## 1nc

## 1

Restrictions on production must mandate a decrease in the quantity produced

Anell 89

Chairman, WTO panel

 "To examine, in the light of the relevant GATT provisions, the matter referred to the

CONTRACTING PARTIES by the United States in document L/6445 and to make such findings as will assist the CONTRACTING PARTIES in making the recommendations or in giving the rulings provided for in Article XXIII:2." 3. On 3 April 1989, the Council was informed that agreement had been reached on the following composition of the Panel (C/164): Composition Chairman: Mr. Lars E.R. Anell Members: Mr. Hugh W. Bartlett Mrs. Carmen Luz Guarda CANADA - IMPORT RESTRICTIONS ON ICE CREAM AND YOGHURT Report of the Panel adopted at the Forty-fifth Session of the CONTRACTING PARTIES on 5 December 1989 (L/6568 - 36S/68)

<http://www.wto.org/english/tratop_e/dispu_e/88icecrm.pdf>

The United States argued that Canada had failed to demonstrate that it effectively restricted domestic production of milk. The differentiation between "fluid" and "industrial" milk was an artificial one for administrative purposes; with regard to GATT obligations, the product at issue was raw milk from the cow, regardless of what further use was made of it. The use of the word "permitted" in Article XI:2(c)(i) required that there be a limitation on the total quantity of milk that domestic producers were authorized or allowed to produce or sell. The provincial controls on fluid milk did not restrict the quantities permitted to be produced; rather dairy farmers could produce and market as much milk as could be sold as beverage milk or table cream. There were no penalties for delivering more than a farmer's fluid milk quota, it was only if deliveries exceeded actual fluid milk usage or sales that it counted against his industrial milk quota. At least one province did not participate in this voluntary system, and another province had considered leaving it. Furthermore, Canada did not even prohibit the production or sale of milk that exceeded the Market Share Quota. The method used to calculate direct support payments on within-quota deliveries assured that most dairy farmers would completely recover all of their fixed and variable costs on their within-quota deliveries. The farmer was permitted to produce and market milk in excess of the quota, and perhaps had an economic incentive to do so. 27. The United States noted that in the past six years total industrial milk production had consistently exceeded the established Market Sharing Quota, and concluded that the Canadian system was a regulation of production but not a restriction of production. Proposals to amend Article XI:2(c)(i) to replace the word "restrict" with "regulate" had been defeated; what was required was the reduction of production. The results of the econometric analyses cited by Canada provided no indication of what would happen to milk production in the absence not only of the production quotas, but also of the accompanying high price guarantees which operated as incentives to produce. According to the official publication of the Canadian Dairy Commission, a key element of Canada's national dairy policy was to promote self-sufficiency in milk production. The effectiveness of the government supply controls had to be compared to what the situation would be in the absence of all government measures.

The plan changes how energy is produced, rather than restricting how much is produced

This conflation ruins the topic:

1. Including regulations is a limits disaster

Doub 76

 Energy Regulation: A Quagmire for Energy Policy

Annual Review of Energy

Vol. 1: 715-725 (Volume publication date November 1976)

DOI: 10.1146/annurev.eg.01.110176.003435LeBoeuf, Lamb, Leiby & MacRae, 1757 N Street NW, Washington, DC 20036

http://0-www.annualreviews.org.library.lausys.georgetown.edu/doi/pdf/10.1146/annurev.eg.01.110176.003435

 Mr. Doub is a principal in the law firm of Doub and Muntzing, which he formed in 1977. Previously he was a partner in the law firm of LeBoeuf, Lamb, Leiby and MacRae. He was a member of the U.S. Atomic Energy Commission in 1971 - 1974. He served as a member of the Executive Advisory Committee to the Federal Power Commission in 1968 - 1971 and was appointed by the President of the United States to the President's Air Quality Advisory Board in 1970. He is a member of the American Bar Association, Maryland State Bar Association, and Federal Bar Association. He is immediate past Chairman of the U.S. National Committee of the World Energy Conference and a member of the Atomic Industrial Forum. He currently serves as a member of the nuclear export policy committees of both the Atomic Industrial Forum and the American Nuclear Energy Council. Mr. Doub graduated from Washington and Jefferson College (B.A., 1953) and the University of Maryland School of Law in 1956. He is married, has two children, and resides in Potomac, Md. He was born September 3, 1931, in Cumberland, Md.

FERS began with the recognition that federal energy policy must result from concerted efforts in all areas dealing with energy, not the least of which was the manner in which energy is regulated by the federal government. Energy selfsufficiency is improbable, if not impossible, without sensible regulatory processes, and effective regulation is necessary for public confidence. Thus, the President directed that "a comprehensive study be undertaken, in full consultation with Congress, to determine the best way to organize all energy-related regulatory activities of the government." An interagency task force was formed to study this question. With 19 different federal departments and agencies contributing, the task force spent seven months deciphering the present organizational makeup of the federal energy regulatory system, studying the need for organizational improvement, and evaluating alternatives. More than 40 agencies were found to be involved with making regulatory decisions on energy. Although only a few deal exclusively with energy, most of the 40 could significantly affect the availability and/or cost of energy. For example, in the field of gas transmission, there are five federal agencies that must act on siting and land-use issues, seven on emission and effluent issues, five on public safety issues, and one on worker health and safety issues-all before an onshore gas pipeline can be built. The complexity of energy regulation is also illustrated by the case of Standard Oil Company (Indiana), which reportedly must file about 1000 reports a year with 35 different federal agencies. Unfortunately, this example is the rule rather than the exception.

2. Precision: Only direct prohibition is a restriction – key to predictability

Sinha 6

<http://www.indiankanoon.org/doc/437310/>

 Supreme Court of India Union Of India & Ors vs M/S. Asian Food Industries on 7 November, 2006 Author: S.B. Sinha Bench: S Sinha, Mark, E Katju CASE NO.: Writ Petition (civil) 4695 of 2006 PETITIONER: Union of India & Ors. RESPONDENT: M/s. Asian Food Industries DATE OF JUDGMENT: 07/11/2006 BENCH: S.B. Sinha & Markandey Katju JUDGMENT: J U D G M E N T [Arising out of S.L.P. (Civil) No. 17008 of 2006] WITH CIVIL APPEAL NO. 4696 OF 2006 [Arising out of S.L.P. (Civil) No. 17558 of 2006] S.B. SINHA, J :

 We may, however, notice that this Court in State of U.P. and Others v. M/s. Hindustan Aluminium Corpn. and others [AIR 1979 SC 1459] stated the law thus:

"It appears that a distinction between regulation and restriction or prohibition has always been drawn, ever since Municipal Corporation of the City of Toronto v. Virgo. Regulation promotes the freedom or the facility which is required to be regulated in the interest of all concerned, whereas prohibition obstructs or shuts off, or denies it to those to whom it is applied. The Oxford English Dictionary does not define regulate to include prohibition so that if it had been the intention to prohibit the supply, distribution, consumption or use of energy, the legislature would not have contented itself with the use of the word regulating without using the word prohibiting or some such word, to bring out that effect."

2. It promotes multidirectionality, destroying topic coherence

McKie 84

 Professor James W. McKie, distinguished member of the economics department at The University of Texas at Austin for many years

McKie, J W

Annual Review of Environment and Resource , Volume 9 (1)

Annual Reviews – Nov 1, 1984

 THE MULTIPLE PURPOSES OF ENERGY REGULATION AND PROMOTION Federal energy policy since World War II has developed into a vast and multidirectional program of controls, incentives, restraints, and promotions. This development accelerated greatly during the critical decade after 1973, and has become a pervasive and sometimes controlling influence in the energy economy. Its purposes, responding to a multitude of interests and aims in the economy, have frequently been inconsistent, if not obscure, and the results have often been confusing or disappointing.

## 2

#### Nuclear production locks in productionism through obsession with finance, competitiveness and technological solutions

**Maciejewska and Marszalek ’11** (Malgorzata, institute of Sociology and Faculty of Social Sciences at Wroclaw University, and Marcin, Wroclaw University (Poland), “Lack of power or lack of democracy: the case of the projected nuclear power plant in Poland,” Economic and Environmental Studies Vol. 11, No.3 (19/2011), 235-248, Sept. 2011, AM)

The mainstream discourse on nuclear power rarely takes up the question of how the global energy industry is organized. In the modern economy the production of energy around the world, which is supposed to be a kind of public good and to guarantee sustainable development, is planned and arranged under free market conditions. As a part of the global chain of extraction, production and trading, it is subordinated to the neoliberal logic on terms of which the society and economy is governed as a business enterprise with the logic of maximum interest and minimum loss. This imposes on different actors (from the international corporations to individual households) the discipline of competitiveness and profitability, resulting in the growth of existing inequalities as ‘the invisible hand’ of the free market economy legitimizes those subjects which are already in power. The modern global economy is based on irrational production and social inequalities where one can observe the processes of work intensification and the cheapening of labor. The markets are dominated by the unproductive virtual economy (See Peterson, 2002) where the major players are the financial institutions which, by means of sophisticated financial tools, buy and sell virtual products (currencies, stocks, insurances, debts and its derivatives). In effect, the major actors in the capitalist economy are the international investors who have the capability of financial liquidity, and operate with those sophisticated financial tools on the global stock market. Even when they lose those capacities because of indebtedness, the states and international organizations seem often to be willing to repair the damage by transferring the taxes paid by citizens. (This is actually happening now, during the financial crisis, when southern and western European countries are subjected to shock therapy under which governments introduce austerity measures.) The praxis of nuclear power producers and the discourse which legitimizes it is therefore reduced to one goal – increasing financial revenues. The Polish plan to build the atomic power plant seems to be another element of the competitiveness strategy. In the authorities’ mind set it could put Poland into the position of more a competitive, more dynamic economy, as expected by the European Union and international organizations such as the International Monetary Fund or the World Bank. The welfare of Poland’s or Niger’s society does not fit into that picture. The nuclear establishment does not take into account the most important aspect of sustainable development: the overall reduction of energy consumption and therefore of energy production. Such a policy could bring a wide range of profits to the societies, the ecosystem, as well as the economy. On the contrary, the increase of power production and power use is one of the core concepts of pro-atomic discourse. This dogmatic belief draws the ideological line indicated at the beginning: the question of energy use and the ideas for solving this problem are seen only as a matter of technological challenges and the amount of financial and material means which have to be invested in them, but not as an effort to re-organize and restructure the modern economy.

#### Apocalyptic scenario planning in energy policy is bankrupt

Labban 12

Preempting Possibility: Critical Assessment of the IEA's World Energy Outlook 2010

(e-mail: labban@rci.rutgers.edu) is visiting assistant professor of Geography at Rutgers University, Lucy Stone Hall, 54 Joyce Kilmer Ave, Piscataway, NJ 08854. His research interests include critical theory, political economy, development, energy, petroleum, geopolitics, international law, and finance. He is the author of Space, Oil and Capital (Routledge, 2008).

WEO 2010 projections are framed by a geography that reifies the world as six overlapping regions structured by three binaries: OECD and non-OECD; OPEC and non-OPEC; Annex 1 and non-Annex 1. This functional geography is produced and underpinned by the IEA's idealized market which is emptied of political power and whose unevenness is flattened into perfect symmetry that defines most countries of the world by what they are not. Regardless of their respective political economic power, governments are organized in a functional taxonomy that classifies them according to their position in the IEA's schema of market-based sustainability. Governments are reduced to technocracies, governance to enabling the market to promote sustainability. A ‘sustainable energy future’ demands that governments provide incentives and reduce risk to private investors and financial institutions. An unfettered market, where financiers can pursue guaranteed returns with minimum risk, will deliver economic growth and environmental security — and the more the market is reproduced at new material and social levels, the more growth and better security. This is where the passive-aggressive logic of finance meets the blackmail of environmental catastrophe: large investments are needed to curb greenhouse emissions, and the alternative to an attractive investment climate everywhere is a global climate warmer by 6° C and an atmospheric accumulation of 42.6 gigatonnes of CO2 equivalents by 2035. In this apocalyptic imaginary, as Swyngedouw (2010) would call it, governments have to act now — there is no time to contemplate alternative socio-environmental futures and to question the inequality, injustice and violence that underpin continued economic growth and market expansion under the present conditions. There is an emergency that requires entrusting the management of our collective socio-ecological predicament to the anti-democratic techno-managerial apparatuses of states, intergovernmental organizations, corporations and banks. Political debate about the implications of market-led governance to democracy is foreclosed by scenarios in which agency is divided between governments as active enablers and investors as passive actors in a self-reproducing market. The scenarios of WEO 2010 reveal the inability of its authors to imagine a future substantially and qualitatively different from the present as much as a desire to ensure that the present persists in the future. For all the enthusiasm about a ‘revolution in the energy system’, the IEA is averse to any real revolution that would transform environmental governance and produce different forms of government in which people democratically dispose of resources and energies. By bringing the apocalyptic future into the present, WEO 2010 scenarios ensure that such revolutions do not happen and that the energy system in the future only functions better than it does today to fuel the expansion of capitalism and bring more people into its fold. Revolution in the energy system means nothing without a revolution that would turn the question of energy into a question of equality and justice, and this requires reclaiming from the technocratic managerial class the task — the responsibility — of thinking the unthinkable: democratic and egalitarian energy futures.

#### The IDEOLOGICAL commitment to energy producivism key to consumption -causes tech positivism, ecoinjustice and neoliberal expansionism - EXTINCTION

Byrne et al 9

[http://bst.sagepub.com/content/29/2/81.full.pdf+html](http://bst.sagepub.com/content/29/2/81.full.pdf%2Bhtml)

“Living Well”: Growth Without End Since the industrial revolution, social progress has been measured by material affluence. In turn, assuring wealth and its increase has been the responsibility of a set of institutions capable of planning for and (hopefully) delivering a boundless frontier of expanding production and consumption. Indeed, living well in modern times means an existence assured of a free and constantly rising flow of goods and services delivered conveniently and, ideally, at low cost.3 Perpetual acts of buying and selling adorn daily life as moderns dedicate time and imagination to shopping at levels unknown in human history. This commitment to the search for and absorption of more represents a “cornucopian” predisposition embedded in the micro- to macro-scales of modern life—from the personality of the modern individual to the culture and political economy of modern society (Byrne & Yun, 1999). Making this feature of modern life work in real time is no easy task. It requires unending engineered change in products and production and in parallel, continual change in consumption preferences designed by advertising. Production and marketing techniques shape and serve, on a grand scale, an ethos of unconstrained producing, shopping, and buying. Planned obsolescence is a necessary practice, applied to all goods, from toys to automobiles to computers to buildings, and even to social relationships and personalities;4 all have designed shelf lives when they are to be discarded for new and improved versions. In this manner, market demand grows synergistically with the modern hum of progress. More than 50 years ago, a market analyst could readily describe the economic and technological logic underpinning modern success (Lebow, 1955). Our enormously productive economy demands that we make consumption a way of life, that we convert the buying and use of goods into rituals, that we seek our spiritual satisfaction, our ego satisfaction, in consumption. We need things consumed, burned up, replaced, and discarded at an ever-increasing rate. (p. 5) The lubricant for successful obsolescence is a finance system able to supply (and profit from) a wide range of credit facilities from installment buying to capitalized production. These facilities ensure that buying can keep up with producing, even if there is not enough money ready at hand.5 Growth without end is, in this way, institutionalized as a permanent goal of modern society. By the last quarter of the 20th century, the complex system of ceaseless growth had proved to be so successful that moderns could reason that the reality manufactured by human institutions is palpably superior to the one embodied in natural existence. From the thermostatically controlled air-conditioned, centrally heated and equably humidified colonial farmhouses in the city, we may bowl along limited access highways in our private air-conditioned maximum visibility bubbles at 60 miles per hour, accompanied by a full orchestra, and arrive in the parking decks of our multi-deck air conditioned, pedestrian/traffic segregated urban centers, for work, education, shopping or culture, without ever venturing into the open air! (Lewis, 1969, p. 311) A life involving less and less interaction with the natural world has quickly become a hallmark of living well as nearly 90% of the 24-hour day is now spent indoors (Fisk, 2000). Norms of “efficiency, rationality, optimizing and ‘time-saving’ behavior” justify the organization of human life beyond the confines of suboptimal nature (O’Hara & Stagl, 2001, p. 540). Separation from the natural world is facilitated and reinforced by technological advancements which collapse the boundaries of space and time enabling social transactions without natural limitation. In fact, the middle and upper classes of wealthy societies have little or no need to venture outside. The resulting social alienation from nature leaves mostly the poor to witness the environmental consequences of endless growth. Only their livelihoods are immediately and significantly threatened by the “normal pollution” of modernity (see Byrne, Glover, & Martinez, 2002). Until pictures, video, and text on environmental harm are found online, the middle class cannot experience it. And this is (partly) why middle class environmentalism seeks redress in technological positivism. The everyday of indoor life is protected and nourished by technology; so why shouldn’t this work for the outdoors as well? Energy Obesity The commodification of human life and nature are the foundations of the modern thrust. Together, these forces changed the direction of human and natural history, creating the distinct era in which life, in all forms, now transpires. But the modern era needed and continues to need a special ingredient—energy. This was recently confirmed by the chairman of the U.S. Federal Reserve Board (Bernanke, 2006). At the most basic level, oil and natural gas are just primary commodities, like tin, rubber, or iron ore. Yet energy commodities are special, in part because they are critical inputs to a very wide variety of production processes of modern economies. They provide the fuel that drives our transportation system, heats our homes and offices, and powers our factories. For modern life, energy is the one commodity always needed to make and use anything. In this respect, energy supply is what enables the pursuit of boundless growth; because of modern energy, we can aspire to produce and possess everything. The modern energy system epitomizes its age. Lovins and others roundly criticized its evolution on the ground that its scale and volume are poorly matched to the often much smaller scales and volumes of energy use. But the criticism misses a key point: the mismatch is, in fact, by design; it is essential for modern society to reproduce itself. After all, the potential for incessant growth can only be exploited if an ever-present capacity to fuel such growth exists. Having just enough energy presumes the nonsensical idea of just enough growth; there is never enough growth in the modern era. Lewis Mumford’s thoughtful, in-depth analysis (1934, 1961, and 1970) explains why energy is special in our time. Modern energy systems only come in extra large sizes because “quantitative production has become, for our mass-minded contemporaries, the only imperative goal: they value quantification without qualification” (Mumford, 1961, p. 57). Volume and scale of output are the standard bearers of serious energy options because these are the shared metrics of the alliance of science, capitalism, and carbon power. All three run on the principle that more is better; more knowledge, more power, and more commodities are signs of progress. As a Mumford contemporary has observed, excessive accumulation of energy sustains the modern “social metabolism” (Martinez-Alier, 2006): Energy is not a “sector” of the economy. On the contrary, the market economy as a whole is only one part of the human ecology that must be characterized in terms of the human influence on the flows of energy and materials and interference in the biogeochemical cycles (for instance, in the carbon cycle, with the enhanced greenhouse effect). (p. 37, 55) The wealth-energy association and its concomitant environmental needs has produced a feedback loop: the physical processes that produce material wealth are reliant on energy regimes which foster continued growth of output; increased growth in resource use and consumptive demand (through planned obsolescence and advertising) create and reinforce social norms and obligations to increase consumption; increased demand encourages expansion of the physical processes that produce material wealth; and so on. Perpetuation of this self-sealing logic is a defining characteristic of the modern energy regime, with little distinction between public and private operations. For example, critiques of the centralized energy monopolies and oligopolies from “big oil” to “giant” electric utilities (Pinchot & Ettinger, 1925; Yergin, 1991) were answered by public replicas of the large, complex, and hierarchically managed energy systems: the Tennessee Valley Authority, the Bonneville Power Administration, and the Rural Electrification Administration. These public programs reinforce, rather than oppose, the structures of energy obesity. Much like biophysical obesity, energy obesity is driven by the need to expand without regard to quality of life. Its motive is the commodification of human life and the environment so that growth without end can be served. Thus, living well rests, in the modern case, on the antihealth ideal of energy obesity, and climate change represents, in scale, its most extensive threat to life in all forms.5

#### Reject the aff’s neoliberal ideology – energy debates should focus on CRITIQUE of broad structures INSTEAD of producitivist fixes, even if they win some truth claims

Zehner 12

Green illusions,

Ozzie Zehner is the author of Green Illusions and a visiting scholar at the University of California, Berkeley. His recent publications include public science pieces in Christian Science Monitor, The American Scholar, Bulletin of the Atomic Scientists, The Humanist, The Futurist, and Women’s Studies Quarterly. He has appeared on PBS, BBC, CNN, MSNBC, and regularly guest lectures at universities. Zehner’s research and projects have been covered by The Sunday Times, USA Today, WIRED, The Washington Post, Business Week and numerous other media outlets. He also serves on the editorial board of Critical Environmentalism. Zehner primarily researches the social, political and economic conditions influencing energy policy priorities and project outcomes. His work also incorporates symbolic roles that energy technologies play within political and environmental movements. His other research interests include consumerism, urban policy, environmental governance, international human rights, and forgeries. Zehner attended Kettering University (BS -Engineering) and The University of Amsterdam (MS/Drs – Science and Technology Studies). His research was awarded with honors at both institutions. He lives in San Francisco.

Since this book represents a critique of alternative energy, it may seem an unlikely manual for alternative-energy proponents. But it is. Building alternative-energy infrastructure atop America's present economic, social, and cultural landscape is akin to building a sandcastle in a rising tide. A taller sand castle won't help. The first steps in this book sketch a partial blueprint for making alternative-energy technologies relevant into the future. Technological development alone will do little to bring about a durable alternative-energy future. Reimagining the social conditions of energy use will. Ultimately, we have to ask ourselves if environmentalists should be involved in the business of energy production (of any sort) while so many more important issues remain vastly underserved. Over the next several decades, it's quite likely that our power production cocktail will look very much like the mix of today, save for a few adjustments in market share. Wind and biofuel generation will become more prevalent and the stage is set for nuclear power as well, despite recent catastrophes. Nevertheless, these changes will occur over time—they will seem slow. Every power production mechanism has side effects and limitations of its own, and a global shift to new forms of power production simply means that humanity will have to deal with new side effects and limitations in the future. This simple observation seems to have gotten lost in the cheerleading for alternative-energy technologies. The mainstream environmental movement should throw down the green energy pom-poms and pull out the bifocals. It is entirely reasonable for environmentalists to criticize fossil-fuel industries for the harms they instigate. It is, however, entirely unreasonable for environmentalists to become spokespeople for the next round of ecological disaster machines such as solar cells, ethanol, and battery-powered vehicles. Environmentalists pack the largest punch when they instead act as power production watchdogs (regardless of the production method); past environmentalist pressures have cleaned the air and made previously polluted waterways swimmable. This watchdog role will be vital in the future as biofuels, nuclear plants, alternative fossil fuels, solar cells, and other energy technologies import new harms and risks. Beyond a watchdog role, environmentalists yield the greatest progress when addressing our social fundamentals, whether by supporting human rights, cleaning up elections, imagining new economic structures, strengthening communities, revitalizing democracy, or imagining more prosperous modes of consumption. Unsustainable energy use is a symptom of suboptimal social conditions. Energy use will come down when we improve these conditions: consumption patterns that lead to debt and depression; commercials aimed at children; lonely seniors stuck in their homes because they can no longer drive; kids left to fend for themselves when it comes to mobility or sexuality; corporate influence trumping citizen representation; measurements of the nation's health in dollars rather than well-being; a media concerned with advertising over insight, and so on. These may not seem like environmental issues, and they certainly don't seem like energy policy issues, but in reality they are the most important energy and environmental issues of our day. Addressing them won't require sacrifice or social engineering. They are congruent with the interests of many Americans, which will make them easier to initiate and fulfill. They are entirely realistic (as many are already enjoyed by other societies on the planet). They are, in a sense, boring. In fact, the only thing shocking about them is the degree to which they have been underappreciated in contemporary environmental thought, sidelined in the media, and ignored by politicians. Even though these first steps don't represent a grand solution, they are necessary preconditions if we intend to democratically design and implement more comprehensive solutions in the future. Ultimately, clean energy is less energy. Alternative-energy alchemy has so greatly consumed the public imagination over recent decades that the most vital and durable environmental essentials remain overlooked and underfunded. Today energy executives hiss silver-tongued fairy tales about clean-coal technologies, safe nuclear reactors, and renewable sources such as solar, wind, and biofuels to quench growing energy demands, fostering the illusion that we can maintain our expanding patterns of energy consumption without consequence. At the same time, they claim that these technologies can be made environmentally, socially, and politically sound while ignoring a history that has repeatedly shown otherwise. If we give in to accepting their conceptual frames, such as those pitting production versus production, or if we parrot their terms such as clean coal, bridge fuels, peacetime atom, smart growth, and clean energy, then we have already lost. We forfeit our right to critical democratic engagement and instead allow the powers that be to regurgitate their own terms of debate into our open upstretched mouths. Alternative-energy technologies don't clean the air. They don't clean the water. They don't protect wildlife. They don't support human rights. They don't improve neighborhoods. They don't strengthen democracy. They don't regulate themselves. They don't lower atmospheric carbon dioxide. They don't reduce consumption. They produce power. That power can lead to durable benefits, but only given the appropriate context. Ultimately, it's not a question of whether American society possesses the technological prowess to construct an alternative-energy nation. The real question is the reverse. Do we have a society capable of being powered by alternative energy? The answer today is clearly no. But we can change that. Future environmentalists will drop solar, wind, biofuels, nuclear, hydrogen, and hybrids to focus instead on women's rights, consumer culture, walkable neighborhoods, military spending, zoning, health care, wealth disparities, citizen governance, economic reform, and democratic institutions. As environmentalists and global citizens, it's not enough to say that we would benefit by shifting our focus. Our very relevance depends on it.

