# Coal Adv

## 1NC Coal Frontline

**Steel price volatility is inevitable - this proves that the industry is resilient to shocks**

**Streu 11** (Norm Streu, chief operating officer of the LMS Reinforcing Steel Group and former chair of the Vancouver Regional Construction Association, 1/13/11, "Steel price volatility now a fact of life," Daily Commercial News and Construction Record, 84.8)

Gone are the days when steel was a relatively stable commodity. For decades, a big swing in steel prices meant a couple of pennies a pound in rebar pricing over the course of a year. Current global supply and demand forces for steel have meant that price swings are now dramatic and frequent. And, there is no sign of this trend changing anytime soon. Commodity price volatility appears to be a new reality of construction that it will need to adjust to.] The last six weeks of 2010 demonstrate this volatility. Beginning in mid November, carbon sheet pricing shot up 27 per cent in a five week period. Scrap prices also shot up, with rebar-producing steel mills scrambling to increase their prices fast enough to meet the new reality of their input costs. In all, available pricing per pound of rebar shot up 25-30 per cent over this incredibly short period of time. Then on Christmas Day, China surprised the commodity market by raising its interest rate. This abruptly calmed the upward spike and opened the door to a few buying opportunities. Looking forward, we see this volatility continuing. Volatility will mean that there will be short-term peaks and troughs of considerable magnitude. Betting on the exact steel price, even a month out, will continue to be a perilously risky enterprise. However, underneath this volatility, the longer term trend we see is rising steel prices. There are a number of reasons for this assessment. First, the demand for commodities will remain strong for as long as the world's major developing economies continue with their incredible pace of economic growth. Leading the pack here of course are the BRIC countries (Brazil, Russia, India and China). The current economic growth in these countries is historic in scope and will alone ensure upward pressure on steel pricing. There is little to suggest a major slowdown in these economies and their strength and resilience has been demonstrated by their ability to continue to grow strongly despite years of weakness in the European and North American economies.

**Coal prices will be stable - government intervention**

**Gerard 12** (Leo Gerard, 7/19/12, "Our Pro-coal President," Pittsburgh Post-Gazette, http://www.post-gazette.com/stories/opinion/perspectives/our-pro-coal-president-645289/)

Our economy is stronger when workers receive good wages and benefits, which is why President Barack Obama has rolled back harmful labor regulations and policies designed to undermine collective bargaining. Critics charge that recently enacted emission limits hurt the coal industry, but coal-mining jobs nationwide reached a 15-year-high last year, with the industry employing more than 90,000 workers. Coal-mining jobs in Pennsylvania are up more than 5 percent. Mr. Obama is committed to protecting clean air and clean water for our families while also helping the coal industry. That is why he promotes clean-coal technologies to ensure that the industry remains competitive.

**Coal not key to steel – plastic solves**

Hindustan Times 7 (The Hindustan Times Indian English language daily newspaper November 10, 2007 “Indian origin scientist pioneers green steel technology,”)

Sydney, Nov. 10 -- Millions of tonnes of waste plastic will be recycled into steel. The breakthrough Australian 'green' steel technology, which cuts coke and coal demand and reduces emission, has been invented by a Mumbai-born University of New South Wales (UNSW) materials scientist, Veena Sahajwalla. Sahajwalla, an alumnus of the Indian Institute of Technology (IIT) at Kanpur, told IANS: "Plastic is simply another form of carbon. In making steel there's essentially no difference between the polyethylene plastic in shopping bags and a natural resource like coal." Polyethylene plastic contains carbon, an essential raw material in electric arc furnace (EAF) steel making, which recycles steel from scrap metal and accounts for 40 percent of the world's steel production. Annual steel production is around 1.1 billion tonnes globally. The technology currently substitutes about 30 percent of coke and coal in EAF steel making with polyethylene waste plastic, which would otherwise have ended up in landfill. Commercial production of this world first 'green' steel is underway at the Sydney furnaces of OneSteel, following a global licensing agreement between the Australian steel maker and UNSW's commercialisation arm, NewSouth Innovations (Nsi). OneSteel's commercial manager (rod and bar), Adrian Howard, told IANS: "Patents for this technology have been filed in major steel-making countries including India, China and the US." Howard said: "Trials to date have proven the technology will deliver benefits such as reduced energy consumption and reduced material requirements while increasing steel making capacity." In EAF steel making, scrap is melted at around 16000 degrees Celsius and converted into high quality steel using high-power arcs. As the scrap melts, a layer of gaseous slag foam forms on top of molten steel. The new process speeds this slag-foaming process, reducing power-on time and total power use. Total savings include lower power bills and a commensurate drop in green house gas emissions from coal-fired power stations, net savings on coke and coal usage and a longer electrode life span. "The new business deal is gratifying because what would otherwise become waste is recycled to become a raw material for EAF steel making," added Sahajwalla. Equally significant is the reduction in the power required to run the furnaces using the new waste plastic injection technology. The process promises significant environmental benefits in one of the world's most essential, but energy and resource intensive industries. Sahajwalla said: "Getting industry to take up 'good science' is a key driver. I am passionate about creating concepts and solutions which might sound radical, but could provide a foundation for developing novel pathways into the future." Both industry and the environment will be big winners if the world's 300 EAF steel makers embrace the technology. Australians recycle just 13 percent of the 1.2 million tonnes of plastic they use annually. Sahajwalla told IANS: "Growing up in India, we used and recycled just about everything. Our dinner table conversations always centred on science." She recalls IIT Kanpur as being one of the most technically challenging places. "The four years prepared me to face the world and provided a new perspective into engineering and life in general," she said. "By converting waste into a value-added resource we are promoting sustainability of materials industries. There are so many materials that should be recycled and if we can't, we ought to develop products that can be re-used at the end of their life cycles," she added. Today, she leads the research on Sustainable Materials Processing at UNSW in Sydney. Along with her research team, she works with many companies across the globe, including Mittal Steel, Nippon Steel (Japan), Ruukki Steel (Finland), Techint (Italy) and US Steel (US), that support her research focusing on sustainability of materials processing. A recipient of many international and national awards, most recently she won the 2006 Environmental Technology Award from the Association of Iron and Steel Technology in the US and the 2005 Eureka Prize for Scientific Research.

