## Elections

#### 1. Obama is winning now

#### Obama winning – swing state polls and voters like his policies so far

Bowen 9/20 (Robert Bowen¶ Economic Policy writer for the Examiner¶ Currently a businessman, Robert Bowen served in the Colorado legislature in the 1980s as a moderate Democrat. He was also appointed by three different governors to serve on various boards and commissions, “New Fox News poll released Thursday shows Obama winning 3 key swing states” 2012, http://www.examiner.com/article/new-fox-news-poll-released-thursday-shows-obama-winning-3-key-swing-states)

Despite two re-set buttons, Mitt Romney’s campaign continues to back slide. The latest bad news comes from the Fox News poll for the crucial states of Ohio, Florida, and Virginia. The poll was released Thursday, and it is not good news for Romney. The results were confirmed by 3 other polls this week.¶ According to Fox News, Obama tops Romney by seven percentage points among likely voters in both Ohio (49-42 percent) and Virginia (50-43 percent). In Florida, the president holds a five-point edge (49-44 percent). Obama’s lead is just outside the poll’s margin of sampling error in Ohio and Virginia, and within the margin of sampling error in Florida.¶ .¶ The poll shows that majorities of voters are unhappy with how things are going in the country, yet in all three states more say they trust Obama than Romney to improve the economy. It was not asked in this poll, but in others, more voters still blame Bush and Republicans for the bad economy than Obama.¶ Likewise, in each state more voters believe the Obama administration’s policies have helped rather than hurt the economy although the margins are small. They favor Obama by two points in Florida, three points in Ohio, and five points in Virginia.

#### 2. Plan is unpopular – causes people to disapprove of Obama

#### The public overwhelmingly hates drilling in public lands.

NRDC 11 [National Resources Defense Council, 12/19/2011, “Arctic Wildlife Refuge: Why Trash an American Treasure for a Tiny Percentage of Our Oil Needs?” http://www.nrdc.org/land/wilderness/arctic.asp]

Congress has received hundreds of thousands of emails, faxes and phone calls from citizens opposed to drilling in the Arctic Refuge, an outpouring that has helped make the difference. And polls have consistently shown that a majority of Americans oppose drilling, even in the face of high gas prices and misleading claims from oil interests. A June 2008 poll by the research firm Belden Russonello & Stewart found that 55 percent of the American public supports continued protection for the Arctic Refuge, and only 35 percent of Americans believe that allowing oil companies to drill in the refuge would result in lower gas prices for American consumers.

#### 3. Approval ratings are key to the election

Cook 11 (The National Journal Political Analyst, Charlie, October 27, “Underwater,” <http://www.nationaljournal.com/columns/cook-report/the-cook-report-obama-underwater-20111027>, d/a 7-20-12, ads)

The best barometer of how a president is going to fare is his approval rating, which starts taking on predictive value about a year out. As each month goes by, the rating becomes a better indicator of the eventual results. Presidents with approval numbers above 48 to 50 percent in the Gallup Poll win reelection. Those with approval ratings below that level usually lose. If voters don’t approve of the job you are doing after four years in office, they usually don’t vote for you. Of course, a candidate can win the popular vote and still lose the [Electoral College](http://www.nationaljournal.com/columns/cook-report/the-cook-report-obama-underwater-20111027). It happened to Samuel Tilden in 1876, Grover Cleveland in 1888, and Al Gore in 2000. But the popular votes and the Electoral College numbers usually come down on the same side.

#### 4. Romney would repeal the ACA

Friedman 12 Jun 28, 2012 EMILY FRIEDMAN ABC producer and digital reporter covering Gov. Mitt Romney's 2012 campaign “Romney Calls for Obamacare Repeal as ‘Bad Law’”

http://abcnews.go.com/blogs/politics/2012/06/romney-calls-for-obamacare-repeal-as-bad-law/

Mitt Romney today renewed his vow to repeal the health care law that the United States Supreme Court today upheld, referring to the plan as “bad law” and “bad policy.”¶ “As you might imagine I disagree with the Supreme Court’s decision and I agree with the dissent,” said Romney, with the Capitol building as his backdrop. “What the Court did not do on its last day in session I will do on my first day if elected President of the United States and that is I will act to repeal Obamacare.”

#### 5. Obamacare key to economy – employment and consumer spending

Gruber 12 (Jonathan, professor of economics at MIT, July 12, 2012 “New Republic: Obamacare Means Higher Employment” http://www.npr.org/2012/07/12/156660203/new-republic-obamacare-means-higher-employment)