## 3

#### Obama will win by a narrow margin

Enten, 9-20

Harry Enten, political science writer for the Guardian,” 9-20-2012, “Post-convention polling gives definitive view: Obama has consolidated his lead,” http://www.guardian.co.uk/commentisfree/2012/sep/20/post-convention-polling-obama-consolidates-lead

Any individual national poll is confusing, but the aggregate is a fairly clear Obama edge. Nine pollsters have conducted a survey with a median field date at least a week after the Democratic National Convention. President Obama has led in all of their surveys except for Rasmussen's.

National polls, 2012

The median result is Obama ahead by 4 percentage points. You might note that the Gallup and YouGov results are among registered voters. Even when we shave 2.5 points off of Obama's margin for a "likely voter" adjustment, the median result is still Obama, by 3 percentage points.

For those who don't like doing the math, a 3-point lead is actually larger than the 1.5-point lead Obama had going into the conventions. The fact that I'm looking only at data one week (or later, for the RNC) after the conventions suggests to me that Obama didn't receive merely a momentary bump but may have gotten the campaign equivalent of a shot of cortisone that will last the rest of the campaign.

The factors underlying this campaign have also not shifted in Romney's direction, but rather in Obama's. In May, I wrote that "the 2012 race comes down to Obama's approvals v Romney's favorables". Take a look at this chart of Romney's favorability ratings since 1 June.

Favorables 2012

What you see is steadiness or even a slight dip in favorables since the conventions. The absolute numbers are skewed because of different sample populations (likely voters v registered voters v adults), yet the trend is undeniable. Mitt Romney's main electoral failing has been a lack of favorability, and the conventions did nothing to change this factor.

Meanwhile, President Obama's achilles heel had been his low job approval rating. A chart of his approvals since the conventions shows a positive trend.

Approvals 2012

For the first time in almost a year and a half, Obama's approval is reater than his disapproval in the HuffPollster approval chart. Remember that Obama managed to lead this race when his approval still trailed his disapproval in the HuffPollster chart. As you might expect, his lead has increased, given the rise in his approvals.

The state level data is less clear, but we still ca make some keen observations. The baseline electoral college estimate looks like this:

Electoral map 2012

There isn't an analyst in the world who thinks that Barack Obama isn't leading in Ohio right now. It is also fairly clear that Obama's Ohio lead is wider than his national margin. The weighted HuffPollster aggregate, which accounts for house effects and weights state level to regional and national estimates, has Obama running 1.3 points ahead of his national percentage in Ohio. Romney's own political director admits that it's not an "easy state".

If Obama wins Ohio, he's at 255 electoral votes. A win in Florida puts him in the White House for a second term. Let's, for argument's sake, give Romney Florida, even though he trails there. We'll also afford him North Carolina, where he does hold a small advantage. Romney then must take Colorado and Iowa. Both are states where he seems to be running at least equal to his national numbers, if not somewhat ahead. Still, he is probably losing to Obama in both.

Even after giving Romney all these states where he isn't ahead, he is still only at 250 electoral votes. His deficit in Virginia is almost certainly greater than his nationwide hole. A loss in Virginia means he's got to take New Hampshire, Nevada, and Wisconsin. The issue here is that there hasn't been a poll with Romney ahead in Nevada in the last year and a half. Likewise, Wisconsin also seems to be slipping from Romney's grip, with two polls out Wednesday pegging him down by at least 6 points. Only New Hampshire may be trending towards Romney.

The bottom line is that the state level isn't any better than the national picture for Romney. In fact, you can argue that it is considerably worse.

Some Romney supporters might argue that this election is still about the economy and the economy stinks – bad for the incumbent. The truth is that while the economy may not be booming, it is almost certainly good enough to get an incumbent re-elected. Econometric models projecting the election have a 50:50 split. That should give Romney hope for a comeback, but it definitely doesn't guarantee one. John Sides makes a powerful argument that the economy, in fact, favors Obama. That's probably why you've seen Obama catching up to Romney on the question of who can best manage the economy.

But what about a game-changing event? Gaffes like Romney's 47% remarks have shown no ability to move the polls. Debates, as John Sides points out, have historically almost never made a difference. A foreign policy fiasco would almost certainly result in a rally around the leader effect, a la Carter in 1980, before the incumbent gets blamed. There isn't enough time for the "blame" part of the equation to occur before the election.

That's why polls a few weeks after the conventions are usually quite accurate in predicting the result. The economy is usually factored in by voters at this time, and there isn't a campaign event that can alter the playing field fast enough.

Simply put,there hasn't been a single candidate to come back after trailing by 3 points this late in the campaign in the past 60 years.

When I look the current polling data and put it into this historical context, I just don't see a Romney victory. It's not that it can't happen; it's just that 3 points is a good lead in a race that has hasn't shifted easily. Indeed, I wouldn't be surprised if Obama's 3-point lead eventually shrank back to the pre-convention numbers that were so stable for so long. That would fit a historical pattern of tightening before an election. But this race is no toss-up: it now leans pretty hard in Obama's direction.

#### The plan upsets Obama’s balancing act on energy, reduces environmentalist turnout critical to reelection

Schnur, 4-9

Dan Schnur, director of the Jesse M. Unruh Institute of Politics at the University of Southern California; he served as the national communications director of Senator John McCain’s presidential campaign in 2000, “The President, Gas Prices and the Pipeline,” http://campaignstops.blogs.nytimes.com/2012/04/09/the-president-gas-prices-and-the-keystone-pipeline/

Like every president seeking re-election, Barack Obama walks the fine line every day between the discordant goals of motivating his party’s strongest loyalists and reaching out to swing voters for their support. A few weeks ago, that pathway took him to a tiny town in Oklahoma, where, caught between the anti-drilling demands of the environmental community and the thirst for more affordable gasoline from unions, business owners and drivers, the president announced his support for building half of an oil pipeline.

The economic impact of rising energy prices in itself is considerable, but the psychological toll on voters is just as significant, as tens of millions of motorists are reminded by large signs on almost every street corner of the financial pain of filling their gas tanks. Obama and his political lieutenants are acutely aware that this growing frustration has the potential to complicate an election year that otherwise seems to be shifting in the incumbent’s favor.

As a result, Obama has been hitting the energy issue hard in recent weeks, at least as hard as a candidate can hit when forced to navigate between two almost mutually exclusive political priorities. The result is a president who talks forcefully of the benefits of wind and solar power while also boasting about the amount of oil the nation produces under his leadership.

There are times when this gets slightly uncomfortable. Obama recently called for increased exploration along the Atlantic Coast but stopped short of calling for expanded drilling in that region. This is the energy policy equivalent of admitting to an experiment with marijuana but not inhaling.

Where the issue becomes more tangible and therefore trickier for Obama is when the multiple choices become binary. The debate over the proposed XL Keystone Pipeline that would transport Canadian oil through the nation’s heartland to the Gulf of Mexico crystallizes the choices involved and forces a shades-of-gray conversation into starker hues of black and white.

Obama recognizes that the devoted environmentalists who represent a critical portion of the Democratic party base need some motivation to turn out for him in the fall. But he also understands that centrist voters who support him on a range of other domestic and foreign policy matters could be lured away by a Republican opponent who either promises relief at the gas pump or who can lay blame at the White House doorstep for those higher prices. Even more complicated is the role of organized labor, which has poured immense amounts of support into Obama’s re-election but also prioritizes the job-creation potential of the pipeline.

The result of these competing political and policy pressures brought Obama to Ripley, Okla., where he tried to satisfy the needs of these various audiences without alienating any of them. First, the president endorsed the southern portion of the Keystone project in order to relieve the glut of domestically drilled oil that is now unable to make it to refineries near the Gulf of Mexico in a timely manner. This had the effect of irritating his environmental allies but failed to mollify the project’s advocates, who pointed out that the review process that the president called for was already underway.

He then reiterated the administration’s antipathy toward the northern section of the pipeline, which would allow Canadian-drilled oil to be transported into this country. This provided some comfort to drilling opponents, but infuriated both the pro-oil forces and the Canadian government. The most likely outcome is that Canada will still build a pipeline, but rather one that goes westward to the Pacific Ocean north of the United States border and then ships Canadian oil to China instead of into this country.

#### Romney win causes China-bashing – causes a trade war

Gerstein 11

(Josh, writer @ Politico, “The GOP's China syndrome”, 11/22/12, http://www.politico.com/news/stories/1111/68952.html)

Mitt Romney says America is at war with China — a “trade war” over its undervalued currency. “They’re stealing our jobs. And we’re gonna stand up to China,” the former Massachusetts governor declared in a recent Republican presidential debate, arguing that the United States should threaten to impose tariffs on Chinese imports. When Romney steps on stage tonight for another debate, this one devoted to foreign policy, that kind of China-bashing is likely to be a favorite theme. With a moribund economy and relatively little traction for other international issues, the threat posed by cheap Chinese imports and Chinese purchases of U.S. debt is an irresistible target. The problem, China experts are quick to point out, is that those attacks often fly in the face of the business interests Republicans have traditionally represented, not to mention the record many of the candidates have either supporting trade with China — or actively soliciting it. Just last year, for example, Romney slammed President Barack Obama for growth-killing protectionism after he put a 35 percent tariff on Chinese tires because of a surge of cheap imports. And, Romney wrote in his book, “No Apology: The Case for American Greatness,” “Protectionism stifles productivity.” And though Texas Gov. Rick Perry predicted at a debate this month that “the Chinese government will end up on the ash heap of history if they do not change their virtues,” a picture posted on the Internet shows a smiling Perry on a trade mission to Shanghai and Beijing posing with Chinese Foreign Minister Yang Jiechi after presenting him with a pair of cowboy boots. Nor has Perry been shy about encouraging Chinese investments in Texas: In October 2010, he appeared at the announcement of a new U.S. headquarters for Huawei Technologies to be located in Plano, Texas, despite lingering concerns among U.S. security officials that Huawei-made telecommunications equipment is designed to allow unauthorized access by the Chinese government. “There’s a certain pandering going on,” said Nicholas Lardy of the Peterson Institute for International Economics, who adds that the GOP rhetoric is squarely at odds with the views of the U.S. establishment, which believes a showdown with China over the trade issue “will make things worse, not better.” Not all of the 2012 GOP presidential hopefuls have taken to publicly pummeling Beijing. The only bona fide China expert in the group, former Ambassador to China Jon Huntsman, has criticized Romney for being cavalier and simplistic in his talk of tariffs. “You can give applause lines, and you can kind of pander here and there. You start a trade war if you start slapping tariffs randomly on Chinese products based on currency manipulation,” Huntsman said at a recent debate. “That doesn’t work.” Former Sen. Rick Santorum also rejected the idea of slapping tariffs on Beijing if it won’t buckle on the currency issue. “That just taxes you. I don’t want to tax you,” Santorum said. Newt Gingrich says he wants to bring a world of hurt down on Beijing for alleged Chinese cyberattacks on the U.S. and theft of intellectual property, though he’s vague about how. “We’re going to have to find ways to dramatically raise the pain level for the Chinese cheating,” the former house speaker declares. And Herman Cain talks of a threat from China, but says the answer is to promote growth in the U.S. “China’s economic dominance would represent a national security threat to the USA, and possibly to the rest of the world,” Cain wrote in May in the Daily Caller. “We can outgrow China because the USA is not a loser nation. We just need a winner in the White House.” Romney’s rhetoric has been **particularly harsh**. “It’s predatory pricing, it’s killing jobs in America,” he declared at the CNBC debate earlier this month, promising to make a formal complaint to the World Trade Organization about China’s currency manipulation. “I would apply, if necessary, tariffs to make sure that they understand we are willing to play at a level playing field.” The Romney campaign insists those tariffs are entirely distinguishable from the tire duties Obama imposed in 2009. “The distinction between Obama’s tire action and what Gov. Romney is proposing is simple,” said a Romney aide who did not want to be named. “President Obama is not getting tough with China or pushing them unilaterally, he is handing out political favors to union allies. [Romney’s] policy focuses on fostering competition by keeping markets open and the playing field level.” Romney, who helped set up investment bank Bain Capital, has long been a favorite of Wall Street, so his stridency on the China trade issue has taken some traditional conservatives — for whom free trade is a fundamental tenet — by surprise. National Review said Romney’s move “risk[ed] a trade war with China” **and was “a remarkably bad idea.”** In fact, many business leaders give Obama good marks for his China policy. “What the Obama administration has done in not labeling China as a ‘currency manipulator’ is correct,” said one U.S. business lobbyist who closely follows U.S.-China trade issues and asked not to be named. “We’re very leery of a tit-for-tat situation,” he added, while acknowledging that the anti-China rhetoric is “good politics.”

#### That goes nuclear

Taaffe 5

(Peter Taaffe, “China, A New Superpower?,” Socialist Alternative.org, Nov 1, 2005, pg. <http://www.socialistalternative.org/news/article11.php?id=30>)

While this conflict is unresolved, the shadow of a trade war looms. Some commentators, like Henry C.K. Liu in the Asia Times, go further and warn that "trade wars can lead to shooting wars." China is not the Japan of the 21st century. Japan in the 1980s relied on the U.S. military and particularly its nuclear umbrella against China, and was therefore subject to the pressure and blackmail of the U.S. ruling class. The fear of the U.S., and the capitalists of the "first world" as a whole, is that China may in time "out-compete" the advanced nations for hi-tech jobs while holding on to the stranglehold it now seems to have in labor-intensive industries. As the OECD commented recently: "In the five-year period to 2003, the number of students joining higher education courses has risen by three and a half times, with a strong emphasis on technical subjects." The number of patents and engineers produced by China has also significantly grown. At the same time, an increasingly capitalist China - most wealth is now produced in the private sector but the majority of the urban labor force is still in state industries - and the urgency for greater energy resources in particular to maintain its spectacular growth rate has brought it into collision on a world scale with other imperialist powers, particularly the U.S. In a new worldwide version of the "Great Game" - the clash for control of central Asia's resources in the nineteenth century - the U.S. and China have increasingly come up against and buffeted one another. Up to now, the U.S. has held sway worldwide due to its economic dominance buttressed by a colossal war machine accounting for 47% of total world arms spending. But Iraq has dramatically shown the limits of this: "A country that cannot control Iraq can hardly remake the globe on its own." (Financial Times) But no privileged group disappears from the scene of history without a struggle. Donald Rumsfeld, U.S. defense secretary, has stated: "Since no nation threatens China, one must wonder: why this growing [arms] investment? Why these continuing large and expanding arms purchases?" China could ask the same question of the U.S. In order to maintain its position, the U.S. keeps six nuclear battle fleets permanently at sea, supported by an unparalleled network of bases. As Will Hutton in The Observer has commented, this is not because of "irrational chauvinism or the needs of the military-industrial complex, but because of the pressure they place on upstart countries like China." In turn, the Chinese elite has responded in kind. For instance, in the continuing clash over Taiwan, a major-general in the People's Liberation Army baldly stated that if China was attacked "by Washington during a confrontation over Taiwan... I think we would have to respond with nuclear weapons." He added: "We Chinese will prepare ourselves for the destruction of all of the cities east of Xian. Of course, the Americans would have to be prepared that hundreds... of cities would be destroyed by the Chinese." This bellicose nuclear arms rattling shows the contempt of the so-called great powers for the ordinary working-class and peasant peoples of China and the people of the U.S. when their interests are at stake.

## 4

#### Obama has the influence to prevail in fiscal cliff negotiations now---political capital is key

Sprung, 9/21

(Andrew Sprung is a political commentator & media consultant. He is the CEO of Sprung PR and hold a PhD from the University of Rochestor, “Ezra Klein's unconvincing theory that Obama misunderstands (or misrepresents) "change," http://xpostfactoid.blogspot.com/2012/09/ezra-kleins-unconvincing-theory-that.html)

In my view, Klein is viewing this question too narrowly. Obama is well aware of the limitations of the bully pulpit, and he's got to know better than any person on the planet that presidential advocacy polarizes, entrenching the opposing party in implacable opposition to whatever the president proposes. Yet, in presenting a revamped theory of how the presidency works, he's not just feeding us a line of BS. And if Obama wins reelection, I believe that we will look back five or ten or twenty years from now and recognize that yes, Obama did change the way Washington works. Or at the very least, he kept the US on a sane policy course in a time of extreme polarization and thus gave (will have given...) the system space to self-correct, as it has in the past. Let's start with Klein's objection to Obama's characterization of how healthcare reform got done: The health-care process, which I reported on extensively, was a firmly “inside game” strategy. There were backroom deals with most every major interest group and every swing legislator.... By the time the law passed, many more Americans viewed it unfavorably than viewed it favorably — exactly the opposite of what you’d expect if health care had passed through an “outside game” strategy in which, as Obama put it, “the American people … put pressure on Congress to move these things forward.” And yet, health care passed. The inside game worked. All true, laddie. And yet, in claiming that the impetus for healthcare reform came from the outside, I don't think Obama is attempting to whitewash this long and messy process -- or is even referring to it. He is alluding to the marshaling or channeling of popular will that got him elected. The essence of Obama's primary election argument against Hillary Clinton was that he was better equipped to marshal the popular will for fundamental change -- with healthcare reform as the centerpiece -- than she was. I well remember the moment when that argument first impressed itself on me. It was in a debate in the immediate aftermath of the Iowa caucuses, on Jan. 5, 2008: Look, I think it's easier to be cynical and just say, "You know what, it can't be done because Washington's designed to resist change." But in fact there have been periods of time in our history where a president inspired the American people to do better, and I think we're in one of those moments right now. I think the American people are hungry for something different and can be mobilized around big changes -- not incremental changes, not small changes. I actually give Bill Clinton enormous credit for having balanced those budgets during those years. It did take political courage for him to do that. But we never built the majority and coalesced the American people around being able to get the other stuff done. And, you know, so the truth is actually words do inspire. Words do help people get involved. Words do help members of Congress get into power so that they can be part of a coalition to deliver health care reform, to deliver a bold energy policy. Don't discount that power, because when the American people are determined that something is going to happen, then it happens. And if they are disaffected and cynical and fearful and told that it can't be done, then it doesn't. I'm running for president because I want to tell them, yes, we can. And that's why I think they're responding in such large numbers.

Cue the political science eye-roll. The American people were not "determined" that healthcare reform per se had to occur. You can't read the results of the 2008 wave election as a "mandate" for a specific policy. In the aftermath, the electoral tide went back out with a vengeance. But it's also true that in two years of campaigning Obama's words did inspire people, that the American people were hungry for change after Bush, that Obama made a broad and conceptually coherent case for moving the center of American politics back to the left with a renewed commitment to shared prosperity and investment in the common good, and that healthcare reform was at the center of that case. True too that the results of that election gave him enough of a majority to persist, even when relentless Republican misinformation and bad-faith negotiation and delay eroded public support. Obama also **used the bully pulpit at crucial point**s, if not to rally public opinion, at least **to re-commit wavering Democrats -**- and also to convince the public, as he enduringly has, that he was more of a **good faith negotiator**, more willing to compromise, than the Republicans. Those pressure points were the September 2009 speech he gave to a joint session of Congress, and the remarkable eight-hour symposium he staged with the leadership of both parties in late February 2010 to showcase the extent to which the ACA incorporated past Republican proposals and met goals allegedly shared by both parties, as well as his own bend-over-backwards willingness to incorporate any Republican ideas that could reasonably be cast as advancing those goals. In a series of posts about Ronald Reagan, Brendhan Nyhan has demonstrated that presidential rhetoric generally does not sway public opinion. Savvy politicians channel public opinion; transformative ones seize an opportunity when their basic narrative of where the country needs to go aligns with a shift in public opinion, usually in response to recent setbacks or turmoil. Obama, like Reagan, effected major change in his first two years because he caught such a wave -- he **amassed the political capital**, and he spent it, and we got what he paid for. The force from outside -- a wave election -- empowered Obama to work change from inside in a system that reached a new peak of dysfunctionality. Klein's also objects to Obama's pitch for how to effect change going forward. In 2011, he notes, Obama highlighted the substantial change won from the messy inside game of legislating, touting the long list of legislative accomplishments of the 111th Congress. In election season, he has reverted to a keynote of his 2008 campaign: change comes from you, the electorate; it happens when ”the American people … put pressure on Congress to move these things forward.” Klein regards this as election season hooey: But while this theory of change might play better, it’s the precise theory of change that the last few years have shattered. Whatever you want to say about the inside game, it worked. Legislation passed. But after the midterm elections, it stopped working. And so the White House moved towards an outside game strategy, where ”the American people … put pressure on Congress to move these things forward.” Perhaps the most public example was Obama’s July 2011 speech, in which he said: I’m asking you all to make your voice heard. If you want a balanced approach to reducing the deficit, let your member of Congress know. If you believe we can solve this problem through compromise, send that message. So many Americans responded that Congress’s Web site crashed. But Obama didn’t get his “balanced approach,” which meant a deal including taxes. Klein goes on to recount that throughout the past year of confrontation with the GOP, pushing a jobs package that had broad popular support, Obama won only one minor victory, extension of the payroll tax cut. He then reverts to two political science tenets: presidential advocacy entrenches the opposition, and it can't move popular opinion. But I think he misreads Obama's pitch, strategy and record on several counts. First, he **understates Obama's** (and the Democrats') **successes in the year of confrontation** that has followed the debt ceiling debacle. He writes off the payroll tax cut and unemployment benefit extension as small beer. But this was actually a near-total victory in two stages against entrenched opposition, and it won Obama some vital back-door stimulus for the second year running in the wake of the GOP House takeover. It was followed by a similar GOP cave-in on maintaining low student loan interest rates -- and then again, by the collapse of the House GOP effort to renege on the Budget Control Act and impose still more spending cuts. Presidential rhetoric may not change the public mind. But when it's in sync with voter's propensities, **it can deploy public opinion to bring pressure to bear on the opposition.** Second, it's true that under threat of GOP debt ceiling extortion, Obama successfully marshaled public opinion in favor of his "balanced" approach to deficit reduction but wasn't able to use that pressure to move the GOP off their no-new-taxes intransigence. **But that battle ain't over yet**, and popular support for Obama's position **is political capital that's still in the bank**. **In the upcoming fiscal cliff negotiations, Obama**, if he wins reelection, **will have the whip hand,** given the expiration of the Bush tax cuts and Republican teeth-gnashing over the defense cuts in the sequester. Speaking of which, Obama's refusal to intervene in the supercommittee negotiations as Republicans stonewalled once again over any tax hikes **banked him further capital in this upcoming fight**. Republicans are screaming much louder than Democrats about the sequester, disastrous though the cuts may be on the domestic side. Third, it's rational for Obama to recast his bid for change in election season, because of course he's seeking further "change" from the outside, i.e., more Democrats elected to Congress. He's not going to win a mandate as in 2008, or, most likely, majorities in both houses of Congress. But he has to make the pitch for being granted renewed tools to advance his agenda. Finally, a key part of Obama's "you are the change" pitch in his convention speech was a frank call to play defense -- to protect the changes wrought in his first term and fend off the further capture of the electoral process and the nation's resources by the oligarchy the GOP represents: If you turn away now – if you buy into the cynicism that the change we fought for isn’t possible … well, change will not happen. If you give up on the idea that your voice can make a difference, then other voices will fill the void: lobbyists and special interests; the people with the $10 million checks who are trying to buy this election and those who are making it harder for you to vote; Washington politicians who want to decide who you can marry, or control health-care choices that women should make for themselves.

#### Plan kills Obama

Petroleum Intelligence Weekly, 1/9/12, Obama Plays Safe on Energy Policy, Lexis

With less than a year to go **until he faces re-election**, US President Barack **Obama is trying to avoid controversial energy policy decisions**, postponing the finalization of restrictions on oil refinery and power plant emissions and delaying the approval of a major crude pipeline project. The president’s caution will prolong the status quo on issues where the industry both opposes and supports the administration’s plans, and also illustrates what's at stake for energy policy depending on whether or not Obama is given another four years in office. Most of Obama's original campaign **pledges on promoting alternatives to fossil fuels** and tackling climate change **have not passed muster with Congress**, most notably an ambitious plan for national carbon controls, a subsequent toned-down clean energy standard floated after the carbon legislation failed, and repeated efforts to repeal $30 billion-$40 billion worth of oil industry tax deductions over 10 years ( PIW May9'11 ). The one exception has been the passage of $90 billion in clean energy funding as part of an economic stimulus bill passed early in Obama's term, but **the White House has been unable to repeat** this **success in other energy policy areas** ( PIW Feb.23'09 ).

#### Presidential leadership is key to a compromise – the alternative is the collapse of hegemony, a double-dip recession, and war in the Middle East

Hutchison, U.S. Senator from the great state of Texas, 9/21/2012

(Kay Bailey, “A Looming Threat to National Security,” States News Service, Lexis)

Despite warnings of the **dire consequences**, **America is teetering at the edge of a fiscal cliff**, with January 1st, 2013 as the tipping point. On that date, **unless Congress and the White House can reach agreement** on how to cut the federal deficit, all taxpayers will be hit with higher taxes and deep cuts - called "sequestration" - will occur in almost all government spending, disrupting our already weak economy and putting our national security at risk.

According to the House Armed Services Committee, if sequestration goes into effect, it would put us on course for more than $1 trillion in defense cuts over the next 10 years. What would that mean? A huge hit to our military personnel and their families; devastating cuts in funding for critical military equipment and supplies for our soldiers; and **a** potentially **catastrophic blow to our** national defense and **security capabilities** in a time of increasing violence and danger.

All Americans feel a debt of gratitude to our men and women who serve in uniform. But Texas in particular has a culture that not only reveres the commitment and sacrifice they make to protect our freedom, we send a disproportionate number of our sons and daughters to serve.

The burden is not borne solely by those who continue to answer the call of duty, but by their families as well, as they endure separation and the anxiety of a loved one going off to war. These Americans have made tremendous sacrifices. They deserve better than to face threats to their financial security and increased risks to their loved ones in uniform, purely for political gamesmanship.