**Coal industry collapse inevitable – transition to new technologies**

Gabel 11 (David Gabel writer at Environmental News Network January 8, 2011 “Industry Suffering from Low Natural Gas Prices and Environmental Opposition” Oil PRice http://oilprice.com/Energy/Coal/U.S.-Coal-Industry-Suffering-From-Low-Natural-Gas-Prices-And-Environmental-Opposition.html)

The Washington Post has announced that in 2010, not a single new coal-fired power plant was constructed in the United States. This marks the second year in a row in which this has occurred. Coal remains the most abundantly used source of electricity, accounting for half of all power generation. However, a number of factors, such as the economy, lower natural gas prices, and environmentalist opposition, have effectively halted the growth of the coal industry. Coal is being dumped in favor of natural gas, which due to extensive exploration and production, has a significantly lower price than in the past. Much of the new gas production is in shale rock, which have recently been unlocked due to new technologies. Reserves of shale gas are believed to be vast in North America and elsewhere, rivaling the oil reserves of the Middle East. America's largest electricity generator, American Electric Power (AEP), plans to turn to natural gas for any additional electrical capacity. The price of natural gas straight from the wellhead stood at about $4.25 per thousand cubic feet in 2010, well below its historic average price. According to a report from Deutsche Bank, if gas prices stay below $6, more plants will be converting from coal to gas. "Coal is a dead man walkin'," says Kevin Parker, global head of asset management and a member of the executive committee at Deutsche Bank. "Banks won't finance them. Insurance companies won't insure them. The EPA is coming after them...And the economics to make it clean don't work."

## 2NC Coal - Shift Now

**Shift away from coal now – natural gas is more advantageous**

Fahey 12 (Jonathan Fahey June 12, 2012 “US Coal use falling fast as utilities switch to gas” Energy writer for the Associated PRess USA Todayhttp://www.usatoday.com/money/industries/story/2012-06-12/coal-to-gas-project-denied/55557114/1)

NEW YORK (AP) — America is shoveling coal to the sidelines.The fuel that powered the U.S. from the industrial revolution into the iPhone era is being pushed aside as utilities switch to cleaner and cheaper alternatives. The share of U.S. electricity that comes from coal is forecast to fall below 40 percent for the year — the lowest level since the government began collecting this data in 1949. Four years ago, it was 50 percent. By the end of this decade, it is likely to be near 30 percent. "The peak has passed," says Jone-Lin Wang, head of Global Power for the energy research firm IHS CERA. Utilities are aggressively ditching coal in favor of natural gas, which has become cheaper as supplies grow. Natural gas has other advantages over coal: It produces far fewer emissions of toxic chemicals and gases that contribute to climate change, key attributes as tougher environmental rules go into effect. Natural gas will be used to produce 29 percent of the country's electricity this year, up from 20 percent in 2008. Nuclear accounts for 20 percent. Hydroelectric, wind, solar and other renewables make up the rest. The shift from coal is reverberating across Appalachia, where mining companies are laying off workers and cutting production. Utilities across the country are grappling with how to store growing piles of unused coal. And legal disputes are breaking out as they try to cancel contracts and defer deliveries: — Mining company Alpha Natural Resources of Bristol, Va., plans to produce 11.5 million fewer tons of coal this year, a decline of 11 percent, because so many customers have requested deferrals. The company has announced that 12 mining operations in Kentucky and West Virginia will be idled or slowed, and 353 jobs cut. — Patriot Coal, a mining company based in St. Louis, closed a mine in Kentucky, idled several others in Kentucky and West Virginia, and has cut 1,000 jobs. The company's stock has fallen below $2, down from nearly $25 a year ago, and the company's CEO, Richard Whiting, was replaced at the end of May. — GenOn, a wholesale power producer based in Houston, has invoked a legal clause typically used after natural disasters to try to stop suppliers from delivering more coal to already overloaded plants. "We just can't physically take it right now," says GenOn CEO Edward Muller. Coal has dominated the U.S. power industry for so long because it's a cheap and abundant domestic resource. The U.S. is the world's second-largest coal producer after China, and it has the world's biggest reserves — enough to last more than 200 years. Coal has also enjoyed strong political support because of the jobs it provides in mining and transportation. That helped coal thrive even as environmental concerns over mining practices and air quality grew. Just five years ago, coal was flourishing in the U.S. With electricity demand and the price of natural gas both rising, coal was viewed as essential to keeping power costs under control. Utilities drew up plans to build dozens of coal-fired plants. But around the same time, a revolution was under way in the natural gas industry. Drillers figured how to tap enormous deposits of previously inaccessible reserves. As supplies grew and the price of natural gas plummeted, the ground shifted under the electric-power industry. Now coal is being beaten at its own game. Natural gas has become a cheap and abundant domestic resource, too. And it is more environmentally friendly. Power plants that burn coal produce more than 90 times as much sulfur dioxide, five times as much nitrogen oxide and twice as much carbon dioxide as those that run on natural gas, according to the Government Accountability Office, the regulatory arm of Congress. Sulfur dioxide causes acid rain; nitrogen oxides cause smog; and carbon dioxide is a so-called greenhouse gas that traps heat in the atmosphere. A pair of clean air rules enacted by the Environmental Protection Agency over the past year tightens limits on power-plant emissions of sulfur dioxide and nitrogen dioxide, and place new limits on mercury, a poison found in coal. This will force between 32 and 68 of the dirtiest and oldest coal plants in the country to close over the next three years as the rules go into effect, according to an AP survey of power plant operators conducted late last year. Coal was hit with a potentially bigger environmental blow in March when the EPA issued guidelines that could limit greenhouse gas emissions from new power plants as early as 2013. Once the guidelines go into effect, no coal plants will be built unless utilities can develop a cost-effective way to capture carbon dioxide, analysts say. That technology has been slow to develop and is very expensive. "Even without the EPA rules, coal is not really competitive," Wang says.