Forget death panels. Lately critics of the Affordable Care Act have been promoting a different claim — that "Obamacare" is a job-killer. Specifically, they say, it will stifle the economy with regulations and taxes. But the economic literature doesn't support this claim. If anything, it suggests the opposite: The Affordable Care Act will boost the economy. By now, most people who follow politics know that the law will result in more than 30 million additional Americans getting health insurance. But what few realize is that, by expanding insurance coverage, the law will also increase economic activity. These newly insured individuals will demand more medical care than when they were uninsured. And while it takes many years to train a family physician or nurse practitioner, it doesn't take much time to train the assistants and technicians (and related support staff) who can fill much of this need. In many cases, these are precisely the sort of medium-skill jobs that our economy desperately needs — and that the health care sector has already been providing, even during the recession.¶ More immediately, the increase in economic security for American families will also mean an increase in consumer spending. Many uninsured consumers are forced to set aside money in low interest liquid accounts to make sure they have enough to cover unexpected medical costs. With the security provided by health insurance, they can free that money up for consumption that is much more valuable to them. When the federal government expanded Medicaid in the 1990s, my own research has shown, the newly insured significantly increased their spending on consumer goods. More purchases of consumer goods will provide short-run stimulation to the economy and more hiring

#### 6. Economic crisis causes war. That’s their 1AC Burrows and Harris evidence.

## Renaissance

#### **Nuclear renaissance now – long term prospects remain strong, NRC ruling has no effect, and cost issues are solved by SMRs.**

Downey, Senior Staff Writer, 8-31

[John, “Anticipated nuclear rebirth faces tough challenges”, The Charlotte Business Journal, 8-31-12,

<http://www.bizjournals.com/charlotte/print-edition/2012/08/31/anticipated-nuclear-rebirth-faces.html?page=all>, RSR]

But inside the industry, representatives insist the challenges are not insurmountable. In the United States, they say, the nuclear renaissance has been slower than anticipated. But the long-term prospects for nuclear power remain strong. “I would say the nuclear renaissance is just pushed a little to the right,” says Tom Franch, senior vice president for nuclear reactors and services at Areva Inc. A key test for the industry will be the construction just under way of four new-generation nuclear reactors — two at Southern Co.’s Plant Vogtle expansion in Georgia and two at SCANA Corp.’s V.C. Summer plant in South Carolina. “If the industry does as we’ve promised and can be predictable on costs and construction time in this cycle of new construction, it will answer a lot of questions,” Franch says. “People will look at it from a business perspective.” And he says the waste issue will have little practical effect on nuclear projects. None of that affects the licenses for the four reactors now being built. And while several utilities (including Duke Energy Corp.) have applications in process for new licenses, none are far enough along that the recent federal actions are likely to delay approval. There have been questions raised about the fate of relicensing applications for nine plants. But if, as Franch hopes, the NRC quickly addresses the court’s concerns about the waste issue, he expects no significant delays. Growth in the nuclear sector remains important to the Charlotte region as it works to establish itself as a national hub for the energy industry. Figures compiled by the Charlotte Regional Partnership show that the nuclear industry accounts for 25% of the nearly 28,000 energy jobs in the region. The Shaw Power Group, based in Charlotte, is the contractor for the nation’s two nuclear-plant construction projects. Westinghouse Electric Co., which designed the AP1000 reactor being installed at both plants, has expanded its nuclear operations in the region. Areva has 600 employees, mostly engineers, in its nuclear operations here. Toshiba America Nuclear Energy has moved some of its U.S. operations here. The Babcock & Wilcox Co. moved its headquarters here in 2010, and Mitsubishi Nuclear Energy Systems opened a 100-employee office in Charlotte. “There is no question that within the energy sector here the nuclear industry plays a prominent role,” says Jeff Merrifield, senior vice president at the Shaw Power Group. “I don’t mean to use the pun, but there’s a critical mass here in the sector.” But the industry faces policy and economic challenges, says the Natural Resources Defense Council’s Fettus. The unresolved questions about waste are one. The expense of reactors has generally meant that they do not get built unless they are subsidized (both Vogtle and Summer have benefited from federal loan guarantees). Equity analyst Paul Fremont of Jeffries & Co. says it’s not clear any nuclear plant can move forward without subsidies. He has made the case strongly for more than a year that low natural gas prices make nuclear plants a financially unattractive risk. And gas prices appear poised to remain low for several years. The financial issues and a decision by Moody’s Investors Service in 2009 to consider plans for nuclear construction as a negative factor for a utilities’ debt ratings have led critics to say Wall Street won’t back new projects. Merrifield and Franch dispute that. “I talk to lots of Wall Street folks,” Merrifield says. “There are some concerns about investments in nuclear, but it comes down very much to personal preferences.” He likens the divide to that between people who believe in renting versus buying a big-ticket item. “If you are looking only at the next three years, who would even buy a car or house?” he says. “Wall Street is very bullish on nuclear,” Franch says. “They realize it needs to be part of well-diversified portfolio of energy sources.” Both say the biggest obstacle for nuclear construction in the United states is the slow economy. Demand for electricity fell for the first time in the nation’s history as the 2008 financial crisis led to a severe recession. And demand hasn’t returned to prerecession levels. But that won’t mean downtime for nuclear specialists. The overseas demand for nuclear construction remains strong. Shaw is involved in the construction of four AP1000 plants in China. Areva has projects in China, France, Finland and the United Kingdom. And for the long term, the nascent small-modular-reactor industry is another source for industry growth. The reactors, now in the development stage, are designed for 75 to 400 megawatts of capacity, as opposed to the 1,000 to 1,500 megawatts for the new generation of large reactors. Advocates say the small reactors can be largely manufactured in assembly plants and shipped to plant sites for installation. That should hold down costs and offer an attractive alternative for utilities worried about the large upfront investment of full-sized plants. So while the U.S. nuclear industry is growing slowly, its leaders are encouraged about their companies’ prospects. “I am still very passionate about the industry,” Franch says.