Sequestration would also place an additional burden on our economy. In the industries that support national defense, as many as 1 million skilled workers could be laid off. With 43 straight months of unemployment above 8 percent, it is beyond comprehension to add a virtual army to the 23 million Americans who are already out of work or under-employed. **Government and private economic forecasters warn that sequestration will push the country back into recession next year**.

The recent murder of our Ambassador to Libya and members of his staff, attacks on US embassies and consulates and continued riots across the Middle East and North Africa are stark reminders that great portions of the world remain volatile and hostile to the US. **We have the mantle of responsibility that being the world's lone super-power brings**. **In the absence of U.S. military leadership**, **upheaval in the Middle East would be worse**. **As any student of history can attest**, **instability does not confine itself to national borders**. **Strife that starts in one country can spread like wildfire across a region**.

Sequestration's cuts would reduce an additional 100,000 airmen, Marines, sailors and soldiers. That would leave us with the smallest ground force since 1940, the smallest naval fleet since 1915 and the smallest tactical fighter force in the Air Force's history. With the destabilization in the Middle East and other areas tenuous, we would be left with a crippled military, **a diminished stature internationally and a loss of technological** research, development and **advantage** - just as actors across the globe are increasing their capabilities.

Sequestration can still be avoided. **But that will require leadership from the President** that has thus far been missing. Congress and the White House must reach a long-term agreement to reduce $1 trillion annual budget deficits, without the harsh tax increases that could stall economic growth and punish working families.

#### Middle East goes nuclear

James A. **Russell,** Senior Lecturer, National Security Affairs, Naval Postgraduate School, ‘9 (Spring) “Strategic Stability Reconsidered: Prospects for Escalation and Nuclear War in the Middle East” IFRI, Proliferation Papers, #26, http://www.ifri.org/downloads/PP26\_Russell\_2009.pdf

Strategic stability in the region is thus undermined by various factors: (1) asymmetric interests in the bargaining framework that can introduce unpredictable behavior from actors; (2) the presence of non-state actors that introduce unpredictability into relationships between the antagonists; (3) incompatible assumptions about the structure of the deterrent relationship that makes the bargaining framework strategically unstable; (4) perceptions by Israel and the United States that its window of opportunity for military action is closing, which could prompt a preventive attack; (5) the prospect that Iran’s response to pre-emptive attacks could involve unconventional weapons, which could prompt escalation by Israel and/or the United States; (6) the lack of a communications framework to build trust and cooperation among framework participants. These systemic weaknesses in the coercive bargaining framework all suggest that escalation by any the parties could happen either on purpose or as a result of miscalculation or the pressures of wartime circumstance. Given these factors, it is disturbingly easy to imagine scenarios under which a conflict could quickly escalate in which the regional antagonists would consider the use of chemical, biological, or nuclear weapons. It would be a mistake to believe the nuclear taboo can somehow magically keep nuclear weapons from being used in the context of an unstable strategic framework. Systemic asymmetries between actors in fact suggest a certain increase in the probability of war – a war in which escalation could happen quickly and from a variety of participants. Once such a war starts, events would likely develop a momentum all their own and decision-making would consequently be shaped in unpredictable ways. The international community must take this possibility seriously, and muster every tool at its disposal to prevent such an outcome, which would be an unprecedented disaster for the peoples of the region, with substantial risk for the entire world.

## 5

#### Venture capital shifting to grid modernization now

NBC 12 [Dinah Wisenberg Brin, award-winning writer with a strong background producing financial, healthcare, government news, “Clean Tech Investing Shifts, With Lower-Cost Ventures Gaining Favor” March 1, http://www.cnbc.com/id/46222448/Clean\_Tech\_Investing\_Shifts\_With\_Lower\_Cost\_Ventures\_Gaining\_Favor]

**For many investors, that change means shifting funds from capital-intensive alternative-energy technologies**, such as solar panels, **to lower-cost ventures focused on energy efficiency and “smart grid” technologies** that automate electric utility operations.¶ “We continue to be very optimistic about things like the smart grid and the infusion of information technologies and software services” into old lines like electricity, agriculture and the built environment," says Steve Vassallo, general partner in Foundation Capital. “We’re very bullish on what I would consider the nexus of information technology and clean tech.”¶ Foundation, based in Menlo Park, Calif., reflects this in investments such as Sentient Energy Inc., a smart-grid monitoring company that allows utilities to remotely find power outages, and Silver Spring Networks, which provides utilities a wireless network for advanced metering and remote service connection.¶ Another holding, EnerNOC [ENOC 10.13 -0.22 (-2.13%) ], a demand-response business with technology to turn off noncritical power loads during peak periods, went public in 2007.¶ EMeter, a one-time Foundation investment, was recently acquired by Siemens Industry [SI 93.09 0.23 (+0.25%) ].¶ To be sure, investors have not abandoned costlier technologies with longer-term horizons, but many — put off, in part, by last year’s bankruptcy and shutdown of solar power firm Solyndra — now favor smaller infusions in businesses with a quicker potential payoff.¶ Rob Day, partner in Boston-based Black Coral Capital, says his cleantech investment firm maintains some solar holdings, but he sees a shift from an emphasis on those types of plays to more “intelligence-driven, software-driven, web-driven businesses.” These technologies can be used to improve existing businesses, he says.¶ One Black Coral smart-technology investment is Digital Lumens of Boston, which makes high-efficiency, low-cost LED lighting for warehouses and factories. Software and controls are embedded in the fixtures, which can cut lighting bills by 90 percent, providing customers a two-year payback, says Day. ¶ U.S. venture capital investment in cleantech companies hit $4.9 billion last year, down 4.5 percent in dollar terms but flat in the number of transactions, according to Ernst & Young LLP, which analyzed data from Dow Jones VentureSource. Cleantech companies raised 29 percent more capital last year than in 2009, E&Y said recently.¶ Most of that decline, however, came from less investment in sectors that were once hot.¶ Investment in energy and electric generation, including solar businesses, fell 5 percent to $1.5 billion, while that of industry products and services companies plunged 34 percent to $1 billion, according to E&Y's analysis of equity investments from venture capital firms, corporations and individuals.¶ The energy efficiency category leads the diverse industry in deals with 78 transactions worth $646.9 million. Energy-storage companies raised $932.6 million, a 250 percent increase and 47 percent deal increase.¶ “Cleantech is … a maturing industry. I think people are beginning to have worked through the early stages, figured out where the more attractive opportunities are and those less so, and meanwhile lots and lots of changes have occurred in the broader world,” says Dan Reicher, executive director of Stanford University’s Center for Energy Policy and Finance, and a faculty member of the university’s business and law schools.¶ Cleantech investment in 2011 brought a number of other important changes: Most of the money went to companies already generating revenue, the emergence of innovative contributions from the IT industry and extraordinary interest by the Chinese in large-scale, capital-intensive technology, such as energy hardware.¶ Many U.S. companies can’t get domestic backing for what they call the “valley of death” phase: between the VC-backed pilot plant and the fully commercialized facility. As a result, they are increasingly turning to China, says Reicher.¶ “There are clearly economic implications," he adds. "The wonderful fruits of our innovation in this country are increasingly being consumed in China, and that has implications for job creation here, for a whole host of things that are important to our economy and our security."¶ Stanford is developing a financing vehicle to address that valley, but Reicher says he couldn’t provide details yet.¶ “**You really want to see big impacts; you’ve got to put big money in**,” says Kilambi, the serial entrepreneur, who has experience raising large sums of investment capital.¶ Federal funding for cleantech is facing more political resistence in the wake of the Solyndra collapse.¶ President Obama has requested $2.27 billion in his 2013 budget, versus $3.2 billion the previous year. Congress, however, has approved less than the president's requests for the last three fiscal years, notes Reicher. ¶ Black Rock’s Day, who laments the politicization of the cleantech sector, suggests that investors look beyond Solyndra or the next election to what will happen over the next 20- or 50-year cycle.

#### Nuclear trades off with smart grid venture capital—that collapses the industry

Antony Froggatt, Senior Research Fellow at Chatham House, where he specializes in issues relating to climate change, EU energy policy and nuclear power, and Mycle Schneider works as an independent international consultant on energy and nuclear policy and advisor to German Environmental Agency, 10 [“Systems for Change: Nuclear Power vs. Energy Efficiency + Renewables?” Heinrich Böll Foundation, March, pdf]

Global experience of nuclear construction shows a tendency of cost overruns and delays. The history¶ of the world’s two largest construction programs, that of the United States and France, shows a five and¶ threefold increase in construction costs respectively. This cannot be put down to first of a kind¶ costs or teething problems, but systemic problems associated with such large, political and¶ complicated projects. Recent experience, in Olkiluoto in Finland and the Flamanville project in¶ France, highlight the fact that this remains a problem. The increased costs and delays with nuclear construction not only absorb greater and greater amounts of investment, but the delays increase the emissions from the sector. From a systemic point of view the nuclear and energy efficiency+renewable energy approaches¶ **clearly mutually exclude each other**, not only in investment terms. This is becoming increasingly¶ transparent in countries or regions where renewable energy is taking a large share of electricity¶ generation, i.e., in Germany and Spain. The main reasons are as follows.¶  Competition for limited investment funds. A euro, dollar or yuan can only be spent once¶ and it should be spent for the options that provide the largest emission reductions the¶ fastest. Nuclear power is not only one of the most expensive but also the slowest option.¶  Overcapacity kills efficiency incentives. Centralized, large, power‐generation units tend to¶ lead to structural overcapacities. Overcapacities leave no room for efficiency.¶  Flexible complementary capacity needed. Increasing levels of renewable electricity sources¶ will need flexible, medium‐load complementary facilities and not inflexible, large, baseload¶ power plants.¶  Future grids go both ways. **Smart metering and smart grids are on their way**. The logic is an¶ entirely redesigned system where the user gets also a generation and storage function. This¶ is radically different from the top‐down centralized approach.¶ For future planning purposes, in particular for developing countries, it is crucial that the¶ contradictory systemic characteristics of the nuclear versus the energy efficiency+renewable energy¶ strategies are clearly identified. There are numerous system effects that have so far been¶ insufficiently documented or even understood. Future research and analysis in this area is urgently¶ needed.¶ This is particularly important at the current time because the next decade will be vital in determining¶ the sustainability, security and financial viability of the energy sector for at least a generation.

#### Turns heg

Stephen Chu, Nobel Prize is Physics, 12 [“America’s Competitiveness Depends on a 21st Century Grid,” May 30, Energy.Gov, http://energy.gov/articles/america-s-competitiveness-depends-21st-century-grid] PMA=Power Marketing Administrations

Upgrades are Key to American Competitiveness¶ The leadership of the PMAs is critically important because America’s continued global competiveness in the 21st century will be significantly affected by whether we can efficiently produce and distribute electricity to our businesses and consumers, seamlessly integrating new technologies and new sources of power.¶ Other countries are moving rapidly to capitalize on cost-saving new smart grid and transmission technologies -- and we will find ourselves at a competitive disadvantage unless we do the same. Blackouts and brownouts already cost our economy tens of billions of dollars a year, and we risk ever more serious consequences if we continue to rely on outdated and inflexible infrastructure. For example, across the country, most of the transmission lines and power transformers we depend upon are decades old and in many cases nearing or exceeding their expected lifespan.¶ Lessons of the September 2011 Blackout¶ One recent example of the challenges we face occurred in September 2011, when a relatively minor loss of a single transmission line triggered a series of cascading failures that ultimately left 2.7 million electric customers in Arizona, Southern California, and Baja California, Mexico without power, some for up to 12 hours. The customers of five utilities -- San Diego Gas and Electric (SDG&E), Imperial Irrigation District (IID), Western Area Power Administration-Lower Colorado (WALC), Arizona Public Service (APS), and Comision Federal de Electridad (CFE) -- lost power, some for multiple hours extending into the next day. ¶ Put simply, this disruption to the electric system could have been avoided. The investigation into the blackout conducted by the Federal Energy Regulatory Commission and the North American Electric Reliability Council concluded the system failure stemmed primarily from weaknesses in two broad areas: 1) operations planning and 2) real-time situational awareness. Without these two critical elements, system operators are unable to ensure reliable operations or prevent cascading outages in the event of losing a single component on the grid. **As our system ages, these situations threaten to become more frequent and even more costly.** ¶ The Role of the PMAs in Accelerating the U.S. Transition to a 21st Century Grid¶ Most of our nation’s electric transmission system is privately owned. However, the federal government directly owns and controls significant portions of the electric transmission system through its four PMAs, created to market and distribute hydroelectric power from federally owned dams. The PMAs, part of the Energy Department, are responsible for more than 33,000 miles of transmission that overlay the transmission systems of utilities in 20 states, which represent about 42% of the continental United States. The PMAs provide the federal government the ability to lead by example in modernizing and securing our nation’s power grid, or risk putting the entire system -- and America’s economy -- at risk. The benefits of action, as well as the risks and consequences of inaction, could directly or indirectly affect nearly every electricity consumer and every business in the United States. ¶ This is why my March 16th memo set forth foundational goals that DOE is considering for the PMAs. This is part of a much broader effort to transition to a more flexible and resilient electric grid and establish much greater coordination among system operators.

## 6

#### The United States federal government should reduce restrictions on evacuation zones and restrictions on modular installation of small modular reactors.

#### The United States federal government should ban subsidies for nuclear power production.

#### The CP levels the energy playing field

Koplow, United Nations Environment Programme's Working Group on Economic Instruments, MBA – Harvard, and Vancko, project manager – nuclear/climate @ UCS, ‘11

(Doug and Ellen, “Nuclear Power: Still Not Viable without Subsidies,” Union of Concerned Scientists, February)

Reduce, not expand, subsidies to the nuclear power industry. Public subsidies to this indus­try are lucrative and highly concentrated fund­ing for a narrow set of technologies and firms. They should not be expanded to cover more generating capacity than current government policies allow, nor should new categories of subsidies be created. Doing so would make the U.S. taxpayer responsible for considerable additional costs and economic risks—risks that should be borne by the industry. In particular, new loan guarantees above and beyond those already authorized by Congress in EPACT 2005 would expand government involvement in an arena where it is poorly equipped to engage.

Federal involvement in markets should instead focus on encouraging firms involved in nuclear power—some of the largest corpora­tions in the world—to create new models for internal risk pooling and to develop advanced power contracts that enable high-risk projects to move forward without additional taxpayer risk. The following recommendations discuss where existing subsidies to the industry should be reduced or eliminated.

• Award subsidies to low-carbon energy sources on the basis of a competitive bidding process across all competing technologies. Subsidies should be awarded to those approaches able to achieve emissions reductions at the lowest pos­sible cost per unit of abatement—not on the basis of congressional earmarks for specific types of energy.

Most federal programs that benefit nuclear power are technology-specific subsidies to miti­gate such problems as the high cost of capital or nuclear waste management. While such pro­grams offer targeted ways for Congress to pro­vide subsidies to constituents, they are not well structured to achieve a successful energy market transformation to a low-carbon future. To the extent that taxpayer subsidies are extended, they should be awarded on the basis of a technology-neutral competitive auction, with successful bid­ders chosen on the basis of their bids to accept the lowest subsidy per kilowatt-hour delivered.

#### Bubble DA—high costs mean no large-scale commercialization, which takes out every aff advantage—and more subsidies boost cost overruns by increasing reactor complexity and scale—that makes the industry unsustainable

Cooper, senior research fellow for economic analysis – Institute for Energy and the Environment @ Vermont Law School, PhD – Yale University, ‘10

(Mark, “POLICY CHALLENGES OF NUCLEAR REACTOR CONSTRUCTION: COST ESCALATION AND CROWDING OUT ALTERNATIVES,” September)

A decade and half after the start of the commercial deployment of nuclear reactors in the U.S. and France, and well before the accident at Three Mile Island in the U.S., two individuals who had been close observers of nuclear technology in both countries offered an insightful explanation of the economic forces underlying the cost escalation problem. These authors, Bupp and Derian, locate the problem as early as the late 1960s, when it had already become apparent that the cost reduction the industry hoped would flow from learning processes had not come to pass.

By the end of the 1960s, there was considerable evidence that the 1964-1965 cost estimates for light water plants had been very optimistic. The manufacturers themselves were prepared to admit this. But at the same time they contended that the causes of the first cost overruns were fully understood and were being dealt with. They were entirely confident that the combination of ―learning effects and engineering improvements in key reactor performance parameters (e.g. fuel life) could be relied upon to compensate for the unexpectedly high costs they were encountering. Economies of scale were also seen as a powerful tool for lowering the cost of electricity from nuclear power plants…

Costs normally stabilize and often begin to decline fairly soon after a product‘s introduction… the reactor manufacturers repeatedly assured their customers that this kind of cost stabilization was bound to occur with nuclear power plants. But cost stabilization did not occur with light water reactors… The learning that usually lowers initial costs has not generally occurred in the nuclear power business. Contrary to the industry‘s own oft-repeated claim that reactor costs were ―soon going to stabilize and that ―learning by doing‖ would produce cost decreases, just the opposite happened. Even more important, cost estimates did not become more accurate with time.23

Writing over three decades later, Grubler concludes that this analysis applies equally to the French situation, but takes it one step further. Faced with the failure of cost control and the prospect of cost escalation, the industry attempted to solve the problem by shifting designs and increasing scale. The result is a ―negative learning process. Things not only do not get better, they get worse. A negative learning process occurs when the enterprise encounters problems with one technology at one scale, but ignores the obvious lessons and assumes that shifting to another technology and larger scale will solve the problem. This short circuits potential gains from standardization and reintroduces learning and first-of-a kind costs.24 The cycle of cost escalation is repeated.

The French nuclear case has also demonstrated the limits of the learning paradigm: the assumption that costs invariably decrease with accumulated technology deployment. The French example serves as a useful reminder of the limits of the generalizability of simplistic learning/experience curve models. Not only do nuclear reactors across all countries with significant programs invariably exhibit negative learning, i.e., cost increase rather than decline, but the pattern is also quite variable, defying approximations by simple learning-curve models…

In symmetry to the often evoked "learning-by-doing" phenomenon, there appears not only to be ―forgetting by not doing‖ (Rosegger, 1991) but also “forgetting by doing,” suggesting that technology learning possibilities are not only structured by the actors and institutional settings involved, but are also fundamental characteristics of technologies themselves.

In the case of nuclear, a theoretical framework explaining this negative learning was discussed by Lovins (1986:17-21) who referred to the underlying model as Bupp-Derian-Komanoff-Taylor hypothesis. In essence, the model suggests that with increasing application ("doing"), the complexity of the technology inevitably increases leading to inherent cost escalation trends that limit or reverse "learning" (cost reduction) possibilities. In other words, technology scale-up can lead to an inevitable increase in systems complexity (in the case of nuclear, full fuel cycle management, load-following operation mode, and increasing safety standards as operation experience [and unanticipated problems] are accumulating) that translates into real-cost escalation, or "negative learning" in the terminology of learning/experience curve models.25

An analysis of the historical experience identifies specific characteristics of nuclear reactor construction that cause these endemic problems. Nuclear reactors are mega-projects that suffer inherent cost escalation.26 In extremely large, complex projects that are dependent on sequential and complementary activities, delays tend to cascade into long-term interruptions. There are also specific characteristics of the technology and the construction process that pose endemic problems for nuclear reactor development and construction and make them prone to these problems: reactor design is complex and site-specific, which makes them difficult to standardize. The complexity makes it difficult to scale up from smaller-scale demonstrations. The U.S. experience was described as follows in 1978:

After more than a decade of experience with large light water nuclear power plants, important engineering and design changes were still being made. This is contrary to experience with other complex industrial products…

For 15 years many of those most closely identified with reactor commercialization have stubbornly refused to face up to the sheer technical complexity of the job that remained after the first prototype nuclear plants had been built in the mid-late 1950s. Both industry and government refused to recognize that construction and successful operation of these prototypes – though it represented a very considerable technical achievement – was the beginning and not the near completion of a demanding undertaking… It became painfully evident that the problems associated with building and operating 1,000 to 1,200 MW nuclear plants bore disappointingly slight resemblance to those associated with 100 to 200 MW plants.27

The French had the same experience, as suggested by Grubler:

First, while the nuclear industry is often quick to point at public opposition and regulatory uncertainty as reasons for real cost escalation, it may be more productive to start asking whether these trends are not intrinsic to the very nature of the technology itself: large-scale, indivisible (lumpy), and requiring a formidable ability to manage complexity in both construction and operation. These intrinsic characteristics of the technology limit essentially all classical mechanisms of cost improvements—standardization, large series, and a large number of quasi-identical experiences that can lead to technological learning and ultimate cost reductions—except one: increases in unit size, i.e., economies of scale. In the history of steam electricity generation, these indeed led initially to substantial cost reductions, but after the late 1960s that option has failed invariably due to the corresponding increases in technological complexity.28

Another aspect of the negative learning process entails excess capacity. The hope that learning and scale economies will bring costs down requires the industry to commit to large runs of large reactor construction, but the size of the projects and their cost leads to problems and threats of excess capacity. The solution to the rising cost of units creates a new systemic problem of excess capacity.

#### Accidents DA—subsidies cause fast and risky nuclear construction without safety upgrades—causes meltdowns that destroy the industry

Koplow, United Nations Environment Programme's Working Group on Economic Instruments, MBA – Harvard, and Vancko, project manager – nuclear/climate @ UCS, ‘11

(Doug and Ellen, “Nuclear Power: Still Not Viable without Subsidies,” Union of Concerned Scientists, February)

Because operating costs account for a much smaller share of levelized costs than do capital costs, they are often ignored. The logic here is somewhat circular: operating costs are low in part because of government subsidies. Most promi­nently, these subsidies shift the long-term, though uncertain, risks of accidents and nuclear waste management away from plant owners. In unsub­sidized industries, these risks would affect current operations through elevated annual insurance costs and high waste management fees.

Nuclear power has two additional attributes that make it unattractive to investors. First, the period of risk exposure lasts too long. In most other sectors of the economy, the majority of the risks that investors take on last only several years, or a few decades at most. By contrast, nuclear operations span many decades—longer even than coal plants once post-closure periods prior to decommissioning are included. In particular, highly radioactive and extremely long-lived wastes are not only risky but also require oversight for centuries.

Second, a single negative event can wipe out decades of gains. Although the risk of nuclear acci­dents in the United States is considered quite low, it is not zero.6 Plausible accident scenarios generate catastrophic damages, with corresponding levels of financial loss. This characteristic creates a large dis­connect between private interests (which highlight an absence of catastrophic damages thus far) and public interests (which must consider the damage that would be caused in the case of even a moder­ate accident, as well as the inadequacy of financial assurance mechanisms or insurance-related price signals to address the challenge).

Unlike car accidents, where one event generally has no impact on the perceived risk to unrelated drivers or auto companies, risks in the nuclear sector are systemic. An accident anywhere in the world will cause politicians and plant neighbors everywhere to reassess the risks they face and ques­tion whether the oversight and financial assurance are sufficient. Generally, the cost implications of such inquiries will be negative for reactor owners.

All of these factors, in combination with a poor track record of financial performance on new plant construction, have led investors in nuclear power to demand much higher rates of return, to shift the risks to other parties, or to steer clear of the nuclear power sector entirely.7 These risks are real, and if they were visibly integrated into the nuclear cost structure, the resulting price signals would guide energy investment toward technologies that have more predictable and lower risk profiles.

