# 1NC

### 1NC

#### -- Aff must specify which branch passes the plan – they don’t

#### -- Vote Neg –

#### 1. Ground – robs courts, congress, executive counterplans, agent specific disads and case arguments

#### 2. Conditionality – “resolved” means a “firm course of action” – not specifying allows them to shift and clarify in the 2AC

#### 3. No solvency – there’s no actor as the “Federal Government”, only specific branches

### 1NC

#### **The 1AC’s linking of energy production with national security creates a political impulse to secure – that makes unending resource wars inevitable**

Martens 11 (Emily, MA in Geography and Regional Studies – University of Miami, “The Discourses of Energy and Environmental Security in the Debate Over Offshore Oil Drilling Policy in Florida,” Open Access Theses, 5-10, http://scholarlyrepository.miami.edu/cgi/viewcontent.cgi?article=1253&context=oa\_theses)

The term energy security has become an engrained and seemingly unquestioned term within the contemporary political arena since earlier articulation under President Carter. The definition of the term seems to change according to shifting agendas and the socio-political zeitgeist, as evidenced in the previous historical narrative. In the United States energy security has encompassed a plethora of meanings that are the result of divergent understandings of the functioning of political and economic structures, as well as the social or ‘national’ significance of key energy resources, such as oil (Barton et al. 2004). From the consumer standpoint, oil (or in its refined form as gasoline), particularly cheap oil, is not simply the fuel for transportation and production, but also a signifier of the “American Way of Life”, a symbol of American exceptionalism and status within the global community (Huber 2009; Moran and Russell 2009). Traditionally, security has been conceptualized in terms of border protection, as well as the protection and promotion of ideologies and values both domestically and abroad. In reference to Foucault, Dalby alleges that there is a “political impulse to secure” through the invocation of “effective discourses of danger… contained within widely shared geopolitical imaginaries”, which serve to unify identities and justify State action (Dalby 2002: 146). Here it is a national identity contained within the discourse of energy security, and the popular rhetoric of “drill, baby, drill” that manages to **thwart environmental sustainability efforts**, thereby increasing incentives to expand domestic drilling sites. Resources have, historically, been at the heart of many quarrels, whereby certain types of natural resources available only in specific areas, **become essential ingredients for the productive process**. An adequate supply of these resources must be assured, and so the commercial tentacles of the productive unit must expand, until in some instances it draws upon supplies extracted from every corner of the planet. Inasmuch as every productive unit becomes dependent upon its sources of raw materials, every actual or potential denial of access to them represents a threat to the maintenance of that unit and to the well-being of its beneficiaries (Leiss 1994:156-157). Therefore, state security begins to encompass the productive process to ensure access to those resources which have become embedded within the daily functioning of the State’s commercial, social and political activities. The State security apparatus, therefore, must step in to protect and ensure sufficient access to oil as a means of ensuring its own survival and economic wellbeing (Barton et al. 2004; Muller-Kraener 2008; Ciuta 2010). The term security, therefore, “does not refer to an external, objective reality, but establishes a security situation by itself. It is the enunciation of the signifier which constitutes an (in)security condition…organiz[ing] social relations into security relations” for the purpose of protecting State interests (Dalby 2002: 12). The discourse of US energy security operates under the pretense of national security interests to ensure the protection and sufficient flow of key resources. Now whether an actually supply problem or political motives dictate the decision to create another offshore well is often difficult to determine. However, after the terrorist attacks of 9/11 the nationalistic, “Buy American” political sentiment increased drastically, with some gas stations claiming to sell only domestic, or “terrorist-free”, oil, thus creating an incentive to increase domestic 55 production in one of the few remaining spaces for extraction and production: the outer continental shelf (Huber 2009). In a senatorial hearing for the US Committee on Foreign Relations conducted in May 2009, Senator John Kerry concluded that the current US energy schema, which is heavily dependent upon oil, is unsustainable. The main complications include [1] the ‘transfer of American wealth to oil-exporting nations’, as a result of limited domestic supply; [2] a vulnerability to oil price shocks; [3] increased federal expenses created by an obligation of ‘our military to defend our energy supply in volatile regions around the world’; [4] the recent implications of ‘global terror, funded directly by our expenditures on oil; and [5] global climate change which is perpetuated by the burning of fossil fuels (Kerry 2009, May 12). Energy independence, accordingly, is supposed to secure the US from the aforementioned threats by creating a domestic energy supply capable of maintaining the infrastructure dependent upon a constant and cheap supply of energy resources. In addition the perceived threats under Carter’s initial articulation of energy security, Kerry adds the threats of oil-funded terrorism – as a reaction to the terrorist attacks on 9/11, where the known terrorists were citizens of Saudi Arabia, the largest oil producer in the world – and the environmental threat of global climate change. The addition of terrorist free oil to the energy security agenda brings energy security discourse into the present, by identifying a new and tangible threat. Since there had not been a significant energy crisis since the 1970s there seemed to be less urgency surrounding an energy security discourse that promoted energy independence. The establishment of the International Energy Agency by the Organization for Economic Cooperation and Development (OECD), managed to insulate member countries from 56 such a crisis by way of stockpiling oil resources to be used in an emergency and establishing procedures to follow in case there was a shortage in the oil supply. Due to a decrease in the threat posed by a major oil crisis such as that experienced in the 1970s, the position that oil imports constrained and threatened political and economic independence appears to have lost a bit of weight. Following the events of 9/11, however, the impetus to once again protect the nation from the threats posed by imported oil, which now include oil-funded terrorism, was on the table, and energy independence, which includes an expansion of offshore oil drilling, had a new reference point to play on fear and gain consent.

#### Causes global destruction

**Der Derian 98** (James, Professor of Political Science – University of Massachusetts, On Security, Ed. Lipschutz, p. 24-25)

No other concept in international relations packs the metaphysical punch, nor commands the disciplinary power of "security." In its name, peoples have alienated their fears, rights and powers to gods, emperors, and most recently, sovereign states, all to protect themselves from the vicissitudes of nature--as well as from other gods, emperors, and sovereign states. In its name, weapons of mass destruction have been developed which have transfigured national interest into a security dilemma based on a suicide pact. And, less often noted in international relations, in its name billions have been made and millions killed while scientific knowledge has been furthered and intellectual dissent muted. We have inherited an ontotheology of security, that is, an a priori  argument that proves the existence and necessity of only one form of security because there currently happens to be a widespread, metaphysical belief in it. Indeed, within the concept of security lurks the entire history of western metaphysics, which was best described by Derrida "as a series of substitutions of center for center" in a perpetual search for the "transcendental signified." Continues... [7](http://libcat1.cc.emory.edu:32888/20050307122932441313c0%3Dwww.ciaonet.org%3A80/book/lipschutz/lipschutz12.html#note7) In this case, Walt cites IR scholar Robert Keohane on the hazards of "reflectivism," to warn off anyone who by inclination or error might wander into the foreign camp: "As Robert Keohane has noted, until these writers `have delineated . . . a research program and shown . . . that it can illuminate important issues in world politics, they will remain on the margins of the field.' " [8](http://libcat1.cc.emory.edu:32888/20050307122932441313c0%3Dwww.ciaonet.org%3A80/book/lipschutz/lipschutz12.html%22%20%5Cl%20%22note8) By the end of the essay, one is left with the suspicion that the rapid changes in world politics have triggered a "security crisis" in security studies that requires extensive theoretical damage control. What if we leave the desire for mastery to the insecure and instead imagine a new dialogue of security, not in the pursuit of a utopian end but in recognition of the world as it is, other than us ? What might such a dialogue sound like? Any attempt at an answer requires a genealogy: to understand the discursive power of the concept, to remember its forgotten meanings, to assess its economy of use in the present, to reinterpret--and possibly construct through the reinterpretation--a late modern security comfortable with a plurality of centers, multiple meanings, and fluid identities. The steps I take here in this direction are tentative and preliminary. I first undertake a brief history of the concept itself. Second, I present the "originary" form of security that has so dominated our conception of international relations, the Hobbesian episteme of realism. Third, I consider the impact of two major challenges to the Hobbesian episteme, that of Marx and Nietzsche. And finally, I suggest that Baudrillard provides the best, if most nullifying, analysis of security in late modernity. In short, I retell the story of realism as an historic encounter of fear and danger with power and order that produced four realist forms of security: epistemic, social, interpretive, and hyperreal. To preempt a predictable criticism, I wish to make it clear that I am not in search of an "alternative security." An easy defense is to invoke Heidegger, who declared that "questioning is the piety of thought." Foucault, however, gives the more powerful reason for a genealogy of security: I am not looking for an alternative; you can't find the solution of a problem in the solution of another problem raised at another moment by other people. You see, what I want to do is not the history of solutions, and that's the reason why I don't accept the word alternative. My point is not that everything is bad, but that everything is dangerous, then we always have something to do. The hope is that in the interpretation of the most pressing dangers of late modernity we might be able to construct a form of security based on the appreciation and articulation rather than the normalization or extirpation of difference. Nietzsche transvalues both Hobbes's and Marx's interpretations of security through a genealogy of modes of being. His method is not to uncover some deep meaning or value for security, but to destabilize the intolerable fictional identities of the past which have been created out of fear, and to affirm the creative differences which might yield new values for the future. Originating in the paradoxical relationship of a contingent life and a certain death, the history of security reads for Nietzsche as an abnegation, a resentment and, finally, a transcendence of this paradox. In brief, the history is one of individuals seeking an impossible security from the most radical "other" of life, the terror of death which, once generalized and nationalized, triggers a futile cycle of collective identities seeking security from alien others--who are seeking similarly impossible guarantees. It is a story of differences taking on the otherness of death, and identities calcifying into a fearful sameness.

#### The alternative is to reject dominant security discourse – no one policy solves every problem – good theory now drives better policies later

Bruce 96 (Robert, Associate Professor in Social Science – Curtin University and Graeme Cheeseman, Senior Lecturer – University of New South Wales, Discourses of Danger and Dread Frontiers, p. 5-9)

This goal is pursued in ways which are still unconventional in the intellectual milieu of international relations in Australia, even though they are gaining influence worldwide as traditional modes of theory and practice are rendered inadequate by global trends that defy comprehension, let alone policy. The inability to give meaning to global changes reflects partly the enclosed, elitist world of professional security analysts and bureaucratic experts, where entry is gained by learning and accepting to speak a particular, exclusionary language. The contributors to this book are familiar with the discourse, but accord no privileged place to its ‘knowledge form as reality’ in debates on defence and security. Indeed, they believe that debate will be furthered only through a long overdue critical re-evaluation of elite perspectives. Pluralistic, democratically-oriented perspectives on Australia’s identity are both required and essential if Australia’s thinking on defence and security is to be invigorated. This is not a conventional policy book; nor should it be, in the sense of offering policy-makers and their academic counterparts sets of neat alternative solutions, in familiar language and format, to problems they pose. This expectation is in itself a considerable part of the problem to be analysed. It is, however, a book about policy, one that questions how problems are framed by policy-makers. It challenges the proposition that irreducible bodies of real knowledge on defence and security exist independently of their ‘context in the world’, and it demonstrates how security policy is articulated authoritatively by the elite keepers of that knowledge, experts trained to recognize enduring, universal wisdom. All others, from this perspective, must accept such wisdom or remain outside the expert domain, tainted by their inability to comply with the ‘rightness’ of the official line. But it is precisely the official line, or at least its image of the world, that needs to be problematised. If the critic responds directly to the demand for policy alternatives, without addressing this image, he or she is tacitly endorsing it. Before engaging in the policy debate the critics need to reframe the basic terms of reference. This book, then, reflects and underlines the importance of Antonio Gramsci and Edward Said’s ‘critical intellectuals’.15 The demand, tacit or otherwise, that the policy-maker’s frame of reference be accepted as the only basis for discussion and analysis ignores a three thousand year old tradition commonly associated with Socrates and purportedly integral to the Western tradition of democratic dialogue. More immediately, it ignores post-seventeenth century democratic traditions which insist that a good society must have within it some way of critically assessing its knowledge and the decisions based upon that knowledge which impact upon citizens of such a society. This is a tradition with a slightly different connotation in contemporary liberal democracies which, during the Cold War, were proclaimed different and superior to the totalitarian enemy precisely because there were institutional checks and balances upon power. In short, one of the major differences between ‘open societies’ and their (closed) counterparts behind the Iron Curtain was that the former encouraged the critical testing of the knowledge and decisions of the powerful and assessing them against liberal democratic principles. The latter tolerated criticism only on rare and limited occasions. For some, this represented the triumph of rational-scientific methods of inquiry and techniques of falsification. For others, especially since positivism and rationalism have lost much of their allure, it meant that for society to become open and liberal, sectors of the population must be independent of the state and free to question its knowledge and power. Though we do not expect this position to be accepted by every reader, contributors to this book believe that critical dialogue is long overdue in Australia and needs to be listened to. For all its liberal democratic trappings, Australia’s security community continues to invoke closed monological narratives on defence and security. This book also questions the distinctions between policy practice and academic theory that inform conventional accounts of Australian security. One of its major concerns, particularly in chapters 1 and 2, is to illustrate how theory is integral to the practice of security analysis and policy prescription. The book also calls on policy-makers, academics and students of defence and security to think critically about what they are reading, writing and saying; to begin to ask, of their work and study, difficult and searching questions raised in other disciplines; to recognise, no matter how uncomfortable it feels, that what is involved in theory and practice is not the ability to identify a replacement for failed models, but a realisation that terms and concepts – state sovereignty, balance of power, security, and so on – are contested and problematic, and that the world is indeterminate, always becoming what is written about it. Critical analysis which shows how particular kinds of theoretical presumptions can effectively exclude vital areas of political life from analysis has direct practical implications for policy-makers, academics and citizens who face the daunting task of steering Australia through some potentially choppy international waters over the next few years. There is also much of interest in the chapters for those struggling to give meaning to a world where so much that has long been taken for granted now demands imaginative, incisive reappraisal. The contributors, too, have struggled to find meaning, often despairing at the terrible human costs of international violence. This is why readers will find no single, fully formed panacea for the world’s ills in general, or Australia’s security in particular. There are none. Every chapter, however, in its own way, offers something more than is found in orthodox literature, often by exposing ritualistic Cold War defence and security mind-sets that are dressed up as new thinking. Chapters 7 and 9, for example, present alternative ways of engaging in security and defence practice. Others (chapters 3, 4, 5, 6 and 8) seek to alert policy-makers, academics and students to alternative theoretical possibilities which might better serve an Australian community pursuing security and prosperity in an uncertain world. All chapters confront the policy community and its counterparts in the academy with a deep awareness of the intellectual and material constraints imposed by dominant traditions of realism, but they avoid dismissive and exclusionary terms which often in the past characterized exchanges between policy-makers and their critics. This is because, as noted earlier, attention needs to be paid to the words and the thought processes of those being criticized. A close reading of this kind draws attention to underlying assumptions, showing they need to be recognized and questioned. A sense of doubt (in place of confident certainty) is a necessary prelude to a genuine search for alternative policies. First comes an awareness of the need for new perspectives, then specific policies may follow. As Jim George argues in the following chapter, we need to look not so much at contending policies as they are made for us but at challenging ‘the discursive process which gives [favoured interpretations of “reality”] their meaning and which direct [Australia’s] policy/analytical/military responses’. This process is not restricted to the small, official defence and security establishment huddled around the US-Australian War Memorial in Canberra. It also encompasses much of Australia’s academic defence and security community located primarily though not exclusively within the Australian National University and the University College of the University of New South Wales. These discursive processes are examined in detail in subsequent chapters as authors attempt to make sense of a politics of exclusion and closure which exercises disciplinary power over Australia’s security community. They also question the discourse of ‘regional security’, ‘security cooperation’, ‘peacekeeping’ and ‘alliance politics’ that are central to Australia’s official and academic security agenda in the 1990s. This is seen as an important task especially when, as is revealed, the disciplines of International Relations and Strategic Studies are under challenge from critical and theoretical debates ranging across the social sciences and humanities; debates that are nowhere to be found in Australian defence and security studies. The chapters graphically illustrate how Australia’s public policies on defence and security are informed, underpinned and legitimised by a narrowly-based intellectual enterprise which draws strength from contested concepts of realism and liberalism, which in turn seek legitimacy through policy-making processes. Contributors ask whether Australia’s policy-makers and their academic advisors are unaware of broader intellectual debates, or resistant to them, or choose not to understand them, and why?

