writing assignments and make the presentations.
2. I expect you to be prepared for class by doing the reading in advance, by volunteering answers to questions asked in class, by asking questions in class, and by participating in the general discussions we will have from time to time. Your grade may be either raised or lowered by half a grade based on your attendance, preparation and participation.

3. The final exam will consist of a combination of multiple choice, fill in the blank, short answer and essay questions. All of these questions will be designed to test your knowledge of the significant issues we will cover in connection with the process of investing in the international energy industry in emerging markets. They will also test your understanding of key terms and concepts discussed in class.

4. The class will be held on Tuesdays and Thursdays, and each session of the class will meet from 10:30 to 11:50 a.m., rather than from 10:30 to 11:45 a.m., in order to earn extra time toward a makeup class. Using this schedule, we will be able to miss one class session without having to arrange for a separate make up class at the end of the semester.

**Description.**

This course explores the legal and regulatory structures affecting foreign investors seeking to participate in the development of emerging markets countries, with particular emphasis on energy related transactions. It gives an insight into the types of problems that are encountered when working in countries that provide business opportunities but have weak legal institutions and vague business cultures, such as corruption, human rights abuses, regulatory expropriation, uncertain property rights and government authorizations, and poor dispute resolution and law enforcement mechanisms. The casebook includes introductory text material with a series of problems derived from practice, as well as cases and an analysis of legislative and regulatory materials. The course will also provide practical applications of practice techniques and negotiating skills that may be used in resolving the problems encountered in emerging markets.

**Negotiation Exercises.**

There will be three negotiation exercises for which the members of the class will be divided into separate negotiating teams. These negotiation exercises will be conducted in connection with the topics covered in Chapters 3, 4 and 5 of the textbook. The specific exercises will be handed out at least two days in advance, and the actual negotiating sessions will be conducted in class. The results of the negotiations will be summarized by each team in writing and short presentations will be made by the teams regarding the outcome.

**Syllabus.**

1. The syllabus provides the approximate order in which the subject matter will be discussed and the negotiation exercises will be held, but it may not always reflect the amount of time required to cover the materials in any one class session. I do not intend to omit any
reading material that is assigned, so if we do not cover the assigned topics adequately during the designated class session, we will continue during the next class.

2. In addition to the supplementary materials mentioned above, I plan to make some presentations to complement the reading materials. We may also have a guest speaker from time to time, for which you may be given further documentation in support of the guest speaker’s lecture.

3. The approximate schedule for covering the materials is as follows:
   January 17 and 19 – Introduction and Chapter 1, pages 1-23;
   January 24 and 26 – Chapter 2, pages 25-63 and pages 1-27 in the Documents Supplement;
   January 31 and February 2 – Chapter 2, pages 63-95;
   February 7 and 9 – Chapter 3, pages 97-121 and selected portions of pages 29-91 of the Documents Supplement;
   February 14 and 16 – Chapter 3, pages 122-161 and selected portions of pages 92-163 of the Documents Supplement;
   February 21 and 23 – Chapter 3, pages 161-179 and negotiation exercise;
   February 28 and March 1 – Chapter 4, pages 181-205, presentation and selected portions of pages 165-313 of the Documents Supplement;
   March 6 and 8 – Chapter 4, pages 205-220 and selected portions of pages 314-371 of the Documents Supplement;
   March 12-16 – Spring Break;
   March 20 and 22 – Negotiation exercise for Chapter 4;
   March 27 and 29 – Chapter 5, pages 221-255, presentation and pages 373-393 of the Documents Supplement;
   April 3 and 5 – Chapter 5, pages 255-270, selected portions of pages 395-497 of the Documents Supplement and negotiation exercise;
   April 10 and 12 – Chapter 6, pages 271-304;
   April 17 and 19 – Chapter 6, pages 304-327; and
   April 24 and 26 – Complete Chapter 6 and course review session.
   May 1 – Possible makeup class, if needed.