#### Extinction

Wasserman, 1 (Harvey, Senior Editor – Free Press, “America's Terrorist Nuclear Threat to Itself”, October, http://www.wagingpeace.org/articles/2001/10/00\_wasserman\_nuclear-threat.htm)

Without continous monitoring and guaranteed water flow, the thousands of tons of radioactive rods in the cores and the thousands more stored in those fragile pools would rapidly melt into super-hot radioactive balls of lava that would burn into the ground and the water table and, ultimately, the Hudson. Indeed, a jetcrash like the one on 9/11 or other forms of terrorist assault at Indian Point could yield three infernal fireballs of molten radioactive lava burning through the earth and into the aquifer and the river. Striking water they would blast gigantic billows of horribly radioactive steam into the atmosphere. Prevailing winds from the north and west might initially drive these clouds of mass death downriver into New York City and east into Westchester and Long Island. But at Three Mile Island and Chernobyl, winds ultimately shifted around the compass to irradiate all surrounding areas with the devastating poisons released by the on-going fiery torrent. At Indian Point, thousands of square miles would have been saturated with the most lethal clouds ever created or imagined, depositing relentless genetic poisons that would kill forever. In nearby communities like Buchanan, Nyack, Monsey and scores more, infants and small children would quickly die en masse. Virtually all pregnant women would spontaneously abort, or ultimately give birth to horribly deformed offspring. Ghastly sores, rashes, ulcerations and burns would afflict the skin of millions. Emphysema, heart attacks, stroke, multiple organ failure, hair loss, nausea, inability to eat or drink or swallow, diarrhea and incontinance, sterility and impotence, asthma, blindness, and more would kill thousands on the spot, and doom hundreds of thousands if not millions. A terrible metallic taste would afflict virtually everyone downwind in New York, New Jersey and New England, a ghoulish curse similar to that endured by the fliers who dropped the atomic bombs on Hiroshima and Nagaskai, by those living downwind from nuclear bomb tests in the south seas and Nevada, and by victims caught in the downdrafts from Three Mile Island and Chernobyl. Then comes the abominable wave of cancers, leukemias, lymphomas, tumors and hellish diseases for which new names will have to be invented, and new dimensions of agony will beg description. Indeed, those who survived the initial wave of radiation would envy those who did not. Evacuation would be impossible, but thousands would die trying. Bridges and highways would become killing fields for those attempting to escape to destinations that would soon enough become equally deadly as the winds shifted. Attempts to quench the fires would be futile. At Chernobyl, pilots flying helicopters that dropped boron on the fiery core died in droves. At Indian Point, such missions would be a sure ticket to death. Their utility would be doubtful as the molten cores rage uncontrolled for days, weeks and years, spewing ever more devastation into the eco-sphere. More than 800,000 Soviet draftees were forced through Chernobyl's seething remains in a futile attempt to clean it up. They are dying in droves. Who would now volunteer for such an American task force? The radioactive cloud from Chernobyl blanketed the vast Ukraine and Belarus landscape, then carried over Europe and into the jetstream, surging through the west coast of the United States within ten days, carrying across our northern tier, circling the globe, then coming back again. The radioactive clouds from Indian Point would enshroud New York, New Jersey, New England, and carry deep into the Atlantic and up into Canada and across to Europe and around the globe again and again. The immediate damage would render thousands of the world's most populous and expensive square miles permanently uninhabitable. All five boroughs of New York City would be an apocalyptic wasteland. The World Trade Center would be rendered as unusable and even more lethal by a jet crash at Indian Point than it was by the direct hits of 9/11. All real estate and economic value would be poisonously radioactive throughout the entire region. Irreplaceable trillions in human capital would be forever lost. As at Three Mile Island, where thousands of farm and wild animals died in heaps, and as at Chernobyl, where soil, water and plant life have been hopelessly irradiated, natural eco-systems on which human and all other life depends would be permanently and irrevocably destroyed, Spiritually, psychologically, financially, ecologically, our nation would never recover. This is what we missed by a mere forty miles near New York City on September 11. Now that we are at war, this is what could be happening as you read this. There are 103 of these potential Bombs of the Apocalypse now operating in the United States. They generate just 18% of America's electricity, just 8% of our total energy. As with reactors elsewhere, the two at Indian Point have both been off-line for long periods of time with no appreciable impact on life in New York. Already an extremely expensive source of electricity, the cost of attempting to defend these reactors will put nuclear energy even further off the competitive scale. Since its deregulation crisis, California---already the nation's second-most efficient state---cut further into its electric consumption by some 15%. Within a year the US could cheaply replace virtually with increased efficiency all the reactors now so much more expensive to operate and protect. Yet, as the bombs fall and the terror escalates, Congress is fast-tracking a form of legal immunity to protect the operators of reactors like Indian Point from liability in case of a meltdown or terrorist attack. Why is our nation handing its proclaimed enemies the weapons of our own mass destruction, and then shielding from liability the companies that insist on continuing to operate them? Do we take this war seriously? Are we committed to the survival of our nation? If so, the ticking reactor bombs that could obliterate the very core of our life and of all future generations must be shut down.

## solvency

#### Nuclear’s too expensive

Folbre, professor of economics – University of Massachusetts, Amherst, 3/26/’12

(Nancy, “The Nurture of Nuclear Power,” <http://economix.blogs.nytimes.com/2012/03/26/the-nurture-of-nuclear-power/>)

Remember the brouhaha about $563 million in Obama administration loan guarantees to Solyndra, the solar panel manufacturer that went belly up last fall? Neither President Obama nor Republicans in Congress have voiced opposition to an expected $8.3 billion Energy Department guarantee to help the Southern Company, a utility giant, build nuclear reactors in Georgia. Pressed to respond to the comparison, Representative Cliff Stearns, Republican of Florida and chairman of the Energy and Commerce subcommittee on oversight and investigations, explained that the loan guarantee for nuclear power plant construction was for a “proven industry that has been successful and has established a record.” The nuclear power industry has certainly established a record – for terrifying accidents. Most recently, the Fukushima Daiichi disaster in Japan led to the evacuation of 90,000 residents who have yet to return home and to the resignation of the prime minister. It prompted the German government to begin phasing out all nuclear generation of electricity by 2022. Yet the industry has proved remarkably successful at garnering public support in the United States, ranging from public insurance against accident liability to loan guarantees. An article last year in The Wall Street Journal observed that subsidies per kilowatt hour during its initial stages of development far exceeded those provided to solar and wind energy technologies. According to a detailed report published by the Union of Concerned Scientists, subsidies to the nuclear fuel cycle have often exceeded the value of the power produced. Buying power on the open market and giving it away for free would have been less costly. Heightened concerns about safety have driven recent cost estimates even higher, scaring off most private investors. Travis Hoium, an analyst who has written extensively about the industry on the investment Web site The Motley Fool, calls nuclear power a dying business. In an article, “Warren Buffett Wants a Subsidy From You,” he clearly explains recent efforts to shift risk from investors to ratepayers by allowing utilities to charge for construction in advance. Investor interest in nuclear-generated electricity has declined partly as a result of the boom in shale gas extraction. But energy sources that don’t increase carbon emissions are also playing a major role, with wind, hydropower and other renewables projected to provide about 30 percent of expected additions to power generation capacity in the United States between 2010 and 2035.

#### SMRs empirically fail at commercialization

Magwood, commissioner – NRC, 7/14/’11

(William, “ECONOMICS AND SAFETY OF MODULAR REACTORS; COMMITTEE: SENATE APPROPRIATIONS; SUBCOMMITTEE: ENERGY AND WATER DEVELOPMENT,” CQ Congressional Testimony)

That is not to say that SMRs are a new idea. The conceptual benefits of small reactors have been the subject of discussion and analysis for decades, and all the potential benefits I've mentioned have been considered in the past. The potential advantages of smaller reactors prompted the government to provide considerable financial support for the development of the mid- size, passive-safety reactors in the 1990s and to encourage the pursuit of the pebble-bed modular reactor in the early years of this century.

Both efforts proved unable to overcome the economic realities of building and operating nuclear power plants realities that tend to penalize small reactors and reward larger designs. Thus, instead of the AP-600 and 500 megawatt Simplified Boiling Water Reactor of the early 1990s, the market pushed vendors to increase the size of their designs; today, vendors offer Generation III+ technologies based on those smaller systems the 1100 megawatt AP- 1000 and the 1600 megawatt Economic Simplified Boiling Water Reactor.2

Around the turn of the century, both DOE and industry became interested in the Pebble Bed Modular Reactor, or PBMR. This was a small, high-temperature gas-cooled reactor with a generating capacity of about 165 megawatts. This technology captured considerable media attention after U.S. companies became involved in an effort to build a commercial pilot in South Africa. However, as the high costs of the project became apparent, commercial participants began to peel away and eventually the South African project was abandoned.

All small reactor technologies of the past failed to find a way to overcome the fact that the infrastructure required to safely operate a nuclear power reactor of any size is considerable. Tons of steel and concrete are needed to construct containment buildings. Control rod drives, steam generators, and other key systems are **hugely expensive** to design and build. A larger plant with greater electric generating capacity simply has an inherently superior opportunity to recover these large up-front costs over a reasonable period.

So why is today different from yesterday? The greatest difference is the fact that the technology has evolved significantly over the years. Having learned lessons from the development of Generation III+ technologies and from the failure of previous small reactors, today's SMR vendors clearly believe they have solved the riddle of small reactor economics. They are presenting novel design approaches that could lead to significant improvements in nuclear safety. For example, design concepts that I have seen thus far further advance the use of passive safety systems, applying gravity, natural circulation, and very large inventories of cooling water to reduce reliance on human intervention during an emergency. SMR designs also apply novel technologies such as integral pressure vessels that contain all major system components and use fewer and smaller pipes and pumps, thereby reducing the potential for a serious loss-of- coolant accident.

Very importantly, these new SMRs are much smaller than the systems designed in the 1990s; this choice was made to assure that they could be factory-built and shipped largely intact by rail for deployment. The ability to "manufacture" a reactor rather than "constructing" it on-site could prove to be a major advantage in terms of cost, schedule reliability, and even quality control.

But will innovations like these allow this new breed of SMRs to be successful? Maybe.

Many years of work remain for SMR vendors to refine their designs and allow for the development of realistic and reliable cost estimates. **This is much the same state of affairs that existed in** the **2002** time frame when DOE launched the Nuclear Power 2010 program to spur the development and certification of Generation III+ designs such as the AP-1000. At that time, the level of design completeness was insufficient to enable vendors to provide utilities with reliable cost and schedule estimates.

## russia

#### US leadership on prolif-resistant nuclear energy cooperation fails, causes backlash that undermines nonproliferation

Hibbs 12

Mark Hibbs, Carnegie Nuclear Policy Program Senior Associate, 8/7/12, Negotiating Nuclear Cooperation Agreements, carnegieendowment.org/2012/08/07/negotiating-nuclear-cooperation-agreements/d98z

**U.S. resolve to include a no-ENR pledge in the body of new bilateral agreements will be seen** by some countries **as arrogant and unacceptable**. Incorporating ENR terms into side-letters or preambles may be less offensive. That approach would also more easily facilitate including reciprocal commitments by the United States into its 123 bargains with foreign countries. These might include guaranteeing nuclear fuel supply through participation in the U.S. fuel bank, facilitating the country’s access to other back-up sources of nuclear fuel, and, in the future, perhaps even taking back U.S.-origin spent fuel.

The outcome of any negotiation for a bilateral nuclear cooperation agreement will depend on the leverage both sides bring to the table. When the United States negotiated most of the 22 such agreements in force today, it was the world’s leading provider of nuclear technology, equipment, and fuel. As the examples of Jordan and Vietnam show, unlike half a century ago, nuclear newcomers today don’t need to buy American.

The vendor field is populated by firms in Argentina, Australia, Canada, the European Union, Japan, Kazakhstan, Namibia, Niger, Russia, and South Korea, and in the future they will be joined by others in China and India. Governments in these countries do not seek to establish a no-ENR requirement as a condition for foreign nuclear cooperation. Some of them, Australia and Canada for example, have strong nonproliferation track records. **Countries** now **seeking** to form **foreign industrial partnerships to set up nuclear power** programs **have numerous options and they will favor arrangements that provide them the most freedom and flexibility**.

**Equity in international nuclear affairs matters**. By negotiating with its partners voluntary political agreements, including side benefits to limit the application of sensitive technologies, instead of trying to legally **compel** them to make **concessions that are politically onerous, the U**nited **S**tates **can** serve its nonproliferation and security interests while **avoid**ing the **challenge to U.S. credibility** that would follow from rigid application of a one-size-fits-all policy.

The United States should show nonproliferation leadership by generally discouraging countries without enrichment and reprocessing capabilities from embarking in this direction. But negotiators need policy guidelines that provide for flexibility and encourage them to create incentives to get desired results. To some extent, the current policy may be informed by the insight that trying to negotiate no-ENR terms into the operative text of an agreement may fail, and that other approaches may be more productive. It also reflects the reality that U.S. leverage on nuclear trade is declining.

#### Turns exports and prolif

NEI 12

Nuclear Energy Institute, June 2012, H.R. 1280:

A Misguided Attempt to Control Enrichment and Reprocessing Technologies, http://www.nei.org/resourcesandstats/documentlibrary/newplants/whitepaper/white-paper--hr-1280-a-misguided-attempt-to-control-enrichment-and-reprocessing-technologies

The U.S. no longer plays a dominant role in the international nuclear market and, therefore, is in no position to insist that other countries renounce E&R capabilities. GAO figures show that, between 1994 and 2008, the U.S. share of global nuclear reactor and component exports fell from 11 percent to 7 percent, and fuel exports dropped from 29 percent to just 10 percent.5 Many countries still value U.S. cooperation agreements as a means to gain access to U.S. nuclear technology and trade privileges, and for the ability to handle U.S.-flagged items. But unlike in decades past, alternative sources of reactors, components and fuel are widely available.

The age of U.S. primacy on the international nuclear market is long over, and H.R. 1280’s **insistence that countries renounce E&R** as a condition of a U.S. nuclear cooperation agreement **amounts to a poison pill: no other sup- pliers demand such a concession**, and these suppliers will be the ones that benefit from nations that consider the signing away of E&R rights too steep a price for U.S. collaboration.

Countries Will Not Match the UAE’s Bilateral Commitment

The H.R. 1280 report points to the legally binding commitment by the UAE to forswear E&R in its bilateral nuclear cooperation agree- ment as the proper standard for all U.S. nu- clear cooperation agreements. But the UAE example involves a unique set of economic and political circumstances, and **if the U.S. insists** that **all partners for nuclear cooperation follow suit**, it is likely that **few, if any, additional nuclear cooperation agreements will be negotiated**.

As the H.R. 1280 report acknowledges, the UAE had already voluntarily adopted a national policy to renounce E&R before negotiations for a U.S.-UAE 123 agreement began. The UAE’s decision was likely made easier by the fact that E&R facilities in the UAE would not be profitable in the absence of plans to construct a large reactor fleet. And the UAE does not possess domestic uranium reserves that could supply facilities to enrich fuel for international markets.

The UAE’s acquiescence on E&R should be viewed in its unique context: in 2006, the U.S. Congress had expressed a strong lack of confidence in UAE, and blocked the UAE Government-owned firm Dubai Ports World from operating U.S. ports. Two years later, the UAE was understandably concerned that Congress would ask hard questions about its intentions in the course of considering the U.S.-UAE 123 agreement, and the renunciation of E&R in that agreement helped mute criticism. This set of circumstances is unlikely to be repeated in other cases.

#### Russia’s getting crushed by other producers

WNN 10, World Nuclear News, “India’s Nuclear Push”, September 23, <http://csis.org/blog/india%E2%80%99s-nuclear-push>

It’s happening– second-tier nuclear suppliers from China, South Korea, and now India are waking up to the opportunities that may emerge from intensified interest in nuclear power. India is entering the nuclear supply business at a time when new nuclear states are looking for alternatives to the huge, expensive reactors sold by the French, Russians, Japanese, Canadians, and Americans. Last year, Korea won the plum contract in the Middle East – a $20 billion agreement to build 4 nuclear power reactors in the United Arab Emirates. The UAE plans to construct a total of 10 reactors, using one contractor. China, while busily constructing nuclear power plants at home, will build a few new reactors in Pakistan and reportedly is interested in Turkish and Arab state plans to import. India will be next off the starting block of this export race. There’s no way to predict how price-competitive India’s export reactors will be. NPCIL is a public enterprise under the control of the government’s Department of Atomic Energy. One of the suggested virtues of the U.S.-India nuclear deal was that the Indian nuclear sector would be forced to clean up its act as foreign competition grew in India. One way for the NPCIL to become more self-sustaining is through exports. What will motivate nuclear power newcomers to buy Indian, Korean or Chinese? First, the reactor vendors from the advanced nuclear states are in disarray. AREVA has its much-publicized cost overruns in Olkiluoto; Japanese vendors do not have an export history; and Russian reactors were previously sold only in the Eastern bloc countries or allies. Russia will expand from reactors in India and Iran to potential contracts with Turkey and Vietnam.

#### 2. Ocean ecosystem is resilient –

#### A. deep-sea floor checks.

SOUTH BEND TRIBUNE, October 19, ‘95, p. A10

Rough estimates for the number of species on the deep-sea floor have now soared to 10 million or even 100 million, hundreds of times larger than the old projections of 200,000 species for all types of marine life. The new figures also contrast starkly with the sum of the earth's plants, animals and microbes that scientists have so far named, about 1.4 million species in all. And they match the 10 million to 100 million that experts had projected as possible totals for the number of terrestrial species. "It's changing our whole view about biodiversity," said Dr. P. John D. Lambshead, a marine biologist at the Natural History Museum in London who studies the abundance of deep ocean species. "The quantity of life we've found is incredible," he added in an interview. "All sorts of ecologic theories that looked good, based on terrestrial models, suddenly fall apart. We're having to change all our ideas."

#### B. massive size of oceans checks snowball and ensures slow timeframe.

Bjørn Lomborg, Director, Environmental Assessment Institute, THE SKEPTICAL ENVIRONMENTALIST, ‘1 p. 189

But the oceans are so incredibly big that our impact on them has been astoundingly insignificant - the oceans contain more than 1,000 billion liters of water. The UN’s overall evaluation of the oceans concludes: “The open sea is still relatively clean. Low levels of lead, synthetic compounds and artificial radionuclides, though widely detectable, are biologically insignificant. Oil slicks and litter are common among sea leans, but are, at present, a minor consequences to communities of organisms living in ocean waters.

#### Trade doesn’t solve war

Martin et. al. 8(Phillipe, University of Paris 1 Pantheon—Sorbonne, Paris School of Economics, and Centre for Economic Policy Research; Thierry MAYER, University of Paris 1 Pantheon—Sorbonne, Paris School of Economics, CEPII, and Centre for Economic Policy Research, Mathias THOENIG, University of Geneva and Paris School of Economics, The Review of Economic Studies 75)

Does globalization pacify international relations? The “liberal” view in political science argues that increasing trade flows and the spread of free markets and democracy should limit the incentive to use military force in interstate relations. This vision, which can partly be traced back to Kant’s Essay on Perpetual Peace (1795), has been very influential: The main objective of the European trade integration process was to prevent the killing and destruction of the two World Wars from ever happening again.1 Figure 1 suggests2 however, that during the 1870–2001 period, the correlation between trade openness and military conflicts is not a clear cut one. The first era of globalization, at the end of the 19th century, was a period of rising trade openness and multiple military conflicts, culminating with World War I. Then, the interwar period was characterized by a simultaneous collapse of world trade and conflicts. After World War II, world trade increased rapidly, while the number of conflicts decreased (although the risk of a global conflict was obviously high). There is no clear evidence that the 1990s, during which trade flows increased dramatically, was a period of lower prevalence of military conflicts, even taking into account the increase in the number of sovereign states.

#### Trade will never collapse

Ikenson, 9

[Daniel, associate director of the Center for Trade Policy Studies at the Cato Institute, “ A Protectionism Fling: Why Tariff Hikes and Other Trade Barriers Will Be Short-Lived,” March 12, 2009, http://www.cato.org/pub\_display.php?pub\_id=10651]

Although some governments will dabble in some degree of protectionism, the combination of a sturdy rules-based system of trade and the economic self interest in being open to participation in the global economy will limit the risk of a protectionist pandemic. According to recent estimates from the International Food Policy Research Institute, if all WTO members were to raise all of their applied tariffs to the maximum bound rates, the average global rate of duty would double and the value of global trade would decline by 7.7 percent over five years.8 That would be a substantial decline relative to the 5.5 percent annual rate of trade growth experienced this decade.9

But, to put that 7.7 percent decline in historical perspective, the value of global trade declined by 66 percent between 1929 and 1934, a period mostly in the wake of Smoot Hawley's passage in 1930.10 So the potential downside today from what Bergsten calls "legal protectionism" is actually not that "massive," even if all WTO members raised all of their tariffs to the highest permissible rates.

If most developing countries raised their tariffs to their bound rates, there would be an adverse impact on the countries that raise barriers and on their most important trade partners. But most developing countries that have room to backslide (i.e., not China) are not major importers, and thus the impact on global trade flows would not be that significant. OECD countries and China account for the top twothirds of global import value.11 Backsliding from India, Indonesia, and Argentina (who collectively account for 2.4 percent of global imports) is not going to be the spark that ignites a global trade war. Nevertheless, governments are keenly aware of the events that transpired in the 1930s, and have made various pledges to avoid protectionist measures in combating the current economic situation.

In the United States, after President Obama publicly registered his concern that the "Buy American" provision in the American Recovery and Reinvestment Act might be perceived as protectionist or could incite a trade war, Congress agreed to revise the legislation to stipulate that the Buy American provision "be applied in a manner consistent with United States obligations under international agreements." In early February, China's vice commerce minister, Jiang Zengwei, announced that China would not include "Buy China" provisions in its own $586 billion stimulus bill.12

But even more promising than pledges to avoid trade provocations are actions taken to reduce existing trade barriers. In an effort to "reduce business operating costs, attract and retain foreign investment, raise business productivity, and provide consumers a greater variety and better quality of goods and services at competitive prices," the Mexican government initiated a plan in January to unilaterally reduce tariffs on about 70 percent of the items on its tariff schedule. Those 8,000 items, comprising 20 different industrial sectors, accounted for about half of all Mexican import value in 2007. When the final phase of the plan is implemented on January 1, 2013, the average industrial tariff rate in Mexico will have fallen from 10.4 percent to 4.3 percent.13

And Mexico is not alone. In February, the Brazilian government suspended tariffs entirely on some capital goods imports and reduced to 2 percent duties on a wide variety of machinery and other capital equipment, and on communications and information technology products.14 That decision came on the heels of late-January decision in Brazil to scrap plans for an import licensing program that would have affected 60 percent of the county's imports.15

Meanwhile, on February 27, a new free trade agreement was signed between Australia, New Zealand, and the 10 member countries of the Association of Southeast Asian Nations to reduce and ultimately eliminate tariffs on 96 percent of all goods by 2020.

While the media and members of the trade policy community fixate on how various protectionist measures around the world might foreshadow a plunge into the abyss, there is plenty of evidence that governments remain interested in removing barriers to trade. Despite the occasional temptation to indulge discredited policies, there is a growing body of institutional knowledge that when people are free to engage in commerce with one another as they choose, regardless of the nationality or location of the other parties, they can leverage that freedom to accomplish economic outcomes far more impressive than when governments attempt to limit choices through policy constraints.

#### No widespread proliferation

Hymans 12

Jacques Hymans, USC Associate Professor of IR, 4/16/12, North Korea's Lessons for (Not) Building an Atomic Bomb, www.foreignaffairs.com/articles/137408/jacques-e-c-hymans/north-koreas-lessons-for-not-building-an-atomic-bomb?page=show

Washington's miscalculation is not just a product of the difficulties of seeing inside the Hermit Kingdom. It is also a result of the broader tendency to overestimate the pace of global proliferation. For decades, Very Serious People have predicted that strategic weapons are about to spread to every corner of the earth. **Such warnings have routinely proved wrong** - for instance, the intelligence assessments that led to the 2003 invasion of Iraq - but they continue to be issued. In reality, despite the diffusion of the relevant technology and the knowledge for building nuclear weapons, the world has been experiencing a great proliferation slowdown. Nuclear weapons programs around the world are taking much longer to get off the ground - and their failure rate is much higher - than they did during the first 25 years of the nuclear age.

As I explain in my article "Botching the Bomb" in the upcoming issue of Foreign Affairs, the key reason for the great proliferation slowdown is the absence of strong cultures of scientific professionalism in most of the recent crop of would-be nuclear states, which in turn is a consequence of their poorly built political institutions. In such dysfunctional states, the quality of technical workmanship is low, there is little coordination across different technical teams, and technical mistakes lead not to productive learning but instead to finger-pointing and recrimination. **These problems are debilitating**, and **they cannot be fixed** simply by bringing in more imported parts through illicit supply networks. In short, as a struggling proliferator, North Korea has a lot of company.

#### No domino theory—nonproliferation has zero utility

Potter 8

William C. Potter is Sam Nunn and Richard Lugar Professor of Nonproliferation Studies and Director of the James Martin Center for Nonproliferation Studies at the Monterey Institute of International Studies, Summer 2008, Divining Nuclear Intentions, http://muse.jhu.edu/journals/international\_security/v033/33.1.potter.pdf

Hymans is keenly aware of the deficiency of past proliferation projections, which he attributes in large part to the “tendency to use the growth of nuclear capabilities, stances toward the non-proliferation regime, and a general ‘roguishness’ of the state as proxies for nuclear weapons intentions” (p. 217). Such intentions, he believes, cannot be discerned without reference to leadership national identity conceptions, a focus that appears to have been absent to date in intelligence analyses devoted to forecasting proliferation.49

Hymans is equally critical of the popular notion that “the ‘domino theory’ of the twenty-first century may well be nuclear.”50 As he points out, **the new domino theory, like its discredited Cold War predecessor, assumes an oversimplified view about why and how decisions to acquire nuclear weapons are taken**.51 **Leaders’ nuclear preferences**, he maintains, “**are not** highly **contingent on what other states decide**,” and, therefore, “**proliferation tomorrow will** probably **remain as rare as proliferation today, with no single instance of proliferation causing a cascade of nuclear weapons states**” (p. 225). In addition, he argues, the domino thesis embraces “an exceedingly dark picture of world trends by lumping the truly dangerous leaders together with the merely self assertive ones,” and equating interest in nuclear technology with weapons intent (pp. 208209). Dire proliferation forecasts, both past and present, Hymans believes, flow from four myths regarding nuclear decisonmaking: (1) states want the bomb as a deterrent; (2) states seek the bomb as a “ticket to international status”; (3) states go for the bomb because of the interests of domestic groups; and (4) the international regime protects the world from a flood of new nuclear weapons states (pp. 208216). Each of these assumptions is faulty, Hymans contends, because of its fundamental neglect of the decisive role played by individual leaders in nuclear matters.

As discussed earlier, Hymans argues that the need for a nuclear deterrent is entirely in the eye of the beholder—a leader with an oppositional nationalist NIC. By the same token, just because some leaders seek to achieve interna tional prestige through acquisition of the bomb, it does not mean that other leaders “necessarily view the bomb as the right ticket to punch”: witness the case of several decades of Argentine leaders, as well as the Indian Nehruvians (pp. 211212). The case of Egypt under Anwar al-Sadat, though not discussed by Hymans, also seems to at this category.

Hymans’s focus on the individual level of analysis leads him to discount bu reaucratic political explanations for nuclear postures, as well. Central to his argument is the assumption that decisions to acquire nuclear weapons are taken “without the considerable vetting that political scientists typically assume precedes most important states choices” (p. 13). As such, although he is prepared to credit nuclear energy bureaucracies as playing a supporting role in the ef forts by Australia, France, and India to go nuclear, he does not observe their influence to be a determining factor in root nuclear decisions by national lead ers. Moreover, contrary to a central premise of Solingen’s model of domestic political survival, Hymans ands little evidence in his case studies of leaders pursuing nuclear weapons to advance their political interests (p. 213). For ex ample, he argues, the 1998 nuclear tests in India were as risky domestically for Vajpayee as they were internationally (p. 214).