#### Nuclear renaissance now – US subsidizing the industry.

Worthington 12 (David Worthington, February 9, 2012, The U.S. nuclear renaissance has begun , Smart Planet, <http://www.smartplanet.com/blog/intelligent-energy/the-us-nuclear-renaissance-has-begun/13058>) JD

There are cooling towers on the horizon in the United States. The nuclear renaissance is slated to begin in rural Georgia with new reactors being built over the next five years, and work is already underway to leap another generation ahead. The Nuclear Regulatory Commission (NRC) today announced that it has granted licenses to a consortium of utilities to erect two [Westinghouse AP 1000](http://www.ap1000.westinghousenuclear.com/" \t "_blank) reactors at Southern Company’s existing Vogtle site, clearing a path to end a decades long hiatus in new construction. Westinghouse’s design incorporates passive cooling, which extends the duration under which a reactor can operate safely without outside intervention in the event of a disaster. The AP 1000 is classified as Generation III+ reactor. Generation III+ reactors have more [redundant systems](http://www.smartplanet.com/blog/intelligent-energy/americas-nuclear-future/6946" \t "_blank) than older reactor designs. Those include emergency cooling systems, a double containment system, and an ashtray like cooling area to capture molten fuel in the event of a meltdown. Existing U.S. nuclear reactors require active cooling such as electric water pumps. Japan’s Fukushima used active cooling, and its reactors melted down last spring when external power was unavailable. There are a total of 104 nuclear plants in the U.S today that are dependent upon active cooling. The meltdown risk associated with those legacy reactors and the high capital requirements of nuclear power are some of the reasons why no new reactor has been built in the U.S since the late 1970’s, when the 1979 Three Mile Island incident soured public sentiment. For now, anti-nuclear sentiment has been marginalized. The U.S. is energy hungry and nuclear power is receiving generous government subsidies. The Vogtle reactors would power up to 1 million homes at a cost of US$14 billion, CNN [reported.](http://money.cnn.com/2012/02/08/news/economy/nuclear_reactors/index.htm?hpt=hp_t3" \t "_blank)

#### Empirics prove that oil trades off with nuclear energy.

Chameides, Dean, and Nicholas Professor of the Environment Earth & Ocean Sciences at Duke University, ‘12

[Bill, “The Nuclear Power Conundrum”, The Green Grok, 7-5-12,

<http://www.nicholas.duke.edu/thegreengrok/nuke-conundrum>, RSR]

What to do when your favorite nuclear plant gets shut down? One option would be to just do without. Another option, and the one that Japan and California have chosen, is to replace the lost nuclear power with another source. And what do you suppose the source of choice is? Fossil fuels of course. The shutdown of Japan’s nuclear power plants corresponded with a more than doubling in the consumption of fuel oil and crude oil (primarily for electrical generation) in January 2012 compared to January 2011. There was also a 27 percent increase in liquid natural gas usage, although coal usage went down by eight percent. This, despite the fact that overall energy usage in Japan dropped sharply since the disaster. Overall, Japan’s carbon dioxide emissions for 2011 increased by about 2.4 percent.

#### Nuclear power is key to solve for warming – top economist concedes, renewables can’t compete and tech is not moving fast enough.

Harvey, Environment Correspondent, ‘12

[Fiona, “Nuclear power is only solution to climate change, says Jeffrey Sachs”, The Guardian, 5-3-12,

<http://www.guardian.co.uk/environment/2012/may/03/nuclear-power-solution-climate-change>, RSR]

Combating climate change will require an expansion of nuclear power, respected economist Jeffrey Sachs said on Thursday, in remarks that are likely to dismay some sections of the environmental movement. Prof Sachs said atomic energy was needed because it provided a low-carbon source of power, while renewable energy was not making up enough of the world's energy mix and new technologies such as carbon capture and storage were not progressing fast enough. "We won't meet the carbon targets if nuclear is taken off the table," he said. He said coal was likely to continue to be cheaper than renewables and other low-carbon forms of energy, unless the effects of the climate were taken into account.