### 1NC

#### Grand bargain now --- Obama has leverage and momentum.

**Green**, **11/7**/2012 (Joshua, Obama’s Strengthened Hand May Force Republican Opponents to Deal, Bloomberg, p. http://www.bloomberg.com/news/2012-11-08/obama-s-strengthened-hand-may-force-republican-opponents-to-deal.html)

But don’t be fooled. The political dynamic of the next four years will be almost exactly the opposite of the last four. Sure, partisan bickering will endure. There will still be Red America and Blue America, Fox News and MSNBC. But with one big difference: During Obama’s first term, and particularly in the last two years, the Republican Party had most of the leverage. Republicans’ willingness to reject stimulus, default on the debt and sabotage the nation’s credit rating --- threats that shook financial markets --- often put the White House at the mercy of the opposition, Bloomberg Businessweek reports in its Nov. 12 edition. In Obama’s second term, leverage will shift to the Democrats on almost every issue of importance. And that shift has already begun. The defining struggle in Obama’s first term was the battle for revenue. From the president’s original 2009 stimulus package to last year’s showdown over renewing the payroll tax cut, Obama was unsuccessful in his attempts to generate higher tax revenue to enable further spending. Obama confronted a Republican party determined to starve government and convinced that its path back to power lay in engineering his failure. As Senate Minority Leader Mitch McConnell, a Kentucky Republican, said in 2010, “The single most important thing we want to achieve is for President Obama to be a one-term president.” Hold the Line Republicans mostly held the line. To keep the economy afloat, the White House cut the deals it felt it had to. Many, such as Obama’s agreement to extend all of the Bush tax cuts in 2010, were poorly received by Democrats. Now comes the payoff. The expiration of those cuts and the automatic reductions set to take effect at year’s end --- the so-called fiscal cliff --- mean that Obama and the Democrats can gain a huge source of new revenue by doing nothing at all. Republican priorities are the ones suddenly in peril. The combination of tax increases on the rich, higher capital-gains taxes and sharp cuts in defense spending have congressional Republicans deeply worried. To mitigate these, they will have to bargain. Tough Talk Despite their post-election tough talk, Republican leaders have dealt themselves a lousy hand. Obama can propose a “middle- class tax cut” for the 98 percent of American households earning less than $250,000 a year, while letting the Bush tax cuts expire for those earning more, and dare the Republicans to block it. If they do, everyone’s taxes will rise on Jan. 1. It’s true that going over the fiscal cliff, as some Democrats believe will happen, would set back the recovery and could eventually cause a recession. But Democratic leaders in Congress believe the public furor would be too intense for Republicans to withstand for long. Going over the cliff would also weaken the Republicans’ greatest point of leverage: renewing their threat to default on the national debt. Right now, the Treasury expects to hit the debt ceiling in February. But if the cliff can’t be avoided, tax rates will rise and government coffers will swell, delaying the date of default, thus diminishing the Republicans’ advantage. Date Pushed Back Alice Rivlin, the founding director of the Office of Management and Budget and a senior fellow at the Brookings Institution, says that “as quickly as the IRS began changing the withholding schedule, the date would be pushed back.” This new, post-election reality should compel both sides toward the “Grand Bargain” on entitlement and tax reform that President Barack Obama and House Speaker John Boehner, an Ohio Republican, tried, and failed, to strike in the summer of 2011. Most people in Washington expect these negotiations to dominate the 2013 calendar year. Here again, leverage has shifted from Republicans to Democrats. “The message of this election is twofold,” says Senator Chuck Schumer, a New York Democrat. “Americans want us to come together around a balanced compromise. And the major issue surrounding the fiscal cliff that was litigated in the election was revenues. Voters clearly sided with us. The president made it a campaign issue, and he won.”

#### Plan costs capital --- it’s massively unpopular.

Fairley 10 Peter, IEEE Spectrum, May, "Downsizing Nuclear Power Plants,” [spectrum.ieee.org/energy/nuclear/downsizing-nuclear-power-plants/0](http://spectrum.ieee.org/energy/nuclear/downsizing-nuclear-power-plants/0)

However, there are political objections to SMRs. Precisely because they are more affordable, they may well increase the risk of proliferation by bringing the cost and power output of nuclear reactors within the reach of poorer countries.¶ Russia’s first SMR, which the nuclear engineering group Rosatom expects to complete next year, is of particular concern. The Akademik Lomonosov is a floating nuclear power plant sporting two 35-MW reactors, which Rosatom expects to have tethered to an Arctic oil and gas operation by 2012. The reactor’s portability prompted Greenpeace Russia to call this floating plant **the world’s most dangerous nuclear project in a decade.¶ SMRs may be smaller than today’s reactors.** But, politically at least, they’re just as nuclear.

#### Obama’s capital is key to resolve fiscal policy.

**Atkins**, **11/8**/2012 (Kimberly, Prez returns to D.C. with more clout, Boston Herald, p. http://bostonherald.com/news/columnists/view/20221108prez\_returns\_to\_dc\_with\_more\_clout)

When President Obama returned yesterday to the White House, he brought with him political capital earned in a tough re-election fight as well as a mandate from voters — which means bold changes and bruising fights could lie ahead. The first agenda item is already waiting for him: reaching an agreement with lawmakers to avert the looming fiscal cliff. GOP lawmakers have previously shot down any plan involving tax increases. Obama’s win — based in part on a message of making the wealthiest Americans pay more — may already be paying dividends. In remarks at the Capitol yesterday, House Speaker John Boehner seemed to acknowledge the GOP has to take a different tack than the obstructionism that has marred progress in the past. “The president has signaled a willingness to do tax reform with lower rates. Republicans have signaled a willingness to accept new revenue if it comes from growth and reform,” Boehner said. “Let’s start the discussion there.” Obama’s fresh political clout could extend to longer term fiscal policies beyond the fiscal cliff, though don’t expect GOP pushback to vanish. House Republicans still have plenty of fight in them. Comprehensive immigration reform — designed to smooth the path to citizenship while also strengthening the nation’s borders — also will be high on the president’s priority list. But unlike in his first term, when such a plan got little more than lip service in the face of staunch GOP opposition, Obama’s 3-to-1 support from Latinos on Election Day gives him the incentive to get it done. It also robs Republicans, who learned firsthand that dwindling support from Hispanics and other minority groups is costing them dearly, of any reason to stand in the way. An influx of new female voices in the Senate could also make Obama’s next four years the “Term of the Woman,” putting a new focus on equal pay and reproductive rights. U.S. Sen. Patty Murray of Washington state, who chairs the Democratic Senatorial Campaign Committee, told reporters yesterday that having a historically high 20 women in the Senate in January won’t just mean more attention to women’s issues. She said the Senate will function better overall with “great women who have really strong voices” on board, such as U.S. Sen.-elect Elizabeth Warren. “There is no stronger advocate for middle-class Americans,” Murray said of Warren. None of this, of course, will be a cakewalk, but unlike his first term, Obama will have more power to push back.

#### Fiscal cliff collapses the global economy.

**Vanguard Group**, 10/23/**2012** (Who else would fall of a U.S. fiscal cliff?, p. https://global.vanguard.com/international/americas/news/who-else-would-fall-off-a-US-fiscal-cliff.html)

If the U.S. economy were to fall off a “fiscal cliff,” how would that affect the Americas and the rest of the world’s economies? Roger Aliaga-Díaz, Ph.D., senior economist in Vanguard Investment Strategy Group, suggests that the event would trigger shock waves that would reverberate globally, affecting the biggest U.S. trading partners the most. The fiscal cliff is a combination of $600 billion in automatic spending cuts and the expiration of tax cuts that would occur all at once in January 2013 unless the U.S. Congress takes action to avert it. The value is equivalent to about 5% of anticipated 2013 U.S. gross domestic product (GDP). Action to avert the fiscal cliff is unlikely before the 6 November U.S. presidential and congressional elections, Mr. Aliaga-Díaz said. A hard hit to U.S. GDP growth Removing $600 billion from the U.S. economy would likely result in a 4- to 5-percentage-point impact on U.S. GDP growth in the first quarter of 2013, Mr. Aliaga-Díaz said. That would translate into a 2% to 3% first-quarter economic contraction. The most recent reading of real GDP by the U.S. Commerce Department’s Bureau of Economic Analysis, for the second quarter of 2012, showed growth of 1.3%. With growth already weak, the fiscal cliff would cause the U.S. economy to contract for two quarters, Mr. Aliaga-Díaz added. Even if growth resumed in the third quarter, he said, the full-year reading of GDP growth would be negative. The U.S. economy is central to the global economy. The International Monetary Fund (IMF) translates a 1-percentage-point hit to the U.S. economy into a 25-basis-point hit to annual global growth. So a 4-point reduction in U.S. GDP growth would shave a percentage point off global growth. Contagion to Canada, Mexico The effect would be greater on two of the United States’ biggest trading partners, Canada and Mexico, whose economies depend significantly on U.S. demand for their goods. Mr. Aliaga-Díaz pointed out that 70% of Canada’s exports are bound for the United States, accounting for about 20% of Canadian GDP. And each percentage-point drop in U.S. GDP would trigger a decrease of about 44 basis points in Canadian GDP, he said. In Mexico, where exports to the United States account for about a quarter of GDP, the fiscal cliff would cut into GDP by about 80 basis points for each 1-percentage-point decline in U.S. GDP, Mr. Aliaga-Díaz said. Automobile production in Mexico would be especially vulnerable, he noted, taking into account not only exports but also auto industry investment. The overall effect on Latin America would be about 50 basis points for each 1-percentage-point U.S. decline, Mr. Aliaga-Díaz said. He noted a potential mitigating effect for Canada and Mexico. A global economic contraction would reinforce the United States’ safe haven status, despite the U.S. fiscal difficulties. “That could increase investment in U.S. Treasuries, which could strengthen the U.S. dollar compared with the Canadian dollar and Mexican peso,” he said, “making Canada’s and Mexico’s exports less expensive in the United States.” Effects on China, Europe In China, where economic growth has already slowed this year, GDP growth would fall by 20 to 25 basis points for each 1-percentage-point drop in U.S. GDP growth, based on IMF estimates. The United States overtook the European Union as China’s largest export market early this year, according to the IMF. China is where reverberating shock waves would be most pronounced, Mr. Aliaga-Díaz said. As China’s growth slows, its demand for copper from Chile, iron ore from Australia, and oil from the Middle East would shrink. Europe, in a years-long struggle to work out its own serious fiscal problems, would face yet another strong challenge. Its primary avenue for growth—increased exports owing to a weaker euro—would be compromised in a global recession.

#### Failure on compromise collapses heg

Hutchison, 9/21 --- Senator from Texas (Kay Bailey, 9/21/2012, “A Looming Threat to National Security,” <http://hutchison.senate.gov/?p=weekly_column&id=1230>)

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.

#### Presidential leadership is key to a compromise – failure causes middle east war

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.

#### Extinction

**Russell 9** (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.

### 1NC

#### Text: the United States should propose a package deal that:

 -**develops a nuclear fuel bank in Kazakhstan**

**-offers increased economic cooperation, investment in Iran’s gas sector and no longer pursues regime change in Iran on the condition that Iran accepts to be a part of the international fuel bank**

 **-creates a pilot enrichment facility in Iran that is monitored by the IAEA every 60 days**

#### Just the offer solves proliferation – specific conditions of the CP gets Iran on board, guarantees compliance, and avoids the election DA

CSIS 9 (Center for Strategic and International Studies, “Time for a More Creative Negotiating Strategy with Iran,” 9-4, http://csis.org/blog/time-more-creative-negotiating-strategy-iran)

The Way Forward: Staged Negotiations The main problem with the U.S. negotiating strategy is that we are not showing any flexibility. Both Bush and Obama insisted that Iran suspend enrichment as a precondition for negotiations. This rigid approach prevents either side from work out a compromise. A better approach would be a more staged negotiation strategy. Iran has prepared a new offer (which admittedly won’t be very different) and has shown a willingness to negotiate. The United States could use this as an opportunity to show flexibility and test whether Iran is serious about negotiating. Iran’s proposal will likely focus on increased IAEA access and inspections. The United States should build on this offer by again bringing up the fuel bank proposal. We could make clear that we support their right to nuclear energy and support a proposal to place a fuel bank in a country like Russia or Kazakhstan, where Iran would have more confidence that they would be able to have a stable access to nuclear fuel. In exchange for giving the full fuel cycle, the United States could offer increased economic cooperation and a promise to no longer pursue or threaten regime change. Iran’s initial positive comments suggest they might be willing to accept this offer. However, they would likely say no. Bruno Pellaud, the IAEA’s former deputy director-general for safeguards, has said that current fuel bank proposals wouldn’t be accepted by Iran because they would not be on Iran’s soil, But Pellaud says a fuel bank is not likely to be a short-term solution for the Iran crisis. He says there is a deep feeling in Iran, currently projected by its hard-line government, that it should have the whole fuel cycle and not depend on foreign resources. Tehran so far only appears interested in international partnerships involving uranium-enrichment programs on Iranian soil. However, if we want to find a negotiated solution, we should not stop there. As a fallback, the United States should propose a single pilot facility on Iran’s soil that would contribute to the international fuel bank, along with even more economic cooperation, such as investment in Iran’s gasoline refinery sector. The reactor could provide fuel to Iran, and excess fuel to be sold to other developing countries. According to Gareth Evans, a former foreign minister of Australia, who is president of the International Crisis Group, this is the only solution that could be politically acceptable for all sides, The red line that matters is the one at the heart of the Non-Proliferation Treaty, between civilian and military capability. If Iran’s neighbors, including Israel, and the wider world could be confident that that line would hold, it would not matter whether Iran was capable of producing its own nuclear fuel. That line will hold if we can get Iran to accept a highly intrusive monitoring, verification and inspection regime that goes well beyond basic Non-Proliferation Treaty safeguards…and to have any industrial-scale activity conducted not by Iran alone but by an international consortium. Although Iran will hold out for as much as it can get and for as long as it can, it is capable of being persuaded…But negotiations won’t go anywhere if the United States and European Union continue to insist on zero enrichment. In Iran two weeks ago, I heard nothing from anyone, in or out of government, to suggest that any member of the current power elite thought the benefits of a nuclear weapons program — including for deterrence or asserting regional authority — could possibly outweigh the costs…Unconditional negotiations aimed at achieving “delayed limited enrichment with maximum safeguards” rather than the failed policy of “zero enrichment” can produce a win-win outcome. Such negotiations won’t be easy to start or conclude, given the parties’ long-held public positions. But if the objective is to ensure that Iran won’t backslide and be newly tempted to go down the nuclear weapons road, this is the only way to go. Flint Leverett, a Senior Research Fellow at the New America Foundation, agrees that a solution like this is the most restrictive that Iran would accept, But, as Iran has developed its enrichment infrastructure over the past several years, a strong consensus seems to have taken hold in Tehran that the Islamic Republic must be allowed to operate at least a pilot enrichment facility as part of an overall settlement.. senior Iranian officials have suggested both publicly and privately that Tehran would be open to constant, “embedded” monitoring of a pilot enrichment plant by the International Atomic Energy Agency…it seems increasingly that this is a genuine Iranian “red line” and that Tehran will not agree to negotiated limits on its nuclear activities without being allowed to operate such a facility. And, while Tehran might be willing to accept terms restricting the development of Iran’s fuel cycle infrastructure beyond a pilot enrichment facility, it will almost certainly not accept such limits without an American security guarantee as part of the agreement. As we discussed previously, U.S. intelligence sources believe Iran has not yet made a decision on whether to acquire nuclear weapons, but with intensive monitoring would be unlikely to try it. Therefore, from an Iranian perspective, this proposal would be extremely tempting. Iranian leaders could go to their people and say that they have “won” because the United States is willing to let them have access to the fuel cycle on their soil. This would fulfill the vision of Iran’s leaders of Iran being an important and proud country in the Middle East. Furthermore, acceptance of a internationally monitored facility would be linked directly with increased economic investment in Iran, including investment in their oil and gas sector. In the same article quoted above, Cirincioni argues that this would create a powerful domestic constituency in Iran that would push to make sure Iran remained in compliance with the strings attached. It’s Good for Iran…But Why Should the US Do It? The main benefit of this proposal is that it provides a real opportunity to find a negotiated solution. Iran has demonstrated that they are not willing to back down on the enrichment issue. A new round of sanctions is unlikely to change that. Unless we find a middle ground, the United States will be forced to accept an Iranian nuclear capability or start another military conflict in the Middle East. However, an internationally monitored facility is not just a way to avoid war, it also solves current concerns with Iran’s nuclear program. First, it could be sold as a political victory -- Obama could say that he has found a way to ensure that Iran has no nuclear weapons program. An international consortium is the one solution that allows both Iranian and American leaders to declare victory, and is therefore the most likely to be accepted by both sides. Second, this proposal would ease proliferation concerns. The facility, while on Iranian soil, would be run in cooperation with the international community. Current IAEA challenge inspections are seen as ineffective because they give Iran too much of an opportunity to divert nuclear fuel to a weapons program, but a permanent IAEA presence would alleviate those concerns. Dr. Geoffrey Forden and Sir John Thomson, who advocate this proposal and have written about it a few times, believe verification would be extremely effective, The IAEA would be consulted on the design of the plant and would operate three forms of safeguards: full-scope, Additional Protocol, and specially agreed transparency measures. Each shift of workers would have a majority of non-Iranians and non-Iranians would hold key positions in the management company. Together, these measures would protect both against diversion of material and against the establishment of a clandestine facility. Other security measures, especially “black boxing” and disabling mechanisms are considered. The risks of an Iranian “breakout” by expropriating the multilaterally owned facility are minor and the risks that the Iranians would and could establish a clandestine facility are, in comparison with other schemes, negligible. If Iran tried to kick the IAEA out or build another nuclear facility somewhere else, it would be a clear indication that Iran was seeking to acquire nuclear weapons, allowing the United States to respond in-kind. Also, just the offer would be a test of Iranian intentions. If Iran said no to a pilot enrichment facility on its soil that would guarantee access to nuclear fuel, the US and the international community could be fairly certain that Iran intended to acquire nuclear weapons.