**Coal consumption low and declining**

SA 7/13 (Seeking Alpha American stock market analysis website July 12, 2012 “Coal is dead; long live natural gas”
 http://seekingalpha.com/article/719541-coal-is-dead-long-live-natural-gas )

Major coal manufacturers in the United States, including Arch Coal Inc (ACI), Alpha Natural Resources, Inc. (ANR), Peabody Energy Corporation (BTU), and James River Coal Company (JRCC), made the same mistake the predecessors of today's oil giants, such as BP p.l.c. (BP) and Exxon Mobil Corporation (XOM), made in the 1980s. They built up too much capacity when commodity price was high, raising their own fixed cost structure and increasing their debt burdens along the way. When reality turned out to be different from expectations, coal price collapsed with natural gas flooding the electricity generating market. Since natural gas is more efficient, cleaner, and now inexpensive, the coal industry as a whole faces major trouble. Power generation from natural gas has matched coal for the first time. This major trend appears unstoppable. And the worst may be yet to come. All coal miners will have to downsize, and more will go bust. Within the United States, coal consumption has dropped sharply during recent years as natural gas gradually becomes cheap and abundant, replacing thermal coal in power plants. The following chart shows this trend vividly.

**Shift away from coal now – EPA ensures**

**Drajem 3/28** (Mark Drajem writer for Bloomberg News “Obama power plant rule signals demise of old king goal” March 28, 2012 Bloomberg News http://www.bloomberg.com/news/2012-03-28/obama-power-plant-rule-signals-demise-of-old-king-coal-1-.html )

President Barack Obama’s proposed carbon-dioxide rules for power plants effectively prohibit new coal power plants, buttressing a shift away from a power source that fueled the Industrial Revolution to cheap natural gas. Obama’s Environmental Protection Agency proposed the first limits on greenhouse-gas emissions from U.S. power plants yesterday, setting a standard natural-gas facilities can meet. A new coal plant would need carbon-capture technology, which industry advocates say isn’t available at competitive rates. With natural gas at decade-low prices, no new coal plants are being built, with or without the EPA rules, according to the agency’s analysis. For critics, from mining companies and utilities to coal-country lawmakers, the rules are the latest in a string of EPA regulations they say are meant to put the fossil fuel out of business. “This EPA is fully engaging in a war on coal,” West Virginia Democratic Senator Joe Manchin said in a statement. “This approach relies totally on cheap natural gas and we’ve seen that bubble burst before.”

**Coal use low and decreasing – shift toward clean technology**

Marcacci 6/5 (Principal at a clean energy public relations company June 5, 2012 “Coal falls while clean tech rises in survey of electric utility industry” Clean Technica <http://cleantechnica.com/2012/06/05/coal-falls-while-clean-tech-rises-in-survey-of-electric-utility-industry/> )

Utilities in the United States are shifting away from coal toward sustainability initiatives, electric vehicles, and clean technology – but uncertainty about pending regulation continues to loom large and environmental efforts may significantly hike consumer rates. These findings come from “Strategic Directions in the U.S. Electric Utility Industry,” a survey of more than 500 utility executives conducted by industry consulting firm Black & Veatch (B&V). The annual survey is intended to predict how the utility industry will evolve over time. Coal on its way out Coal’s fall from favor among utilities, compared to 2011, is the survey’s most significant finding. The percentage of respondents who said they saw a future for coal in the U.S. “when all fiscal realities are fully considered” plummeted from 81.5 percent in 2011 to 58 percent in 2012. An additional 17 percent said coal only had a future overseas, and 15 percent replied coal “is rapidly fading into the past.” Environmental regulation is a key driver in this massive shift. While carbon emissions legislation has consistently ranked as the top environmental concern of utilities in B&V surveys since 2009, EPA rulemaking activity in 2011 likely added to the negative outlook toward coal. 54 percent said EPA regulations would cause early retirements among coal-fired plants, while 67 percent said the potential classification of coal ash as hazardous waste would have a moderate to significant impact on utility operations.

**Coal use lower than ever before**

GI 5/29 (Geonomic Investing website for the information for the commodities and resource investing sector May 29, 2012 “US Coal Use to hit 25 year low in 2012” http://www.geonomicinvesting.com/u-s-coal-use-to-hit-25-year-low-in-2012-563/

According to The Energy Information Administration, U.S. coal consumption this year will fall to a 25-year low as industries will favor the use of cheap natural gas for their energy needs. In its May short-term outlook, the EIA said it expects U.S. industries to consume 876 million short tons of coal this year, and 890 million tons in 2013. If the 2012 estimate is accurate, it will be the lowest amount of coal consumed by the United States since 1987. U.S. natural gas prices have tumbled, this spring touching a series of 10-year lows as a result of a massive supply glut as drillers tap the gas held in shale rock formations. Gas output in the lower 48 states has grown greatly because of hydraulic fracturing, or fracking, and other improved drilling techniques that make it economic to extract fossil fuels from shale rock like the Marcellus in the U.S. Northeast. Drilling in oil-rich reserves, such as in North Dakota and Texas, often also yield gas. The low price of gas, combined with increased environmental regulations on coal is driving the electric utilities to increase their natural-gas fired turbines at the expense of coal. The majority of coal production is consumed by electric power production. Gas consumption averaged 5 billion cubic feet higher at power plants this year through April 10 compared to year-ago levels, according to Credit Suisse’s. The company also claims that the increase in gas consumption will will ultimately slow to an average of 3 billion cubic feet a day this year as generators manage abundant inventories of both coal and natural gas. To make a dent in gas inventories, the power industry will need to burn at least 4.5 billion cubic feet more per day on average for the year above 2011 levels, according to data compiled by Bloomberg New Energy Finance. Cheap gas, rather than helping power producers like Southern and Exelon Corp., undercuts their revenue because it drives down wholesale electricity prices, squeezing margins for plants that run on nuclear, renewable and coal power. The utilities, for many reasons, are close to their limit of shifting the mix toward gas. Companies such as Duke, Dominion and Southern already had been increasing their reliance on natural gas in anticipation of tougher federal pollution standards and as gas prices began falling from a three-year peak on July 2, 2008 of $13.69 per million British thermal units. In the meantime, the losers in this development have been the companies involved in the coal industry. Coal industry companies are trading at or near 52-week lows, and the Dow Jones U.S. Coal Index down about 57% over the past year, we ask ourselves whether it is a buying opportunity. Will the decline in profits bottom out in the near future? If so, then this may be the time to step in and patiently wait for export-driven profits.