Most provocatively, Hymans invokes an individual-centric mode of **analysis** to **challenge** **the necessity and utility of a strong international nonproliferation regime**. As discussed in a preceding section, **he finds no evidence that the NPT regime prevented any** of the **leaders who desired nuclear weapons from pursuing them**.

## china

#### Nuclear coop now

Mark Halper, Smart Planet, 7/3/12, Westinghouse enters U.S.-China nuclear collaboration, www.smartplanet.com/blog/intelligent-energy/westinghouse-enters-us-china-nuclear-collaboration/17252

Pittsburgh-based Westinghouse Electric Co. is playing a supporting role in the U.S. Department of Energy’s and China’s collaborative development of an alternative and potentially safer nuclear reactor - a project for which DOE has funded three U.S. universities, SmartPlanet has learned.

As I reported last week, DOE and the Chinese Academy of Sciences (CAS) have been quietly working together on a reactor design that uses a molten salt coolant auguring safer, more efficient and lower cost reactors that operate at higher temperatures than conventional water-cooled reactors.

The Chinese also intend to use liquid thorium molten salt fuel in a molten salt cooled reactor. Some experts believe that the combination of a liquid thorium fuel and a molten salt-coolant would provide a reactor that is much more efficient than today’s reactors, and that cannot melt down. Supporters claim that thorium molten salt reactors would yield waste that lasts for only hundreds of years instead of uranium’s tens of thousands, and from which it is far more difficult to build a bomb.

Acting Westinghouse CEO Shigenori Shiga.

The U.S. developed a thorium molten salt reactor in the 1960s at Oak Ridge National Laboratory, but abandoned it in favor of more weapons-prone uranium reactors during the Cold War, a story which author Richard Martin tells vividly in his new book, SuperFuel.

Following my report last week based on a purportedly leaked Chinese Academy of Sciences presentation, a DOE spokeswoman confirmed for me that DOE signed an agreement with CAS last December for “cooperation in nuclear energy sciences and technologies.”

Pete Lyons, assistant DOE secretary for nuclear energy, said in an email sent by the spokesperson that,

 “These collaborations will strengthen cooperation between the U.S. and China around next generation nuclear technology, helping to advance mutually beneficial technological advancements and grow civilian nuclear power as a safe, reliable and clean source of energy for both countries.”

No nuclear exports—bureaucracy and foreign government competition

NEI, Nuclear Energy Institute, Winter ‘12

(“U.S. Nuclear Export Rules Hurt Global Competitiveness,” <http://www.nei.org/resourcesandstats/publicationsandmedia/insight/insightwinter2012/us-nuclear-export-rules-hurt-global-competitiveness/>)

Today, U.S. dominance of the global nuclear power market has eroded as suppliers from other countries **compete aggressively against American exporters.** U.S. suppliers confront competitors that benefit from various forms of state promotion and also must contend with a U.S. government that has not adapted to new commercial realities. The potential is tremendous—$500 billion to $740 billion in international orders over the next decade, representing tens of thousands of potential American jobs, according to the U.S. Department of Commerce.

With America suffering a large trade deficit, nuclear goods and services represent a market worth aggressive action.

However, antiquated U.S. government approaches to nuclear exports are challenging U.S. competitiveness in the nuclear energy market. New federal support is needed if the United States wants to reclaim dominance in commercial nuclear goods and services—and create the jobs that go with them.

“The U.S. used to be a monopoly supplier of nuclear materials and technology back in the ’50s and ’60s,” said Fred McGoldrick, former director of the Office of Nonproliferation and Export Policy at the State Department. “That position has eroded to the point where we’re a minor player compared to other countries.”

America continues to lead the world in technology innovation and know-how. So what are the issues? And where is the trade?

Effective coordination among the many government agencies involved in nuclear exports would provide a boost to U.S. suppliers.

 “Multiple U.S. agencies are engaged with countries abroad that are developing nuclear power, from early assistance to export controls to trade finance and more,” said Ted Jones, director for supplier international relations at NEI. The challenge is to create a framework that allows commercial nuclear trade to grow while ensuring against the proliferation of nuclear materials.

 “To compete in such a situation, an ongoing dialogue between U.S. suppliers and government needs to be conducted and U.S. trade promotion **must be coordinated at the highest levels**,” Jones said.

Licensing U.S. Exports

Jurisdiction for commercial nuclear export controls is divided among the Departments of Energy and Commerce and the Nuclear Regulatory Commission and has not been comprehensively updated to coordinate among the agencies or to reflect economic and technological changes over the decades. The State Department also is involved in international nuclear commerce. It negotiates and implements so-called “123 agreements” that allow for nuclear goods and services to be traded with a foreign country.

The federal agencies often have different, conflicting priorities, leading to a lack of clarity for exporters and longer processing times for export licenses.

“The U.S. nuclear export regime is the **most complex and restrictive in the world** and the least efficient,” said Jones. “Furthermore, it is poorly focused on items and technologies that pose little or no proliferation concern. By trying to protect too much, we risk diminishing the focus on sensitive technologies and handicapping U.S. exports.”

A case in point is the Energy Department’s Part 810 regulations. While 123 agreements open trade between the United States and other countries, Part 810 regulates what the United States can trade with another country. For certain countries, **it can take more than a year to obtain “specific authorizations”** to export nuclear items. Because other supplier countries authorize exports to the same countries with fewer requirements and delays, the Part 810 rules translate into a significant competitive disadvantage for U.S. suppliers.

Today, 76 countries require a specific authorization, but DOE has proposed almost doubling that number—to include for the first time countries that have never demonstrated a special proliferation concern, that are already part of the global nuclear supply chain, and that plan new nuclear infrastructure.

The proposed Part 810 rule would do nothing to reduce lengthy license processing times, said Jones. Other nuclear supplier countries impose strict guidelines on their licensing agencies for timely processing of applications. Equivalent licenses must be processed in fewer than nine months in France, fewer than 90 days in Japan and 15 days in South Korea.

One possible solution, said McGoldrick, would be to set similar deadlines for issuance of licenses. U.S. agencies “could have deadlines set forth in the new [Part 810] regulations, which would give the relevant government agencies specified times in which to act on a license. Time could be exceeded only under certain circumstances,” said McGoldrick.

Instituting Same Rules for Everyone

At stake is not just the nation’s manufacturing base, but thousands of jobs. In 2008, all exports supported more than 10 million jobs, according to “The Report to the President on the National Export Initiative.” One of the report’s recommendations was to expand opportunities for U.S. commercial nuclear exports.

#### Data disproves hegemony impacts

Fettweis, 11

Christopher J. Fettweis, Department of Political Science, Tulane University, 9/26/11, Free Riding or Restraint? Examining European Grand Strategy, Comparative Strategy, 30:316–332, EBSCO

It is perhaps worth noting that there is no evidence to support a direct relationship between the relative level of U.S. activism and international stability. In fact, the limited data we do have suggest the opposite may be true. During the 1990s, the United States cut back on its defense spending fairly substantially. By 1998, the United States was spending $100 billion less on defense in real terms than it had in 1990.51 To internationalists, defense hawks and believers in hegemonic stability, this irresponsible “peace dividend” endangered both national and global security. “No serious analyst of American military capabilities,” argued Kristol and Kagan, “doubts that the defense budget has been cut much too far to meet America’s responsibilities to itself and to world peace.”52 On the other hand, if the pacific trends were not based upon U.S. hegemony but a strengthening norm against interstate war, one would not have expected an increase in global instability and violence.

The verdict from the past two decades is fairly plain: The world grew more peaceful while the United States cut its forces. No state seemed to believe that its security was endangered by a less-capable United States military, or at least none took any action that would suggest such a belief. No militaries were enhanced to address power vacuums, no security dilemmas drove insecurity or arms races, and no regional balancing occurred once the stabilizing presence of the U.S. military was diminished. The rest of the world acted as if the threat of international war was not a pressing concern, despite the reduction in U.S. capabilities. Most of all, the United States and its allies were no less safe. The incidence and magnitude of global conflict declined while the United States cut its military spending under President Clinton, and kept declining as the Bush Administration ramped the spending back up. No complex statistical analysis should be necessary to reach the conclusion that the two are unrelated.

Military spending figures by themselves are insufficient to disprove a connection between overall U.S. actions and international stability. Once again, one could presumably argue that spending is not the only or even the best indication of hegemony, and that it is instead U.S. foreign political and security commitments that maintain stability. Since neither was significantly altered during this period, instability should not have been expected. Alternately, advocates of hegemonic stability could believe that relative rather than absolute spending is decisive in bringing peace. Although the United States cut back on its spending during the 1990s, its relative advantage never wavered.

However, even if it is true that either U.S. commitments or relative spending account for global pacific trends, then at the very least stability can evidently be maintained at drastically lower levels of both. In other words, even if one can be allowed to argue in the alternative for a moment and suppose that there is in fact a level of engagement below which the United States cannot drop without increasing international disorder, a rational grand strategist would still recommend cutting back on engagement and spending until that level is determined. Grand strategic decisions are never final; continual adjustments can and must be made as time goes on. Basic logic suggests that the United States ought to spend the minimum amount of its blood and treasure while seeking the maximum return on its investment. And if the current era of stability is as stable as many believe it to be, no increase in conflict would ever occur irrespective of U.S. spending, which would save untold trillions for an increasingly debt-ridden nation.

It is also perhaps worth noting that if opposite trends had unfolded, if other states had reacted to news of cuts in U.S. defense spending with more aggressive or insecure behavior, then internationalists would surely argue that their expectations had been fulfilled. If increases in conflict would have been interpreted as proof of the wisdom of internationalist strategies, then logical consistency demands that the lack thereof should at least pose a problem. As it stands, the only evidence we have regarding the likely systemic reaction to a more restrained United States suggests that the current peaceful trends are unrelated to U.S. military spending. Evidently the rest of the world can operate quite effectively without the presence of a global policeman. Those who think otherwise base their view on faith alone.

#### No challengers

Kaplan, senior fellow – Center for a New American Security, and Kaplan, frmr. vice chairman – National Intelligence Council, ‘11

(Robert D and Stephen S, “America Primed,” *The National Interest*, March/April)

But in spite of the seemingly inevitable and rapid diminution of U.S. eminence, to write America’s great-power obituary is beyond premature. The United States remains a highly capable power. Iraq and Afghanistan, as horrendous as they have proved to be—in a broad historical sense—are still relatively minor events that America can easily overcome. The eventual demise of empires like those of Ming China and late-medieval Venice was brought about by far more pivotal blunders.

Think of the Indian Mutiny against the British in 1857 and 1858. Iraq in particular—ever so frequently touted as our turning point on the road to destruction—looks to some extent eerily similar. At the time, orientalists and other pragmatists in the British power structure (who wanted to leave traditional India as it was) lost some sway to evangelical and utilitarian reformers (who wanted to modernize and Christianize India—to make it more like England). But the attempt to bring the fruits of Western civilization to the Asian subcontinent was met with a violent revolt against imperial authority. Delhi, Lucknow and other Indian cities were besieged and captured before being retaken by colonial forces. Yet, the debacle did not signal the end of the British Empire at all, which continued on and even expanded for another century. Instead, it signaled the transition from more of an ad hoc imperium fired by a proselytizing lust to impose its values on others to a calmer and more pragmatic empire built on international trade and technology.1 There is no reason to believe that the fate of America need follow a more doomed course.

Yes, the mistakes made in Iraq and Afghanistan have been the United States’ own, but, though destructive, they are not fatal. If we withdraw sooner rather than later, the cost to American power can be stemmed. Leaving a stable Afghanistan behind of course requires a helpful Pakistan, but with more pressure Washington might increase Islamabad’s cooperation in relatively short order.

In terms of acute threats, Iran is the only state that has exported terrorism and insurgency toward a strategic purpose, yet the country is economically fragile and politically unstable, with behind-the-scenes infighting that would make Washington partisans blanch. Even assuming Iran acquires a few nuclear devices—of uncertain quality with uncertain delivery systems—the long-term outlook for the clerical regime is itself unclear. The administration must only avoid a war with the Islamic Republic.

To be sure, America may be in decline in relative terms compared to some other powers, as well as to many countries of the former third world, but in absolute terms, particularly military ones, the United States can easily be the first among equals for decades hence.

China, India and Russia are the only major Eurasian states prepared to wield military power of consequence on their peripheries. And each, in turn, faces its own obstacles on the road to some degree of dominance.

The Chinese will have a great navy (assuming their economy does not implode) and that will enforce a certain level of bipolarity in the world system. But Beijing will lack the alliance network Washington has, even as China and Russia will always be—because of geography—inherently distrustful of one another. China has much influence, but no credible military allies beyond possibly North Korea, and its authoritarian regime lives in fear of internal disruption if its economic growth rate falters. Furthermore, Chinese naval planners look out from their coastline and see South Korea and a string of islands—Japan, Taiwan and Australia—that are American allies, as are, to a lesser degree, the Philippines, Vietnam and Thailand. To balance a rising China, Washington must only preserve its naval and air assets at their current levels.

India, which has its own internal insurgency, is bedeviled by semifailed states on its borders that critically sap energy and attention from its security establishment, and especially from its land forces; in any case, India has become a de facto ally of the United States whose very rise, in and of itself, helps to balance China.

Russia will be occupied for years regaining influence in its post-Soviet near abroad, particularly in Ukraine, whose feisty independence constitutes a fundamental challenge to the very idea of the Russian state. China checks Russia in Central Asia, as do Turkey, Iran and the West in the Caucasus. This is to say nothing of Russia’s diminishing population and overwhelming reliance on energy exports. Given the problems of these other states, America remains fortunate indeed.

The United States is poised to tread the path of postmutiny Britain. America might not be an empire in the formal sense, but its obligations and constellation of military bases worldwide put it in an imperial-like situation, particularly because its air and naval deployments will continue in a post-Iraq and post-Afghanistan world. No country is in such an enviable position to keep the relative peace in Eurasia as is the United States—especially if it can recover the level of enduring competence in national-security policy last seen during the administration of George H. W. Bush. This is no small point. America has strategic advantages and can enhance its power while extricating itself from war. But this requires leadership—not great and inspiring leadership which comes along rarely even in the healthiest of societies—but plodding competence, occasionally steely nerved and always free of illusion.

## 2nc

## AT: “W/M: Our Regulation Decreases Production”

Restrictions must be a formal prohibition, not an INDUCEMENT

Groves 97

 GROVES 97

Sourcebook on Intellectual Property Law

 Dr Peter J Groves, LLB, MA, PhD, MITMA, Solicitor

 Then I come to the word 'restrict', A person though not prohibited is restricted from using something if he is permitted to use it to a certain extent or subject to certain conditions but otherwise obliged not to use it, but I do not think that a person is properly said to be restricted from using something by a condition the effect of which is to offer him some inducement not to use it, or in some other way to influence his choice. To my mind, the more natural meaning here is restriction of the licensee's right to use the article and I am fortified in that opinion by two considerations. If I am right in thinking that 'require' and 'prohibit' refer to legal obligations to buy or not to use, I see nothing to suggest that 'restrict' is used in quite a different sense which has nothing to do with legal obligation but which relates to financial disadvantage. And, second, to say that the effect will be to restrict seems to me much more appropriate if restriction refers to restriction of the licensee's right to use than it would be if restriction refers to an inducement not to use. The legality of the condition has to be determined at the time when the licence is granted and if the terms of the conditions are such as to restrict the licensee's right to use an article in certain circumstances then it can properly be said that its effect will be to restrict him from using it. But if, as in the present case, all that can be said is that the effect of the condition in some circumstances will be to offer a financial advantage, which may be considerable or may be small, if the licensee uses the licensor's goods, I do not see how it can be said that its effect will be to restrict the licensee from using other goods. The licensee may be influenced by this financial advantage or he may, perhaps for good reason, choose to disregard it; it is impossible to say in advance what the effect will be.

## 2nc accidents n/b

Koplow says a single accident turns the case—governments and industry will instantly abandon nuclear. That’s true even for a small accident

Koplow, United Nations Environment Programme's Working Group on Economic Instruments, MBA – Harvard, and Vancko, project manager – nuclear/climate @ UCS, ‘11

(Doug and Ellen, “Nuclear Power: Still Not Viable without Subsidies,” Union of Concerned Scientists, February)

Although the probability of a large nuclear accident within the United States is considered quite low, that risk is not zero. Further, the dam­ages from even a moderate accident are potentially so enormous that they would likely bankrupt the firm involved. Costs resulting from a large release of radiation from a damaged nuclear reactor or spent-fuel pool at a U.S. facility could exceed $100 billion (Beyea, Lyman, and von Hippel 2004, cited in Lochbaum 2007).

Moreover, risks in the nuclear power indus­try are systemic. An accident in one place has ripple effects throughout the industry, given that many reactors rely on the same technologies, were built by the same contractors, or employ similar defenses (in the case of a terrorist attack). Even when systems and technologies are not overlap­ping, an accident anywhere raises public concern everywhere, and reactor oversight (and associated regulatory and remediation compliance costs) are likely to rise.

## 2nc bubble n/b—SMR

Government subsidies make the SMR industry unsustainable

Spencer, research fellow in nuclear energy – Heritage Foundation, and Loris, research associate for energy – Heritage, 2/2/’11

(Jack and Nicolas, <http://www.heritage.org/research/reports/2011/02/a-big-future-for-small-nuclear-reactors>)

Small modular reactors (SMRs) have garnered significant attention in recent years, with companies of all sizes investing in these smaller, safer, and more cost-efficient nuclear reactors. Utilities are even forming partnerships with reactor designers to prepare for potential future construction. Perhaps most impressive is that most of this development is occurring without government involvement. Private investors and entrepreneurs are dedicating resources to these technologies based on their future prospects, not on government set-asides, mandates, or subsidies, and despite the current regulatory bias in favor of large light water reactors (LWRs).

The result is a young, robust, innovative, and growing SMR industry. Multiple technologies are being proposed that each have their own set of characteristics based on price, fuel, waste characteristics, size, and any number of other variables. To continue this growth, policymakers should reject the temptation to offer the same sort of subsidies and government programs that have proven ineffective for large LWRs. While Department of Energy cost-sharing programs and capital subsidies seem attractive, they have yet to net any new reactor construction. Instead, policymakers should focus on the systemic issues that have continued to thwart the expansion of nuclear power in recent years. Specifically, the federal government needs to develop an efficient and predictable regulatory pathway to new reactor certification and to develop a sustainable nuclear waste management strategy.

Why SMRs?

Small modular reactors share many of the attractive qualities of large reactors, such as providing abundant emissions-free power, while adding new features that could make them more appropriate for certain applications, such as providing power to rural communities or for dedicated industrial use. SMRs are not yet positioned to take the place of traditional large LWRs, but they represent an important growth area for the commercial nuclear industry.

Indeed, should the promise of small modular reactors be realized, the technology could transform the nuclear industry. That is because these attributes would potentially mitigate some of the financial and regulatory problems that nuclear energy has recently faced. SMRs potentially cost less (at least in up-front capital), are more mobile and multifunctional, provide competition, and can largely be produced by existing domestic infrastructure.

Lower Costs Up Front. Large reactors are very expensive to license and construct and require massive up-front capital investments to begin a project. Small reactors, while providing far less power than large reactors, can be built in modules and thus be paid for over time. For example, estimates for larger reactors range from $6 billion to $10 billion and must be financed all at once. The Babcock & Wilcox Company’s modular mPower reactors, alternatively, can be purchased in increments of 125 megawatts (MW), which would allow costs to be spread out over time. Though cost estimates are not yet available for the mPower reactor, its designers have stated that they will be competitive. This should not be used as a reason to refrain from building larger, 1,000-plus MW reactors. Each utility will have its own set of variables that it must consider in choosing a reactor technology, but given that one of the primary justifications for government subsidies is that the high costs of large reactors puts unacceptable strain on utility balance sheets, an option that spreads capital outlays over time should be attractive.

Safe Installation in Diverse Locations. Some designs are small enough to produce power for as few as 20,000 homes. One such reactor, Hyperion Power’s HPM (Hyperion Power Module) offers 25 MW of electricity for an advertised cost of $50 million per unit. This makes the HPM a potential power solution for isolated communities or small cities.[1] The Alaskan town of Galena, for example, is planning to power its community with a small reactor designed by Toshiba, while Fairbanks is looking into a small plant constructed by Hyperion.[2] In addition, Western Troy Capital Resources has stated that it will form a private corporation to provide electric power from small reactors for remote locations in Canada.[3] Public utility officials in Grays Harbor, Washington, have spoken with the NuScale Power company about powering the community with eight small nuclear plants;[4] and Hyperion Power has reported a high level of interest in small nuclear reactor designs from islands around the world.[5]

Using a small nuclear reactor could cut electricity costs in isolated areas since there would be no need for expensive transmission lines to carry power to remote locations.[6] SMRs could also potentially be integrated into existing energy infrastructure. SMRs could be built into old coal plants, for instance. The reactors would replace the coal boilers and be hooked into the existing turbines and distribution lines. According to the Nuclear Regulatory Commission, these modifications could be completed safely since small reactors will likely be easier to control during times of malfunction.[7]

Multi-functionality. SMRs can be used in a variety of applications that have substantial power and heat requirements. The chemical and plastics industries and oil refineries all use massive amounts of natural gas to fuel their operations. Similarly, small reactors could produce the heat needed to extract oil from tar sands, which currently requires large amounts of natural gas. While affordable today, natural gas prices vary significantly over time, so the long-term predictable pricing that nuclear provides could be very attractive. SMRs may also provide a practical solution for desalination plants (which require large amounts of electricity) that can bring fresh water to parts of the world where such supplies are depleting.[8] Perhaps most important, is that SMRs have the potential to bring power and electricity to the 1.6 billion people in the world today that have no access to electricity, and to the 2.4 billion that rely on biomass, such as wood, agricultural residue, and dung for cooking and heating.[9]

Competition. While competition among large nuclear-reactor technologies currently exists, small reactors will add a new dimension to nuclear-reactor competition. Multiple small technology designs are set to emerge on the market. Not only will competition among small reactors create a robust market, it will also provide an additional incentive for large reactors to improve. If smaller reactors begin to capture a share of the nuclear market and the energy market at large, it will drive innovation and ultimately lower prices for both new and existing technologies.

Domestic Production. Although the nuclear industry necessarily shrank to coincide with decreased demand, much of the domestic infrastructure remains in place today and could support the expansion of small-reactor technologies. Although the industrial and intellectual base has declined over the past three decades, forging production, heavy manufacturing, specialized piping, mining, fuel services, and skilled labor could all be found in the United States. Lehigh Heavy Forge Corporation in Bethlehem, Pennsylvania, could build the forges while Babcock & Wilcox could provide the heavy nuclear components, for instance. AREVA/Northrop Grumman Shipbuilding broke ground on a heavy components manufacturing facility last June.[10] Further, a number of companies are expanding manufacturing, engineering, and uranium enrichment capabilities—all in the United States.

If SMRs Are So Great, Where Is the Construction?

While some designs are closer to market introduction than others, the fact is that America’s regulatory and policy environment is not sufficient to support a robust expansion of existing nuclear technologies, much less new ones. New reactor designs are difficult to license efficiently, and the lack of a sustainable nuclear waste management policy causes significant risk to private investment.

Many politicians are attempting to mitigate these market challenges by offering subsidies, such as Loan Guarantees. While this approach still enjoys broad support in Congress and industry, the reality is that it has not worked. Despite a lavish suite of subsidies offered in the Energy Policy Act of 2005, including Loan Guarantees, insurance against government delays, and production tax credits, no new reactors have been permitted, much less constructed. These subsidies are in addition to existing technology development cost-sharing programs that have been in place for years and defer significant research and development costs from industry to the taxpayer.

The problem with this approach is that it ignores the larger systemic problems that create the unstable marketplace to begin with. These systemic problems generally fall into three categories:

Licensing. The Nuclear Regulatory Commission (NRC) is ill prepared to build the regulatory framework for new reactor technologies, and no reactor can be offered commercially without an NRC license. In a September 2009 interview, former NRC chairman Dale E. Klein said that small nuclear reactors pose a dilemma for the NRC because the commission is uneasy with new and unproven technologies and feels more comfortable with large light water reactors, which have been in operation for years and has a long safety record.[11] The result is that enthusiasm for building non-light-water SMRs is generally squashed at the NRC as potential customers realize that there is little chance that the NRC will permit the project within a timeframe that would promote near-term investment. So, regardless of which attributes an SMR might bring to the market, the regulatory risk is such that real progress on commercialization is difficult to attain. This then leaves large light water reactors, and to a lesser extent, small ones, as the least risky option, which pushes potential customers toward that technology, which then undermines long-term progress, competition, and innovation.

Nuclear Waste Management. The lack of a sustainable nuclear waste management solution is perhaps the greatest obstacle to a broad expansion of U.S. nuclear power. The federal government has failed to meet its obligations under the 1982 Nuclear Waste Policy Act, as amended, to begin collecting nuclear waste for disposal in Yucca Mountain. The Obama Administration’s attempts to shutter the existing program to put waste in Yucca Mountain without having a backup plan has worsened the situation. This outcome was predictable because the current program is based on the flawed premise that the federal government is the appropriate entity to manage nuclear waste. Under the current system, waste producers are able to largely ignore waste management because the federal government is responsible. The key to a sustainable waste management policy is to directly connect financial responsibility for waste management to waste production. This will increase demand for more waste-efficient reactor technologies and drive innovation on waste-management technologies, such as reprocessing. Because SMRs consume fuel and produce waste differently than LWRs, they could contribute greatly to an economically efficient and sustainable nuclear waste management strategy.