### Solvency – 1NC

#### Loan guarantees don’t solve – costs too high

**Slocum, 12** – director of Public Citizen’s Energy Program, expert in issues dealing with regulation and deregulation of energy markets, the impact of mergers and lax regulations over electricity, petroleum, and natural gas, and federal energy legislation (Tyson, 2/3. “We Can't Afford to Expand Nuclear Power.” http://www.usnews.com/debate-club/should-nuclear-power-be-expanded/we-cant-afford-to-expand-nuclear-power)

In recent years, industry-driven legislative efforts—most notably the sweep of incentives for nuclear power in the 2005 Energy Policy Act—have been implemented to jump-start the nuclear industry, but even that mountain of money and regulatory rollbacks can't do the impossible: build a nuclear power plant affordably, safely, or timely and find a solution to the thousands of tons of highly radioactive waste. From loan guarantees to charging ratepayers up front for the cost of construction, to liability protections from Fukushima-style accidents, the industry has been unable to bring a new reactor online. Why? Because even with all this taxpayer help, it's still too costly. Photovoltaic solar this year will break the dollar-per-watt barrier, ushering in a rooftop revolution of cheap, clean, and consumer-owned energy. In addition to turning our buildings into power stations, investing in making our structures more energy-efficient remains the most cost-effective energy investment. Energy-efficiency programs can displace 23 percent of projected demand and provide a huge return for consumers. Charging taxpayers billions of dollars to bring a new reactor online wipes out any incentives to invest in these programs and suppresses local renewable projects that could bring green jobs and advance U.S. leadership in clean energy technology.

#### They’re factually wrong about loan guarantees – investors still have to pay upfront costs – deters investment

Gale et al 9 (Kelley Michael, Finance Department Chair – Latham & Watkins, “Financing the Nuclear Renaissance: The Benefits and Potential Pitfalls of Federal & State Government Subsidies and the Future of Nuclear Power in California,” Energy Law Journal, Vol. 30, p. 497-552, http://www.felj.org/docs/elj302/19gale-crowell-and-peace.pdf)

Much has been written on the DOE‘s loan guarantee program under the EPAct 2005, particularly in light of the changes to that program for renewable projects under the American Recovery and Reinvestment Act of 2009, and as such we will not cover its ―nuts and bolts‖ in great detail. But generally speaking, the federal loan guarantee program applicable to nuclear projects authorizes the DOE to make guarantees of debt service under construction loans for up to eighty percent of the construction costs of new nuclear projects that will (1) avoid or reduce air pollutants and emissions of greenhouse gases, and (2) employ new or significantly improved technology to do so. 61 Several requirements must be met before the DOE can enter into a loan guarantee agreement. First, either an appropriation for the cost of the guarantee must have been made or the DOE must receive full payment for the cost of the guarantee from the developer. 62 Because no money has been appropriated to cover these costs and the DOE has stated it does not intend to seek appropriations to pay these costs for any nuclear projects, 63 it appears that project developers may be responsible for pre-paying the full costs of the loan guarantees, 64 unless the Bingaman legislation discussed below is passed as proposed or similar legislation is enacted. Two components currently make up the cost of the guarantee. The first part is an ―Administrative Cost‖: the DOE must receive fees sufficient to cover applicable administrative expenses for the loan guarantee including the costs of evaluating applications, negotiating and closing loan guarantees, and monitoring the progress of projects. 65 These administrative expenses passed on to the developer include an application fee of $800,000, a facility fee of one half of one percent of the amount guaranteed by the loan guarantee, and a maintenance fee of $200,000–$400,000 per year. 66 Second, the DOE must receive a ―Subsidy Cost‖ for the loan guarantee, which is defined as the net present value of the government‘s expected liability from issuing the guarantee. 67 The Subsidy Cost must be estimated by a developer in an application, but cannot be officially determined until the time the loan guarantee agreement is signed. 68 The administrative costs associated with the program have been criticized as overly burdensome, 69 and the Subsidy Cost remains unquantifiable but decisively enormous. In fact, Standard & Poor‘s recently estimated that the Subsidy Cost for a typical nuclear reactor could be as high as several hundred million dollars. 70 The lack of clarity around how to quantify these costs up front and, as discussed below, the position of the DOE that the Subsidy Cost is not an eligible project cost under the loan guarantee program, make it difficult for developers to arrange investment or interim financing to get them through the development process. 71 Additionally, before entering a loan guarantee, the DOE must determine that (1) ―there is reasonable prospect of repayment of the principal and interest on [the guaranteed debt] by the borrower,‖ (2) the amount guaranteed by the government under the loan guarantee, when combined with other available financing sources, is sufficient to carry out the nuclear construction project, and (3) the DOE possesses a first lien on the assets of the project and other assets pledged as security and its security interest in the project is not subordinate to any other financing for the project. 72 Finally, the loan guarantee obligation must bear interest at a rate determined by the Secretary to be reasonable, taking into account the range of interest rates prevailing in the private sector for similar Federal government guaranteed obligations of comparable risk and the term of the guarantee cannot exceed the lesser of thirty years or ninety percent of the useful life of the nuclear reactor. 73 These requirements create uncertainties for developers and financiers seeking to understand how the program will work to support the financing of a new nuclear power plant. For instance, it is unclear how government approval of interest rates will work in the context of a deal with multiple debt instruments that each may have different pricing. Setting interest rates in these types of deals is an iterative process of modeling interest rates and testing markets. Further, it is unclear how interest rates will be compared. To our knowledge, there are no ―similar Federal government guaranteed obligations of comparable risk‖ to debt issued for the construction of a nuclear power project. 74

#### Financial incentives lock in inefficiency – kills competition

Loris, 11 – analyst at The Heritage Foundation (Nick, May. “Stop Picking Energy Winners and Losers with the Tax Code.” http://[www.heritage.org/research/commentary/2011/05/stop-picking-energy-winners-and-losers-with-the-tax-code](http://www.heritage.org/research/commentary/2011/05/stop-picking-energy-winners-and-losers-with-the-tax-code))

First, special tax credits for cherry-picked technologies artificially reduce the price for consumers. This makes them seem far more competitive than they actually are. Rather than increase competition, the artificial market distortion gives these technologies an unfair price advantage over other technologies. The more concentrated the subsidy or preferential treatment, the worse the policy is because the crowding-out effect for other technologies is larger. If subsidized technologies are market viable, then the tax break merely offsets private-sector costs for investments that would have been made either way. This creates industry complacency and perpetuates economic inefficiency by disconnecting market success from production costs. Furthermore, when the government becomes involved in the decision-making process, it increases the business incentive to send lobbyists to Capitol Hill to make their pitch why their industry needs those tax credits. Industries will plead that they need five years of tax credits then they’ll be good to go on their own. Five years later, they’re asking for five more years. These specific carve outs reduce the incentive for producers to be cost competitive with technologies that do not rely on help from the government.

#### The plan encourages dependence, undermines innovation

Loris, 11 – analyst at the Heritage Foundation’s Roe Institute of Economic Policy Studies (Nicolas, 8/3.

“Power Down the Subsidies to Energy Producers.” <http://www.heritage.org/research/commentary/2011/08/power-down-the-subsidies-to-energy-producers>)

But the damage subsidies inflict on our economy extends well beyond direct costs. A special endorsement from the government artificially props up that technology. This reduces the incentive for the producer to become cost-competitive, stifles innovation and encourages government dependence.¶ The federal government has no business picking commercial winners and losers. That’s the job of the marketplace. Indeed, it’s doubly damaging when government decides to manipulate the market through subsidies, because government - almost invariably - picks losers. That’s not surprising, because companies that seek handouts most strenuously are those that cannot compete without them.

#### **Natural gas blocks investment**

Domenici and Miller 12 (Pete, Senator – New Mexico, and Dr. Warren F., Co-Chair – Nuclear Initiative; Former Assistant Secretary for Nuclear Energy – Department of Energy, “Maintaining U.S. Leadership in Global Nuclear Energy Markets,” Bipartisan Policy Center, July, http://bipartisanpolicy.org/sites/default/files/Leadership%20in%20Nuclear%20Energy%20Markets.pdf)

Prospects for new reactor construction in the United States have constricted significantly in recent years. In the years following passage of EPACT05, 18 utilities applied for combined construction and operating licenses (COLs) to build a total of 28 reactors. 2 In addition, DOE received 19 applications for loan guarantees to support financing for 21 proposed reactors. A combination of factors—including downward revisions to electricity demand projections, difficulty executing the EPACT05 loan guarantee program as intended, and drastically reduced natural gas prices—has put all but two projects on hold. While these projects, comprising four reactors, have received NRC licenses and are currently under construction in Georgia and South Carolina, these plants still face financial, regulatory, and construction challenges. 3 And, though natural gas prices have historically been quite volatile, the ability to tap large shale gas reserves will likely keep natural gas prices sufficiently low to make financing additional new reactor construction very difficult for at least the next decade, if not longer.

#### Design issues block

King 11 (Marcus, Ph.D., Center for Naval Analyses Project Director and Research Analyst for the Environment and Energy Team, LaVar Huntzinger, Thoi Nguyen, March 2011, Feasibility of Nuclear Power on U.S.Military Installations, www.cna.org/sites/default/files/research/Nuclear Power on Military Installations D0023932 A5.pdf)

Unresolved certification and licensing issues and time likely required for resolving them While the NRC guides and regulations provide a comprehensive representation of certification and licensing issues, others may arise once a vendor actually submits an SMR design to the NRC. However, the likely issues have been identified because the NRC has engaged DOE and facilitated discussion with potential SMR vendors about potential policy, licensing, and key technical issues for SMR designs. The NRC has encouraged the earliest possible interaction of applicants, vendors, and other government agencies to provide for early identification of regulatory requirements for advanced reactor designs and to provide all interested parties, including the public, with a timely and independent assessment of the safety and security characteristics of advanced reactor designs [48]. This approach will minimize complexity and add predictability to the licensing process. These actions are timely because some nuclear reactor vendors have notified NRC that they intend to submit design and license applications for SMRs to NRC as early as FY 2012. The issues that have been identified generally result from key differences between the new designs and current generation reactors regarding size, moderator, coolant, fuel design, and projected operational parameters. The differences also result from industry proposed approaches and modifications to current policies and practices. Organizations such as the NRC, Nuclear Energy Institute, and the American Nuclear Society have activities underway to develop proposed solutions to these issues. The issues most relevant to DoD's considerations of small modular reactors are as follows: • Implementation of the defense-in-depth philosophy for advanced reactors

### Prolif Leadership – 1NC

#### Nuke leadership fails – it’s an ineffective tool and outdated

Weiss 9 (Leonard, Affiliated Scholar – Stanford University's Center for International Security and Cooperation, “Reliable Energy Supply and Nonproliferation,” Nonproliferation Review, 16(2), July, http://cns.miis.edu/npr/pdfs/npr\_16-2\_weiss.pdf)

Part of the problem is that its value as a nonproliferation tool was at its height at the beginning of the nuclear age**,** when few countries were in a position to achieve nuclear autarky. The probability of consensus on establishing a worldwide regime in which there are fuel guarantees and no nationally owned fuel cycle facilities has been on a decreasing slope. Technology denial has become a less effective tool, thanks especially to A.Q. Khan and others. The spread of fuel cycle technologies has perhaps reached a tipping point in which the technology is**,** if not widely available, then sufficiently available to any determined party**.** Hence, the argument made by proponents of internationalization that giving up national nuclear development in favor of more restrictive international efforts will result in much greater security for all does not have the power it may once have had.

#### Alt cause – nuclear hypocrisy

**Caldicott, 6** – Founder and President of the Nuclear Policy Research Institute (Helen, “Nuclear Power is not the answer.” pp. 134-135)

In light of terrorist attacks using conventional weapons, it is only a matter of time before someone steals enough plutonium to make an adequate nuclear weapon. Then we proceed into the age of nuclear terrorism. Meanwhile, with the world awash in plutonium and highly enriched uranium, the Bush administration pursues its own nuclear armament development policy that makes it increasingly likely that a rogue nation will procure and possibly use nuclear weapons. The United States has adopted three contradictory stances at the same time: It is aggressively forging ahead to build more nuclear weapons, stating that it will use them preemptively even against non- nuclear nations. It is instrumental in denying the right to build nuclear weapons to all but a handful of countries. In the context of promoting nuclear energy, it has offered dozens of countries nuclear technology and access to nuclear power fuel. The fission process makes plutonium, which can then be separated by reprocessing and converted to fuel for nuclear weapons. While the Bush proposal includes taking the spent fuel back to the United States, it is not clear that that process can be undertaken with no cheating. Thus, even as there is much hand-wringing at the United Nations about the possibility that Iran and North Korea may be developing nuclear weapons, eight nation-states-Russia, the United States, France, China, Britain, India, Israel, and Pakistan- possess their own nuclear arsenals, and others are free to develop weapons without the admonitions that the United States and the United Nations are imposing upon Iran and North Korea. This strange juxtaposition of opposing attitudes needs to be examined in the context of the sixty-five-year history of nuclear fission and related weapons development.

#### Alt cause – waste management

**Moniz, 11** – Cecil and Ida Green Distinguished Professor of Physics and Engineering Systems and Director of the Energy Initiative at MIT, served as Undersecretary of the U.S. Department of Energy in 1997-2001 (Ernest, December. “Why We Still Need Nuclear Power.” Foreign Affairs, Nov/Dec2011, Vol. 90, Issue 6, EBSCO.)

The United States' dysfunctional nuclear waste management system has an unfortunate international side effect: it limits the options for preventing other countries from using nuclear power infrastructure to produce nuclear weapons. If countries such as Iran are able to enrich uranium to make new reactor fuel and separate out the plutonium to recover its energy value, they then have access to the relevant technology and material for a weapons program. Safeguards agreements with the International Atomic Energy Agency are intended to make sure that civilian programs do not spill over into military ones, but the agency has only a limited ability to address clandestine programs.

#### Restrictions on nuclear exports block US competitiveness

NEI 12 (Nuclear Energy Institute, “U.S. Nuclear Export Rules Hurt Global Competitiveness,” Winter, http://www.nei.org/resourcesandstats/publicationsandmedia/insight/insightwinter2012/us-nuclear-export-rules-hurt-global-competitiveness/)

Fifty years ago, the United States was the global leader in nuclear technology and services, the first country to harness atoms for peace, and the first to profit from it internationally. 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.

#### ---No Chinese nuclear leadership:

#### A. Too bureaucratic – they rely on the designs of other countries

**Yi-Chong 12** (Xi, Professor in the School of Governance and International Relations,Griffith University in Australia, March, "Nuclear Power in China: How It Really Works", http://www.globalasia.org/V7N1\_Spring\_2012/Xu\_Yi-chong.html)

One important component for safe nuclear development is to guarantee that “technologies incorporated in the design and construction of a nuclear installation are proven by experience or qualified by testing or analysis,” according to the Convention on Nuclear Safety. Reactor designs have improved significantly since the Three Mile Island accident in 1979, moving from what is known as Generation I+ to Generation II to II+ (with passive safety features) and to Generation III, represented by the Westinghouse AP1000 and Areva EPR1000+ designs. The nuclear industry and safety authorities around the world have been trying to build redundant safety systems and multiple barriers to protect against a large release of radiation into the environment. But in China, the safety of reactor designs has little to do with the design, per se. It has everything to do with how a particular design is selected and adopted. China has so far adopted a variety of technologies — PWR (pressurized water reactors) from the US, France and Russia, PHWR (pressurized heavy water reactors) from Canada and Chinese-adapted-PWRs, which range from G-II to G-II+. It also has a fast-breeder reactor (FBR) that was connected to the power grid in 2011 and an experimental high-temperature gas-cooled reactor module (HTGR) to be constructed in Shandong. Among 27 reactors now under construction, 18 of them are CPR1000 reactors — a model based on the initial French M300, which itself was developed after adopting the Westinghouse PWR; three China Nuclear Power (CNP) series reactors developed by and large indigenously by CNNC; four are AP1000s and two are EPR1000s. This means six out of 27 reactors are Generation III, while the rest remain G-II or G-II+. So far, the selection of reactor designs has been heavily influenced by politics, with inconsistent policies and bureaucratic bickering often behind the debate over the selection and licensing of reactor designs, rather than consideration of the technical merits of each model. China introduced the Russian VVER, a pressurized water reactor, not long after the Chernobyl disaster because Russia was isolated after 1989 and needed allies to do business with. Political pressures from France and Guangdong led to the adoption of the Areva EPR without proper international bidding.

#### **B No human capital**

**Yi-Chong 12** (Xi, Professor in the School of Governance and International Relations,Griffith University in Australia, March, "Nuclear Power in China: How It Really Works", http://www.globalasia.org/V7N1\_Spring\_2012/Xu\_Yi-chong.html)

Human Capital: Where to Find the Staff China is facing a major dilemma in finding the skilled human resources needed for safe nuclear expansion. To accomplish its goals, China needs to train labor to build the plants to a proper standard, educate engineers in plant design, train operators to run the many plants it has planned and staff its regulatory agencies with qualified nuclear engineers and other experts. All nuclear companies operating in China, local as well as foreign, know that finding a qualified labor force is their most difficult challenge.