**Coal use will decrease in 2013**

GCR 5/8 (Global Credit Research Moody’s subset that create ratings and analysis by Moody’s investors May 8, 2012 “Moody’s: US coal industry outlook turns negative on weak power demand” Moody’s investor service <http://www.moodys.com/research/Moodys-US-coal-industry-outlook-turns-negative-on-weak-power--PR_245222>)

New York, May 08, 2012 -- Moody's Investors Service has changed its outlook for the fundamentals of the US coal industry to negative, as persistently low natural gas prices continue to reduce the electricity sector's demand for coal. Moody's expects operating margins for coal producers to deteriorate this year, and for prices for US coal deliveries to decline at least 5% in 2013. Moody's also expects that some of the decline in US coal consumption will be permanent. "A regulatory environment that puts coal at a disadvantage, along with low natural gas prices, have led many utilities to increase or accelerate their scheduled coal-plant retirements," says Moody's Vice President -- Senior Analyst Anna Zubets-Anderson, author of the Industry Outlook "Coal Outlook Negative as Producers Grapple With Weak Prices and Drop in Power Demand." "In addition, newly proposed US carbon dioxide regulations would effectively prohibit new coal plants by requiring new projects to adopt technology that is not yet economically feasible," says Zubets-Anderson. Moody's expects US coal demand from power plants to drop by 100 million tons by 2020. More immediately, operating margins for the coal producers will decrease this year as cash costs increase amid lower delivery volumes. Because most US producers have contracts that sell coal at prices above the spot market price, the prices at which they sell coal will not generally drop until next year, when the contracts expire. During 2013, Moody's expects averaged delivered prices to decline by at least 5% from 2012 levels. Moody's negative outlook for the US coal industry reflects its expectations that the US electric sector's coal consumption will decline by at least 5% over the next 12-18 months. If Moody's expected power consumption to grow by 0%-5% year-over-year over the next 12-18 months, the agency could change the outlook to stable. If the US power sector's coal consumption looked set to grow by more than 5%, the outlook for the coal sector could change to positive, Moody's said. Moody's industry outlooks reflect its expectations for the fundamental business conditions in the industry over the next 12 to 18 months.

## 2NC Coal - Resilient

## 2NC Steel - Resilient

**US steel sector is stable**

**Fitzgerald 11** (Drew Fitzgerald, 12/20/2011, "Fitch Gives US Steel Sector Stable Outlook As Demand Improves," Wall Street Journal)

U.S. steel producers will continue to improve their credit metrics next year despite tough competition from developing markets, according to a report from Fitch Ratings. Steel companies in the U.S. are benefiting from slow improvement in demand from auto makers, energy companies and heavy equipment manufacturers, while the construction sector has bottomed out, Fitch said. Still, the ratings service predicted a full recovery won't come until 2013 at the earliest. At the same time, Fitch gave the sector a stable outlook. Challenges remain, including weak order rates that have hurt steel foundries' capacity utilization as well as margin pressure from high raw-materials costs. Fitch expects average U.S. capacity utilization will rise next year, but it will fail to reach the key 80% rate needed to sustain healthy margins. Producers will be able to blunt some of the effect of high commodity costs with integrated raw materials gathering operations, premium-priced value-added steel products or large operations that benefit from scale, Fitch said.

## 2NC Steel - Shocks Inevitable

**Chinese steel production makes price shocks inevitable**

**Tang 10** (Rachel Tang, Analyst in Industrial Organization and Business, 9/21/10, "China’s Steel Industry and Its Impact on the United States: Issues for Congress," http://www.fas.org/sgp/crs/row/R41421.pdf)

China’s steel industry has grown significantly since the mid-1990s. China is now the world’s largest steelmaker and steel consumer. In 2009, China produced over 567 million tons of crude steel, nearly half of the world’s steel. That was 10 times the U.S. production. The majority of Chinese steel has been used to meet domestic demand in China. However, as its steel production continues to grow, overcapacity is becoming a major concern to Chinese industrial policy makers, as well as steelmakers outside China. Although industry statistics indicate that the Chinese steel industry is not export-oriented, its consistently high output keeps U.S. steelmakers concerned that excess Chinese steel might overwhelm the global market once domestic demand is adequately met. These concerns become increasingly acute as the United States and the rest of the world are in the middle of a slow recovery from the economic recession started in December 2007. The Chinese steel industry is highly fragmented, with more than 1,000 steel producers, which makes the domestic market highly competitive and difficult to control. Its growth also faces constraints such as dependence on imported iron ore and high energy consumption. The Chinese government has shown interest in stepping up its efforts to rein in steel overcapacity and to consolidate and restructure the steel industry. However, it remains to be seen if the government’s efforts and measures are to produce sufficient or meaningful results. The possibility of surplus steel from Chinese steel producers; their alleged questionable, if not illegal, trade practices; and the possibility of Chinese direct investment in the U.S. steel sector are all of major concern to the steelmakers in the United States. Steelmakers in the United States believe that China’s government subsidization of its steel (in the form of an undervalued currency, export rebates and/or quotas, subsidized financing, relatively weak environmental, labor, and safety regulations, etc.) is one of the key issues affecting the health of the U.S. steel sector. There have been multiple anti-dumping and countervailing cases in the United States against certain Chinese steel products, which suggests that U.S. steel producers and trade officials are increasingly using trade remedies to enforce international trade laws.