#### Warming causes extinction – 350 ppm is the limit.

Ahmed 2010 (Nafeez Ahmed, Executive Director of the Institute for Policy Research and Development, professor of International Relations and globalization at Brunel University and the University of Sussex, Spring/Summer 2010, “Globalizing Insecurity: The Convergence of Interdependent Ecological, Energy, and Economic Crises,” Spotlight on Security, Volume 5, Issue 2, online)

Perhaps the most notorious indicator is anthropogenic global warming. The landmark 2007 Fourth Assessment Report of the UN Intergovernmental Panel on Climate Change (IPCC) – which warned that at then-current rates of increase of fossil fuel emissions, the earth’s global average temperature would likely rise by 6°C by the end of the 21st century creating a largely uninhabitable planet – was a wake-up call to the international community.[v] Despite the pretensions of ‘climate sceptics,’ the peer-reviewed scientific literature has continued to produce evidence that the IPCC’s original scenarios were wrong – not because they were too alarmist, but on the contrary, because they were far too conservative. According to a paper in the Proceedings of the National Academy of Sciences, current CO2 emissions are worse than all six scenarios contemplated by the IPCC. This implies that the IPCC’s worst-case six-degree scenario severely underestimates the most probable climate trajectory under current rates of emissions.[vi] It is often presumed that a 2°C rise in global average temperatures under an atmospheric concentration of greenhouse gasses at 400 parts per million (ppm) constitutes a safe upper limit – beyond which further global warming could trigger rapid and abrupt climate changes that, in turn, could tip the whole earth climate system into a process of irreversible, runaway warming.[vii] Unfortunately, we are already well past this limit, with the level of greenhouse gasses as of mid-2005 constituting 445 ppm.[viii] Worse still, cutting-edge scientific data suggests that the safe upper limit is in fact far lower. James Hansen, director of the NASA Goddard Institute for Space Studies, argues that the absolute upper limit for CO2 emissions is 350 ppm: “If the present overshoot of this target CO2 is not brief, there is a possibility of seeding irreversible catastrophic effects.”[ix] A wealth of scientific studies has attempted to explore the role of positive-feedback mechanisms between different climate sub-systems, the operation of which could intensify the warming process. Emissions beyond 350 ppm over decades are likely to lead to the total loss of Arctic sea-ice in the summer triggering magnified absorption of sun radiation, accelerating warming; the melting of Arctic permafrost triggering massive methane injections into the atmosphere, accelerating warming; the loss of half the Amazon rainforest triggering the momentous release of billions of tonnes of stored carbon, accelerating warming; and increased microbial activity in the earth’s soil leading to further huge releases of stored carbon, accelerating warming; to name just a few. Each of these feedback sub-systems alone is sufficient by itself to lead to irreversible, catastrophic effects that could tip the whole earth climate system over the edge.[x] Recent studies now estimate that the continuation of business-as-usual would lead to global warming of three to four degrees Celsius before 2060 with multiple irreversible, catastrophic impacts; and six, even as high as eight, degrees by the end of the century – a situation endangering the survival of all life on earth.[xi]

## T

#### A. Interpretation – The aff has to affect both resource extraction and conversion into energy

Australian Government, Department of Climate Change and Energy Efficiency 2011 [“Energy Production and Consumption,” http://www.climatechange.gov.au/government/initiatives/national-greenhouse-energy-reporting/publications/supplementary-guidelines/energy-production-consumption.aspx]

Production of energy: in relation to a facility, means the:

1. extraction or capture of energy from natural sources for final consumption by or from the operation of the facility or for use other than in the operation of the facility
2. manufacture of energy by the conversion of energy from one form to another form for final consumption by or from the operation of the facility, or for use other than in the operation of the facility (regulation 2.23(3) NGER Regulations).

#### B. Violation – The plan only removes restrictions on / incentivizes extraction OR conversion of / oil / coal / nat gas / nuclear power / wind power / solar power

#### C. Reasons to Prefer

#### 1. Predictability –

Only our interpretation guarantees link arguments to both extraction and the burning of resources to produce energy. This is crucial link ground for pollution DAs and domestic/foreign energy tradeoff DAs.

#### 2. Limits –

Requiring the aff to both extract and convert the energy is necessary to eliminate affs that only extract, like capture carbon or methane or stockpile oil as a strategic military reserve with heg advantages. Also key to prevent affs that only burn fuels like Bataille-style affs that encourage rapid consumption or R&D affs that incentivize new ways to burn the same resources.

#### D. Topicality is a voting issue for both Fairness and Educational reasons.

## CP

#### Text: The United States federal government should remove all subsidies for the production and consumption of fossil fuels.

#### Repealing FF subsidies improves the efficiency of oil production – spurs consolidation.

Allaire and Brown 9 [Maura Allaire and Stephen Brown. Resources for the Future. December 2009. “Eliminating Subsidies for Fossil Fuel Production: Implications for U.S. Oil and Natural Gas Markets” <http://rff.org/RFF/Documents/RFF-IB-09-10.pdf>]

Marginal producers are the most susceptible to changes in tax preferences. The percentage depletion allowance, which would be eliminated under the Obama administration proposal, applies only to small independent producers. Small producers’ operating costs are typically high without these tax benefits because they produce on the least desirable leases. Consequently, most of the reduction in U.S. production that results from elimination of the oil and gas company tax preferences will likely result from accelerated closure of marginal wells (EPRINC 2009). Independent producers would especially be affected by repealing IDC and percentage depletion deductions (Book 2009). Citing analysis by Raymond James, Kleemeier (2009) reports that repealing IDC deductions could cause independent producers to reduce capital drilling budgets by 25 to 30 percent. Similarly, Book (2009) finds that bankruptcy among independent companies could lead to further industry consolidation. Krueger (2009) states that the tax preferences that favor small, nonintegrated firms lead to distortions within the oil and gas industry and that elimination of these preferences could shift production from domestic independent producers to integrated domestic or foreign producers. Moreover, the U.S. Treasury estimates that repealing the particular tax preferences that favor small nonintegrated oil and gas companies will raise $10.3 billion in tax revenues from 2010 to 2019 (Krueger 2009).