#### No risk of terrorism

Walt 12 (Stephen, Belfer Professor of International Affairs – Harvard University, “What Terrorist Threat?,” Foreign Policy, 8-13, http://walt.foreignpolicy.com/posts/2012/08/13/what\_terrorist\_threat)

Remember how the London Olympics were supposedly left vulnerable to terrorists after the security firm hired for the games admitted that it couldn't supply enough manpower? This "humiliating shambles" forced the British government to call in 3,500 security personnel of its own, and led GOP presidential candidate Mitt Romney to utter some tactless remarks about Britain's alleged mismanagement during his official "Foot-in-Mouth" foreign tour last month. Well, surprise, surprise. Not only was there no terrorist attack, the Games themselves came off rather well. There were the inevitable minor glitches, of course, but no disasters and some quite impressive organizational achievements. And of course, athletes from around the world delivered inspiring, impressive, heroic, and sometimes disappointing performances, which is what the Games are all about. Two lessons might be drawn from this event. The first is that the head-long rush to privatize everything -- including the provision of security -- has some obvious downsides. When markets and private firms fail, it is the state that has to come to the rescue. It was true after the 2007-08 financial crisis, it's true in the ongoing euro-mess, and it was true in the Olympics. Bear that in mind when Romney and new VP nominee Paul Ryan tout the virtues of shrinking government, especially the need to privatize Social Security and Medicare. The second lesson is that we continue to over-react to the "terrorist threat." Here I recommend you read John Mueller and Mark G. Stewart's The Terrorism Delusion: America's Overwrought Response to September 11, in the latest issue of International Security. Mueller and Stewart analyze 50 cases of supposed "Islamic terrorist plots" against the United States, and show how virtually all of the perpetrators were (in their words) **"incompetent, ineffective, unintelligent, idiotic, ignorant, unorganized, misguided, muddled, amateurish, dopey, unrealistic, moronic, irrational and foolish."** They quote former Glenn Carle, former deputy national intelligence officer for transnational threats saying "we must see jihadists for the small, lethal, disjointed and miserable opponents that they are," noting further that al Qaeda's "capabilities are far inferior to its desires." Further, Mueller and Stewart estimate that expenditures on domestic homeland security (i.e., not counting the wars in Iraq or Afghanistan) have increased by more than $1 trillion since 9/11, even though the annual risk of dying in a domestic terrorist attack is about 1 in 3.5 million. Using conservative assumptions and conventional risk-assessment methodology, they estimate that for these expenditures to be cost-effective "they would have had to deter, prevent, foil or protect against 333 very large attacks that would otherwise have been successful every year." Finally, they worry that this exaggerated sense of danger has now been "internalized": even when politicians and "terrorism experts" aren't hyping the danger, the public still sees the threat as large and imminent. As they conclude:

#### -- No Accidents

Waltz 95 (Kenneth, Professor of Political Science (Emeritus) – UC Berkeley, "Peace, Stability, and Nuclear Weapons," Columbia International Affairs Online, August, http://www.ciaonet.org/wps/wak01/)

Fear of accidents works against their occurring. This is illustrated by the Cuban Missile Crisis. Accidents happened during the crisis, and unplanned events took place. An American U-2 strayed over Siberia, and one flew over Cuba. The American Navy continued to play games at sea, such games as trying to force Soviet submarines to surface. In crises, political leaders want to control all relevant actions, while knowing that they cannot do so. Fear of losing control propelled Kennedy and Khrushchev to end the crisis quickly. In a conventional world, uncertainty may tempt a country to join battle. In a nuclear world, uncertainty has the opposite effect. What is not surely controllable is too dangerous to bear.

#### No widespread proliferation

Hymans 12 (Jacques, Associate Professor of International Relations – USC, North Korea's Lessons for (Not) Building an Atomic Bomb, Foreign Affairs, 4-16, 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.

#### -- Environment is resilient

Easterbrook 95 (Gregg, Distinguished Fellow – Fullbright Foundation, A Moment on Earth, p. 25)

In the aftermath of events such as Love Canal or the Exxon Valdez oil spill, every reference to the environment is prefaced with the adjective "fragile." "Fragile environment" has become a welded phrase of the modern lexicon, like "aging hippie" or "fugitive financier." But the notion of a fragile environment is profoundly wrong. Individual animals, plants, and people are distressingly fragile. **The environment** that contains them **is** close to **indestructible**. The living environment of Earth has survived ice ages; bombardments of cosmic radiation more deadly than atomic fallout; solar radiation more powerful than the worst-case projection for ozone depletion; thousand-year periods of intense volcanism releasing global air pollution far worse than that made by any factory; reversals of the planet's magnetic poles; the rearrangement of continents; transformation of plains into mountain ranges and of seas into plains; fluctuations of ocean currents and the jet stream; 300-foot vacillations in sea levels; shortening and lengthening of the seasons caused by shifts in the planetary axis; collisions of asteroids and comets bearing far more force than man's nuclear arsenals; and the years without summer that followed these impacts. Yet hearts beat on, and petals unfold still. Were the environment fragile it would have expired many eons before the advent of the industrial affronts of the dreaming ape. **Human assaults** on the environment, though mischievous, **are** **pinpricks** compared to forces of the magnitude nature is **accustomed to resisting**.

#### Meltdowns don’t cause extinction (empirics)

**WNA 12**(World nuclear association members are responsible for 95% of the world's nuclear power outside of the U.S., as well as the vast majority of world uranium, conversion and enrichment production, “Safety of Nuclear Power Reactors”, March 2012, WNA, <http://www.world-nuclear.org/info/inf06.html>, Chetan)

In the 1950s attention turned to harnessing the power of the atom in a controlled way, as demonstrated at Chicago in 1942 and subsequently for military research, and applying the steady heat yield to generate electricity. This naturally gave rise to concerns about accidents and their possible effects. However, with nuclear power safety depends on much the same factors as in any comparable industry: intelligent planning, proper design with conservative margins and back-up systems, high-quality components and a well-developed safety culture in operations. A particular nuclear scenario was loss of cooling which resulted in melting of the nuclear reactor core, and this motivated studies on both the physical and chemical possibilities as well as the biological effects of any dispersed radioactivity. Those responsible for nuclear power technology in the West devoted extraordinary effort to ensuring that a meltdown of the reactor core would not take place, since it was assumed that a meltdown of the core would create a major public hazard, and if uncontained, a tragic accident with likely multiple fatalities. In avoiding such accidents the industry has been very successful. In over 14,500 cumulative reactor-years of commercial operation in 32 countries, there have been only three major accidents to nuclear power plants - Three Mile Island, Chernobyl, and Fukushima - the second being of little relevance to reactor design outside the old Soviet bloc. It was not until the late 1970s that detailed analyses and large-scale testing, followed by the 1979 meltdown of the Three Mile Island reactor, began to make clear that even the worst possible accident in a conventional western nuclear power plant or its fuel would not be likely to cause dramatic public harm. The industry still works hard to minimize the probability of a meltdown accident, but it is now clear that no-one need fear a potential public health catastrophe simply because a fuel meltdown happens. Fukushima has made that clear, with a triple meltdown causing no fatalities or serious radiation doses to anyone, while over two hundred people continued working on the site to mitigate the accident's effects. The decades-long test and analysis program showed that less radioactivity escapes from molten fuel than initially assumed, and that most of this radioactive material is not readily mobilized beyond the immediate internal structure. Thus, even if the containment structure that surrounds all modern nuclear plants were ruptured, as it has been with at least one of the Fukushima reactors, it is still very effective in preventing escape of most radioactivity. It is the laws of physics and the properties of materials that mitigate disaster, more than the required actions by safety equipment or personnel. In fact, licensing approval for new plants now requires that the effects of any core-melt accident must be confined to the plant itself, without the need to evacuate nearby residents. The three significant accidents in the 50-year history of civil nuclear power generation are: Three Mile Island (USA 1979) where the reactor was severely damaged but radiation was contained and there were no adverse health or environmental consequences Chernobyl (Ukraine 1986) where the destruction of the reactor by steam explosion and fire killed 31 people and had significant health and environmental consequences. The death toll has since increased to about 5 Fukushima (Japan 2011) where three old reactors (together with a fourth) were written off and the effects of loss of cooling due to a huge tsunami were inadequately contained. A table showing all reactor accidents, and a table listing some energy-related accidents with multiple fatalities are appended. These three significant accidents occurred during more than 14,000 reactor-years of civil operation. Of all the accidents and incidents, only the Chernobyl and Fukushima accidents resulted in radiation doses to the public greater than those resulting from the exposure to natural sources. The Fukushima accident resulted in some radiation exposure of workers at the plant, but not such as to threaten their health, unlike Chernobyl. Other incidents (and one 'accident') have been completely confined to the plant. Apart from Chernobyl, no nuclear workers or members of the public have ever died as a result of exposure to radiation due to a commercial nuclear reactor incident. Most of the serious radiological injuries and deaths that occur each year (2-4 deaths and many more exposures above regulatory limits) are the result of large uncontrolled radiation sources, such as abandoned medical or industrial equipment. (There have also been a number of accidents in experimental reactors and in one military plutonium-producing pile - at Windscale, UK, in 1957, but none of these resulted in loss of life outside the actual plant, or long-term environmental contamination.) See also Table 2 in Appendix.

### Manufacturing – 1NC

#### Manufacturing’s fine.

Reuters, 10/1/12 (Leah Schnurr, “U.S. manufacturing grows in September for first time since May.” http://news.yahoo.com/manufacturing-sector-grows-september-first-time-since-may-140404300--business.html)

U.S. manufacturing unexpectedly expanded in September for the first time since May as new orders and employment pickedhttp://news.yahoo.com/manufacturing-sector-grows-september-first-time-since-may-140404300--business.htmlthe point where things are good, but this indicates strongly that things are not so bad," said Adam Sarhan, chief executive of Sarhan Capital in New York. It was the first time since May that the index has been above the 50 threshold that indicates expansion in the sector.

#### Natural gas solves

Gibson, 9/13/12 – President & CEO, American Iron and Steel Institute (Thomas, “Shale Natural Gas Biggest Game-Changer.” http://energy.nationaljournal.com/2012/09/seeking-elusive-energy-indepen.php#2243547)

The United States is moving closer to the goal of being able to supply all of its energy needs from domestic energy sources. The biggest game-changer in this quest for energy self-sufficiency has been the discovery and development of America’s vast shale reserves. Developing our natural gas resources from these shale formations across the country is providing low-cost and reliable sources of energy that will boost the U.S. manufacturing sector’s competitiveness. This is especially true for America’s steel industry where energy costs generally represent up to 20% of the total cost of making steel in the U.S. AISI member companies often compete internationally with steelmakers from countries where those energy costs are subsidized. This makes it imperative that we have an effective national energy plan focused on maximizing production from U.S. domestic gas, oil, and coal resources to create and maintain valuable American jobs in steel and other key industries. As an energy-intensive industry that creates essential American jobs and manufactures materials critical to America’s economic and national security, we believe energy policies must be crafted to foster – and not hinder – our international competitiveness. We are strongly supportive of policy measures to increase production of on- and off-shore energy resources, especially natural gas from shale formations, and appropriate regulatory reforms so that all forms of energy supply (coal, natural gas and electricity) remain affordable and reliable. In particular, by embracing our abundant shale reserves as the tremendous domestic resource that they are, while developing them in a careful manner, our nation can lessen its dependency on foreign energy supplies, create thousands of jobs and spur economic growth for years to come.

#### Can’t solve – offshoring and tax code bias toward foreign investment – outweighs the aff

Boushey, 12 – Senior Economist at American Progress (Heather, 7/19. “Tax Reform and the U.S. Manufacturing Sector.” http://www.americanprogressaction.org/issues/general/report/2012/07/19/11949/tax-reform-and-the-u-s-manufacturing-sector/)

Second, there are a variety of ways that policymakers can support manufacturing, of which reforming the corporate tax code is one piece of the puzzle. Manufacturers make their investment decisions based on a variety of factors, not only the level of taxation. The research is clear that any set of policies aimed at supporting U.S. manufacturing should include investments in education and training, infrastructure, basic and applied research and development, and improvements to basic data collection. To support manufacturing, I recommend that this Congress focus on a few key items: Pass comprehensive business tax reform that both eliminates loopholes and inefficient business tax expenditures without disadvantaging domestic manufacturing. Currently, loopholes allow companies to avoid paying U.S. taxes by artificially shifting their profits offshore. Closing these loopholes by adopting strong provisions to prevent base erosion and will promote job growth in the United States and insure businesses are both competitive and fairly taxed. Find a fiscally responsible way to make the research and experimentation, or R&E, tax credit permanent in order to boost and attract domestic investment in research and development, or R&D, from the private sector. Studies have shown that the R&E tax credit stimulates as much research and development investment as a direct subsidy and that the social returns on R&D are greater than returns for private investors who finance R&D. The Obama tax proposal finances the credit exclusively through business tax reform. Introduce a minimum tax on foreign earnings to prevent production from going to tax havens overseas. This would also ease the tax code’s current bias towards foreign, as opposed to domestic, investment and level the playing field among competing businesses. I want to stress, however, that the level of taxation is only one piece of the puzzle and the statutory corporate tax rate is only one aspect of the corporate tax code and how it affects businesses. Supporting manufacturing requires a deeper policy commitment and while I will focus my time in my remarks specifically on tax policy, given the jurisdiction of this committee, there are also a variety of other ways that we can promote manufacturing and innovation in the United States—or least not disadvantage it relative to other industries—including: Improve infrastructure so that U.S. goods can be more easily transported and marketed at home and abroad. This will also make the U.S. more appealing to businesses and globally competitive. Implement the Obama administration’s proposal to start an $8 billion “Community College to Career Fund” to encourage collaboration and partnerships between community colleges and businesses in training our future workforce. Two million workers would learn skills vital to working in burgeoning industries like advanced manufacturing and heath care. A highly skilled workforce would also give the U.S. and its regional economies further advantages over its global competitors. Increase government investment in advanced manufacturing by 19 percent, to $2.2 billion in fiscal year 2013, as outlined by the current administration. Manufacturing workers receive better pay and benefits, while the manufacturing sector is the driving force behind innovation in our economy. Additional investments in this area will benefit workers, improve our standard of living, and strengthen our economy. Follow through on President Obama’s plan to establish a National Network for Manufacturing Innovation. This network, comprised of up to 15 new manufacturing institutes, would facilitate and promote collaboration between companies and research universities, all with the aim of increasing and scaling up manufacturing production

#### Turn – electricity prices –

#### A) they’re declining

**Burtraw 8/21/12** (one of the nation’s foremost experts on environmental regulation in the electricity sector. “Falling Emissions and Falling Prices: Expectations for the Domestic Natural Gas Boom” http://common-resources.org/2012/falling-emissions-and-falling-prices-expectations-for-the-domestic-natural-gas-boom/)

Moreover, the boom in domestic natural gas production could have even more immediate affects for U.S. electricity consumers. The increased supply of gas is expected to lower natural gas prices and retail electricity prices over the next 20 years, according to a [new RFF Issue Brief](http://www.rff.org/Publications/Pages/PublicationDetails.aspx?PublicationID=22019). These price decreases are expected to be even larger if demand for electricity continues on a slow-growth trajectory brought on by the economic downturn and the increased use of energy efficiency.For example, RFF analysis found that delivered natural gas prices would have been almost 35% higher in 2020 if natural gas supply projections had matched the lower estimates released by the U.S. Energy Information Administration (EIA) in 2009. Instead, with an increased gas supply, consumers can expect to pay $4.9 per MMBtu for delivered natural gas in 2020 instead of $6.6 per MMBtu. These trends are even more exaggerated if demand for electricity were to increase to levels projected by the EIA just three years ago, in 2009.This decrease in natural gas prices is expected to translate into a decrease in retail electricity prices for most electricity customers in most years out to 2020. Compared to the world with the lower gas supply projections, average national electricity prices are expected to be almost 6% lower, falling from 9.25 cents to 8.75 cents per kilowatt-hour in 2020. Residential, commercial, and industrial customers are all expected to see a price decrease, with the largest price changes occurring in parts of the country that have competitive electricity markets. All of these prices decreases translate into real savings for most electricity customers. The savings are largest for commercial customers, who stand

#### B) SMRs increase prices

Cooper 9 (Mark, SENIOR FELLOW FOR ECONOMIC ANALYSIS INSTITUTE FOR ENERGY AND THE ENVIRONMENT¶ VERMONT LAW SCHOOL, "THE ECONOMICS OF NUCLEAR REACTORS: RENAISSANCE OR RELAPSE?," http://www.vermontlaw.edu/Documents/Cooper%20Report%20on%20Nuclear%20Economics%20FINAL%5B1%5D.pdf)

Within the past year, estimates of the cost of nuclear power from a new generation of ¶ reactors have ranged from a low of 8.4 cents per kilowatt hour (kWh) to a high of 30 cents. This ¶ paper tackles the debate over the cost of building new nuclear reactors, with the key findings as ¶ follows: ¶ • The initial cost projections put out early in today’s so-called “nuclear renaissance” were about ¶ one-third of what one would have expected, based on the nuclear reactors completed in the ¶ 1990s. ¶ • The most recent cost projections for new nuclear reactors are, on average, over four times as ¶ high as the initial “nuclear renaissance” projections. ¶ • There are numerous options available to meet the need for electricity in a carbon-constrained ¶ environment that are superior to building nuclear reactors. Indeed, nuclear reactors are the worst ¶ option from the point of view of the consumer and society. ¶ • The low carbon sources that are less costly than nuclear include efficiency, cogeneration, ¶ biomass, geothermal, wind, solar thermal and natural gas. Solar photovoltaics that are presently ¶ more costly than nuclear reactors are projected to decline dramatically in price in the next ¶ decade. Fossil fuels with carbon capture and storage, which are not presently available, are ¶ projected to be somewhat more costly than nuclear reactors. ¶ • Numerous studies by Wall Street and independent energy analysts estimate efficiency and ¶ renewable costs at an average of 6 cents per kilowatt hour, while the cost of electricity from ¶ nuclear reactors is estimated in the range of 12 to 20 cents per kWh. ¶ • The additional cost of building 100 new nuclear reactors, instead of pursuing a least cost ¶ efficiency-renewable strategy, would be in the range of $1.9-$4.4 trillion over the life the ¶ reactors. ¶ Whether the burden falls on ratepayers (in electricity bills) or taxpayers (in large subsidies), ¶ incurring excess costs of that magnitude would be a substantial burden on the national economy and ¶ add immensely to the cost of electricity and the cost of reducing carbon emissions.