## 2NC Steel - AT: No Coal = No Steel

**Competition ensures stability even if production stops and the market declines - empirics**

**Boselovic 12** (Len Boselovic, 3/17/2012, "U.S. Steel profits show industry's new resilience," Pittsburgh Post-Gazette, http://www.post-gazette.com/stories/business/news/us-steel-profits-show-industrys-new-resilience-470084/)

U.S. Steel Chairman and Chief Executive Officer John P. Surma told analysts yesterday the company believes it can remain profitable even in weak markets, encouragement that sent the steelmaker's shares to record levels. Mr. Surma made the comment on the heels of fourth-quarter earnings, announced after the markets closed Monday, that exceeded Wall Street expectations and record profits of $1.37 billion for all of last year. The fourth-quarter profit of $297 million particularly impressed analysts because it was achieved even though the steelmaker's domestic mills operated at only 67 percent of capacity . Historically, mills were reluctant to reduce their output to such low levels, even in the face of slackening demand, because it made them less efficient, increased the cost of producing a ton of steel and resulted in losses that were made all the worse because of vicious price cutting . But the consolidation and restructuring that followed a wave of bankruptcies earlier this decade has given the industry more flexibility to respond to soft markets. U.S. Steel, for example, cut production at blast furnaces last year when orders dropped off and still managed to post a profit. Mr. Surma noted that when U.S. Steel's domestic mills ran at 67 percent of capacity in the fourth quarter of 2001, its sheet steel business posted an operating loss of $154 million. In 2006's fourth quarter, the same business generated operating profits of $31 million. The bulk of the most recent quarter's earnings came from its European mills and tubular business that's benefited from strong demand for tubing used in the energy markets.

# Soy Adv

## 1NC Soy Frontline

**Waterway collapse forces producers to shift to rail and truck transportation - prevents total collapse**

**USB 12** (United Soybeans Board, 2/8/12, "Dilapidated Locks on U.S. Rivers Put Farmers, Consumers at Risk," http://www.unitedsoybean.org/global-opportunities-briefings/dilapidated-locks-on-u-s-rivers-put-farmers-consumers-at-risk/)

The majority of lost revenue could be from the increase in transportation costs, since shipping by barge remains the most economic method. A lock closure lasting one month on either the Illinois or Mississippi river would divert more than 30 million bushels of grain and oilseeds from the Gulf Port to the West Coast, which increases shipping costs due to higher rail and ocean-shipping costs. A month long closure on the Ohio River results in 14 million bushels of grain and oilseeds shifting to the Great Lakes and East Coast away from the Gulf Coast. If shipping by barge became unavailable, many shipments would be sent by rail. Currently the rail system has the capacity to handle additional commodity shipments, but with rail traffic predicted to increase by 2035, that may not be the case in the future. Truck traffic could also see an increase if a lock failure resulted in a long-term closure to barge movement on a major river. This would especially be true if capacity for rail shipping becomes constrained. Increases in truck traffic for shipping commodities could not only drive up prices, but also further stress the already suffering U.S. surface transportation system.

**Biotechnology solves price fluctuations - China is running on a massive grain surplus - means they won't have to import even if production decreases**

**Wharton 12** (Knowledge @ Wharton, Univ. of Penn, 7/10/12, "Can Biotechnology Solve China's Food Security Problem?," http://knowledge.wharton.upenn.edu/arabic/article.cfm?articleid=2850)

When talking about agriculture in China, you are likely hear two statistics over and over again: China is home to 22% of the world's population and has less than 10% of the world's arable land. In a country that has vowed to maintain 95% self-sufficiency in agriculture, this gap has put agricultural reform at the top of the China's political agenda. And it makes China one of the prime spots in the world for the adoption of genetically modified (GM) crops. Over the past five years, research into GM crops has become a pillar of China's agricultural reform strategy. Government investment in the technology has increased steadily, and more and more multinationals are investing in their own research facilities, rushing to establish a foothold in a huge potential market. "It's important that we are an active participant in China," says Andrew McConville, head of corporate affairs for the Asia Pacific region for Syngenta, an international agricultural technology company. But while scientists and government leaders have advocated for the technology, the adoption of GM crops for commercial cultivation has been hindered by growing popular concern over their safety. "There is a deal of public tension," notes McConville. "I think the government is making sure the safety and regulatory regimes are in place for adoption -- and they are trying to make sure that consumers are brought along on the journey." Due, in part, to consumer concerns about the technology, GM crops have spread throughout the world unevenly. They have met staunch resistance in the European Union but have been embraced with enthusiasm in the United States. Today, 80% of the corn, soybeans and cotton planted in the U.S. have been genetically engineered. Brazil is the second-largest grower of GM crops, with GM comprising 75% of the country's soybeans and 56% of its maize. Compared to these two GM powerhouses, China's adoption rates are more modest, having approved the commercial cultivation of only two crops -- cotton and papayas -- and a GM version of the poplar tree to help with reforestation. Soon, however, experts expect the country will be expanding the scope of its GM crops, despite popular concern over the safety of GM products entering the food stream. The Challenge China's population is expected to grow to 1.39 billion by the year 2015 and the government estimates that national consumption of grain will reach 572.5 million tons by the year 2020. This is complicated by unpredictable weather patterns and an increasingly affluent population that is eating an increasingly large amount of meat. More meat consumption means China will have to increase its production of feedstock even further. The inflation of food prices, also, is a top government concern. "We have 1.3 billion people to feed with limited land resource," Wen Jiabao, China's premiere, said in a 2011 interview issued in the Chinese publication Seeking Truth Magazine. "Food security remains our biggest concern. There is no other way to address the challenge than relying on technologies to transform traditional agriculture, such as high-yield variety breeding and GM technology." As part of China's 12th five-year plan, released in 2011, the country established a 540 million ton annual yield goal for grain production. In 2011, the country reported a record 571 million tons of grain production. China's efforts, however, have been more successful in some crops than in others. For example, the country is a net importer of soybeans. According to the State Administration of Grain, the country expects to import 56 million metric tons of soybeans during 2011-2012. And, despite record production of corn in 2011, the U.S. Department of Agriculture estimates China will have to import 4 million tons of corn to meet demand this year. "The Chinese government places extraordinarily high importance on achieving success in agriculture," notes McConville. And China's government officials have not been all talk: In 2008, the country introduced the National Transgenic New Variety Development Project, promising an investment of $3.8 billion by 2020. The investment, McConville points out, comes along with a push to improve agricultural technology across the board. Investment also went into the promotion of tractors and backhoes. The goal is simple, says Dan Cekander, the director of grain research at Newedge USA. "They need to increase their yields." While GM crops are not the only answer to achieving this goal, they will likely be an important part of the recipe, according to McConville. In trying to reduce food imports and approach the goal of 95% self-sufficiency, GM crops offer a number of advantages. They can help increase yields and can be engineered to resist pests and disease. They can also be engineered to withstand harsh growing environments.