#### NB is elections - 70% of Americans oppose fossil fuel subsidies.

Yale Project on Climate Change Communication 12 (Yale Project on Climate Change Communication, Do Americans support or oppose subsidies for fossil fuels? 14 February 2012, http://environment.yale.edu/climate/the-climate-note/do-americans-support-or-oppose-subsidies-for-fossil-fuels/, da 8-15-12)

In his new proposed federal budget, President Obama today called on Congress to repeal more than $4 billion a year in subsidies for the fossil fuel industry, arguing that these “inefficient fossil fuel subsidies…impede investment in clean energy sources and undermine efforts to address the threat of climate change."¶ As of November 2011, a large majority of Americans (70%) also opposed federal subsidies for the fossil fuel industry (coal, oil, and natural gas), including majorities of Republicans, Democrats, and Independents:

## Growth

### Their Modi 12 evidence says the SQUO solves the Aff. Oil drilling tech is increasing production now.

### Their Morici 12 evidence says other energies are needed too. E.g. nat gas.

#### **Major drilling trends and energy efficiency mean drastic undercuts to dependence**

Shogen 12 (Elizabeth, NPR News Science Desk correspondent focused on covering environment and energy issues and news, January 24, 2012, “Foreign Oil Imports Drop As U.S. Drilling Ramps Up” http://www.npr.org/2012/01/24/145719179/foreign-oil-imports-drop-as-u-s-drilling-ramps-up, 8/1/12, atl)

Since President Obama took office, the U.S. has made considerable progress in overcoming a problem that has bedeviled presidents since Richard Nixon — dependence on foreign oil.¶ When U.S. oil dependence peaked at 60 percent in 2005, then-President George W. Bush said the country had a serious problem and was "addicted to oil."¶ Oil imports were down to 49 percent in 2010, and the Energy Information Agency predicted Tuesday that imports would drop to 36 percent by 2035.¶ "Reliance on imported petroleum we expect to decline dramatically over the next 20 years," says Howard Gruenspecht, acting administrator of the Energy Information Agency.¶ This reflects in part the fact that after decades of decline, U.S. oil production started posting gains in recent years. The Energy Information Agency predicted the increase will continue, and by 2020, the oil production rate would be up 11 percent to 6.7 million barrels per day.¶ "That's really reversing a long slide," says Gruenspecht.¶ Criticism For Blocking U.S. Production¶ Ironically, this breakthrough is happening during the administration of a president who has been steadily criticized for blocking domestic petroleum production. Republicans have attacked him for slowing off-shore drilling in the Gulf of Mexico after the BP spill and for deciding not to open some federal lands in the West to oil and gas development.¶ But energy experts make it clear that regardless of the criticism, a positive trend is underway that should change the way the county thinks of itself and its relationship with unfriendly, oil-rich nations.¶ "We have a complete change in the historic view that we are helplessly dependent on energy imports, oil imports going forward," says John Deutch, a Massachusetts Institute of Technology chemistry professor and former CIA chief who advises the Obama administration on energy.¶ Deutch says the situation is even brighter than it seems, because Canada could supply most of U.S. oil imports in the future.¶ "I frankly find Canadians as reliable as Californians [in] providing us with energy, so you should not include the Canadians in that import dependence," Deutch says.¶ Expansion On Private Lands¶ Oil industry executives agree that the outlook is rosy.¶ "Past assumptions of oil and gas scarcity that went into business strategic plans, governmental policies and public attitudes are out of date," says James Mulva, chairman and CEO of ConocoPhillips. "The major production trends have certainly been reversed."¶ The breakthrough comes as oil companies are using hydraulic fracturing, or fracking, to blast open the rock that contains the oil.¶ According to Mulva, more rigs are drilling for oil in the United States today than have been for 25 years.¶ But here is where the criticism of President Obama comes in: Mulva stresses that most of these rigs are on private property. They are drilling into places like the Bakken formation, which lies under parts of North Dakota and Montana.¶ "Had this been government land, we would likely still be awaiting drilling permits or fighting lawsuits from NGOs or outright drilling bans enacted from Congress," Mulva says.¶ Using Less Fuel¶ Still, increasing U.S. oil production is only one reason that reliance on foreign oil is waning.¶ Another is that Americans are using less fuel.¶ The Energy Information Agency says overall U.S. oil consumption has declined since 2005. The agency predicts it will grow only very slowly over the next two decades, because of policies that boost the fuel efficiency of cars and increase the use of renewable fuels like ethanol.¶ President Obama deserves credit for those policies. So does his predecessor, President Bush.¶ The EIA's Gruenspecht says America's dependency on foreign oil will ease even more than the agency's forecasts suggest if Obama goes forward with his proposal to further tighten fuel economy in cars for model years 2017 to 2025.