Government Intervention. Too many policymakers believe that Washington is equipped to guide the nuclear industry to success. So, instead of creating a stable regulatory environment where the market value of different nuclear technologies can determine their success and evolution, they choose to create programs to help industry succeed. Two recent Senate bills from the 111th Congress, the Nuclear Energy Research Initiative Improvement Act (S. 2052) and the Nuclear Power 2021 Act (S. 2812), are cases in point. Government intervention distorts the normal market processes that, if allowed to work, would yield the most efficient, cost-effective, and appropriate nuclear technologies. Instead, the federal government picks winners and losers through programs where bureaucrats and well-connected lobbyists decide which technologies are permitted, and provides capital subsidies that allow investors to ignore the systemic problems that drive risk and costs artificially high. This approach is especially detrimental to SMRs because subsidies to LWRs distort the relative benefit of other reactor designs by artificially lowering the cost and risk of a more mature technology that already dominates the marketplace.

How to Fix a Broken System

At the Global Nuclear Renaissance Summit on July 24, 2008, then-NRC chairman Dale Klein said that a nuclear renaissance with regard to small reactors will take “decades to unfold.”[12] If Members of Congress and government agencies do not reform their current approach to nuclear energy, this will most certainly be the case. However, a new, market-based approach could lead to a different outcome. Instead of relying on the policies of the past, Congress, the Department of Energy, and the NRC should pursue a new, 21st-century model for small and alternative reactor technologies by doing the following:

Reject additional Loan Guarantees. Loan Guarantee proponents argue that high up-front costs of new large reactors make them unaffordable without Loan Guarantees. Presumably, then, a smaller, less expensive modular option would be very attractive to private investors even without government intervention. But Loan Guarantees undermine this advantage by subsidizing the capital costs and risk associated with large reactors. A small reactor industry without Loan Guarantees would also provide competition and downward price pressure on large light water reactors. At a minimum, Congress should limit guarantees to no more than two plants of any reactor design and limit to two-thirds the amount of any expanded Loan Guarantee program that can support a single technology. Such eligibility limits will prevent support from going only to a single basic technology, such as large light water reactors.[13]

Avoid subsidies. Subsidies do not work if the objective is a diverse and economically sustainable nuclear industry. Despite continued attempts to subsidize the nuclear industry into success, the evidence demonstrates that such efforts invariably fail. The nuclear industry’s success stories are rooted in the free market. Two examples include the efficiency and low costs of today’s existing plants, and the emergence of a private uranium enrichment industry. Government intervention is the problem, as illustrated by the government’s inability to meet its nuclear waste disposal obligations.

## 2nc ov

Prefer all our evidence—poor administration of subsidies makes cost overruns and accidents more likely and prevent long term growth

Koplow, United Nations Environment Programme's Working Group on Economic Instruments, MBA – Harvard, and Vancko, project manager – nuclear/climate @ UCS, ‘11

(Doug and Ellen, “Nuclear Power: Still Not Viable without Subsidies,” Union of Concerned Scientists, February)

4.1.1.2. Problematic Incentive Structure Increases Risk of Loss, Size of Subsidy

The Title XVII Loan Guarantees place the fed­eral taxpayer as guarantor of approved projects. Although the program does require lenders to “prepay” their estimated default risk prior to bor­rowing, the overall control structures on the large credit facility are weak within the DOE, the cur­rent program administrator (DOE 2009b; GAO 2008b; GAO 2010). Movement of the program to CEDA seems unlikely to improve things, as the control structure set out in the enabling legisla­tion also appears quite weak. Key structural risks involve underestimating default risks, poor incen­tive alignment between loan agents and project success, and systemic risks with nuclear power that suggest the recovery-rate assumptions for the general energy segment are too optimistic for nuclear-related lending.

Underestimating default risks. The current DOE program requires that borrowers, other spon­sors, or Congress prepay the expected default risk and administrative costs of a particular loan com­mitment. If these estimates are too low, taxpayers will pay for the shortfalls, with no approval from Congress or the White House needed. Estimating default risks in advance for single commitments to large and complex projects is much more dif­ficult than trying to estimate the performance of a diversified portfolio of projects. Clearly, lenders do not purposely provide funds to failing projects, and borrowers will spin projects as positively as they can to get the money.

Table 6 illustrates the challenges of coming up with reliable risk premiums, with a wide divergence in risk expectations. Company-produced data on Calvert Cliffs 3 show a doubling of risk premiums between 2007 and 2008, though even the higher end point probably remains far too low. The OMB placeholder risk estimate remains well above even the upper-end value put forth by the DOE. One DOE official in the loan-guarantee office remarked that the default profile of advanced energy loans was expected to be similar (at about 1.5 percent) to those made through OPIC, with technology risk offsetting country risk for the export-finance deals (Corrigan 2008). Yet the export-finance commit­ments are for smaller deals, and for many more of them—diversified not only across countries but many sectors as well.

Although both the Government Accountability Office (GAO) and the CBO have concluded that there are high risks of underestimating the default risks of commitments,27 the nuclear industry has used the default-prepayment requirement to argue that it is receiving no subsidies at all from the program. For example, Richard Myers of the NEI argued that a “subsidy is when the federal government makes a payment to a private party. The DOE Loan Guarantee program works the other way around. The private parties make payments to the federal government in order to receive the Loan Guarantees. That’s not a subsidy” (Myers 2007).28

If there were no clear financial benefit to the program, the industry would not be pushing so hard to create and expand it. In fact, in a January 2009 review of policies supporting nuclear power plant development, the NEI took a very different stance on the Loan Guarantees than in 2007, not­ing that, “To support financing of new nuclear plants, the most useful federal incentive is the Loan Guarantee program established by Title XVII of the Energy Policy Act of 2005” (NEI 2009: 4). Modeling of the levelized cost of electricity by the Congressional Research Service confirmed this general view, finding that “Loan Guarantees can turn nuclear power from a high-cost technology to a relatively low-cost option” (Kaplan 2008).

Nonetheless, the NEI used this “no subsidy” argument to push for excluding the Loan Guarantee program from FCRA oversight, a move that “would have given DOE essentially unlimited Loan Guarantee authority under EPACT” (Holt 2009: 7). Although prior efforts to bypass FCRA did not succeed, the nuclear industry continues to pursue this objective through federal energy and climate legislation.

Poor alignment between loan agents and program success. Many entrepreneurial finance models use co-investment and equity participa­tion to align the interests of the funder with the long-term success of the funded venture. The gov­ernment officials responsible for approving large high-risk loans have no such alignment. None of their personal money is at risk, they do not have equity in successful projects, and most failures will occur after they have moved on to other jobs. Debt guarantees provide another example. Because the government can cover the entire debt portion of deals, most of the deals will have no private debt providers. An important layer of due diligence and deal review is thus eliminated. Oversight problems, combined with very-high-value instruments, sug­gest that the program could be a target for politi­cal pressure in award decisions 29 (Koplow 2007a). Such pressures were clearly evident in the Fannie Mae mortgage program, an initiative with much smaller deal sizes.

Systemic risks in nuclear defaults magnify loss risks. The OMB’s (2008) credit subsidy cost estimate assumes that 50 percent of the defaulted value of the Loan Guarantees can be recovered through subsequent restructuring. While the docu­ment acknowledges that the estimate is not empiri­cal, a number of attributes suggest that recovery rates may be lower for nuclear power than most other energy technologies. The very factors that contribute to the bankruptcy could also result in much larger markdowns in the value of nuclear assets: technical problems with a reactor design, a shift in the market value for electricity, or a significant reactor accident somewhere in the world. Post-bankruptcy, government trustees would confront an operational reality with few alternative management teams able to step in to run the reactors—especially if the bankruptcy occurred prior to completion. Neither the prospect of nationalizing the reactor nor simply writing down the debt and allowing the old managers to stay in place is particularly appealing.

## 2nc bubble n/b

That turns the case—cost increases destroy the industry’s competitiveness and stifle long-term growth

Cooper, senior research fellow for economic analysis – Institute for Energy and the Environment @ Vermont Law School, PhD – Yale University, ‘10

(Mark, “POLICY CHALLENGES OF NUCLEAR REACTOR CONSTRUCTION: COST ESCALATION AND CROWDING OUT ALTERNATIVES,” September)

Looking back on the history of the construction costs of nuclear reactors that were actually built and the current experience of construction and cost estimation presents a sobering view. The promise of low cost power was never met and repeated assurances that costs could soon be under control were never fulfilled. In 1981 Bupp and Derian shined a spotlight on this endless, unjustified optimism by citing a 1975, Public Utility Fortnightly article that gushed about the benefits of nuclear reactors.

The enormous benefits of nuclear power were reflected in an early 1975 Public Utilities Fortnightly survey of all American utilities that operated nuclear power plants as part of their electrical generating systems. The 24 companies concluded that ―the peaceful atom‖ had saved their customers more than $750 million in their 1974 bills that they would have owed had their electricity come from fossil fuels. They also reported that in the same year ―power from the atom‖ had saved ―the equivalent of more than 247 million barrels of oil.‖73

The skepticism expressed early on by Bupp and Derian was ratified by in a dramatic 1985 cover story in Forbes magazine.

The failure of the U.S. nuclear power program ranks as the largest managerial disaster in business history, a disaster on a monumental scale. The utility industry has already invested $125 billion in nuclear power, with an additional $140 billion to come before the decade is out, and only the blind, or the biased, can now think that most of the money has been well spent. It is a defeat for the U.S. consumer and for the competitiveness of U.S. industry, for the utilities that undertook the program and for the private enterprise system that made it possible.74

What happened in that decade to so dramatically change the perception of nuclear reactors? From an economic point of view, this paper has shown that nothing much had changed. As shown in Exhibit V-1, all that happened was that the cost escalation problems inherent in nuclear reactor construction had become apparent. The truth about the economics of nuclear reactors could no longer be hidden beneath hope and hype about learning curves, standardization and economies of scale. As we have seen, a handful of analysts were able to see past the hype and were already identifying problems in the late 1970s. By early 1985, however, a business-oriented journalist could see the full implications of the evolving cost trend and declare it a ―fiasco.‖

Indeed, one thing that had happened by 1985 was that the tendency of nuclear vendors and enthusiasts to underestimate the costs could no longer be ignored. As shown in Exhibit V-2, the vendors and utilities that are advocates of nuclear reactors continue to do what they have always done, underestimate the costs. It includes seven projections from the mid-1960s as well as almost 50 projections that have been offered for the new nuclear reactor construction since 2000. The exhibit includes Komanoff‘s 1981 projections of costs as an early analyst‘s projections.

Exhibit V-2 makes two things clear. First, cost escalation in the plagued nuclear construction throughout the history of the industry. Second, the obvious tendency of vendors and enthusiasts to underestimate costs is clear. In contrast to the fiasco in the 1970s and 1980s, however, this time there are track records and alternative estimates from Wall Street and independent analysts with which to challenge the wildly optimistic projections. The lesson for policymakers is clear: nuclear reactor construction is extremely expensive today and is likely to become even more expensive over time.

Prefer our studies—newest evidence on the US and France change the game

Cooper, senior research fellow for economic analysis – Institute for Energy and the Environment @ Vermont Law School, PhD – Yale University, ‘10

(Mark, “POLICY CHALLENGES OF NUCLEAR REACTOR CONSTRUCTION: COST ESCALATION AND CROWDING OUT ALTERNATIVES,” September)

The history of the dramatic escalation of the construction cost of nuclear reactors in the U.S. has been well documented and the causes hotly debated. On average, the reactors completed in the U.S. cost about twice as much as their initial projections and the final reactors built during the ―Great Bandwagon Market‖1of the 1970s cost seven times as much as the initial reactors.2 Proponents of nuclear power blame a large part of the cost escalation on public opposition to reactor construction and claim that the next generation of reactors will not suffer the cost overruns experienced by the last,3 in part because public opposition has declined. They frequently point to the success of the French as proof that cost escalation can be controlled.4 The fact that the French nuclear giant EDF has purchased a large stake in a major U.S. electric utility – Constellation Energy – and is seeking a license to build a new reactor at Calvert Cliffs Maryland has heightened interest in the French approach. Ironically, this interest comes a time when the severe difficulties that the French nuclear industry is having in building its new generation of nuclear reactors in France and Finland and in securing competitively bid contracts elsewhere is receiving a great deal of attention in the U.S. media.5

Given the current economics of nuclear reactor construction in both the U.S. and France, advocating for an expansion of nuclear power involves government involvement and subsidies.6 Two questions arise. First, will large subsidies be a permanent part of a commitment to build large numbers of nuclear reactors? Second, how will a major commitment to nuclear reactor construction impact the prospects for development of alternatives? While concerns about climate change lead some to argue we must do everything to address the problem, the most aggressive advocates of nuclear reactor construction see the commitment to nuclear construction as competing with alternatives.7

Missing from the current scene is information about the history and recent experience of French nuclear costs, detailed analyses of past U.S. costs or current cost projections and a careful examination of the impact of the decision to promote nuclear reactor construction on the development of alternatives.

A clear understanding of what works and does not work in the U.S. and France and how major commitments to one technology affect others can shed important light on the prospects for construction of new nuclear reactors and alternatives.

ANALYTIC APPROACH

This paper combines a new analysis of a detailed data set on the U.S. cost experience with recently published cost data on the French experience8 and compares that history to current cost projections.9 The historical accounts suggest that crowding out existed in the past, so contemporary and statistical data is marshaled to examine the crowding out issue more fully.10 Thus, this paper fills the knowledge gaps affecting two major challenges of nuclear reactor construction -- cost escalation and the crowding out alternatives – by examining new data in multiple analytic approaches.

Future price declines of alternatives will price nuclear out of the market

Sokolski, executive director – Nonproliferation Policy Education Center, ‘10

(Henry, “Nuclear Power, Energy Markets, and Proliferation,” December)

In the mid-term, -- i.e., the next two decades, when nuclear supporters see their power source reemerging -- a number of energy developments could easily destroy whatever value might be credited to investments made in commercial nuclear energy today. As noted, new electrical grid concepts could be employed incrementally to make the transmission of intermittent wind and solar much more practical; as could the development of practical electrical storage and of viable distributed electrical systems.30 Economical sequestration of carbon from coal-fired plants also may emerge along with increased efficient use of electricity and smart metering that could change and reduce demand patterns.

Although none of these developments are guaranteed, any one of them could have a dramatic impact on the long-term economic viability of investing now in nuclear systems that would operate for 60 years or more after coming on line in 2020 and beyond. In fact, the uncertainties surrounding what the costs for electricity generation, distribution, transmission, storage and consumption and what form each is likely to take over the next two decades are all very much in play for the first time in over a century. This very flexible and uncertain situation not only argues for great caution in the allocation of public funds on any energy commercialization project, but also underscores the importance in ensuring neutral markets in which multiple solutions are forced to compete against each other.

Subsidies cause nuclear speculation—undermines nuclear safety and makes a future crash inevitable

Koplow, United Nations Environment Programme's Working Group on Economic Instruments, MBA – Harvard, and Vancko, project manager – nuclear/climate @ UCS, ‘11

(Doug and Ellen, “Nuclear Power: Still Not Viable without Subsidies,” Union of Concerned Scientists, February)

Such blind acceptance is an unwarranted, expensive leap of faith that could set back more cost-effective efforts to combat climate change. A fair comparison of the available options for reduc­ing heat-trapping carbon emissions while generat­ing electricity requires consideration not only of the private costs of building plants and their asso­ciated infrastructure but also of the public subsi­dies given to the industry. Moreover, nuclear power brings with it important economic, waste disposal, safety, and security risks unique among low-carbon energy sources. Shifting these risks and their associ­ated costs onto the public is the major goal of the new subsidies sought by the industry (just as it was in the past), and by not incorporating these costs into its estimates, the industry presents a skewed economic picture of nuclear power’s value com­pared with other low-carbon power sources.

SUBSIDIES OFTEN EXCEED THE VALUE OF THE ENERGY PRODUCED

This report catalogues in one place and for the first time the full range of subsidies that benefit the nuclear power sector. The findings are strik­ing: since its inception more than 50 years ago, the nuclear power industry has benefited—and con­tinues to benefit—from a vast array of preferential government subsidies. Indeed, as Figure ES-1 (p. 2) shows, subsidies to the nuclear fuel cycle have often exceeded the value of the power produced. This means that buying power on the open market and giving it away for free would have been less costly than subsidizing the construction and opera­tion of nuclear power plants. Subsidies to new reactors are on a similar path.

Throughout its history, the industry has argued that subsidies were only temporary, a short-term stimulus so the industry could work through early technical hurdles that prevented economical reac­tor operation. A 1954 advertisement from General Electric stated that, “In five years—certainly within ten,” civilian reactors would be “privately financed, built without government subsidy.” That day never arrived and, despite industry claims to the con­trary, remains as elusive as ever.

The most important subsidies to the industry do not involve cash payments. Rather, they shift construction-cost and operating risks from investors to taxpayers and ratepayers, burdening taxpayers with an array of risks ranging from cost overruns and defaults to accidents and nuclear waste man­agement. This approach, which has remained remarkably consistent throughout the industry’s history, distorts market choices that would other­wise favor less risky investments. Although it may not involve direct cash payments, such favored treatment is nevertheless a subsidy, with a pro­found effect on the bottom line for the industry and taxpayers alike.

Reactor owners, therefore, have never been economically responsible for the full costs and risks of their operations. Instead, the public faces the prospect of severe losses in the event of any number of potential adverse scenarios, while pri­vate investors reap the rewards if nuclear plants are economically successful. For all practical purposes, nuclear power’s economic gains are privatized, while its risks are socialized.

Recent experiences in the housing and finan­cial markets amply demonstrate the folly of arrangements that separate investor risk from reward. Indeed, massive new subsidies to nuclear power could encourage utilities to make similarly speculative, expensive investments in nuclear plants—investments that would never be tolerated if the actual risks were properly accounted for and allocated.

While the purpose of this report is to quantify the extent of past and existing subsidies, we are not blind to the context: the industry is calling for even more support from Congress. Though the value of these new subsidies is not quantified in this report, it is clear that they would only further increase the taxpayers’ tab for nuclear power while shifting even more of the risks onto the public.

## 2nc too expensive

Prefer our ev—recent trends show nuclear is crashing, but their authors always think that the Renaissance is around the corner

Maize, staff writer – POWER Magazine, 8/6/’12

(Kennedy, “A Bumpy Road for Nukes,” POWERnews)

Washington, D.C., 6 August 2012 — It’s been a rough road for nuclear advocates in the U.S. of late, although nothing seems to dent the Pollyanna armor of the nuclear crowd, always appearing to believe a revival is just over the horizon and headed into view. Here are a few fraught developments for the nuclear business that suggest the positive vision just might be a mirage. \* GE CEO Jeff Immelt in a recent interview with the Financial Times revealed a surprising and somewhat uncharacteristic realism with regard to the company’s nuclear future and that of its partner in radioactivity, Hitachi. In London for the Summer Olympics, Immelt told a reporter for the FT, “It’s really a gas and wind world today. When I talk to the guys who run the oil companies, they say look, they’re finding more gas all the time. It’s just hard to justify nuclear, really hard. Gas is so cheap, and at some point, really, economics rule.” For the nuclear industry, economics has always been the fundamental enemy – not the green-tinged, hairy anti-nuke activists, but the folks with the green eye shades, sharp pencils and, today, even sharper spreadsheets. The nuclear execs long have pursued governments as their bulwark against markets, and that has often worked. Today, as Immelt notes, gas has made the market forces so overwhelming, at least in those places such as the U.S. where gas is astonishingly abundant, that even government likely can’t come to the rescue of nuclear power. Could that have something to do with the abject failure of the 2005 Energy Policy Act’s loan guarantee provisions, which have not worked for renewables any better than they have worked for nukes? Indeed, the threat of gas is at least as potentially toxic for many wind and solar projects as it is for nuclear and coal new build. \* In Georgia, the Southern Company is facing what looks like growing problems with its Vogtle project, which aims for two new nuclear units using the unproven but promising Westinghouse AP1000 reactor design. With its federal loan in jeopardy (Southern says it can go ahead without taxpayer funds) and the project running behind schedule and over budget, the Atlanta-based utility now faces lawsuits brought by the reactor vendor and the construction contractor Shaw Group. The amount in dispute, some $29 million, is tiny compared to the multi-billion-dollar price tag for the project. But it may be revealing of ruptures in the deal. Robert Marritz, an energy lawyer and veteran industry observer, publisher of ElectricityPolicy.com, commented that “the very filing of a lawsuit at this stage of the first nuclear plant construction in decades is stunning, reflecting stresses in a relationship that should, one would think, be contained and resolved rather than boiling over into public view.” Indeed, the parties are also engaged in a larger, perhaps nastier, dispute involving $800 million that has not gotten much public exposure. And that’s real money. \* Moving to California, the long-running saga of Edison International’s San Onofre Nuclear Generating Station (SONGS, how’s that for an inept acronym?) continues, with little clarity in sight. The plant has been out of service since January as a result of unexpected and still unexplained tube wear in the plant’s steam generators. According to Bloomberg New Energy Finance, the outage is costing the utility about $1.5 million a day just in lost revenue. The cost to the state in jeopardized reliability hasn’t been calculated, although Edison has started up mothballed gas capacity to fill the supply gap. There is no firm date for restart at the nuclear plant. In the meantime, the California Public Utilities Commission is planning a formal investigation of the outage and Edison’s response, but recently decided to delay that until the utility files a legally-required report with the CPUC November 1. CPUC President Mike Peevey is a former executive with the Los Angeles-based utility.

Natural gas will wreck the industry

WSJ, 3/15/’12

(“Cheap Natural Gas Unplugs U.S. Nuclear-Power Revival”)

What killed the revival wasn't last year's nuclear accident in Japan, nor was it a soft economy that dented demand for electricity. Rather, a shale-gas boom flooded the U.S. market with cheap natural gas, offering utilities a cheaper, less risky alternative to nuclear technology.

"It's killed off new coal and now it's killing off new nuclear," says David Crane, chief executive of NRG Energy Inc., NRG +3.58% a power-generation company based in Princeton, N.J. "Gas has come along at just the right time to upset everything."

Across the country, utilities are turning to natural gas to generate electricity, with 258 plants expected to be built from 2011 through 2015, federal statistics indicate. Not only are gas-fired plants faster to build than reactors, they are much less expensive. The U.S. Energy Information Administration says it costs about $978 per kilowatt of capacity to build and fuel a big gas-fired power plant, compared with $5,339 per kilowatt for a nuclear plant.

Already, the inexpensive natural gas is putting downward pressure on electricity costs for consumers and businesses.

The EIA has forecast that the nation will add 222 gigawatts of generating capacity between 2010 and 2035—equivalent to one-fifth of the current U.S. capacity. The biggest chunk of that addition—58%—will be fired by natural gas, it said, followed by renewable sources, including hydropower, at 31%, then coal at 8% and nuclear power at 4%.

"What utility doesn't want cheap fuel?" says Steve Piper, associate director of energy fundamentals at SNL Financial, a research company. He predicts natural gas will remain the "default fuel" for as long as gas production remains high and prices stay low.

## 2nc no solvency

Prefer our ev—even if a few plants get built, commercialization requires tons of construction—that’s a massive barrier to sufficiency

Feinstein, (D-Cali), Chairwoman – Subcommittee on Energy and Water Development, 6/14/’11

(Dianne, “ECONOMICS AND SAFETY OF MODULAR REACTORS; COMMITTEE: SENATE APPROPRIATIONS; SUBCOMMITTEE: ENERGY AND WATER DEVELOPMENT,” CQ Congressional Testimony)

The central premise I've been given is that for small modular reactors to be economical, they must offset the loss of economies of scale with economies of manufacturing.

If true, **we need to determine how many reactors must be constructed to achieve cost effectiveness** and competitiveness and how many must be sold to maintain a factory production level necessary to justify the capital investment. The Nuclear Energy Agency, an arm of the Organization for Economic Co-operation and Development, recently released a report that said electric power from small modular reactors would cost 10 to **40 percent more than large reactors.**

I have been told that anywhere between 20 and 1,000 reactors would be needed to be produced in order to be economical. How many are needed to be cost effective? Clearly, a larger number makes the endeavor questionable. I understand the University of Chicago is completing a study for the Department of Energy on the economics of these reactors and perhaps that will provide some clarity.3 But in the mean time, my hope is that representatives from the companies here today will elaborate on this particular issue.

At worst takes forever—can’t solve their impacts

WSJ, 2/18/’10

(“Small Reactors Generate Big Hopes”)

Nuclear development moves at a glacial pace. The next wave of large reactors won't begin coming on line until 2016 or 2017, at the earliest. The first certification request for a small reactor design is expected to be Babcock & Wilcox's request in 2012. The first units could come on line after 2018.

Multiple alt causes to deployment

Colvin, president – American Nuclear Society, 6/7/’11

(Joe, “NUCLEAR AND ALTERNATIVE FUELS; COMMITTEE: SENATE ENERGY AND NATURAL RESOURCES,” CQ Congressional Testimony)

3. Other challenges to SMR development/deployment

ANS encourages Congress to consider other aspects of SMR development. These include accelerating the development of SMR- related codes and standards; updates to U.S. laws and regulations that would facilitate accelerated maturation and transfer of SMR- relevant technology from the national laboratories to U.S. industry and regulators; streamlining export control laws to minimize the incentives to "off-shore" SMR component manufacturing; and integration of university-based U.S. nuclear science and engineering education programs with SMR development efforts to ensure we have technically skilled workforce to design, deploy, and operate these reactors in the future. Furthermore, I strongly encourage the U.S. Nuclear Regulatory Commission (NRC) to move forward with alacrity in addressing the outstanding generic licensing and regulatory issues, including instrumentation and control, required staffing levels, unique design features, enabling construction activities during operations, and security requirements.