#### C) Bigger internal to manufacturing

Perry 7/31/12 (Mark, Prof of Economics @ Univ. of Michigan, "America's Energy Jackpot: Industrial Natural Gas Prices Fall to the Lowest Level in Recent History," http://mjperry.blogspot.com/2012/07/americas-energy-jackpot-industrial.html)

Building petrochemical plants could suddenly become attractive in the United States. Manufacturers will "reshore" production to take advantage of low natural gas and electricity prices. Energy costs will be lower for a long time, giving a competitive advantage to companies that invest in America, and also helping American consumers who get hit hard when energy prices spike.¶ After years of bad economic news, the natural gas windfall is very good news. Let's make the most of it." ¶ The falling natural gas prices also make the predictions in this December 2011 study by PriceWaterhouseCoopers, "Shale gas: A renaissance in US manufacturing?"all the more likely: ¶ U.S. manufacturing companies (chemicals, metals and industrial) could employ approximately one million more workers by 2025 because of abundant, low-priced natural gas.¶ Lower feedstock and energy cost could help U.S. manufacturers reduce natural gas expenses by as much as $11.6 billion annually through 2025.¶ MP: As I have emphasized lately, America's ongoing shale-based energy revolution is one of the real bright spots in an otherwise somewhat gloomy economy, and provides one of the best reasons to be bullish about America's future. The shale revolution is creating thousands of well-paying, shovel-ready jobs in Texas, North Dakota and Ohio, and thousands of indirect jobs in industries that support the shale boom (sand, drilling equipment, transportation, infrastructure, steel pipe, restaurants, etc.). In addition, the abundant shale gas is driving down energy prices for industrial, commercial, residential and electricity-generating users, which frees up billions of dollars that can be spent on other goods and services throughout the economy, providing an energy-based stimulus to the economy. ¶ Cheap natural gas is also translating into cheaper electricity rates, as low-cost natural gas displaces coal. Further, cheap and abundant natural gas is sparking a manufacturing renaissance in energy-intensive industries like chemicals, fertilizers, and steel. And unlike renewable energies like solar and wind, the natural gas boom is happening without any taxpayer-funded grants, subsidies, credits and loans. Finally, we get an environmental bonus of lower CO2 emissions as natural gas replaces coal for electricity generation. Sure seems like a win, win, win, win situation to me.

#### Hegemony isn’t true – data’s on our side

Fettweis, 11 (Christopher J., Department of Political Science, Tulane University, “Free Riding or Restraint? Examining European Grand Strategy”, 9/26, 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.

# 2NC

## Solvency

### \* XT – Loan Guarantees Suck – Costs

#### A) Doesn’t cover upfront costs – uncertainty is inevitable

Gale et al 9 (Kelley Michael, Finance Department Chair – Latham & Watkins, “Financing the Nuclear Renaissance: The Benefits and Potential Pitfalls of Federal & State Government Subsidies and the Future of Nuclear Power in California,” Energy Law Journal, Vol. 30, p. 497-552, http://www.felj.org/docs/elj302/19gale-crowell-and-peace.pdf)

a. Narrow Scope of Eligible Project Costs The loan guarantee covers up to eighty percent of the eligible ―project costs.‖ The DOE has determined under its Final Rule regarding ―Loan Guarantees for Projects that Employ Innovative Technologies‖ (Final Rule) that ―eligible project costs‖ do not include ―Administrative Costs‖ and the ―Subsidy Cost.‖ 80 By excluding the costs of the guarantee, the federal government has limited the portion of the capital budget for a new nuclear project that can be financed through federally guaranteed debt. The potential substantial nature of the Subsidy Cost and the recognition by DOE in the Final Rule that ―[i]t is impossible to tell at this point what the Credit Subsidy Cost will be for any particular project‖ make it difficult for developers and financial advisors to model a plan for pursuing development of a new nuclear project. 81 Although the proposed Bingaman legislation attempts to address concerns regarding the costs of the loan guarantees by providing the DOE Secretary the authority to adjust the amount of the fees as ―necessary to promote…eligible projects‖ and provides for a refund of seventy-five percent of the amount of fees collected if there is no financial close on an application, 82 there could be an undefined but potentially massive financial obligation that may require up-front payment for the project to move forward from development to construction, twenty-five percent of which would be lost even if an applicant never reached a close on its application. In addition, because the DOE has not set an equity threshold requirement for these projects, but has stated that the debt to equity ratio will be considered in determining whether to provide a loan guarantee, it is not clear whether the amount of Administrative Costs and Subsidy Costs will be counted against the amount of equity determined to have been funded into a project. 83 This ambiguity makes it impossible for a developer to know with certainty in advance what its equity commitment will be, because any costs excluded from eligible project costs under the loan guarantees will need to be equity financed. Figure 1, above, depicts the equity contribution of a parent company in light of the overall financing structure of a nuclear power project. Further, DOE rules are unclear as to how administrative costs and other predevelopment expenses in respect of entitlement processes and other approvals at state and local levels will be treated under the loan guarantee program. These costs will vary substantially depending on the location of a project. In states with complex regulatory regimes, these costs can be massive and extend over many years. If these costs are excluded from eligible project costs under the loan guarantee program, nuclear power development in states with more complicated regulatory frameworks and litigation tools for project opponents will be at a decided disadvantage. The DOE has suggested, against concerns raised by certain financial institutions, that default and post petition interest, reimbursement of letter of credit drawings, prepayment premiums, payments under hedge agreements, and indemnification payments are not eligible for the loan guarantee program. 84 Gaps in guaranteed coverage leave lenders without recourse to the United States government to recover all ―obligations‖ under the loan facility. For example, typically in large loans, the cost of certain qualified interest rate hedges are included with the ―obligations‖ under the loan facility, and are secured pari passu with those obligations. 85 If payments in respect of an interest rate cap on a DOE guaranteed loan cannot be included with the guaranteed obligations, the cost of the hedge, if at all obtainable, will dramatically increase for the sponsor. The DOE should reconsider the ways in which obligations are lumped together for securitization and priority of payment purposes and model the trade offs between the presumed exposure to the DOE of adding the above mentioned costs to the guaranteed obligations versus the added costs and complexity that excluding such costs will add to the financing matrix. Otherwise, the DOE loan guarantee must be viewed as covering less than eighty percent of the costs of new nuclear construction projects nominally purported to be covered.

### 2NC Picking Winners Bad

#### The aff distorts the market – drives capital away from competitive projects and killing incentives to innovate

Spencer, 9 – Research Fellow in Nuclear Energy in the Thomas A. Roe Institute for Economic Policy Studies @ The Heritage Foundation (Jack, 2/6. “The Problem with Increasing Energy Loan Guarantees.” <http://www.heritage.org/Research/EnergyandEnvironment/wm2277.cfm>)

And that is the problem with loan guarantees: They distort normal market forces and encourage government dependence.¶ One problem with the larger national economic debate is the notion that money--or, more accurately, savings or capital--does not grow on trees. It comes from real people who have saved and invested and exists in finite amounts. By subsidizing a portion of the actual cost of a project through a loan guarantee, the government is actually distorting the allocation of resources by directing capital away from a more competitive project.¶ This signals to industry (be it nuclear, wind, clean coal, natural gas, or anything else) that it does not have to be competitive. It reduces incentives to manage risk and be independent, innovative, and efficient. The end result will be a new nuclear industry that is built for the short run and not sustainable.¶ While a loan guarantee may be good for the near-term interests of the individual guarantee recipient, it is not good for consumers, taxpayers, or long-term competitiveness.

#### That turns solvency

Spencer, 9 – Research Fellow in Nuclear Energy in the Thomas A. Roe Institute for Economic Policy Studies @ The Heritage Foundation (Jack, 2/6. “The Problem with Increasing Energy Loan Guarantees.” <http://www.heritage.org/Research/EnergyandEnvironment/wm2277.cfm>)

They stifle competition and innovation both between sectors and within sectors. The loan guarantee artificially reduces the cost of capital, which allows a recipient to offer its product at below actual cost. This removes the incentive to look for less expensive or more competitive options. If a product is not competitive in a free market, then it should be allowed to adjust or fail. Part of the success of nuclear energy will depend on competition within the industry. While a utility might not be able to afford a single large reactor without subsidies, it might be able to afford multiple smaller rectors or a reactor based on some other technology. This would create competition, and the subsidized technologies would have to either reduce costs or lose market share. This competitive environment, with other energy sources and within the nuclear sector, would force the entire industry to become more efficient, innovative, and cost effective. They perpetuate the regulatory status quo. Nuclear energy could transform how the nation produces energy. But one of the big problems with the success of nuclear power in the United States is not that it lacks subsidies but that the regulatory environment for nuclear power does not promote growth, innovation, or competition.

### Nat Gas Blocks 2NC

#### Prefer our evidence – recent trends decisively conclude neg, but their authors always think that the Renaissance is around the corner

Maize 12 (Kennedy, Staff Writer – POWER Magazine, “A Bumpy Road for Nukes,” 8-6, POWERnews, http://www.powermag.com/nuclear/4859.html)

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.

#### Gas destroys nuclear – more predictable, cheaper, and faster

Smith 12 (Rebecca, Staff Writer, “Cheap Natural Gas Unplugs U.S. Nuclear-Power Revival,” 3-15, http://online.wsj.com/article/SB10001424052702304459804577281490129153610.html)

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.

## Manufacturing

### Manufacturing Strong – 2NC

#### Manufacturing’s increase – we have the newest evidence and Eurozone thumps manufacturing

Needham 11-1 (“Manufacturing growth picked up in October,” The Hill, http://thehill.com/blogs/on-the-money/economy/265337-manufacturing-growth-picked-up-in-october)

The expansion of the manufacturing sector picked up pace in October behind an increase in new orders and production, providing a final glimpse into growth only five days before the election. Activity increased to 51.7, up slightly from 51.5 in September, the second straight month of growth after three months of contraction, the Institute for Supply Management said Thursday. A reading above 50 indicates expansion. New orders increased by 1.9 percentage points to 54.2, the second consecutive month of growth, while production picked up pace to 52.4, up nearly 3 percentage points, bouncing back from two months of contraction. Employment, which continued expanding, slowed slightly, to 52.1, down from 54.7. In a separate report on Thursday, ADP said employers added 158,000 private-sector jobs in October, but the analysis showed a loss of 8,000 manufacturing positions. Economists estimate it could be a temporary problem while the European financial crisis sorts itself out. President Obama and Republican nominee Mitt Romney have been trading barbs over whose economic policies will accelerate growth, the central theme of the presidential campaign. But good economic news, even after the devastation of Hurricane Sandy this week, could bolster Obama's chances for a second term. Beside an improving manufacturing report, first-time jobless claims fell last week, consumer confidence hit its highest level since February 2008 and construction spending increased 0.6 percent in September as the housing market picks up pace, all pushing up the stock market.

### NG Volatillty

**No Impact to Natural Gas volatility – market corrections solve**

**Whitman 11** (Austin F. Whitman, M.J. Bradley & Associates LLC, “Natural Gas Price Volatility: Lessons from Other Markets,” Report for the American Clean Skies Foundation and the Task Force on Ensuring Stable Natural Gas Markets, 1-26-11,

<http://bipartisanpolicy.org/sites/default/files/Natural%20Gas%20Price%20Volatility%20-%20Lessons%20from%20Other%20Markets.pdf>)

Natural gas prices do not always move in step with other commodities, but the least regulated markets of the U.S. and UK have seen greater natural gas price volatility than a core set of other global industrial, agricultural, and metals commodities – this in spite of the notorious commodity market boom and bust cycle that happened from 2006 to 2008. Yet excess volatility in the natural gas market **may not**, in the end, **be cause for alarm**. Price volatility is both a **necessary and permanent** part of a liquid market, as concluded in a 2003 study by the American Gas Foundation. 44 It may be that, to paraphrase President Franklin Roosevelt, the only thing we have to fear is fear of volatility – not volatility itself. If a free and open market lets buyers, sellers, and traders innovate and use market-based tools to cope with price fluctuations, **the net economic costs may be trivial**.

### Electricity Prices Uniqueness

#### 1. Natural gas boom and decreased demand

EIA 8/10/12 ("Today in Energy," http://www.eia.gov/todayinenergy/detail.cfm?id=7490)

A combination of natural gas prices at 10-year lows and the warmest winter on record led to lower on-peak wholesale electricity prices so far in 2012. On-peak prices fell between 24% and 39% across major wholesale price hubs from January to June of 2012 compared to the same period of 2011 (see map above).¶ Off-peak (nights and weekends) electricity prices were also down for first-half 2012 compared to first-half 2011, although generally less than the declines in on-peak prices over that period (see map below). In contrast to other major power trading locations, off-peak prices in Northern California at CAISO NP15 increased 10% when compared to first-half 2011, mainly because of more nuclear outages this spring and record-breaking hydroelectric output during the spring of 2011. Off-peak prices generally reflect the cost of maintaining output from baseload generators, while on-peak prices reflect the price of generating from intermediate and peak generators throughout a given day.¶ Source: U.S. Energy Information Administration, based on SNL Energy.¶ Spot natural gas prices during the first half of 2012 generally fell about 40-50% compared to the same period in 2011 and on some days neared their lowest levels in a decade. Lower natural gas prices led to increasing use of natural gas to generate electricity, contributing to lower wholesale electricity prices, especially for on-peak prices.¶ In 2012, twenty-eight states, mainly in the middle and eastern portions of the United States, reported their highest average daily temperatures for first half of any year during the past 118 years according to information reported by the National Oceanic and Atmospheric Administration (see map below). Warm weather at the start of 2012 contributed to reduced demand for both electricity and natural gas to heat homes, and contributed to lower wholesale natural gas and electricity prices.

## Prolif Leadership

### Prolif Leadership Fails 2NC

#### US won’t exert prolif leadership

Cleary 12 (Richard Cleary, American Enterprise Institute Research Assistant, 8/13/12, Richard Cleary: Persuading Countries to Forgo Nuclear Fuel-Making, npolicy.org/article.php?aid=1192&tid=30)

The cases above offer a common lesson: The U.S., though constrained or empowered by circumstance, can exert considerable sway in nonproliferation matters, **but** often **elects not to apply the most powerful tools at its disposal for fear of jeopardizing other objectives**. The persistent dilemma of how much to emphasize nonproliferation goals, and at what cost, has contributed to cases of **nonproliferation failure**. The inconsistent or incomplete application of U.S. power in nonproliferation cases is most harmful when it gives the impression to a nation that either sharing sensitive technology or developing it is, or will become, acceptable to Washington. **U.S. reticence** historically, with some exceptions, **to prioritize nonproliferation**—and in so doing reduce the chance of success in these cases—**does not leave room for** great **optimism about future U.S. efforts at persuading countries to forgo nuclear fuel-making**.

#### First – the aff can’t solve simply through benign tech transfer—IF economics were the only thing that drove nuclear plant decisions, then obviously there would never be prolif because it’s EXPENSIVE

Lewis 12 (Jeffrey Lewis, director of the East Asia Nonproliferation Program at the James Martin Center for Nonproliferation, 8/1/12, It's Not as Easy as 1-2-3, www.foreignpolicy.com/articles/2012/08/01/it\_s\_not\_as\_easy\_as\_1\_2\_3?page=full)

Creating market incentives to discourage the spread of enrichment and reprocessing seems like a reasonable thing to do - **except that most states make nuclear decisions on something other than a cost basis**. Nuclear power enthusiasts have been no strangers to wishful thinking, starting with claims that nuclear energy would be "too cheap to meter." Government decisions about nuclear power tend to **prioritize** concerns about **sovereignty** and keeping technological pace with neighbors. It is not hard to see national nuclear programs as something akin to national airlines - money-losing prestige projects that barely take market forces into account. Often, aspiring nuclear states look to countries like the United States and Japan as models. If such countries invest heavily in fuel-cycle services, developing states might **try to copy** them **rather than** simply **become** their **customers**.