#### Oil benefits create an employment bubble that will inevitably burst

Gold 12 (Russell, Columnist for the Wall Street Journal, February 8, 2012, “Oil and Gas Boom Lifts U.S. Economy” http://online.wsj.com/article/SB10001424052970204652904577195303471199234.html, 8/1/12, atl)

Though the energy boom looks like a road to prosperity, it may be a bumpy one. Drilling is disrupting communities in ways that are still unfolding, creating concerns about the costs to local governments for things like road damage. It is also raising fears about potential water contamination, air pollution and even earthquakes from the effects of drilling thousands of new deep wells.¶ Skeptics warn that individual shale communities could experience an employment boom, followed by a painful bust. Rosy economic models "tell us nothing about what will happen when drilling ends," warns a May 2011 paper published by Cornell University's City and Regional Planning Department and funded in part by a foundation opposed to shale drilling.

#### Massive production now proves domestic production does nothing to affect prices

Conathan 12 (Michael, Director of Ocean Policy at Center for American Progress, March 1, 2012, “[More Drilling Won’t Lower Gas Prices](http://thinkprogress.org/climate/2012/03/01/435330/more-drilling-wont-lower-gas-prices/)”, http://thinkprogress.org/climate/2012/03/01/435330/more-drilling-wont-lower-gas-prices/, 8/1/12, atl)

In an introductory economics class, the first thing the teacher sketches out on the blackboard is a strikingly simplistic graph: two curves making a swooping “X” between the two axes—the economic model of supply and demand. The basic underlying principle is simple: The point at which the supply curve and the demand curve meet will determine the price of the commodity. Increasing supply when demand remains constant will cause prices to fall.¶ This fundamental concept is widely understood by anyone who has sat through those Econ 101 lectures, and anyone who’s ever noticed a parking lot near a major sports venue jack up its prices on game day can easily relate. The concept is also the driving force behind the 2012 conservative reincarnation of Michael Steele and Sarah Palin’s favorite 2008 campaign slogan: “drill, baby, drill.”¶ If the solution were so simple, then the problem of rising gasoline prices wouldn’t exist—we’re already drilling like crazy in the United States. And yet prices have continued to spike. As my colleague Daniel J. Weiss explains, the reasons for the recent price increase are myriad and include political instability in the Persian Gulf, the influence of financial speculators, and increasing worldwide demand as economies recover.¶ Yet many conservatives are dusting off their old bumper stickers and touting more drilling as the sole solution to high prices at the pump. One Republican presidential contender, former Speaker of the House Newt Gingrich, is on the campaign trail promising that if elected he’ll get the price of gasoline back to a nationwide average of $2.50 per gallon. Yet even in a 29-minute infomercial-style speech, he couldn’t find the time to address any of the reasons why more drilling will not lead to lower prices.¶ Gingrich simply trumpets the misguided talking points of building the Keystone XL pipeline, tapping shale oil in the upper Midwest, and of course opening more areas to offshore drilling. He then leaves it to his audience to make the assumption that supply-side economics will work its voodoo magic, and presto-change-o, we’ll all be able to drive Hummers and have enough cash left over to put a latte in every cupholder.¶ By contrast, President Barack Obama [delivered an address on energy](http://www.nytimes.com/2012/02/24/us/politics/obama-will-try-to-blunt-attacks-on-gas-prices.html?_r=1&nl=todaysheadlines&emc=tha24) last Thursday in which he made the less politically expedient but actually realistic proclamation that “there is no silver bullet” that will solve our energy problem. He further suggested anyone who pitches the idea that drilling alone will lower gas prices “doesn’t know what they’re talking about or just isn’t telling you the truth.”¶ If increasing oil drilling lowered gas prices, we’d know it already. When President Obama took office in 2009, there were fewer than 400 drilling rigs operating in the United States, a number that dwindled to fewer than 200 by April 2009. Since then, even as his administration conducted a wholesale review of drilling regulations in the aftermath of the worst offshore oil spill in the nation’s history—the BP Deepwater Horizon oil catastrophe in the Gulf of Mexico—the number of oil rigs operating in the United States has [quadrupled](http://www.chron.com/business/article/U-S-oil-gusher-blows-out-projections-3341919.php). But that massive influx of supply has done nothing to reduce the price we pay to top up our tanks.¶ As fundamental as the law of supply and demand might be to macroeconomic theory, the on-the-ground reality is that more drilling will not lower gas prices. Here’s why:¶ It hasn’t worked yet. There are currently more oil rigs operating on U.S. lands and waters than in the rest of the world combined, production is at an [eight-year high](http://www.politifact.com/truth-o-meter/statements/2012/jan/24/barack-obama/barack-obama-says-us-oil-production-eight-year-hig/), and the most recent “Short-Term Energy Outlook” from the Energy Information Administration projects production to continue growing at least through 2013 based on current activity. By the end of President Obama’s recently issued five-year drilling plan, fully 75 percent of our undiscovered, technically recoverable offshore reserves will be open to drilling. All that additional activity hasn’t stemmed the recent gas price spike.¶ If oil companies wanted to increase production, they could. In March 2011 the Department of the Interior [released a report](http://www.doi.gov/news/pressreleases/DOI-Releases-Report-on-Unused-Oil-and-Gas-Leases.cfm) revealing two-thirds of oil-and-gas companies’ offshore leases and more than half of their onshore leases are not being produced.