## at: small lowers cost

‘SMR cheaper’ logic is wrong—economies of scale and clusters of SMRs obviate any benefits

Makhijani, PhD nuclear fusion – UC Berkeley, president – Institute for Energy and Environmental Research, and Boyd, former director – Safe Energy Program @ Physicians for Social Responsibility, ‘10

(Arjun and Michele, “Small Modular Reactors,” <http://ieer.org/wp/wp-content/uploads/2010/09/small-modular-reactors2010.pdf>)

SMR proponents claim that small size will enable mass manufacture in a factory, enabling considerable savings relative to field construction and assembly that is typical of large reactors. In other words, modular reactors will be cheaper because they will be more like assembly line cars than hand-made Lamborghinis. In the case of reactors, however, **several offsetting factors** will tend to neutralize this advantage and make the costs per kilowatt of small reactors higher than large reactors. First, in contrast to cars or smart phones or similar widgets, the materials cost per kilowatt of a reactor goes up as the size goes down. This is because the surface area per kilowatt of capacity, **which dominates materials cost,** goes up as reactor size is decreased. Similarly, the cost per kilowatt of secondary containment, as well as independent systems for control, instrumentation, and emergency management, increases as size decreases. Cost per kilowatt also increases if each reactor has dedicated and independent systems for control, instrumentation, and emergency management. For these reasons, the nuclear industry has been building larger and larger reactors in an effort to try to achieve economies of scale and make nuclear power economically competitive. Proponents argue that because these nuclear projects would consist of several smaller reactor modules instead of one large reactor, the construction time will be shorter and therefore costs will be reduced. However, this argument fails to take into account the implications of installing many reactor modules in a phased manner at one site, which is the proposed approach at least for the United States. In this case, a large containment structure with a single control room would be built at the beginning of the project that could accommodate all the planned capacity at the site. The result would be that **the first few units would be saddled with very high costs**, while the later units would be less expensive. The realization of economies of scale would depend on the construction period of the entire project, possibly over an even longer time span than present large reactor projects. If the later-planned units are not built, for instance due to slower growth than anticipated, the earlier units would likely be more expensive than present reactors, just from the diseconomies of the containment, site preparation, instrumentation and control system expenditures. Alternatively, a containment structure and instrumentation and control could be built for each reactor. This would greatly increase unit costs and per kilowatt capital costs. Some designs (such as the PBMR) propose no secondary containment, but this would increase safety risks. These cost increases are unlikely to be offset **even if** the entire reactor is manufactured at a central facility and some economies are achieved by mass manufacturing compared to large reactors assembled on site. Furthermore, estimates of low prices must be regarded with skepticism due to the history of past cost escalations for nuclear reactors and the potential for cost increases due to requirements arising in the process of NRC certification. Some SMR designers are proposing that no prototype be built and that the necessary licensing tests be simulated. Whatever the process, it will have to be rigorous to ensure safety, especially given the history of some of proposed designs.

## 2nc no exports

Multiple barriers overwhelm the aff

NEI, National Export Initiative, September ‘10

(“REPORT TO THE PRESIDENT ON THE NATIONAL EXPORT INITIATIVE: The Export Promotion Cabinet’s Plan for Doubling U.S. Exports in Five Years”)

Expand opportunities for the U.S. nuclear energy industry. Nuclear energy is also an integral part of a clean energy economy. While nuclear power already provides approximately 20 percent of U.S. electricity, wider deployment of civil nuclear reactors in the United States and around the world could provide the massive amount of electricity needed to power the global economy, while substantially reducing greenhouse gas emissions. The U.S. nuclear industry can expand its manufacturing base significantly as it takes advantage of the growing global demand for nuclear power. But the nuclear sector also faces substantial obstacles, including difficulties in obtaining new plant financing, workforce gaps, the lack of a global nuclear liability regime, supply chain constraints, licensing and regulatory-related delays, uncertainty with respect to disposal of spent fuel, and formidable state-owned competition.74

No licensing standards, insufficient government support, and bureaucracy

ITA, U.S. Department of Commerce International Trade Administration, February ‘11

(“The Commercial Outlook for U.S. Small Modular Nuclear Reactors,” [http://trade.gov/mas/ian/build/groups/public/@tg\_ian/@nuclear/documents/webcontent/tg\_ian\_003185.pdf](http://trade.gov/mas/ian/build/groups/public/%40tg_ian/%40nuclear/documents/webcontent/tg_ian_003185.pdf))

Just like exporters of traditional large reactors, U.S. SMR vendors would face intense foreign competition, primarily by state-owned or state-aligned enterprises. Foreign nuclear companies have enjoyed **significant** government **support**, ranging from direct government ownership and management to favorable financing, industrial coordination, and support for manufacturers. Some U.S. suppliers also regard the lack of international licensing standards as an obstacle to expanding their business. They say that obtaining regulatory approval in one market does not provide any “leg up” in obtaining approval in another market, which means that the process has to be repeated for each country that the supplier wants to sell to. However, **it is difficult to see how international licensing standards could be developed or enforced** given the unique national circumstances that factor into a regulator’s licensing decisionmaking. The discretion of these national regulators cannot be compromised. More generally, **U.S. suppliers** also **say** that the lack of regulatory infrastructure in many countries interested in SMR technology **is a problem** for ensuring the safe and secure deployment of the technology. This challenge also applies to larger, traditional reactors. Nuclear liability is a significant concern for SMR and large reactor designers. Currently, no global nuclear liability regime exists. This situation not only complicates commercial arrangements, but also means that, in the unlikely event of a nuclear incident, claims for damages would be the subject of protracted and complicated litigation in the courts of many countries against multiple potential defendants with no guarantee of recovery. The IAEA-sponsored Convention on Supplementary Compensation for Nuclear Damage (CSC) is the only international instrument that provides the basis for establishing a global regime, including countries with and without nuclear power facilities. U.S. nuclear suppliers have stated that the implementation of CSC is a necessity for pursuing a major nuclear export program.

Process is too complicated

ITA, U.S. Department of Commerce International Trade Administration, February ‘11

(“The Commercial Outlook for U.S. Small Modular Nuclear Reactors,” [http://trade.gov/mas/ian/build/groups/public/@tg\_ian/@nuclear/documents/webcontent/tg\_ian\_003185.pdf](http://trade.gov/mas/ian/build/groups/public/%40tg_ian/%40nuclear/documents/webcontent/tg_ian_003185.pdf))

Generally, SMR vendors say that additional 123 agreements (see terminology note) are needed with new markets overseas to legally permit U.S. companies to engage in trade of major nuclear reactor components and fuel with those markets. Once the 123 agreements are in force, U.S. **companies may still need to obtain authorizations and licenses** from the Departments of Commerce, Energy, and State, as well as from the Nuclear Regulatory Commission (NRC). Many companies say that the process is challenging to navigate. The Department of Commerce, through its Civil Nuclear Trade Initiative, published the “Civil Nuclear Exporters Guide” in 2009 to help U.S. companies with this process.8

## 1nr

## doe

#### No new or actual increases- just extensions of previous allocations to nuclear

Baker, 12 -- Energy Boom writer

(Joseph, "Obama's Proposed 2013 Budget Allots $27 Billion for the Department of Energy," 2-14-12, www.energyboom.com/policy/united-states-obamas-proposed-2013-budget-decreases-doe-funding, accessed 9-13-12, mss)

President Barack Obama has requested $27.2 billion for the Department of Energy (DOE) as part of the 2013 budget proposal he has put forth to the United States Congress. At face value $27.2 billion may seem like a lot of money; however, relative the total $3.7 trillion the President has asked to spend, the DOE's portion is a drop in the bucket. Additionally, while spending increases have been proposed for many departments like the Internal Revenue Service (up 4.7% from 2012 to $92.1 billion), the Centers for Medicare and Medicaid Services (up 8.4% from 2012 to $1.18 trillion) and the Federal Highway Administration (the largest increase from 2012 up 103% to $81.1 billion), the DOE allotment is down $2.3 billion from what the president originally asked for in the 2012 budget. Even amidst the decrease, Energy Secretary Steven Chu hailed the budget request, saying: “The choice we face as a nation is simple: do we want the clean energy technologies of tomorrow to be invented in America by American innovators, made by American workers and sold around the world, or do we want to concede those jobs to our competitors? We can and must compete for those jobs. This budget request includes responsible investments in an American economy that is built to last.” On Monday, while speaking about the 2013 budget proposal Obama said, "In the State of the Union, I outlined a blueprint for an economy that is built to last -– an economy built on new manufacturing, and new sources of energy, and new skills and education for the American people. Today, we’re releasing the details of that blueprint in the form of next year’s budget." In terms of supporting "new sources of energy" here is how the funding will be dolled out to the DOE: $60 million to perform critical research on energy storage systems and devise new approaches for battery storage. $770 million for nuclear energy, including $65 million for cost-shared awards to support first-of-a-kind small modular reactors and $60 million for nuclear waste R&D that aligns with the recommendations of the Blue Ribbon Commission on America’s Nuclear Future. $276 million for research and development of advanced fossil fuel power systems and carbon capture, utilization and storage technologies to allow for the continued use of our abundant domestic coal resources while reducing greenhouse gas emissions. $350 million for the Advanced Research Projects Agency-Energy (ARPA-E) to continue support for promising early-stage research projects that could deliver game-changing clean energy technologies. $120 million to support the Energy Frontier Research Centers and $140 million for the five existing Energy Innovation Hubs and to establish a new hub to focus on grid systems and the tie between transmission and distribution systems. $11.5 billion to protect Americans by maintaining U.S. nuclear deterrence capabilities, reducing nuclear dangers in an increasingly unstable and unpredictable world, and providing for the Navy’s nuclear propulsion needs. **As was the case last year**, the clear majority of the funding will support nuclear power development. **This comes with little surprise** as the Obama Administration has been clanging the bell to ring in a new era of nuclear power generation. And, despite a shake up in the world's view of the safety of nuclear power following the disaster in Japan in March 2011, the Administration is succeeding.

#### Obama nuclear allocations empirically never approved AND he’s cutting them anyway

Bendery, 12 – Huffington Post reporter, covered the White House and Congressional leadership for three years at Roll Call

(Jennifer, "Obama's Budget Nixes New Money For Program That Funded Solyndra," Huffington Post, 2-14-12, www.huffingtonpost.com/2012/02/14/obama-budget-solyndra-program\_n\_1276605.html, accessed 9-13-12, mss)

In a quiet shift from the past two years, President Barack Obama's 2013 budget includes **no new money** for the Department of Energy loan guarantee program, the same program that House Republicans have scrutinized for losing more than $500 million in taxpayer dollars to the now-defunct solar power company, Solyndra. Obama has regularly included huge increases to the program's loan guarantee authority in his budget, though Congress has not approved his proposals. He provided a $36 billion increase for nuclear reactors in his 2011 budget, and again in his 2012 budget. He also included $200 million in credit subsidies for renewable and energy efficiency projects in his 2012 budget. This year, he provided **nothing**. Meg Reilly, a spokeswoman for the Office of Management and Budget, said in an email that Obama opted not to put new money toward the loan guarantee program this time because the administration is waiting on the results of an evaluation of the Energy Department's loan portfolio. Reilly also said the program still has "a significant amount of remaining resources" from prior years and that the focus will be on putting those funds to use. There's about $10 billion in its reserves. The Energy Department "continues to conduct due diligence and is in active negotiations with a number of additional project sponsors," Reilly said. "It's important to point out here that, as of January 2012, over $24 billion in direct loans and loan guarantees have closed to support a diverse range of over 30 wind, solar, electric vehicles and other clean energy projects projected to fund more than 50,000 jobs." But some environmental groups say Obama's budgetary shift is hugely significant because **it means no new money for** building **nuclear** powerplants -- and they speculate that, at least in part, they have Solyndra to thank for the shift. "The entire loan program has fallen into some disrepute on Capitol Hill ... because of Solyndra and some of the other renewable programs getting in trouble," said Michael Mariotte, executive director of Nuclear Information and Resource Service, an information hub for organizations concerned with nuclear power. The administration "may have decided to cut their losses" and stop providing new funds to the program altogether.

## overview

#### Debt downgrade

Associated Press 9/12/2012

(http://www.indystar.com/viewart/20120912/BUSINESS/209120329/Moody-s-set-downgrade-US-without-budget-deal)

**The U.S. government's debt rating could be heading for the** "**fiscal cliff**" along with the federal budget.

Moody's Investors Service on Tuesday said it likely would cut its "AAA" rating on U.S. government debt, probably by one notch, if budget negotiations fail.

If Congress and the White House don't reach a budget deal, about $1.2 trillion in spending cuts and tax increases will automatically kick in starting Jan. 2, a scenario that's been dubbed the "fiscal cliff," because it is likely to send the economy back into recession and drive up unemployment.

A year ago, Moody's cut its outlook on U.S. debt to "negative," which acts as a warning that it might downgrade the rating, after partisan wrangling over raising the U.S. debt limit led the nation to the brink of default.

#### Flips trade and heg

Maniere 7/28/2011

(George, contributor to Seeking Alpha, “U.S. Debt Downgrade and Its Consequences Too Close for Comfort,” http://seekingalpha.com/article/282627-u-s-debt-downgrade-and-its-consequences-too-close-for-comfort

Despite what you may have heard in the media let me clarify something, the probability of the U.S. defaulting on its debt is very low. The probability of the credit rating getting downgraded grows with every minute. The consequences of a lowering of our credit rating would have disastrous effects. A downgrading of our “AAA” credit rating would mean higher interest rates and subsequently higher costs not only for the U.S. debt but for home loans, credit card rates, student loans and loans to small businesses. The cost of borrowing money would skyrocket for consumers and businesses alike. Likewise, states and municipalities would also face higher borrowing costs. The cost of all capital projects like road repairs, water systems, hospitals and schools would become much more expensive. The ensuing credit crunch would lead to higher borrowing costs for all and we would find ourselves back in March of 2008, only this time we would be 14 trillion dollars deeper in debt. Add to this, with the dollar already in a year-long slump it would continue to sink against the other world’s currencies. S&P has estimated that a downgrade would cause the dollar to drop 10% or more in value. And **a downgrade would cause the dollar to lose its status as the world’s reserve currency**, **an event that would be catastrophic for the U.S. economy**. Combine all of the factors above and I think you will conclude as I have that **the already shaky economy would implode**. **A recession would return** - but this time **with a vengeance**. If Congress cannot get a measure passed in 6 short days I see the economy sinking even lower than it did in 2008 – 2009. The worst part of all is that this scenario would cause the global markets to freeze up and make the failure at Lehman Brothers look like a day at the beach.

## uq

#### Legislative focus on fiscal cliff now causes quick lame duck resolution of fiscal cliff—but focus key

Marilyn Geewak, NPR, 9/20/12, 'Fiscal Cliff' Scenarios Leave Economists On Edge, www.npr.org/2012/09/20/161442506/fiscal-cliff-scenarios-leave-economists-on-edge

Zandi is calling for a slightly **better-than-even chance that Congress will avoid** both the quick-drop cliff and a lingering ledge by actually settling issues about taxes and spending just after the new year.

Laura Tyson, a Washington veteran who served as chairwoman of President Clinton's Council of Economic Advisers, says a handful of moderate senators already is laying the groundwork for that optimistic scenario. "Behind the scenes, there are talks going on," she said. "People are trying to put something together."

That means when Congress returns on Nov. 13, the moderates could have a framework ready to quickly pass short-term compromises — even if there were distractions amid election recounts. **That behind-the-scenes work would** also **prepare the way for comprehensive solutions** right after Jan. 1. That would keep the country off both the cliff and the ledge.

**But then again, Congress'** Thanksgiving **break is coming up**. And college football is awfully interesting in late November. Christmas shopping must get done. And **fiddling takes up a lot of time**, too.

#### No other legislative issues to distract now—that allows Obama to lay the groundwork for fiscal cliff negotiations

Jake Sherman, Politico, 9/19, Fiscal cliff talks heat up, dyn.politico.com/printstory.cfm?uuid=5DC65BE5-1E61-4D5A-B8A5-8F73277AFD07

A jolt of reality is rippling through the Capitol as **discussions over how to solve the** so-called **fiscal cliff are suddenly swinging into action.**

Leaders on both sides of the dome, in both parties, are **meeting with key Obama** administration **officials** on Capitol Hill, quietly mulling different legislative strategies to avoid massive tax hikes on all Americans. At the same time, lawmakers are beginning to carve out positions for their parties for what will become a months-long rhetorical and legislative war leading up to a series of year-end deadlines.

In one day, Treasury Secretary Timothy Geithner met with both House Speaker John Boehner (R-Ohio) and House Ways and Means Chairman Dave Camp (R-Mich.). The meeting with Camp was directly focused on the year-end expiration of tax rates — widely known in Washington as the “fiscal cliff.” Boehner’s office said he and Geithner spoke about the European debt crisis, but it declined to answer whether tax rates were dicussed.

Federal Reserve Chairman Ben Bernanke and Congressional Budget Office Director Doug Elmendorf spoke with the Senate Finance Committee in a closed, off-the-record meeting. Sen. Max Baucus (D-Mont.), who chairs the Finance Committee, will hold separate calls with Geithner and Camp each week while Congress is in recess.

Meanwhile, House Republican leadership — which is all but certain to control the lower chamber next Congress — has begun privately mulling different electoral outcomes and legislative scenarios they would present, according to multiple sources familiar with the discussions. The Ways and Means Committee will meet Thursday in a rare bipartisan, closed session to discuss unfinished business.

In reality, nothing substantive can be done until Nov. 7, after the country selects a president and decides on the composition of Congress. But the sessions are akin to a crash course — a way for lawmakers to get armed with details before the battle.

“Frankly, if I wasn’t meeting with the secretary, I think there’d be an issue,” Camp said Wednesday morning. “It’s important we try to do our work, and that’s what I’m trying to do.”

The range of scenarios vary widely, and that — in part — explains the flurry of activity. There are several scenarios that Congress could face come mid-November. Mitt Romney has said he wants to extend tax rates for everyone, and President Barack Obama said he would allow rates for married couples making more than $250,000 to snap back to 39.6 percent — where they stood for much of the 1990s.

If the polls stay where they are today, and Republicans keep the House, Democrats hold the Senate and Obama wins the presidency, top aides in both parties insist that tax rates on the wealthy will go up. But those aides, who are involved in planning for the year-end battles, say the legislative gridlock could give both sides the incentive to strike a grand deficit and tax compromise.

On K Street, rumors are flying about what Congress will do during the lame-duck session after the election. Republicans in the House could use this month or meetings in coming weeks to unveil which business tax breaks — called “extenders” — they plan to fight for in the Tax Code, lobbyists say.

In the Senate, Majority Leader Harry Reid (D-Nev.) was preparing to ask Minority Leader Mitch McConnell (R-Ky.) to create a formal conference committee to negotiate tax rates.

Some sides are beginning to show their hand, representing the opening gambit in the lame-duck battle.

Oregon Sen. Ron Wyden said Democrats are curious how low rates could be pushed if all tax breaks were eliminated from the code.

“The interest is mostly in discussing models,” Wyden said in an interview with POLITICO. Some senators say they’d like to eliminate all tax breaks in favor of keeping rates as low as possible

Sen. Kent Conrad (D-N.D.) said lawmakers discussed fundamental tax reform. There’s a recognition, he said, that rewriting the Tax Code would take time — a six-month timeframe was discussed, he said.

“There needs to be a down payment to show credibility,” Conrad said, adding that there needs to be some sort of action before tax reform to show Congress is serious about rewriting the code.

Bernanke told lawmakers that the fed’s ability to support the economy is limited, and urged action of the nation’s dire fiscal situation, Sen. John Kerry (D-Mass.) told reporters. Bernanke also discussed the European debt crisis and his controversial decision this month to further ease monetary policy, lawmakers said.

Some members of the Finance Committee offered general ideas and scenarios but no official plans for avoiding the fiscal cliff were discussed, Baucus said.

It’s not rare for top administration officials to storm Capitol Hill — **but closed-door sessions, and the frequency with which they’ve suddenly begun to happen, months before a legislative issue comes to head is unique**. Plus, these are meetings with principles, not aides.

**The fiscal cliff is** really **the only legislative issue** **that’s** even **registering a blip** on the radar of the government and corporate Washington right now. With an election seven weeks away, serious legislating has completely stopped. **Nothing substantive will happen before the election** — the House is scheduled to be in only Thursday and Friday of this week and will then recess until November.

#### He’ll focus his capital on the budget deal—that makes it a certainty

Ben Potter, Australian Financial Review, 9/10/12, Agenda revealed on convention sidelines, lexis

**A re-elected Obama**, jealous of his "legacy", **would have** three months - or **100 days -of** maximum **political capital**, they said. **Look for him to plunge in.** Gene Spurling, chairman of the Council of Economic Advisers, laid out a three-point economic agenda at a National Journal/Atlantic event. First, **securing the certainty of a long-term budget deal** to bring down deficits and debt as a share of the economy. Second, preserving enough fiscal space to foster growth and jobs creation in the short term. Third, making long-term "investments" in skills and infrastructure to boost competitiveness. Obama added new goals in his convention speech: double manufacturing exports to generate 1 million new jobs, exploit cheap shale gas to create work for another 600,000 people, and hire 100,000 new maths and science teachers. Like his Republican rival Mitt Romney, he didn't explain how we would reach his goals. Disappointing too was the lack of fresh ideas, or an "X" factor to stimulate the faltering economy without deepening the nation's debt trap. Shale gas was the exception. Shale, an agent of industrial revival, harbours vast reserves of oil too. Obama will also approve the contentious Keystone pipeline, delivering tar sands oil from Canada. The Obama administration dragged the chain on energy, focusing on renewables. Now it's playing catch-up. Spurling said he hoped the risk of the "fiscal cliff" pitching the economy into recession and slashing defence spending would bring Congressional Republicans back from their "extreme" stance that all deficit cuts must be spending cuts. **This could make a "framework" budget deal** that leaves the details to be filled in later **achievable in the lame duck, post-election Congress**, he said. Republicans will feel little love for the President after the bashing they got at the convention. So this could depend heavily on the margin of victory. New Hampshire senator Jeanne Shaheen said an extension into 2013 was more likely, to buy time. Yet the feeling among Democrats that a deal could come easier after the election mirrored that of some Republicans at their convention in Tampa, Florida a week earlier. Obama won't cut spending as deeply as Romney's running mate Paul Ryan would like to, in his budget plan. This would slash spending on items like early childhood learning for disadvantaged kids, and Medicaid funding for families with children suffering from severe autism or Down's Syndrome. These are deal breakers, as is any plan that's all spending cuts and no new revenues. Still, a **re-elected Obama would sit down with House speaker John Boehner and negotiate another budget deal**, Spurling said. Obama's plan would include his American Jobs Act, a $US447 billion bill to re-employ teachers, emergency and construction workers, to boost growth and preserve skills. That's been hanging around Congress for a year. It would produce a fifth year of US trillion dollar deficits, and Republicans are unlikely to support it in full. Tax reform can create enduring growth and bring in more revenue. Boehner nearly agreed to a revenue raising "grand bargain" last year. Its failure still rankles both sides. The imperatives grow stronger. The President realises it's critical to end the uncertainty that keeps firms with trillions of US dollars to invest on the sidelines, Shaheen said. And any serious person knows revenues, entitlements and defence must be on the table, she added. There's a gulf between Obama's manufacturing focused corporate tax reform plan (he has no personal tax plan), and Republican plans that don't explain how large rate cuts will be paid for. That all has to be filled in, in a way that serves efficiency - to boost growth - as well as fairness, Obama's bottom line. Entitlements, the biggest drivers of future debts, must also be part of the deal. Obama said he won't accept Romney and Ryan's "premium support" (voucher) model, even though it was first suggested by Alice Rivlin, President Clinton's budget director. Spurling said he hasn't seen a model that works. The costs of US healthcare must be reined in, and Obama's healthcare reform only moves the needle a bit, conceded Neera Tanden, who worked on the reforms for the administration. Healthcare "bundling" initiatives - paying for "wellness" not "illness" - are yielding dividends, Tanden said. If so, they should be expanded. Obama said he would fix Medicare by cutting its cost, not by asking seniors to pay more. Romney says he'd ask rich seniors to pay more, a logical step. Obama would have to bring more to the table to get a deal. The same goes for social security. Raising the entitlement age and means testing benefits seem inevitable. Obama prefers to pretend these can be preserved during the campaign. Maybe he'll be clearer later. Immigration reform, a pathway to legal residency for millions of undocumented immigrants, seems a long way off after the harsh rhetoric of the Republicans in the primaries. Yet there is surprising optimism here. There's broad understanding from industries ranging from high tech to farming that their business model depends on undocumented workers, said Melody Barnes, Obama's former domestic policy director. Republicans who supported former president George W Bush's failed bid for reform got cold feet as their party shifted rightward. Barnes and Shaheen think they can be lured out of hiding, especially if Hispanic and other minority voters heavily favour Obama again this year, and future leaders like Jebb Bush and Marco Rubio keep up the pressure for change. Visas for postgraduates would be a good place to start. Romney has toned down his rhetoric here, a hopeful sign. There's a long way to go before any of these deals can be pencilled in. Still, any one of them would be a shot in the arm for America. And a good budget deal would be a game changer.

## intrin

#### Politics tests a key opportunity cost

Saideman, associate professor of political science - McGill University, 7/25/’11

(Steve, “Key Constraint on Policy Relevance,” http://duckofminerva.blogspot.com/2011/07/key-constraint-on-policy-relevance.html)

Dan Drezner has a great post today about how the foreign policy smart set (his phrase) gets so frustrated by domestic politics that they tend to recommend domestic political changes that are never going to happen.

I would go one step further and suggest that one of the key problems for scholars who want to be relevant for policy debates is that we tend to make recommendations that are "incentive incompatible." I love that phrase. What is best for policy may not be what is best for politics, and so we may think we have a good idea about what to recommend but get frustrated when our ideas do not get that far.