## 2NC - Rails Check

**Rail transport takes over if waterways and barge collapses - suppliers just get their products to export via rail and trucking - this means there is no impact because there will always be a way to get goods to market and there is no impact to a small, short term loss of profits - that's USB**

**And - even if rails aren't *superlative*, they are sufficient to prevent the impact - current capacity proves**

**USSEC 11** (US Soybean Export Council, 2/11/11, "Chapter Four: Transporting U.S. Soybeans to Export Markets," Soybean Buyers Manual)

One of the other transportation modes for moving commodities is rail. The U.S. has an extensive nationwide rail system capable of moving grain and soybeans to destinations throughout the U.S. Most soybeans and grains are moved in upwards of 40,000 large hopper cars that carry 80 to 90 metric tons each. To achieve maximum efficiency many rail shipments, especially those to export points, are in trains of 100 to 120 cars carrying approximately 10,000 tons that are loaded, moved and unloaded together as a single unit, then returned as a single unit to be loaded again. Many of these hopper cars are leased by exporters and dedicated to their use. There is also a large fleet of tank cars that can carry liquid cargo including bulk soybean oil.

**Rails solve - soybeans are increasingly moving towards rail transport**

**AMS 12** (Agricultural Marketing Service, USDA, 2/23/12, "Soybeans Shipment by Rails Increases," Transportation and Marketing Programs/Transportation Services Division, http://www.ams.usda.gov/AMSv1.0/getfile?dDocName=STELPRDC5097202&acct=graintransrpt)

Although U.S. soybean production increased 34 percent from 1994 to 2009, soybean tonnages shipped by railroads have increased 93 percent. Rail has gained significant market share of soybean transportation, mainly on soybean exports. U.S. soybean production has increased in response to strong world demand for meat, milk, and eggs, which use soybean meal as a high-protein livestock feed. In response to increased soybean exports by rail, soybean tonnages hauled in shuttle-size shipments (more than 75 railcars) increased 1,127 percent, from 1.5 million tons in 1994 to 18.3 million tons in 2009, reflecting the suitability and lower costs of shuttle-size shipments. Over the same time period, soybean tonnages hauled by 1 to 5 railcar shipments decreased 61 percent, 6 to 49 railcar shipments decreased 16 percent, and 50 to 74 railcar shipments decreased 7 percent. Smaller shipment sizes and shorter lengths of haul are most susceptible to truck competition and therefore are more likely to be for the domestic market, which has increasingly favored truck competition for soybeans (Transportation of U.S. Grains: A Modal Share Analysis). The percentage of soybeans moved by shuttle-size shipments has increased from 10 percent of total rail soybean tonnage in 1994 to 63 percent in 2009. Soybean shipments of 1 to 5 railcars decreased from 16 percent of total rail tonnage in 1994 to only 3 percent of the total in 2009. Likewise, soybean shipments of 6 to 49 railcars decreased from 44 percent of the total tonnage in 1994 to 19 percent in 2009. Soybean shipments of 50 to 74 railcars decreased from 30 percent of total rail tonnage in 1994 to 15 percent in 2009.

**Status quo dependence disproves their price spikes argument - increased usage decreases prices**

**STC 10** (Soy Transportation Coalition, 11/17/10, "Quality Rail Transportation Vital to Soybean Farmers," Common Soy Bean Digest, http://cornandsoybeandigest.com/soybeans/quality-rail-transportation-vital-soybean-farmers)