#### Oil shocks have negligible impact on the global economy – best new studies.

Rasmussen and Roitman 12 [Tobias (Senior Economist at the IMF) and Agustin (Economist at the IMF), “Oil Shocks Around the World: Are They Really That Bad?”, 2-22-2012, The Oil Drum,

<http://www.theoildrum.com/node/8944>]

Conventional wisdom has it that oil shocks are bad for oil-importing countries. This is grounded in the experience of slumps in many advanced economies during the 1970s. It is also consistent with the large body of research on the impact of higher oil prices on the US economy, although the magnitude and channels of the effect are still being debated. Our **recent research** indicates that oil prices tend to be surprisingly closely associated with good times for the global economy. Indeed, we find that the US has been somewhat of an outlier in the way that it has been negatively affected by oil price increases. Across the world, oil price shock episodes have generally not been associated with a contemporaneous decline in output but, rather, with increases in both imports and exports. There is evidence of lagged negative effects on output, particularly for OECD economies, but the magnitude has typically been small. Controlling for global economic conditions, and thus abstracting from our finding that oil price increases generally appear to be demand-driven, makes the impact of higher oil prices stand out more clearly. For a given level of world GDP, we do find that oil prices have a negative effect on oil-importing countries and also that cross-country differences in the magnitude of the impact depend to a large extent on the relative magnitude of oil imports. The effect is still not particularly large, however, with our estimates suggesting that a 25% increase in oil prices will typically cause a loss of real GDP in oil-importing countries of **less than half of 1%**, spread over 2 to 3 years.

#### These are the best data and empirics

Rasmussen and Roitman 12 [Tobias (Senior Economist at the IMF) and Agustin (Economist at the IMF), “Oil Shocks Around the World: Are They Really That Bad?”, 2-22-2012, The Oil Drum,

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The message is clear. In more than 80% of the countries, the correlation between oil prices and GDP is positive, and in only two advanced economies – the US and Japan – it is negative. One of the contributing factors to this pattern is that in 90% of the countries, exports tend to move in the same direction as oil prices. Anatomy of oil shock episodes Given that periods of high oil prices have generally coincided with good times for the world economy, **especially in recent years**, it is important to disentangle the impact of oil price increases on economic activity during episodes of markedly high oil prices. Following Hamilton (2003), we identify 12 episodes since 1970 in which oil prices have reached three-year highs. The median increase in oil prices in these years was 27%. We study the behaviour of macroeconomic aggregates during these episodes by comparing the median annual change in a particular variable during oil shock years to the median annual change over the entire sample period. This tells us of any unusual observed changes (Figure 2). We find **no evidence** of a widespread contemporaneous negative effect on economic output across oil-importing countries, but rather value and volume increases in both imports and exports. It is only in the year after the shock that we find a negative impact on output for a small majority of countries. To analyse multiple countries and control for global conditions, we adapt the basic autoregressive model of Hamilton (2003, 2005). Our main interest is in the effect of an oil price shock on the economy of a typical oil-importing country. Taking into account the fact that higher oil prices are generally positively associated with good global conditions, we find that the effect becomes larger and more significant as the ratio of oil imports to GDP increases (Figure 3). To trace out the full impact of an oil shock, we calculate impulse responses for a 25% increase in oil prices (Figure 4). The results indicate that the typical oil importer can expect a cumulative **GDP loss of about 0.3%** over the first two years, with little subsequent impact. For countries with oil imports of more than 4% of GDP (ie at or above the average for middleand low-income oil importers), however, the loss increases to about 0.8% – and this loss increases further for those with oil imports above 5% of GDP. In contrast to the oil importers, oil exporters show little impact on GDP in the first two years but then a substantial increase consistent with the positive income effect, with real GDP 0.6% higher three years after the initial shock. Figure 3. To put these numbers in perspective, it is useful to think of an economy where oil accounts for 4% of total expenditure and where aggregate spending is determined entirely by demand. If the quantity of oil consumption remains unchanged, then a 25% increase in the price of oil will cause spending on other items to decrease and, hence, real GDP to contract by 1% of the total. From this reference point, one would expect the possibility of substituting away from oil to reduce the overall impact on GDP. At the same time, there could also be factors working in the opposite direction, via, for example, confidence effects, market frictions, or changes in monetary policy. With our estimates of the GDP loss at only about half the level implied by the direct price effect on the import bill, the results presented here suggest the size of any such magnifying effects, **if present**, is not substantial across countries.