Lots of folks talking about early warning about genocide, intervention into civil wars and the like blame "political will." That countries lack, for whatever reason, the compulsion to act. Well, that is another way of saying that domestic politics matters, but we don't want to think about it.

Dan's piece contains an implication which is often false--that IR folks have little grasp of domestic politics. Many IR folks do tend to ignore or simplify the domestic side too much, but there is plenty of scholarship on the domestic determinants of foreign policy/grand strategy/war/trade/etc. Plenty of folks look at how domestic institutions and dynamics can cause countries to engage in sub-optimal foreign policies (hence the tradeoff implied in my second book--For Kin or Country).

The challenge, then, is to figure out what would be a cool policy and how that cool policy could resonate with those who are relevant domestically. That is not easy, but it is what is necessary. To be policy relevant requires both parts--articulating a policy alternative that would improve things and some thought about how the alternative could be politically appealing.

Otherwise, we can just dream about the right policy and gnash our teeth when it never happens.

## middle east

#### Extinction

Fraser, former PM of Australia, 7/4/’11

(Malcom, “Dealing with nuclear terror means plants and weapons,” Taipei Times)

Recent history is peppered with a litany of false alerts and near misses, each unforeseen, each a combination of technical and human failure. The growing potential for a nuclear disaster by cyber attack adds to the existential danger.

We now know that just 100 relatively “small” Hiroshima-size nuclear weapons, less than one-thousandth of the global nuclear arsenal, could lift millions of tonnes of dark smoke high into the atmosphere. There, it would abruptly cool and darken the planet, slashing rainfall and food production in successive years — and thus causing worldwide starvation on a scale never before witnessed.

This could result from the arsenals of any of the 10 currently nuclear-armed states, with the exception of North Korea.

Intent, miscalculation, technical failure, cyber attack, or accident could cause the nuclear escalation of a conflict between India and Pakistan, in the Middle East (embroiling Israel’s nuclear weapons), or on the Korean Peninsula. Such outcomes are at least as plausible or likely — if not more so — than a massive earthquake and tsunami causing widespread damage to four Japanese nuclear reactors and their adjacent spent-fuel ponds.

#### Most likely

Ephraim Kam, Deputy Head-Jaffee Center for Strategic Studies, ‘7 (A Nuclear Iran, p. 50,

http://d.scribd.com/docs/2o4yoqqhx2btgchcpfug.pdf)<http://www.tau.ac.il/jcss/memoranda/memo88.pdf>

The statements by Iranian president Mahmoud Ahmadinejad about wiping Israel off the map are not qualitatively new and resemble those by other Iranian leaders. Their reiteration at a time when Iran is under pressure on the nuclear issue, however, suggests increasing extremism on the part of the Iranian leadership towards Israel, as well as diminished sensitivity towards international public opinion. Even if it is unlikely, the possibility that a fanatical group, whether within the regime or a faction emerging from a split in the leadership, will gain control of nuclear weapons and decide to use them against Israel cannot be categorically ruled out. Moreover, the Middle East is a volatile region that has witnessed much violence and military force. Ballistic missiles and chemical weapons have already been used on a large scale, including in wars between Muslim countries. The risk that nuclear weapons will be used in the Middle East is greater than in other regions and is greater than the risk between the superpowers during the Cold War. Rules of behavior and channels for dialogue capable of reducing the risk do not yet exist.

#### Flips prolif and pakistan

Marvin Cetron, President-Forecasting International and Owen Daniels, Fmr. Senior editor-Omni Magazine, 9/1/’7 (<http://www.mywire.com/a/TheFuturist/Worstcase-scenario-Middle-East-current/4296533?&pbl=7>)

The most ominous nuclear threat in the region may actually be Pakistan, the only Muslim land that already possesses nuclear weapons. To date, the United States has treated Pakistan as an ally in its so-called "war on terror." However, Abdul Qadeer Khan, the father of Pakistan's atomic weapons program, intended his creation to be an "Islamic bomb," at the service of the jihadi movement around the world. There is significant reason to suspect that this goal is widely held in the country's military establishment and government, but that may not matter. Fully 70% of the Pakistani population wants the present government replaced by a more jihad-friendly regime, and there have been at least three attempts on President Musharraf's life. A successful assassination is likely to bring in a government that will be much less cooperative with the West. In a Middle Eastern war, the day could come when Pakistan donates nuclear weapons to the Sunni Side of the conflict, or to the battle against Israel. This requires the development of a strategy to prevent the use of Islamabad's nukes, either in the Middle East or against the West. So far as we know, based on the unclassified literature, this effort has yet to begin.

## link

None of their ev applies to the lame duck

Richard Miniter, investigative journalist, NYTimes best selling author, 2012, Leading from Behind: The Reluctant President and the Advisors Who Decide for Him, google books p. 85-6

After the historic defeat, Axelrod went on to teach a course called Campaign Strategy at Northwestern University in the Chicago suburbs. The day after the election, many White House staffers described their mood as "depressed." The loss of the U.S. House of Representatives and only a skinny remaining majority in the U.S. Senate meant that **passing new programs would be very difficult**. Would the next two years be an endless and enervating siege? Obama seemed strangely upbeat, '[he day after the midterm elections, the president convened a meeting with his senior Staff, While they saw clouds, he saw the sun through them. Democrats still ran both houses of Congress until January 3.2011. when the new session convened. To the surprise of some starters present, he enumerated an ambitious list of measures that he would like to see made law in the next sixty days; "a tax deal, extending unemployment benefits, ratification of New START treaty reducing nuclear arms, repeal of the Pentagon's Don't Ask/ Don't Tell policy preventing gays and lesbians from openly serving in the military, passage of the DREAM Act (which would grant citizenship to undocumented young adults who met certain requirements), and a children's nutrition bill advocated by Michelle Obama."" The list was unrealistic. It would have been a demanding agenda for Congress to accomplish over two years. let alone two months. Besides, **using a "lame duck" Congress to pass major legislation had enormous political risks**. It would be seen as an end-run around voters who had just elected a new majority with a new agenda. When President Carter had used a "lame duck' Congress to pass major bills (including the costly "Superfund" program) following the November 1980 elections in which he lost his reelection bid and Republicans won control of the Senate for the first time since I95-\*. the public was outraged. The outrage would be much bigger this time: Since 1980. the Internet, talk radio, and the Fox News Channel had emerged as powerful forums for channeling outrage. liven if Congress could actually adopt these controversial measures in a few short months, the political price of such a strategy would he high. Still, Obama continued to back Axelrod's analysis, which held that "independent voters wanted a leader who would make all the squabbling schoolchildren in Washington do their assignments."12 Who would do the "assigning"? The voters or the White House? Neither Obama nor Axel-rod seemed to wonder. If the federal government would finally pass a liberal wish list. Axelrod and Obama contended, voters would be happy. It was an unusual view. Independent voters in swing districts had actually voted down candidates who had supported the president's policies in the 2010 elections. Even in safely Democratic districts, independent voters had reduced their support of liberal lawmakers compared with 2008, exit polls showed. Few staffers were persuaded ch.it the president was right, although none dared to contradict him during that meeting. Passing Obama’s priorities during the Thanksgiving and Christmas holiday season had yet another obstacle. A massive White House staff reorganization was in progress. Rahm Emmanuel had stepped down as chief of staff in October 2010 and many other staffers were returning to Chicago or to academia. Without staff, it would be harder to rally the already reluctant Congress to act. Still, **Obama was keen to** proceed as planned. He was **finally** going to **lead, but the timing and strategy were ill-considered**. "Obama didn't care about the criticism that he was too insular," a White House aide said. "He didn't give a shit.\* **Obama's proposals were dutifully sent to Capitol** 1 lill. **but** most **were** essentially **dead on arrival.** **Congress was exhausted and didn't want to take any more political risks**.

#### New spending especially controversial—violates bipart spending agreement to keep the government running (link uniqueness too)

Deidre Walsh, CNN, 9/11/12, Congress has little motivation for compromise before election, lexis

After a five-week summer recess, Congress returns to a long list of unfinished business, but with 57 left days before Election Day, it's likely it will tackle only the bare minimum in its short fall session. The one must-pass measure -- a short-term continuing resolution to fund federal agencies -- will avoid any pre-election talk of a government shutdown, with which neither party wants to be tagged. Republican and Democratic leaders struck a deal this summer on a six-month bill, but both chambers still need to pass the legislation before government funding expires at the end of this month. The House is expected vote on the bill Thursday, and two GOP leadership aides predict it will get a sizable bipartisan majority. A senior Senate Democratic aide tells CNN the Senate is expected to approve the measure next week. Rep. Kevin McCarthy, the third-ranking GOP leader in the House, did not directly answer whether a majority of House Republicans would vote for the stopgap spending bill, but said, "I expect that bill to be a bipartisan vote, and I expect the Senate to pass it as well and not add anything to it." What could move -- It's possible that GOP and Democratic leaders could work out a deal on a farm bill to reform agriculture programs and provide some relief to drought-stricken states -- or at least agree to another short-term extension of the current law, according to multiple congressional aides. If they can't reconcile differences between the two varying approaches taken by the House and Senate, some money for drought assistance, plus some money for states affected by recent natural disasters, could be tacked onto the spending bill. McCarthy, who represents some agricultural interests in his California district, told reporters Monday he's still pressing to pass a bill before the election. He acknowledged to reporters on Capitol Hill that "the time frame is tough," but "it's our intent to get it done." -- The Senate will return and work on a veterans jobs bill this week. Senate Democrats are also considering action this month on a housing bill that President Barack Obama included on his congressional "to do" list earlier this summer, but House Republicans haven't expressed any desire to act on it. -- Some key provisions of the federal wiretapping bill known as FISA that was created after the 9/11 terror attacks under President George W. Bush are due to expire at the end of the year, and Congress is expected to pass an extension of the current law. House Republicans have slated a vote this week to renew the current law for another five years. Likely to be punted **The** roughly eight-week **sprint to Election Day means** several **major measures** that lawmakers have failed to make any progress on over the summer **will continue to languish on Capitol Hill**. These include some issues that both parties say they want to address but will have little motivation to compromise on: The renewal of the Violence Against Women Act, a bill providing new cybersecurity protections and legislation to reform the postal service, which recently defaulted on payments to the Treasury Department for employee health plans. In each case, the proposal favored by the GOP-led House is at odds with the bills in the Democrat-controlled Senate. A divided Congress means these issues will be punted into the lame duck session after the election, or even postponed until next year. Less legislating and more campaign messaging While there won't be much legislating, congressional aides say the messages from leaders and rank-and-file members on Capitol Hill will echo the campaign themes of Obama and GOP presidential candidate Mitt Romney, particularly when it comes to the economy and jobs. On his first post-convention stop in New Hampshire on Friday, Obama prodded voters to urge Congress to pass his jobs legislation. "If the Republicans are serious about being concerned about joblessness, we could create a million new jobs right now if Congress would pass the jobs plan that I sent to them a year ago -- jobs for teachers, jobs for construction workers, jobs for folks who have been looking for work for a long time. We can do that," Obama said. Kevin Smith, a spokesman for House Speaker John Boehner, emphasized that the House GOP has already approved legislation aimed at helping the economy. "The House has done its job. We've passed more than 30 jobs bills." Noting that House Republicans have also passed a bill to undo the automatic spending cuts scheduled to go into effect in January and extend all the current tax rates, Smith added, "We are ready to act on all of those measures if the president and Senate Democrats would show some courage to work with on those things with us." Romney continues to highlight the Obama administration's failed loan to the now-bankrupt energy company Solyndra. House Republicans will keep the issue out front with a vote this week on a bill to eliminate the federal loan guarantee program that funded several energy start-ups. Dubbed the "No more Solyndras Act," the GOP bill is expected to pass mostly along party lines, but won't move in the Senate. One open question is whether GOP vice presidential nominee Rep. Paul Ryan of Wisconsin will return to the Capitol for any part of the September session. Under Wisconsin law, Ryan is allowed to also run for his House seat, so he may feel pressure to take a break from barnstorming battleground states to vote on the bipartisan deal to keep the government funded. McCarthy told reporters Monday that Ryan would be back in Washington on Thursday to vote on the continuing resolution, and a Romney campaign official confirmed that. The six-month spending bill keeps the government funded at the level agreed to in last summer's debt deal -- $1.047 trillion. But after criticism from a bloc of conservative House Republicans that the deal didn't cut spending fast enough, Ryan introduced a budget that moved the overall spending level about $20 billion lower to $1.028 trillion. **That budget** passed the House, but **was immediately rejected** by Senate Democrats **as violating the bipartisan** debt **deal**.

#### No turns—every energy policy is polarizing

Christine Todd Whitman 12, CASEnergy Co-Chair, Former EPA Administrator and New Jersey Governor, “Nuclear Power Garners Bipartisan Support”, August 13, http://energy.nationaljournal.com/2012/08/finding-the-sweet-spot-biparti.php?rss=1&utm\_source=feedburner&utm\_medium=feed&utm\_campaign=Feed%3A+njgroup-energy+%28Energy+%26+Environment+Experts--Q+with+Answer+Previews%29#2237728

It’s clear from the debate around the merits and drawbacks of various electricity and fuel sources that energy policy can be a highly polarizing topic. In fact, it’s arguable that there is no energy option that holds a truly bipartisan appeal: Every form of energy faces pockets of dissent. This makes crafting universally accepted energy policy particularly challenging.

## pc real

#### Political capital is finite and drives decisionmaking

**Schier 9**, Professor of Poliitcal Science at Carleton, (Steven, "Understanding the Obama Presidency," The Forum: Vol. 7: Iss. 1, Berkely Electronic Press, <http://www.bepress.com/forum/vol7/iss1/art10>)

 In additional to formal powers, a president’s informal power is situationally derived and highly variable. Informal power is a function of the “political capital” presidents amass and deplete as they operate in office. Paul Light defines several components of political capital: party support of the president in Congress, public approval of the presidential conduct of his job, the President’s electoral margin and patronage appointments (Light 1983, 15). Richard Neustadt’s concept of a president’s “professional reputation” likewise figures into his political capital. Neustadt defines this as the “impressions in the Washington community about the skill and will with which he puts [his formal powers] to use” (Neustadt 1990, 185). In the wake of 9/11, George W. Bush’s political capital surged, and both the public and Washington elites granted him a broad ability to prosecute the war on terror. By the later stages of Bush’s troubled second term, beset by a lengthy and unpopular occupation of Iraq and an aggressive Democratic Congress, he found that his political capital had shrunk. Obama’s informal powers will prove variable, not stable, as is always the case for presidents. Nevertheless, he entered office with a formidable store of political capital. His solid electoral victory means he initially will receive high public support and strong backing from fellow Congressional partisans, a combination that will allow him much leeway in his presidential appointments and with his policy agenda. Obama probably enjoys the prospect of a happier honeymoon during his first year than did George W. Bush, who entered office amidst continuing controversy over the 2000 election outcome. Presidents usually employ power to disrupt the political order they inherit in order to reshape it according to their own agendas. Stephen Skowronek argues that “presidents disrupt systems, reshape political landscapes, and pass to successors leadership challenges that are different from the ones just faced” (Skowronek 1997, 6). Given their limited time in office and the hostile political alignments often present in Washington policymaking networks and among the electorate, presidents must force political change if they are to enact their agendas. In recent decades, Washington power structures have become more entrenched and elaborate (Drucker 1995) while presidential powers – through increased use of executive orders and legislative delegation (Howell 2003) –have also grown. The presidency has more powers in the early 21st century but also faces more entrenched coalitions of interests, lawmakers, and bureaucrats whose agendas often differ from that of the president. This is an invitation for an energetic president – and that seems to describe Barack Obama – to engage in major ongoing battles to impose his preferences.

#### Presidents perceive their capital as finite – our theory is true in practice

**Marshall and Prins 11**, BRYAN W. MARSHALL Miami University BRANDON C. PRINS University of Tennessee & Howard H. Baker, Jr. Center for Public Policy Power or Posturing? Policy Availability and Congressional Influence on U.S. Presidential Decisions to Use Force Presidential Studies Quarterly 41, no. 3 (September) 2011

We argue that the more important effect of Congress occurs because presidents anticipate how the use of force may affect the larger congressional environment in which they inevitably have to operate (Brulé, Marshall, and Prins 2010). It may be true that presidents consider the chances that Congress will react to a specific use of force with countervailing tools, but even more importantly they anticipate the likelihood that a foreign conflict may damage (or advantage) their political fortunes elsewhere—in essence, the presidential calculus to use force factors in how such actions might shape their ability to achieve legislative priorities. To be clear, presidents can and do choose to use force and press for legislative initiatives in Congress. Taking unilateral actions in foreign policy does not preclude the president from working the legislative process on Capitol Hill. However, political capital is finite so spending resources in one area lessens what the president can bring to bear in other areas. That is, presidents consider the congressional environment in their decision to use force because their success at promoting policy change in either foreign or domestic affairs is largely determined by their relationship with Congress. Presidents do not make such decisions devoid of calculations regarding congressional preferences and behavior or how such decisions may influence their ability to achieve legislative objectives. This is true in large part because presidential behavior is motivated by multiple goals that are intimately tied to Congress. Presidents place a premium on passing legislative initiatives. The passage of policy is integral to their goals of reelection and enhancing their place in history (Canes-Wrone 2001; Moe 1985). Therefore, presidents seek to build and protect their relationship with Congress.

#### Prefer issue specific evidence

**Jacobs and King 10**, University of Minnesota, Nuffield College, (Lawrence and Desmond, “Varieties of Obamaism: Structure, Agency, and the Obama Presidency,” Perspectives on Politics (2010), 8: 793-802)

Yet if presidential personality and leadership style come up short as primary explanations for presidential success and failure, this does not render them irrelevant. There is no need to accept the false choice between volition and structure—between explanations that reduce politics to personality and those that focus only on system imperatives and contradictions. The most satisfying explanations lie at the intersection of agency and structure—what we describe as structured agency. Presidents have opportunities to lead, but not under the circumstances they choose or control. These circumstances both restrict the parameters of presidential impact and highlight the significance of presidential skill in accurately identifying and exploiting opportunities. Indeed, Obama himself talks about walking this tightrope—exercising “ruthless pragmatism” in seizing opportunities for reform while accepting the limits and seeking to “bridge that gap between the status quo and what we know we have to do for our future”.12

## at winners win

#### Obama thinks that pol cap is finite – he’ll back off controversial issues even if he’s winning

**Kuttner**, co-editor of The American Prospect and a senior fellow at Demos, author of "Obama's Challenge: America's Economic Crisis and the Power of a Transformative Presidency, 4/28/**’9**

(Robert, “Obama Has Amassed Enormous Political Capital, But He Doesn't Know What to Do with It,” [http://www.alternet.org/economy/138641/obama\_has\_amassed\_enormous\_political\_capital,\_but\_he\_doesn%27t\_know\_what\_to\_do\_with\_it/?page=entire](http://www.alternet.org/economy/138641/obama_has_amassed_enormous_political_capital%2C_but_he_doesn%27t_know_what_to_do_with_it/?page=entire))

We got a small taste of what a more radical break might feel like when Obama briefly signaled with the release of Bush's torture memos that he might be open to further investigation of the Bush's torture policy, but then backtracked and quickly asked the Democratic leadership to shut the idea down. Evidently, Obama's political self wrestled with his constitutional conscience, and won. Civil libertarians felt a huge letdown, but protest was surprisingly muted.

Thus the most important obstacle for seizing the moment to achieve enduring change: Barack Obama's conception of what it means to promote national unity. Obama repeatedly declared during the campaign that he would govern as a consensus builder. He wasn't lying. However, there are two ways of achieving consensus. One is to split the difference with your political enemies and the forces obstructing reform. The other is to use presidential leadership to transform the political center and alter the political dynamics. In his first hundred days, Obama has done a little of both, but he defaults to the politics of accommodation.

#### Wins only build long-term capital

**Purdum 10**, Columnist for Vanity Fair, (Todd, “Obama Is Suffering Because of His Achievements, Not Despite Them,” 12-20 [www.vanityfair.com/online/daily/2010/12/obama-is-suffering-because-of-his-achievements-not-despite-them.html](http://www.vanityfair.com/online/daily/2010/12/obama-is-suffering-because-of-his-achievements-not-despite-them.html))

 With this weekend’s decisive Senate repeal of the military’s “Don’t Ask, Don’t Tell” policy for gay service members, can anyone seriously doubt Barack Obama’s patient willingness to play the long game? Or his remarkable success in doing so? In less than two years in office—often against the odds and the smart money’s predictions at any given moment—Obama has managed to achieve a landmark overhaul of the nation’s health insurance system; the most sweeping change in the financial regulatory system since the Great Depression; the stabilization of the domestic auto industry; and the repeal of a once well-intended policy that even the military itself had come to see as unnecessary and unfair.

So why isn’t his political standing higher?

Precisely because of the raft of legislative victories he’s achieved. Obama has pushed through large and complicated new government initiatives at a time of record-low public trust in government (and in institutions of any sort, for that matter), and he has suffered not because he hasn’t “done” anything but because he’s done so much—way, way too much in the eyes of his most conservative critics. With each victory, Obama’s opponents grow more frustrated, filling the airwaves and what passes for political discourse with fulminations about some supposed sin or another. Is it any wonder the guy is bleeding a bit? For his part, Obama resists the pugilistic impulse. To him, the merit of all these programs has been self-evident, and he has been the first to acknowledge that he has not always done all he could to explain them, sensibly and simply, to the American public.

But Obama is nowhere near so politically maladroit as his frustrated liberal supporters—or implacable right-wing opponents—like to claim. He proved as much, if nothing else, with his embrace of the one policy choice he surely loathed: his agreement to extend the Bush-era income tax cuts for wealthy people who don’t need and don’t deserve them. That broke one of the president’s signature campaign promises and enraged the Democratic base and many members of his own party in Congress. But it was a cool-eyed reflection of political reality: The midterm election results guaranteed that negotiations would only get tougher next month, and a delay in resolving the issue would have forced tax increases for virtually everyone on January 1—creating nothing but uncertainty for taxpayers and accountants alike. Obama saw no point in trying to score political debating points in an argument he knew he had no chance of winning.

Moreover, as The Washington Post’s conservative columnist Charles Krauthammer bitterly noted, Obama’s agreement to the tax deal amounted to a second economic stimulus measure—one that he could never otherwise have persuaded Congressional Republicans to support. Krauthammer denounced it as the “swindle of the year,” and suggested that only Democrats could possibly be self-defeating enough to reject it. In the end, of course, they did not.

Obama knows better than most people that politics is the art of the possible (it’s no accident that he became the first black president after less than a single term in the Senate), and an endless cycle of two steps forward, one step back. So he just keeps putting one foot in front of the other, confident that he can get where he wants to go, eventually. The short-term results are often messy and confusing. Just months ago, gay rights advocates were distraught because Obama wasn’t pressing harder to repeal “Don’t Ask, Don’t Tell.” Now he is apparently paying a price for his victory because some Republican Senators who’d promised to support ratification of the START arms-reduction treaty—identified by Obama as a signal priority for this lame-duck session of Congress—are balking because Obama pressed ahead with repealing DADT against their wishes. There is a price for everything in politics, and Obama knows that, too.

## 2nr

#### **Last lame duck goes our way – Obama got wins cause he made concessions on taxes**

**Mason**, 12/9/**’10**

(<http://washingtonexaminer.com/politics/white-house/2010/12/obama-betting-political-capital-deal-gop?category=53&quicktabs_1=2>)

"This was a very high-profile fight, really the first thing Americans tuned into since the election and very high-stakes poker for the president," said Karlyn Bowman, a political analyst at the American Enterprise Institute.

By any measure, Obama needs to end the legislative session with bang and not a whimper. He risked his political capital by negotiating a deal with Republicans extending Bush-era tax cuts to all income levels for two years in exchange for a 13-month extension of unemployment benefits. It was a move the White House hoped would set a new tone of bipartisanship that would help Obama in the short term by securing Senate ratification of the START arms treaty with Russia and in the longer term when Republicans in January take over the House and increase their number in the Senate.

#### gas will never spike enough to make nuclear cost-competitive

Taylor, 10

(Fellow-Energy Policy at Cato, 2/16, “A Comeback for Nuclear Power” http://roomfordebate.blogs.nytimes.com/2010/02/16/a-comeback-for-nuclear-power/

If building new nuclear power plants is such a good idea, why won’t anyone put their own money at risk without government loan guarantees?

The answer is that nuclear power is risky for investors because it ties up more capital for longer periods of time than its main competitor, natural-gas-fired generation. Nuclear power makes economic sense only if natural gas prices are very high. Then, over time, the high initial costs of nuclear power would be offset by nuclear power’s lower fuel costs. Natural gas prices are not high enough at present to allow nuclear to compete. So what could make natural gas prices go up enough to make nuclear power attractive? One possibility is natural supply constraints. Until recently, North American gas supplies were thought to be increasingly scarce, but in 2009 natural gas reserve estimates increased by 35 percent because of technological advancements in shale rock drilling — the largest reserve increase in 44 years. So natural constraints are no longer in play and natural gas prices have returned to reasonable levels. A second possibility is a (direct or indirect) carbon tax to reduce greenhouse gas emissions. The Congressional Budget Office reported in 2008 that a carbon tax of $45 a ton would induce market interest in nuclear power plants. And that’s if natural gas prices were to stay relatively high. If gas prices were to return to their historical norm — which they have — the tax would have to be $80 a ton. And if construction costs were to double (and, historically speaking, the C.B.O. reports that a 207 percent cost overrun was the norm for nuclear power plant construction when we built them 30 years ago), it would require a $150 per ton carbon tax to induce market actors to build nuclear power plants rather than to respond to the tax with some other technology or market adjustment. The bottom line is that nuclear power cannot compete against natural gas **except under relatively extreme future cost scenarios, none of which are likely** in the foreseeable future. Federal efforts to force nuclear power plant construction will thus prove **economically counterproductive.**