#### Second---if the US tried to constrain nuclear tech at all, countries wouldn’t buy our IFRs—supply side restrictions fail because of other suppliers

Cleary 12 (Richard Cleary, American Enterprise Institute Research Assistant, 8/13/12, Richard Cleary: Persuading Countries to Forgo Nuclear Fuel-Making, npolicy.org/article.php?aid=1192&tid=30)

The examples above show the limitations of both demand and supply side efforts. Supply side diplomatic interventions, made before the transfer of technology, have been at times effective, particularly in precluding nuclear fuel-making in the short term and buying time for more lasting solutions. However, as the Pakistan and Brazil cases illustrated, supply side interventions are no substitute for demand side solutions: **Countries face political choices regarding nuclear fuel-making**. **A nation set upon an independent fuel-making capacity**, such as Pakistan or Brazil, **is unlikely to give up efforts because of supply side controls**. Multilateral fuel-making arrangements, as proposed repeatedly by the United States, have not materialized and therefore seem to have had little tangible influence.

## Security K

#### -- Including their liberal option *wards off* critique

Burke 7 (Anthony, Senior Lecturer – School of Politics and Professor of International Relations – University of New South Wales, Beyond Security, Ethics and Violence, p. 3-4)

These frameworks are interrogated at the level both of their theoretical conceptualisation and their practice: in their influence and implementation inspecific policy contexts and conflicts in East and Central Asia, the Middle East and the 'war on tei-ror', where their meaning and impact take on greater clarity. This approach is based on a conviction that the meaning of powerful political concepts cannot be abstract or easily universalised: they all have histories, often complex and conflictual; their forms and meanings change over time; and they are developed, refined and deployed in concrete struggles over power, wealth and societal form. While this should not preclude normative debate over how political or ethical concepts should be defined and used, and thus be beneficial or destructive to humanity, it embodies a caution that the meaning of concepts can never be stabilised or unproblematic in practice. Their normative potential must always be considered in relation to their utilisation in systems of political, social and economic power and their consequent worldly effects. Hence this book embodies a caution by Michel Foucault, who warned us about the 'politics of truth . . the battle about the status of truth and the economic and political role it plays', and it is inspired by his call to 'detach the power of truth from the forms of hegemony, social, economic and cultural, within which it operates at the present time'.1 It is clear that traditionally coercive and violent approaches to security and strategy are both still culturally dominant, and politically and ethically suspect. However, the reasons for pursuing a critical analysis relate not only to the most destructive or controversial approaches, such as the war in Iraq, but also to their available (and generally preferable) alternatives. There is a necessity to question not merely extremist versions such as the Bush doctrine, Indonesian militarism or Israeli expansionism, but also theirmainstream critiques - whether they take the form ofliberal policy approaches in international relations (IR), just war theory, US realism, optimistic accounts of globalisation, rhetorics of sensitivity to cultural difference, or centrist Israeli security discourses based on territorial compromise with the Palestinians. The surface appearance of lively (and often significant) debate masks a deeper agreement about major concepts, forms of political identity and the imperative to secure them. Debates about when and how it may be effective and legitimate to use military force in tandem with other policy options, for example, mask a more fundamental discursive consensus about the meaning of security, the effectiveness of strategic power, the nature of progress, the value of freedom or the promises of national and cultural identity. As a result, political and intellectual debate about insecurity, violent conflict and global injustice can become hostage to a claustrophic structure of political and ethical possibility that systematically wards off critique.

### Prolif

####  Prolif control has become a battle of good and evil creating a black check for violence

Der Derian 03 (Political Science Professor, University of Massachusetts, boundary 2 30.3 (2003) 19-27, Decoding The National Security Strategy of the United States of America, project muse)

From the perspective of the *NSS*, even before the shock of 9/11, the end of the Cold War augured not global peace but a new world disorder. "New deadly challenges have emerged from rogue states and terrorists" (13); and while they might not possess the might of the Soviet Union, they have the asymmetrical advantages garnered by weapons of mass destruction and the will to use them. Positing that traditional deterrence no longer works, the *NSS* presents axiomatically the right to preemptively strike against these new enemies: "The greater the threat, the greater is the risk of inaction—and the more compelling the case for taking anticipatory action to defend ourselves, even if uncertainty remains as to the time and place of the enemy's attack" (15). This is not a grand strategy; this is a blank check, to take whatever actions, whenever deemed necessary, against whoever fits the terrorist profile. Facing "an age where the enemies of civilization openly and actively seek the world's most destructive technologies," the *NSS* sanctions a counterstrategy based on superior intelligence, ethics, and technological capability (15): "The reasons for our actions will be clear, the force measured, and the cause just" (16). In short, war will be *virtuous*. First auditioned in the Balkans, and dress-rehearsed in Afghanistan, virtuous war took center stage in the invasion of Iraq. Virtuous war projects a technological and ethical superiority in which computer simulation, media dissimulation, global surveillance, and networked warfare combine to deter, discipline, and, if need be, destroy the enemy. Ethically intentioned and virtually applied, drawing on the doctrines of just war when possible and holy war when necessary, virtuous war is more than a felicitous oxymoron. After September 11, as the United States chose coercion over diplomacy in its foreign policy, and deployed a rhetoric of total victory over absolute evil, virtuous war became the ultimate means by which the United States intended to resecure its borders, assert its suzerainty, and secure the holy trinity of international order: global capitalism (VI. Ignite a New Era of Global Economic Growth through Free Markets and Free Trade [17]); Western models of democracy (VII. Expand the Circle of Development by Opening Societies and Building the Infrastructure of Democracy [21]); a hegemonic "balance of power" (VIII. Develop Agendas for Cooperative Action with the Other Main Centers of Global Power [25]); and preventive interventions.

### Environment

#### Environmental apocalypticism causes eco-authoritarianism and mass violence against those deemed environmental threats – also causes political apathy which turns case

Buell 3Frederick—cultural critic on the environmental crisis and a Professor of English at Queens College and the author of five books, *From Apocalypse To Way of Life,* pages 185-186

Looked at critically, then, crisis discourse thus suffers from a number of liabilities. First, it seems to have become a political liability almost as much as an asset. It calls up a fierce and effective opposition with its predictions; worse, its more specific predictions are all too vulnerable to refutation by events. It also exposes environmentalists to being called grim doomsters and antilife Puritan extremists. Further, concern with crisis has all too often tempted people to try to find a “total solution” to the problems involved— a phrase that, as an astute analyst of the limitations of crisis discourse, John Barry, puts it, is all too reminiscent of the Third Reich’s infamous “final solution.”55 A total crisis of society—environmental crisis at its gravest—threatens to translate despair into inhumanist authoritarianism; more often, however, it helps keep merely dysfunctional authority in place. It thus leads, Barry suggests, to the belief that only elite- and expert-led solutions are possible.56 At the same timeit depoliticizes people

, inducing them to accept their impotence as individuals; this is something that has made many people today feel, ironically and/or passively, that since it makes no difference at all what any individual does on his or her own, one might as well go along with it. Yet another pitfall for the full and sustained elaboration of environmental crisis is, though least discussed, perhaps the most deeply ironic. A problem with deep cultural and psychological as well as social effects, it is embodied in a startlingly simple proposition: the worse one feels environmental crisis is, the more one is tempted to turn one’s back on the environment. This means, preeminently, turning one’s back on “nature”—on traditions of nature feeling, traditions of knowledge about nature (ones that range from organic farming techniques to the different departments of ecological science), and traditions of nature-based activism. If nature is thoroughly wrecked these days, people need to delink from nature and live in postnature—a conclusion that, as the next chapter shows, many in U.S. society drew at the end of the millenium. Explorations of how deeply “nature” has been wounded and how intensely vulnerable to and dependent on human actions it is can thus lead, ironically, to further indifference to nature-based environmental issues, not greater concern with them. But what quickly becomes evident to any reflective consideration of the difficulties of crisis discourse is that all of these liabilities are in fact bound tightly up with one specific notion of environmental crisis—with 1960s- and 1970s-style environmental apocalypticism. Excessive concern about them does not recognize that crisis discourse as a whole has significantly changed since the 1970s. They remain inducements to look away from serious reflection on environmental crisis only if one does not explore how environmental crisis has turned of late from apocalypse to dwelling place. The apocalyptic mode had a number of prominent features: it was preoccupied with running out and running into walls; with scarcity and with the imminent rupture of limits; with actions that promised and temporally predicted imminent total meltdown; and with (often, though not always) the need for immediate “total solution.” **Thus doomsterism was its reigning mode;** eco-authoritarianism was a grave temptation; and as crisis was elaborated to show more and more severe deformations of nature, temptation increased to refute it, or give up, or even cut off ties to clearly terminal “nature.”

### Discourse First

#### Policy-making alone fails and causes serial policy failure – discursive focus is key

Scrase and Ockwell 10 (J. Ivan Scrase, Sussex Energy Group, Science and Technology Policy Research, Freeman Centre, University of Sussex and David G. Ockwell, Sussex Energy Group, Science and Technology Policy Research, Freeman Centre, Tyndall Centre for Climate Change Research, Department of Geography, University of Sussex, “The role of discourse and linguistic framing effects in sustaining high carbon energy policy—An accessible introduction,” Energy Policy, 38.5, May 2010)

**The way in which energy policy is “framed” refers to the underlying assumptions policy is based on and the ways in which policy debates ‘construct’, emphasise and link particular issues**. For example energy ‘security of supply’ is often emphasised in arguments favouring nuclear-generated electricity. A more limited framing effect operates on individuals in opinion polls and public referendums: here the way in which questions are posed has a strong influence on responses. The bigger, social framing effect referred to here colours societies’ thinking about whole areas of public life, in this case energy use and its environmental impacts. A key element of the proposed reframing advanced by commentators concerned with decarbonising energy use (see, for example, Scrase and MacKerron, 2009) is to cease treating energy as just commercial units of fuel and electricity, and instead to focus on the energy ‘services’ people need (warmth, lighting, mobility and so on). This paper helps to explain why any such reframing, however logical and appealing, is politically very challenging if it goes against the perceived interests of powerful groups, particularly when these interests are aligned with certain imperatives which governments must fulfil if they are to avoid electoral defeat. There is a dominant conception of policy-making as an objective, linear process. In essence the process is portrayed as proceeding in a series of steps from facts to analysis, and then to solutions (for a detailed critique of this linear view see Fischer, 2003). In reality, policy-making is usually messy and political, rife with the exercise of interests and power. The veneer of objective, rational policy-making, that the dominant, linear model of policy-making supports is therefore cause for concern. It effectively sustains energy policy ‘business as usual’ and excludes many relevant voices that might be effective in opening up space to reframe energy policy problems and move **towards more sustainable solutions** (see, for example, Ockwell, 2008). This echoes concerns with what counts as knowledge and whose voices are heard in policy debates that have characterised strands of several literatures in recent decades, including science and technology studies, sociology of scientific knowledge, and various strands of the political science and development literatures, particularly in the context of knowledge, discourse and democracy. An alternative to the linear model is provided by a ‘discourse’ perspective. This draws on political scientists’ observations of ways in which politics and policy-making proceed through the use of language, and the expression of values and the assumptions therein. Discourse can be understood as: ‘… a shared way of apprehending the world. Embedded in language it enables subscribers to interpret bits of information and put them together into coherent stories or accounts. Each discourse rests on assumptions, judgements and contentions that provide the basic terms for analysis, debates, agreements and disagreements…’ Dryzek (1997, p.8). A discursive approach rejects the widely held assumption that policy language is a neutral medium through which ideas and an objective world are represented and discussed (Darcy, 1999). Discourse analysts examine and explain language use in a way that helps to reveal the underlying interests, value judgements and beliefs that are often disguised by policy actors’ factual claims and the arguments that these are used to support. For example UK energypolicy review documents issued in 2006–2007 are criticised below for presenting information in ways that subtly but consistently favoured new nuclear power while purporting to be undecided on the issue.

### A2: Cede the Political

#### Alt boosts the progressive left --- undermines conservative power

Brown 5 (Wendy, Professor of Political Science – University of California, Berkeley, Edgework, p. 4-5, 15)

The rebuff of critical theory as untimely provides the core matter of the affirmative case for it. Critical theory is essential in dark times not for the sake of sustaining utopian hopes, making flamboyant interventions, or staging irreverent protests, but rather to contest the very senses of time invoked to declare critique untimely. If the charge of untimeliness inevitably also fixes time, then disrupting this fixity is crucial to keeping the times from closing in on us. It is a way of reclaiming the present from the conservative hold on it that is borne by the charge of untimeliness.

To insist on the value of untimely political critique is not, then, to refuse the problem of time or timing in politics but rather to contest settled accounts of what time it is, what the times are, and what political tempo and temporality we should hew to in political life. Untimeliness deployed as an effective intellectual and political strategy, far from being a gesture of indifference to time, is a bid to reset time. Intellectual and political strategies of successful untimeliness therefore depend on a close engagement with time in every sense of the word. They are concerned with timing and tempo. They involve efforts to grasp the times by thinking against the times. They attempt, as Nietzsche put it, to “overcome the present” by puncturing the present’s “overvaluation of itself,” an overcoming whose aim is to breathe new possibility into the age. If our times are dark, what could be more important.

[CONTINUES]

On the one hand, critical theory cannot let itself be bound by political exigency; indeed, it has something of an obligation to refuse such exigency. While there are always decisive choices to be made in the political realm (whom to vote for, what policies to support or oppose, what action to take or defer), these very delimitations of choice are often themselves the material of critical theory. Here we might remind ourselves that prising apart immediate political constraints from intellectual ones is one path to being “governed a little less” in Foucault’s sense. Yet allowing thinking its wildness beyond the immediate in order to reset the possibilities of the immediate is also how this degoverning rearticulates critical theory and politics after disarticulating them; critical theory comes back to politics offering a different sense of the times and a different sense of time. It is also important to remember that the “immediate choices” are just that and often last no longer than a political season (exemplified by the fact that the political conundrums with which this essay opened will be dated if not forgotten by the time this book is published). Nor is the argument convincing that critical theory threatens the possibility of holding back the political dark. It is difficult to name a single instance in which critical theory has killed off a progressive political project. Critical theory is not what makes progressive political projects fail; at worst it might give them bad conscience, at best it renews their imaginative reach and vigor.

### Serial Policy Failure

#### Both their harm and solvency claims are false. Advantages are random factoids politically constructed to make the plan appear to be a good idea. Solvency is a rigged game.

**Dillon and Reid 00** (Michael, Professor of Politics – University of Lancaster, and Julian, Lecturer in International Relations – King’s College, “Global Governance, Liberal Peace, and Complex Emergency”, Alternatives: Global, Local, Political, January / March, 25(1))

More specifically, where there is a policy problematic there is expertise, and where there is expertise there, too, a policy problematic will emerge. Such problematics are detailed and elaborated in terms of discrete forms of knowledge as well as interlocking policy domains. Policy domains reify the problematization of life in certain ways by turning these epistemically and politically contestable orderings of life into "problems" that require the continuous attention of policy science and the continuous resolutions of policymakers. Policy "actors" develop and compete on the basis of the expertise that grows up around such problems or clusters of problems and their client populations. Here, too, we may also discover what might be called "epistemic entrepreneurs." Albeit the market for discourse is prescribed and policed in ways that Foucault indicated, bidding to formulate novel problematizations they seek to "sell" these, or otherwise have them officially adopted. In principle, there is no limit to the ways in which the management of population may be problematized. All aspects of human conduct, any encounter with life, is problematizable. Any problematization is capable of becoming a policy problem. Governmentality thereby creates a market for policy, for science and for policy science, in which problematizations go looking for policy sponsors while policy sponsors fiercely compete on behalf of their favored problematizations. Reproblematization of problems is constrained by the institutional and ideological investments surrounding accepted "problems," and by the sheer difficulty of challenging the inescapable ontological and epistemological assumptionsthat go into their very formation. There is nothing so fiercely contested as an epistemological or ontological assumption. And there is nothing so fiercely ridiculed as the suggestion that the real problem with problematizations exists precisely at the level of such assumptions. Such "paralysis of analysis" is precisely what policymakers seek to avoid since they are compelled constantly to respond to circumstances over which they ordinarily have in fact both more and less control than they proclaim. What they do not have is precisely the controlthatthey want. Yet serial policy failure--the fate and the fuel of all policy--compels them into a continuous search for the new analysis that will extract them from the aporias in which they constantly find themselves enmeshed.[ 35] Serial policy failure is no simple shortcoming that science and policy--and policy science--will ultimately overcome. Serial policy failure is rooted in the ontological and epistemological assumptions that fashion the ways in which global governance encounters and problematizes life as a process of emergence through fitness landscapes that constantly adaptive and changing ensembles have continuously to negotiate. As a particular kind of intervention into life, global governance promotes the very changes and unintended outcomes that it then serially reproblematizes in terms of policy failure. Thus, global liberal governance is not a linear problem-solving process committed to the resolution of objective policy problems simply by bringing better information and knowledge to bear upon them. A nonlinear economy of power/knowledge, it deliberately installs socially specific and radically inequitable distributions of wealth, opportunity, and mortal danger both locally and globally through the very detailed ways in which life is variously (policy) problematized by it.