#### No impact – oil is only a small part of economies and expanded demand offsets negative effects.

Rasmussen and Roitman 11 [Tobias, Senior Economist, Middle East and Central Asia Department, IMF, and Agustin Roitman, Economist IMF, 8-25-2011, “Oil shocks around the world: are they really that bad?”, http://voxeu.org/index.php?q=node/6905]

To put these numbers in perspective, it is useful to think of an economy where oil accounts for 4% of total expenditure and where aggregate spending is determined entirely by demand. If the quantity of oil consumption remains unchanged, then a 25% increase in the price of oil will cause spending on other items to decrease and, hence, real GDP to contract by 1% of the total. From this reference point, one would expect the possibility of substituting away from oil to reduce the overall impact on GDP. At the same time, there could also be factors working in the opposite direction, via, for example, confidence effects, market frictions, or changes in monetary policy. With our estimates of the GDP loss at only about half the level implied by the direct price effect on the import bill, the results presented here suggest the size of any such magnifying effects, if present, is not substantial across countries. Are oil price increases really that bad? Conventional wisdom has it that oil shocks are bad for oil-importing countries. This is grounded in the experience of slumps in many advanced economies during the 1970s. It is also consistent with the large body of research on the impact of higher oil prices on the US economy, although the magnitude and channels of the effect are still being debated. Our recent research indicates that oil prices tend to be surprisingly closely associated with good times for the global economy. Indeed, we find that the US has been somewhat of an outlier in the way that it has been negatively affected by oil price increases. Across the world, oil price shock episodes have generally not been associated with a contemporaneous decline in output but, rather, with increases in both imports and exports. There is evidence of lagged negative effects on output, particularly for OECD economies, but the magnitude has typically been small. Controlling for global economic conditions, and thus abstracting from our finding that oil price increases generally appear to be demand-driven, makes the impact of higher oil prices stand out more clearly. For a given level of world GDP, we do find that oil prices have a negative effect on oil-importing countries and also that cross-country differences in the magnitude of the impact depend to a large extent on the relative magnitude of oil imports. The effect is still not particularly large, however, with our estimates suggesting that a 25% increase in oil prices will typically cause a loss of real GDP in oil-importing countries of less than half of 1%, spread over 2 to 3 years. These findings suggest that the higher import demand in oil-exporting countries resulting from oil price increases has an important contemporaneous offsetting effect on economic activity in the rest of the world, and that the adverse consequences are mostly relatively mild and occur with a lag.

#### Oil production doesn’t change international markets and is not extensive enough to save the economy

Jones 12 (Forrest, March 16, 2012, “Krugman: More Oil Drilling Won't Help Economy by Creating Jobs” http://www.moneynews.com/Markets/Krugman-Oil-Drilling-Economy/2012/03/16/id/432834, 8/1/12, atl)

Drilling for more oil in the United States won't lower prices at the pump and won't create jobs, says Nobel economist Paul Krugman. Demand for oil is growing worldwide, and drilling in U.S. territories won't produce enough oil in a global market to lower prices at the pump, Krugman writes in his New York Times column. "Oil prices are up because of rising demand from China and other emerging economies, and more recently because of war scares in the Middle East; these forces easily outweigh any downward pressure on prices from rising U.S. production," Krugman writes. Meanwhile, the oil industry wouldn't create more jobs. Take North Dakota, where an energy boom is playing out. Proponents of more drilling argue low unemployment in North Dakota should serve as model for overall U.S. energy policy. "Yes, the oil boom there has pushed unemployment down to 3.2 percent, but that’s only possible because the whole state has fewer residents than metropolitan Albany — so few residents that adding a few thousand jobs in the state’s extractive sector is a really big deal," Krugman says. Natural gas fracking, meanwhile, hasn't made much of a dent in Pennsylvania's employment rates. Treasury Secretary Tim Geithner has said oil prices serve as a hurdle to U.S. economic recovery, especially with Europe's fate remaining murky. "We're going to need to keep a close eye on oil and Iran and gas prices plus we've got to make sure Europe keeps moving to sustain its progress," Geithner told the Economic Club of New York, according to Reuters.

#### Turn: High prices create jobs and spurs innovative domestic oil production

Hargreaves 12 (Steve, Senior writer for CNN Money, April 25, 2012, “Drill baby drill won't lower gas prices”, http://money.cnn.com/2011/04/25/news/economy/oil\_drilling\_gas\_prices/index.htm, 8/1/12, atl)

Oddly, it's largely because of high prices that this new production is possible. The [deepwater drilling](http://money.cnn.com/video/news/2011/04/19/n_shell_gulf_oil_platform.cnnmoney/), shale rock extraction and other techniques used to increase production are pricey endeavors.¶ It's been a bounty for those that work in the oil and gas industry. In the last ten years the industry has added 2 million jobs, said Rayola Dougher, senior economic advisor for the American Petroleum Institute. The industry now employs over 9 million Americans.¶ These are well-paying jobs. People can earn $15 to $20 an hour right out of high school. With a just a few years experience, $60,000 a year is possible. Petroleum engineers and others with advanced degrees easily clear six figures.¶ It's also been good for oil companies. Thanks to lower taxes, companies generally make much more money on a barrel of oil produced in the United States than they do from North Sea or Middle East crude.