The Soy Transportation Coalition(STC) recently updated its annual report on the railroad transportation of soybeansand soy products – highlighting the significance of our nation’s railroads to the soybean industry. The study provides statistics – both on a national and individual state level – on the volume of soybeans, soybean meal, soybean oil and biodieselmoved by the rail industry; the leading destinations for those products; and the revenue and rates associated with those movements. As with the 2009 report, the analysis monitors the volume of soybeans and soy products transported at potentially excessive rates, those states whose soybean industry is most dependent on rail service, and those railroads that transport the highest volumes of soybeans and soy products. Among the findings generated by the study: The largest Class I railroads transport 24% of the soybeans, 43% of the soybean meal, 67% of the soybean oil and 99% of the biodiesel produced in the U.S. BNSF Railway transports the largest volume of soybeans – 10.7 million tons in 2009. Union Pacific Railroad is the largest originator of soybean meal (6.2 million tons) and soybean oil (2.7 million tons). The largest destination area for the railroad movement of soybeans continues to be the Pacific Northwest (PNW) ports in Washington and Oregon. Forty-nine percent of soybeans loaded into a rail car are destined to the PNW – underscoring the strength of the Asian export market. Forty-one percent of rail movements of soybeans (9.89 million tons) are transported at rates the U.S. Surface Transportation Boardwould classify as potentially excessive – resulting in a potential overcharge of $110 million in 2008. Sixty percent of biodiesel is transported at potentially excessive rates. Revenue among the largest Class I railroads from transporting soybeans and soy products dropped 2% from the previous year – from $1.505 billion in 2008 to $1.477 billion in 2009. From 2006 to 2009, Class I railroad revenue increased from $1.120 billion to $1.477 billion.

**Rail has financial incentives to not increase prices - equilibrium checks your impacts**

**STC 10** (Soy Transportation Coalition, 11/22/10, "Report says railroads important to soybean industry," High Plains Journal, http://www.hpj.com/archives/2010/nov10/nov22/1115RailTransportationofSoy.cfm)

Dean Campbell, a farmer from Coulterville, Ill., and chairman of the Soy Transportation Coalition, says, "As the STC analysis confirms, our nation's railroads are essential to the profitability of the soybean industry, and the soybean industry is essential to the profitability of railroads. Farmers acknowledge that railroads need to generate necessary revenues to maintain and enhance their infrastructure, yet if rail transportation becomes too costly, farmer profitability and agricultural exports will be diminished. The Soy Transportation Coalition works to help promote a balanced relationship in which both farmers and the railroads can benefit."

## 2NC - Grain Stable

**Grain markets are stable**

**People's Daily** 3/9/**11** ("China's food security fully guaranteed," http://english.peopledaily.com.cn/90001/90776/90785/7313515.html)

Firstly, the grain self-sufficiency rate remains at more than 95 percent. Over the past decade, China's total grain consumption remained roughly equal to the total production. Total production and demand remained balanced and the grain self-sufficiency rate remained over 95 percent. If measured according to international grain statistic standards and excluding soybean exports, China was still a net exporter of grain during the 11th Five-Year Plan period, exporting over 4.7 million tons of grain. Secondly, the comprehensive grain production ability remains at a relatively high level. In recent years, China has enhanced support for agriculture and grain production, and also placed emphasis on increasing comprehensive grain production ability. It has realized basic stability of the comprehensive grain production ability, even when industrialization and urbanization is developing rapidly and arable land is being reduced. At present, China has a steady grain production capability at more than 500 million tons. Third, China's grain reserves remain at a relatively high level. Currently, China has sufficient grain reserves, and its central grain reserves are correctly recorded and are of high quality. Local governments are actively increasing grain reserves as well. Oil and oilseed stocks have also increased, and local grain reserves and edible oil reserves increased by 26 percent and 208 percent, respectively, compared to 2005. With sufficient reserves, China is able to ensure supply in the grain and oil market as well as make timely and appropriate adjustments when necessary.

**Aff doesn’t solve long-term grain price increases**

**Hecht 12** (Andrea Hecht, May 2012, "How to Profit from the Changing Chinese Diet," The Sovereign Investor)

Further Reasons for the Long-Term Surge in Grain Prices There are further reasons for the long-term surge in the price of grain… An Appetite that will Drive Prices Higher: In 2008 droughts, floods and other climate events caused grain prices to soar as crop yields decreased. But based on projected consumption of grains in China, even in a perfect crop year where soybean, corn and wheat yields are at a peak, rising demand from China will support even higher price levels. The World’s Top Grain Importer in Less Than a Decade: China is fast becoming the world’s largest importer of agricultural products, and within the next five to 10 years it will be there. Thanks to the fact that China’s per capita farm land is less than 40% of the world’s average, the mass importation of soybeans is inevitable. Demand Keeps Rising: Last year, China used up her strategic stockpiles of soybeans as the price of edible oil skyrocketed. The country supported local manufacturers of edible oils by supplying soybeans from stocks bought at lower prices. China then showed up as a buyer of soybeans when the market moved lower during the third quarter. Soybean prices recently peaked at over $15 a bushel! The Chinese still have an appetite to replace their strategic stockpile.China has also become a net importer of corn this year after 14 years of self-sufficiency. The domestic demand for animal protein has increased China’s demand for corn and soybean meal. The U.S. Dollar Has Also Pushed Prices Up: The long-term bear market in the U.S. dollar has also contributed to higher commodity prices across the board. Grain prices have moved higher in part because of the falling greenback. China is competing for finite stocks of food-stuffs: China last year imported 54.8 million metric tons of soybeans – some 80% of its domestic consumption. As the Chinese include more meat in their diets, the country has become a key player in the global corn trade. Meat is an efficient protein source as the animals eat lots of grains. Human consumption of meat requires many times more grain production than an all grain diet would. Current projections are that China will import five million tons of corn this year. It is already the top importer of soybeans and cotton and a major importer of sugar.