# 1NR

### Overview – 2NC

#### Middle East war outweighs- no predictable actors cause miscalc and escalation- goes nuclear- that’s Russell

#### Outweighs on probability- Middle East is most likely scenario for escalation

Singh, Washington Institute director, 9-22-11

(Michael, “What has really changed in the Middle East?”, http://shadow.foreignpolicy.com/posts/2011/09/22/what\_has\_really\_changed\_in\_the\_middle\_east, DOA; 10-14-11)

Third, and most troubling, the Middle East is likely to be a more dangerous and volatile region in the future. For the past several decades, a relatively stable regional order has prevailed, centered around Arab-Israeli peace treaties and close ties between the United States and the major Arab states and Turkey. The region was not conflict-free by any means, and Iran, Iraq, and various transnational groups sought to challenge the status quo, albeit largely unsuccessfully. **Now**, however, the United States appears less able or willing to exercise influence in the region, and the leaders and regimes who guarded over the regional order are gone or under pressure. Sensing either the need or opportunity to act autonomously, states like Turkey, Saudi Arabia, and Iran are increasingly bold, and all are well-armed and aspire to regional leadership. Egypt, once stabilized, may join this group. While interstate conflict is not inevitable by any means, **the risk of it has increased** and the potential brakes on it have **deteriorated**. Looming over all of this is Iran's quest for a nuclear weapon, which would shift any contest for regional primacy into overdrive.

#### Fiscal cliff turns jobs and manufacturing.

**Young**, 10/27/**2012** (Gina, National Association of Manufacturers: Impact of Fiscal Cliff Will Hurt Economy, Examiner, p. http://www.examiner.com/article/national-association-of-manufacturers-impact-of-fiscal-cliff-will-hurt-economy)

A report by the National Association of Manufacturers (NAM), released October 26, warns of the economic crisis that America will face, should the “double whammy” of across-the-board spending cuts of $500 billion and simultaneous increase in taxes take place January 1, 2013. The report by the NAM concluded the following: If Congress fails to act before January 1, 2013, large spending cuts and large tax increases will hit the economy at the same time, causing a total fiscal contraction of $500 billion, or about 3.2 percent of GDP. Current inaction by Congress is already having an impact, cutting 0.6 percentage points from GDP growth for 2012. If the fiscal contraction happens, the economy will almost certainly experience a recession in 2013 and significantly slower growth through 2014. From 2012 to 2015, the economy will lose 12.8 percent of the average annual real GDP it could have attained with moderate growth, sapping critical resources from all economic sectors. By 2014, the job losses will be quite devastating; the fiscal contraction will result in almost 6 million jobs lost, and the unemployment rate could reach more than 11 percent. Real personal disposable income per household will drop almost 10 percent by 2015. Manufacturers of consumer goods and defense contractors likely will see large and durable contractions in their industries. It will take most of the decade for economic activity and employment levels to recover from the fiscal shock. Another recession could deal a substantial blow to long-term economic potential, permanently reducing living standards in the United States.

#### Sequestration alone turns proliferation, terrorism, piracy and hegemony.

**Hunter**, 9/30/**2012** (Duncan – U.S. Rep from Alaska, Sequestration Sends Wrong Message to U.S. Friends and Foes Alike, p. http://www.utsandiego.com/news/2012/sep/30/tp-sequestration-sends-wrong-message-to-us/?page=1#article)

Over the next 10 years, because of sequestration, the Pentagon will be forced to absorb $500 billion in budget cuts that will strike at the heart of America’s military. Making this even more dangerous is the fact that the legislation triggering sequestration, the Budget Control Act, also imposed an additional $450 billion in defense budget cuts for a total of nearly $1 trillion of reductions over the next decade. The next 10 years are sure to be no different from the last. In the Middle East, Iran is desperately searching to fill a regional power vacuum and enhance its weapons program**, while threatening to** close the Strait of Hormuz **and targeting Israel** with unapologetic provocation. Meanwhile, the United States still has an obligation to Iraq. There is a necessity for diplomatic support and engagement, even though the ground combat mission is over. Africa is also experiencing power struggles of its own. The situations in Libya and Egypt are evolving, while Yemen and Somalia are acting as staging grounds for al-Qaeda. There is also the threat of Somali pirates in international waters. Multiple high-profile hostage situations and combat rescues show just how serious of a threat that rogue bands of pirates are to naval and commercial shipping lanes. There is also the threat of North Korea with its aggressive pursuit of advanced aerial weaponry, Russia with its focus on arms modernization, and China with its large-scale and rapid military buildup. China’s display of hostility toward Taiwan — a friend and ally of the United States — also shows no sign of diminishing. With all of this, more than 70,000 American troops are in Afghanistan, facing down a dangerous enemy. For the United States and other nations, interest in Afghanistan and the region will continue long after the last of the coalition ground forces leave and the next phase of the mission begins. Ignoring America’s obligation as a world leader and the patchwork of threats that exist today won’t eliminate the risk posed by an Iran that one day acquires nuclear weapons or a North Korea that eventually acquires effective strike capability. More likely, these and other threats will develop more quickly and efficiently, putting the global interests of the U.S. directly in the cross hairs**.** Through a robust national defense, the United States has always sent a clear message around the world that American intentions are good and we stand by our allies. The strength of the U.S. military has dissuaded conflict and suggested to adversaries that challenging freedom is a losing proposition. It was this deterrent, in fact, that won the Cold War and turned the U.S. military into the world’s most effective fighting force. Sequestration would change all of this, for the worse. In the words of Defense Secretary Leon Panetta, sequestration is a “nutty formula, and it’s goofy to begin with, and it’s not something, frankly, that anybody responsible ought to put into effect.” He also said sequestration is the equivalent of “shooting ourselves in the head.” Tough words, but Secretary Panetta is right. Sequestration would produce the smallest ground force since 1940, the smallest Navy since 1915 and the smallest tactical fighter force in Air Force history. Ironically, the president’s defense policy shift to the Pacific increases reliance on the Navy, but with the smallest fleet in nearly a century, controlling the oceans and projecting force will become an even more difficult and selective process, requiring prioritization that would create vulnerabilities elsewhere. Resetting America’s armed forces after a decade-plus of combat action is another necessity that cannot be overlooked. There is also a guarantee of pink slips throughout the uniformed services and every industry that directly supports the U.S. military. In San Diego, the military sustains hundreds of thousands of jobs, and billions of dollars in economic productivity. San Diego — even for all of its strategic value — is not immune to job loss and other economic impacts accompanying deep budget cuts. Sequestration is a term Americans should get to know and understand, because it will have real and lasting consequences if left unchecked. The upside is that the risks and dangers can be avoided as long as Congress and the president act in the coming months. The clock is ticking to stave off sequestration — a move that would signal to our friends and enemies alike that we uphold our promises and stand ready to defend our interests against any threat.

#### Quick collapse turns nuclear power investment before the plan can solve.

Simpson 9 (Fiona, associate director of New York University's Center on International Cooperation, Bulletin of Atomic Scientists, "The recession alone won't stop nuclear power's growth," http://www.thebulletin.org/web-edition/features/the-recession-alone-wont-stop-nuclear-powers-growth)

None of the IAEA's projections, however, account for the financial crisis, which may negatively impact the appeal of nuclear energy. Clearly, investors that need credit to build new nuclear plants face a great deal more uncertainty and difficulty securing financing. Such a situation, on the surface, would indicate that nuclear power will be less attractive to investors. The downturn also may reduce electricity demand and thus, potentially, make the need for new power plants less urgent.¶ At the same time, prices for natural gas and oil have fallen from earlier highs, increasing their attractiveness as energy sources (although the price of each has increased recently). Additionally, nuclear power plants have significant "front-loaded" costs, requiring much more investment at the outset than fossil-fuel burning plants, even if nuclear plants may eventually be cheaper to run. In light of the ongoing credit crunch, investors in countries that don't rely on state-owned enterprises may find the economic circumstances simply too difficult to justify an investment in nuclear power--especially if there's reliable (and domestic) access to natural gas, coal, or oil. One also would expect private lenders to shy from nuclear projects--both because they have less money to lend and because of nuclear power's history of cost overruns and delays. Finally, from the point of view of developing countries interested in nuclear power, multilateral development

### Defense Cuts

#### Cuts kill key missions- destabilizes the middle east

Bucci 9/20

[ Steven P. Bucci, PhD, is Senior Research Fellow for Defense and Homeland Security in the Douglas and Sarah Allison Center for Foreign Policy Studies, a division of the Kathryn and Shelby Cullom Davis Institute for International Studies, at The Heritage Foundation, 9/20/12, <http://www.heritage.org/research/reports/2012/09/anti-american-protests-in-the-middle-east-impact-of-sequestration>]

What will these defense cuts mean for U.S. security and interests in the Middle East? The recent engagement in Libya provides some answers. The U.S. eventually had to take the lead in this conflict because European NATO forces were inadequate for certain missions, such as enforcing a no-fly zone. If NATO forces become engaged in a similar scenario with a more capable adversary, the U.S. may not be as confident in a leadership role. The aging U.S. Air Force F-16s and Marine Corps Harriers that flew over Libya are set to be replaced by the fifth-generation F-35 Joint Strike Fighter (JSF). However, under the President’s fiscal year 2013 budget request, the nascent F-35 fleet will shrink by 179 aircraft over the next five years. Furthermore, sequestration could eliminate the entire fleet for the Marine Corps JSF variant. This has implications for American allies as well. The United Kingdom has staked its entire future fighter jet force on the Marine Corps variant, and allies such as Israel, Canada, and Japan also intend to buy the fighter. The U.S. Navy maintains an important presence in the Mediterranean Sea, Persian Gulf, and Indian Ocean. Through this presence, regional maritime choke points such as the Strait of Hormuz, the Bosporus, the Dardanelles, and the Suez Canal remain open shipping lanes. If any of these vital shipping lanes were disrupted, there would be significant economic consequences. The Strait of Hormuz is particularly vulnerable given its extremely narrow passage and proximity to Iran. The Navy’s presence would also be important if the U.S. were to engage in a conflict similar to the one in Libya. Aircraft carriers host a variety of critical air assets such as F-18 fighters, surveillance aircraft, and, in the future, the F-35. Each carrier hosts an air force rivaling that of most nations. However, one ship cannot be in two places at the same time. Under sequestration, the Navy will reduce its fleet of carriers from 11 to 10. U.S. Special Operations Forces will also be affected. The President has regularly touted Special Forces as low-intensity tools for his foreign policy ends, exemplified by their successful strike on Osama bin Laden and deployments in Afghanistan, the Middle East, and North Africa for various other missions and training exercises with local forces. However, even if Special Forces retain robust funding, the cuts in conventional forces will hinder them. SEAL teams embark from Navy vessels, and reducing conventional manpower end strength also reduces the pool from which elite troops are selected. Furthermore, modernization accounts such as the V-22 will be used for irregular and unconventional missions. Provide for the Common Defense The ideal solution is for the Administration and Congress to solve the budget impasse today, as each additional day of delay makes it more difficult for defense suppliers and military leaders to plan ahead in a very risky world. If that cannot be done, then Congress should offset sequestration for just 2013 with spending cuts elsewhere. Then the new Congress could work with the President next year to solve the rest of the defense sequestration problem. While the Obama Administration continues to sacrifice national security forces to achieve other goals, Congress should focus on its constitutional responsibility to provide for the common defense. Congress already has all the tools needed to agree on a real budget. Members need no new devices to do this but only the will.

### A2: XO

#### Congress k2 save the economy

Goldfarb, Washington Post White House Staff Writer, 11/2

(Zachary, November 2, 2012, “To blunt ‘fiscal cliff’ pain, administration could assert broad powers, experts say”, http://www.washingtonpost.com/business/economy/to-blunt-fiscal-cliff-pain-administration-could-assert-broad-powers-experts-say/2012/11/02/66a075ee-238d-11e2-ac85-e669876c6a24\_story\_1.html, 11/6/12)

If the administration were to take such emergency actions this time around, it could buy the White House and Congress more time to reach a deal, easing some of the urgency to preempt the fiscal cliff. Economists have warned that the combined effect of increased taxes and slashed spending could plunge the nation into recession. Budget and tax experts, including people familiar with the administration’s thinking, say it could assert broad powers in the coming weeks to prevent the worst of the fiscal cliff, at least temporarily. If Mitt Romney is elected Tuesday, he could choose to continue or revise the emergency policies. The scheduled tax hikes include increases in payroll taxes and rates for upper- and middle-income Americans, as well as an adjustment to the alternative minimum tax. These increases total about $500 billion next year and could deal a far larger blow to the struggling economic recovery than would the spending cuts, which come to about $100 billion over the same period. Without any new actions by Congress, taxes will rise an average of $3,500 per household. Middle-class families would see an average increase of $2,000, according to the Tax Policy Center. Most people would see the impact of those tax increases in their first paycheck, because employers usually withhold a worker’s estimated taxes.

### AT: No Impact

#### Their evidence assumes a rational response --- the fiscal cliff will spark a fear-driven sell off and triggers panic in the market.

Christian Science Monitor, **11/9**/2012 (The fiscal cliff isn’t gradual, and it will matter, p. http://www.csmonitor.com/Business/The-Reformed-Broker/2012/1109/The-fiscal-cliff-isn-t-gradual-and-it-will-matter)

Now there is a new meme going around that some of the more prominent bloggers have repeated, wherein we hear about how "the changes don't all take effect at once" and "this whole thing is just like Y2K" and "actually, it will probably have very little effect on the economy at all." The bloggers who are repeating this are technically correct. But they tend to be either journalists or economists, and not market people necessarily. And so I think that here's what they miss: 1. What the fiscal cliff's actual impact on the economy will ultimately be is not the point, it is the perception. 2. In the short-term, stocks trade on psychology and sentiment. This happens en masse and things change quickly. Fear over increased taxes, lower government spending and a further contraction of economic growth will not lead to a gradual adjustment of risk asset prices. Rather, it will mean a fear-driven race to the exits all at once. I don't care what your surveys say, deep down everyone who is in the stock market right now is operating under the assumption that a compromise will occur, on time, and one that kicks the can on all of the big issues. Any hint that we're deviating from this script will show up in the tape. 3. Economists and journalists who do fact-based empirical work sometimes forget that most people, including investors, do not behave rationality or react to the data in proportion with its actual meaning. Many people in this world, even some successful ones, can turn from reasonable human beings into hysterical monkeys when their fight-or-flight instinct is triggered. And nothing triggers it like a whiff of panic in the air and the threat of the unknown, in this case the question of how the economy will weather the effects of the Cliff. So while Fiscal Slope may turn out to be the reality, intelligent people who have figured this out ought not to assume that that's how "the market" will react to it in the short-term. Especially if the calendar turns and we've gone "over it." Expect hysterical monkeys to rule the markets in that scenario rather than human beings at that point, even if their fear turns out to be unfounded.

#### Lack of a fiscal compromise leads to irrational economic behavior.

**Eaglen**, **11/2**/2012 (Mackenzie – member of the AOL Defense Board of Contributors, defense analyst at the American Enterprise Institute, It’s Not Just Defense Cuts: Sequester Would Cripple Our Economy, AOL Defense, p. <http://defense.aol.com/2012/11/02/its-not-just-defense-cuts-sequester-would-cripple-our-economy/>)

Congress must tackle a complex array of major issues -- what Beltway wallahs are calling the "fiscal cliff" -- all at the same time. The cliff is the net effect of sequestration spending cuts when combined with massive tax increases scheduled to go into effect at the start of 2013. Together, they would reduce the federal budget deficit by close to $500 billion in 2013 alone and threaten to push the economy into a recession. Can Congress cope with such fundamental issues in a speedy and effective manner? One senior Pentagon official, in discussing sequestration, recently said that "in the absence of certainty, people will tend to gravitate to the most negative behaviors." This seems to reflect market behavior across the economy right now.

### Capital Key 2NC

#### Even if capital fails, a partisan fight alone triggers the link.

**Bruce**, **11/9**/2012 (Andy, Partisan fight over “fiscal cliff” will harm U.S. economy – poll, Chicago Tribune, p. http://www.chicagotribune.com/sns-rt-usa-economycliff-polll5e8m99xr-20121109,0,1840865,full.story)

Any partisan squabbling over the United States' looming budget crisis will harm its economy, according to a strong majority of economists polled by Reuters after Tuesday's presidential election. While most said political leaders will avert by Jan. 1 a "fiscal cliff" of automatic tax hikes and spending cuts worth $600 billion, respondents warned that confidence in the economy will be hit hard if talks descend into a major fight. Democratic President Barack Obama's first item of business after winning the White House for a second term is to negotiate with a Republican majority in the House of Representatives to avoid a budget crunch before the start of next year. Both Obama and senior Republicans -- defeated presidential candidate Mitt Romney and House of Representatives Speaker John Boehner -- have stated their desire to cooperate. Forty-two out of 50 economists described as "high" the risk that fraught budget talks will harm investor and consumer confidence, while the remaining eight were "neutral". But some of the damage has already been done. "The uncertainty around the cliff has and will continue to weigh on activity," said Michael Hanson, senior U.S. economist at Bank of America-Merrill Lynch. "You've seen signs of that in capital goods spending orders and shipments -- and it's very possible that we'll see hiring hit towards the end of the year, or early next year, depending on how the negotiations turn out." There are already signs in corporate America that the budget uncertainty has sapped confidence in the economy, which is growing at a weak pace and is vulnerable to shocks.

#### Capital solves their uniqueness warrants --- if Obama has it, he will get a grand bargain.

**Roll Call**, **11/8**/2012 (Lobbyists Eager for Short-Term Fiscal Deal, p. <http://www.rollcall.com/issues/58_35/Lobbyists-Eager-for-Short-Term-Fiscal-Deal-218891-1.html?pos=olobh>)

But with many of the same faces returning to Washington, D.C., next year, lobbyists wondered whether the illusive “grand bargain” is little more than a pipe dream. “[It] hinges on how Obama plays it. If he and his team really bear down and work with GOPers — an element sadly lacking the last four years — they can make a lot of progress,” said Jack Howard, a Republican lobbyist at Wexler & Walker Public Policy Associates. “If, however, he takes a hands-off approach, then I don’t really see much of a path forward. He has to be the arm-twister, the head-knocker to move things forward.”

#### Obama’s capital determines GOP resistance --- it gets a balanced approach.

Washington Post, **11/6**/2012 (Fresh from reelection, president finds himself on edge of ‘fiscal cliff,’ p. http://www.washingtonpost.com/politics/decision2012/fiscal-cliff-clock-starts-in-earnest-as-election-fades-to-background/2012/11/06/c4dfde6e-27b2-11e2-b2a0-ae18d6159439\_story\_1.html)

Obama’s most recent budget request called for more than $1.5 trillion in new revenue over the next decade, primarily by raising rates and limiting the value of deductions on annual income over $250,000. In the coming days, Democrats say, Obama is likely to launch a concerted public relations campaign in support of his budget plan, continuing his call for a “balanced approach” to debt reduction. Republicans have long resisted any increase in taxes, and conservatives say they will not bend, even if it means letting tax rates rise across the board. “It’s a difficult position to be in,” acknowledged Rep. Jim Jordan (R-Ohio), chairman of the conservative Republican Study Committee. “But just two years ago, the American people sent 65 new Republicans to the House of Representatives. And they said, ‘Don’t go there and compromise with Barack Obama. Go there and stop him.’ ” House Speaker John A. Boehner (R-Ohio) took a similar stand late Tuesday after voters returned a Republican majority in the House. By renewing the GOP majority, he said during an event in Washington, “the American people have . . . made clear that there is no mandate for raising tax rates.” Still, faced with a determined Democratic president, many Republicans on Capitol Hill and elsewhere say the GOP will have few options but to compromise. “I love what John Boehner is saying, but I have a hard time believing Republicans won’t cave,” said GOP tax lobbyist Kenneth J. Kies. To resist Obama, “you have to be prepared to shoot the hostages. You have to be prepared to let it all expire. And it takes a lot of courage to do that.”

#### Bridging the fiscal cliff requires capital.

**West**, **11/8**/2012 (Sean – director at Eurasia Group, Obama and Boehner’s Bridge Across the Fiscal Cliff, Bloomberg, p. <http://www.bloomberg.com/news/2012-11-08/obama-and-boehner-s-bridge-across-the-fiscal-cliff.html>)

Both men want to avoid disaster before the year’s end and earn some credit for a landmark deal in 2013. The only way to do that is to avoid the immediate cliff by building a bridge. This will require a president who will never again face the judgment of voters to move off his pledge to veto across-the- board tax cuts at year’s end. It will require Republicans to provide Obama political cover to do so by agreeing to some smaller down payment now -- such as reducing the amount of tax deductions the wealthy can take in 2013. It will then require around-the-clock negotiations to decide how to word such a deal and to twist enough arms to make sure it can pass Congress before the turn of the year.

### K2 Econ

#### GB key

**Barno et. al**, **11/7**/2012 (Lieutenant General David – senior advisor and senior fellow at the Center for a New American Security, Nora Bensahel – deputy director of studies and a senior fellow, Joel Smith – research assistant at the Center for a New American Security, and Jacob – research assistant at the Center for a New American Security, Brace Yourself, Foreign Policy, p. http://www.foreignpolicy.com/articles/2012/11/07/brace\_yourself?page=full)

However, the effects of a delay would differ from those of a grand bargain in one significant regard: the potential market reaction. Financial markets may react poorly if the deficit reduction measures enacted in the Budget Control Act of 2011 are delayed without having reached a bigger deal, because it would signal that Washington lacks the political will to solve its fiscal problems. Both Fitch Ratings and Moody's Investor Services have warned of a credit downgrade if Congress and the president do not reach an agreement that prevents the country from going off the fiscal cliff, increases the U.S. debt ceiling, and creates a plan for reducing the budget deficit and stabilizing the federal debt. As former Senators Sam Nunn and Pete Domenici wrote in October, "Absent more constructive action, simply postponing when we go over the cliff could hurt business confidence, worry investors and lead to another disruptive debate over raising the debt ceiling."

### U – Yes Grand Bargain

#### Momentum and public support.

**Huey-Burns**, **11/9**/2012 (Caitlin, Congressional Leaders Make Opening Statements in Budget Debate, Real Clear Politics, p. http://www.realclearpolitics.com/articles/2012/11/09/schumer\_sounds\_hopeful\_notes\_on\_fiscal\_deal\_116114.html)

Since neither side “ran the table” in congressional elections, “I think it’s pretty clear that [voters] said, ‘Come to a compromise, get a handle on spending, but raise some revenues,’ ” Sen. Chuck Schumer told reporters at an event hosted by the Christian Science Monitor. The New York lawmaker said Congress needs to seize the political moment and strike a so-called grand bargain during the upcoming lame-duck session while sentiment supporting such action -- as reflected by Tuesday’s exit polling -- is still fresh. As Washington prepares to get back to business after a divisive election season, congressional leaders are making opening statements of sorts in what will likely be a difficult legislative process to avert the $600 billion bundle of tax increases and across-the-board budget cuts set to kick in at year’s end. The president’s re-election does grant him some leverage in the negotiations. Obama pegged his candidacy, in part, to a call for high-income earners to pay more in taxes in order to reduce the deficit. Exit polling this week found 60 percent of voters support that notion, and nearly half specifically back Obama’s proposal to let higher-end tax cuts expire on Dec. 31. Schumer interpreted those results to mean a majority endorsement for the president’s economic plan. The 2010 elections that swept scores of Republicans into the House of Representatives and awarded John Boehner the speaker’s gavel sent a message to Democrats to control government spending, Schumer said. But voter behavior on Tuesday indicated Americans want a balanced approach to deficit reduction that includes both spending cuts and revenue increases, he asserted.

#### Congress is working together --- a compromise is coming.

New York Times, **11/8**/2012 (Congress Sees Rising Urgency on Fiscal Deal, p. http://www.nytimes.com/2012/11/09/us/politics/congress-sees-rising-urgency-on-fiscal-deal.html#h[])

Senior lawmakers said Thursday that they were moving quickly to take advantage of the postelection political atmosphere to try to strike an agreement that would avert a fiscal crisis early next year when trillions of dollars in tax increases and automatic spending cuts begin to go into force. Senator Bob Corker, Republican of Tennessee, said he had begun circulating a draft plan to overhaul the tax code and entitlements, had met with 25 senators from both parties and “been on the phone nonstop since the election.” Senator Olympia J. Snowe, the Maine Republican who will retire at the end of the year, made it clear that she intended to press for a deal to avert the so-called fiscal cliff and get serious on the deficit, lame duck or not. “The message and signals we send in the coming days could bear serious consequences for this country,” she said. “It could trigger another downgrade. It could trigger a global financial crisis. This is a very consequential moment.” Senator Charles E. Schumer of New York, the No. 3 Senate Democrat, extended an olive branch to Republicans, suggesting Thursday that he could accept a tax plan that leaves the top tax rate at 35 percent, provided that loophole closings would hit the rich, not the middle class. He previously had said that he would accept nothing short of a return to the top tax rate of Bill Clinton’s presidency, 39.6 percent. “If you kept them at 35, it’s still much harder to do,” Mr. Schumer said, “but obviously there is push and pull, and there are going to be compromises.” The nonpartisan Congressional Budget Office underscored the stakes in a report Thursday that framed Washington’s dilemma. It said that if automatic spending cuts go into force and all the Bush-era tax cuts expire, the nation would slip into recession next year and unemployment would rise to 9.1 percent, from October’s rate of 7.9 percent. But simply canceling those deficit-reduction measures would risk a financial crisis that would make matters worse, the report said. The accelerated activity in Washington showed that members of Congress believed the election had amplified the imperative to strike a deal. Still, signs that the two sides are open to some compromise are no guarantee that they can reach an agreement after warring for two years. Many Republicans will continue to resist any proposal that can be read as increasing taxes, and many Democrats will balk at changes in entitlement programs and spending cuts.

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### A2 Uniq O/Whelms Link

#### Fiscal cliff agreement will pass, but it will be tough – Obama’s limited capital is key

Simendinger 11/7/12 (Alexis, covers the White House for RealClearPolitics, "For Obama, Path Forward Is Unclear -- and Bumpy," http://dyn.realclearpolitics.com/printpage/?url=http://www.realclearpolitics.com/articles/2012/11/07/for\_obama\_path\_forward\_is\_unclear\_--\_and\_bumpy\_116093-full.html)

That rhetorical flourish will be tested almost immediately as the White House and Congress clash over the so-called “fiscal cliff,” which is an end-of-year statutory deadline for across-the-board spending cuts and higher tax rates for everyone. Both parties want to avoid inaction that would let current law go into effect, and Washington is well versed in the component reforms that would avoid cliff diving. But Democrats have vowed they will not cut spending more deeply unless Republicans agree to raise revenues, and the GOP remains resolute that individual tax rates will not go up.¶ House Speaker John Boehner issued a statement three hours before Obama spoke in Chicago, seeking to herald his party’s retention of House control. “With this vote, the American people have also made clear that there is no mandate for raising tax rates,” he noted.¶ Wasting no time, he scheduled a news conference Wednesday afternoon to discuss what his staff billed as “the need for both parties to find common ground and take steps together to help our economy grow and create jobs.”¶ The speaker came close to a secret $4 trillion budget deal with Obama in the summer of 2011 before both sides walked away from collaboration as the ceiling on the nation’s borrowing authority remained for a time in legislative jeopardy. Both parties in 2011 said there were insufficient votes in the House to tackle more than $1 trillion in spending reductions, and that standoff created the sequestration guillotine now hanging over them come Dec. 31, along with the end of tax breaks that have bolstered households through these tough economic times.¶ A lame duck Congress and a president awaiting his second term will face off once again.¶ Mitch McConnell, the Senate minority leader, weighed in early Wednesday with his own statement, seeking to create a united front with the GOP’s sole power center, which remains in the House. “We’ll be there to meet him halfway,” he said of the GOP’s willingness to compromise with Obama.¶ Republicans hoped this election cycle would put them in control of the Senate, but it was not to be, and no one was more disappointed than McConnell. The Kentucky conservative who faces re-election in 2014 made clear that shared power is how his caucus interprets divided government.¶ “The voters have not endorsed the failures or excesses of the president’s first term,” McConnell said in his statement. “They have simply given him more time to finish the job they asked him to do together with a Congress that restored balance to Washington after two years of one-party control. Now it’s time for the president to propose solutions that actually have a chance of passing” in the House, and in “a closely divided Senate.”¶ Conservatives’ decision to await the president’s proposed solutions means both parties are poised and well-rehearsed for combat over the role of government, taxes, spending (including for defense), Medicare, Medicaid and Social Security, the implementation of the Affordable Care Act and the fate of the debt ceiling, which is likely to be reached early in 2013.¶ The president pledged to find a bipartisan blend of spending reductions and higher taxes to shrink deficits over the next decade, but it appears that only the crisis of the looming cliff -- and maybe not even that emergency -- can force the outgoing Congress and Obama to agree.¶ The two parties concur that lower deficits will encourage more robust economic growth. But with U.S. expansion still weak, Obama’s leadership challenges are many, and in the White House the focus continues to be on stimulating a slowly improving economy, not turning off the spigot too soon.¶ Obama will try to seize a mandate from the muddy election results Tuesday, but his clout in a second term is likely to be brief, perhaps 18 months before his lame-duck status puts significant domestic legislative achievements out of reach. In an Iowa television interview on Tuesday morning, Obama repeated his hope that voters would send a decisive, clear message to Washington to “break the fever” of political gridlock.

### 2NC – SMR

#### Obama’s backed off of SMR’s, but the plan causes debt fights which tank capital and disad turns case

Gabriel Nelson 9-24, E&E Reporter, and Hannah Northey, 9/24/12, “DOE funding for small reactors languishes as parties clash on debt,” http://www.eenews.net/public/Greenwire/2012/09/24/3

DOE funding for small reactors languishes as parties clash on debt. It's not just wind and solar projects that are waiting for federal help as Congress duels over the importance of putting taxpayer dollars on the line for cutting-edge energy projects. Some of the nation's largest nuclear power companies are anxious to hear whether they will get a share of a $452 million pot from the Department of Energy for a new breed of reactors that the industry has labeled as a way to lessen the safety risks and construction costs of new nuclear power plants. The grant program for these "small modular reactors," which was announced in January, would mark the official start of a major U.S. foray into the technology even as rising construction costs -- especially when compared to natural-gas-burning plants -- cause many power companies to shy away from nuclear plants. DOE received four bids before the May 21 deadline from veteran reactor designers Westinghouse Electric Co. and Babcock & Wilcox Co., as well as relative newcomers Holtec International Inc. and NuScale Power LLC. Now the summer has ended with no announcement from DOE, even though the agency said it would name the winners two months ago. As the self-imposed deadline passed, companies started hearing murmurs that a decision could come in September, or perhaps at the end of the year. To observers within the industry, it seems that election-year calculations may have sidelined the contest. "The rumors are a'flying," said Paul Genoa, director of policy development at the Nuclear Energy Institute, in an interview last week. "All we can imagine is that this is now caught up in politics, and the campaign has to decide whether these things are good for them to announce, and how." Small modular reactors do not seem to be lacking in political support. The nuclear lobby has historically courted both Democrats and Republicans and still sees itself as being in a strong position with key appropriators on both sides of the aisle. Likewise, top energy officials in the Obama administration have hailed the promise of the new reactors, and they haven't shown any signs of a change of heart. DOE spokeswoman Jen Stutsman said last week that the department is still reviewing applications, but she did not say when a decision will be made. "This is an important multiyear research and development effort, and we want to make sure we take the time during the review process to get the decision right," she wrote in an email. That the grants haven't been given out during a taut campaign season, even as President Obama announces agency actions ranging from trade cases to creating new national monuments to make the case for his re-election, may be a sign that the reactors are ensnared in a broader feud over energy spending. Grant recipients would develop reactor designs with an eye toward eventually turning those into pilot projects -- and the loan guarantees that these first-of-a-kind nuclear plants are using today to get financing would be blocked under the "No More Solyndras" bill that passed the House last week (Greenwire, Sept. 14). Congress has given the grant program $67 million for fiscal 2012, shy of the amount that would be needed annually to reach full funding. **If the "sequester" kicks in** at year's end and slashes DOE funding or the balance of power changes in Washington, **the amount of money available could dwindle yet again.** Even the staunchest supporters of the federal nuclear program are acknowledging it is a tough time to promise a $452 million check. Former Sen. Pete Domenici, a New Mexico Republican who pushed for new reactors as chairman of both the Senate Energy and Natural Resources Committee and the Energy and Water Appropriations Subcommittee, said during a brief interview Tuesday that well-designed loan guarantees won't cost too much because they get repaid over time. The cost could be borne by a "tiny little tax" on the nuclear industry, he said. But when it comes to straight-up spending, like the grants that would support getting these cutting-edge reactors ready for their first demonstrations, the solution may not be so clear. While some Republicans remain staunch supporters of funding for the nuclear power industry, there are others who label the government subsidies as a waste of taxpayer dollars. "It's awful hard, with the needs that are out there and the debt that haunts us, to figure out how you're going to establish priorities," said Domenici, who has advocated for the deployment of new nuclear reactors as a fellow at the Bipartisan Policy Center. "I can't stand here and tell you that I know how to do that."

#### SMR debates are polarizing

Carper and Schmid 11 Ross Carper (rosscarper@gmail.com), a writer based in Washington state, is the founding editor of the creative nonfiction project BeyondtheBracelet.com. Sonja Schmid (sschmid@vt.edu) is an assistant professor in Science and Technology Studies at Virginia Tech. “The Little Reactor That Could?” Issues in Science and Technology, http://www.issues.org/27.4/carper.html

Historically, nuclear energy has been entangled in one of the most polarizing debates in this country. Promoters and adversaries of nuclear power alike have accused the other side of oversimplification and exaggeration. For today’s industry, reassuring a wary public and nervous government regulators that small reactors are completely safe might not be the most promising strategy. People may not remember much history, but they usually do remember who let them down before. It would make more sense to admit that nuclear power is an inherently risky technology, with enormous benefits that might justify taking these risks. So instead of framing small reactors as qualitatively different and “passively safe,” why not address the risks involved head-on? This would require that the industry not only invite the public to ask questions, but also that they respond, even—or perhaps especially—when these questions cross preestablished boundaries. Relevant historical experience with small compact reactors in military submarines, for example, should not be off limits, just because information about them has traditionally been classified.