# Competitiveness Bad Turn

## 1NC Brazil Turn

**Export competitiveness is zero-sum - Brazilian growth is buoyed by Chinese demand - Brazil is only in the picture because the US isn't as competitive**

**Cleary et. al 10** (David Cleary, Director of Sustainable Harvests, Carrie Brown-Lima and Melissa Clooney, The Nature Conservancy, "An overview of the Brazil-China soybean trade and its strategic implications for conservation," http://www.nature.org/ourinitiatives/regions/southamerica/brazil/explore/brazil-china-soybean-trade.pdf)

Brazil’s soybean production has expanded rapidly over the past four decades. In 1969 Brazil produced only 1 million tons of soybeans. However by 1975, Brazil produced 11.6 million tons and surpassed China to become the world’s second largest soy producer. By 1989 production rose to 20 million tons and in 2009 it reached 63 million tons. Every year soybeans play a larger role in Brazilian exports and is currently the most important commodity in Brazilian agribusiness. It is one of Brazil’s main sources of foreign currency, representing about 10% of the country’s total exports. The industry presently has over 243,000 producers and generates approximately 1.4 million jobs, promoting the movement of wealth beyond the country’s major cities and into the interior [7]. In the 2009 export market, Brazil was the world’s second largest exporter of whole soybeans (behind only the US) and of soy meal and soy oil (behind only Argentina). Various factors contributed to Brazil’s rapid advance between 1969 and 1975. The Brazilian government offered significant subsidies and price supports to soybean farmers in order to boost export crops to generate currency to pay for imports such as petroleum. Additionally, Japan provided technical assistance to increase soybean production on marginal frontier land. Further incentive was given by the US soybean export embargo in 1973, which artificially raised world soybean prices until it became profitable for even the most inefficient producer to grow soybeans [8]. Between 2000 and 2010, Brazil’s soybean production continued to grow at an annual average of 8% [7]. During this period, increased production has been underpinned by growing demand from China, as well as new soybean varieties that allowed for production to expand into additional areas of the Cerrado and the Amazon. Until the 1980s Brazilian soybean production was concentrated in the traditional farming regions in the south of the country including the states of Rio Grande do Sul, Santa Catarina, Paraná, and São Paulo. This trend resulted from the lack of soybean varieties adapted to dryer and hotter climates and associated soil types. Thanks to Brazil’s high investments in developing new soybean varieties, as well as different planting techniques, production expanded into the Cerrado and Amazon basin regions from 1997. This can be seen in Table 2, 3 and 4 which demonstrates the georaphical shift in soybean production states in Brazil.

**High food prices key to the Brazilian economy**

**BBC 12** (March, “Brazil 'overtakes UK's economy',” http://www.bbc.co.uk/news/business-17272716//MGD)

Brazil has become the sixth-biggest economy in the world, the country's finance minister has said. The Latin American nation's economy grew 2.7% last year, official figures show, more than the UK's 0.8% growth. The National Institute of Economic and Social Research (NIESR) and other economic forecasters also said that Brazil had now overtaken the UK. The Brazilian economy is now worth $2.5tn (£1.6tn), according to Finance Minister Guido Mantega. But Mr Mantega was keen to play down the symbolic transition - which comes after China officially overtook Japan as the world's second-biggest economy last year. "It is not important to be the world's sixth-biggest economy, but to be among the most dynamic economies, and with sustainable growth," he said. Brazil is enjoying an economic boom because of high food and oil prices, which has led to rapid growth.

**Brazilian economic stability key to multilateralism and the Eurozone**

**Gomez 12** (Eduardo, Assistant Prof Politics @ Rutgers Camden, 3/20/2012, "Brazil's European Dream," http://www.foreignpolicy.com/articles/2012/03/20/brazils\_european\_dream?page=full)

The news that Brazil has overtaken Britain to become the world's sixth largest economic power is being touted as a sign that that the longtime "country of the future" has finally arrived. While the celebrations have been somewhat muted by concerns over slowing GDP growth and the country's still-heavy dependence on high energy and food prices, Brazil is heading into the coming global showcases of both the 2014 World Cup and the 2016 Summer Olympics with more than its usual swagger. But this emerging economic prominence is raising the question of just what kind of actor Brazil will be on the world stage. In the past 20 years, Brazil has become well known for turning crisis situations into geopolitical opportunities, becoming a leading voice in international forums devoted to AIDS, poverty, and even the environment. And now, it is doing it again with a challenge that Brazilians understand all too well: a debt crisis. Only this time, it's Europe in need of a helping hand, not the former Portuguese colony in Latin America. At an EU-Brazil summit held in Brussels last October, President Dilma Rousseff told European leaders, who had asked for assistance: "You can rely and count on us." As an initial strategy, Rousseff and her finance minister, Guido Mantega, considered using their foreign exchange reserves -- estimated at $352 billion -- to purchase debt through treasury bonds. However, after consulting with her BRIC colleagues at a meeting in Washington last November, Brazil decided that buying EU bonds would be too financially risky, and proposed instead to indirectly assist Europe by donating an estimated $10 billion to the International Monetary Fund. There is a grander strategy at work here beyond seeking to help Europe in its hour of need. The IMF contributions stem from Rousseff's intention to maintain a tradition that began under her predecessor, President Luiz Inácio Lula da Silva, of using foreign assistance as a means to strengthen Brazil's international reputation and influence. Yet another example is Brazil's annual contributions to the World Bank, which have averaged $253 million from 2004 to 2009. Brazil was the first nation to contribute -- $ 55 million -- to the World Bank's Haitian Reconstruction Fund. From 2003-2007, Brazil also gave approximately $340 million to fund the U.N.'s operations. Lula also increased Brazil's contribution to the U.N.'s World Food Program from $ 1 million in 2009 to $ 27 million in 2011. There's also the satisfaction of seeing the tables turn. Because of Brazil's recent economic success and reputation, the IMF has approached Brasília for help for the first time. Back in 1998, it was the Brazilian government, under President Fernando H. Cardoso, that was running to the IMF for assistance. Brazil was trying to recover from a capital flight of roughly $30 billion dollars, triggered by a lack of foreign investor confidence due to exorbitant debt and recession. To help quell investor speculation that Brazil would default (like Russia did months earlier), the IMF provided a bailout package of $41 billion on the condition that Cardoso prune government expenditures by 20 percent and reform the pension system. Then in 2001, after a steep decline in foreign investment, currency depreciation, and a debt crisis in neighboring Argentina, Brazil essentially begged the IMF to help avoid a default on its external debt. This time the government received $15 billion in exchange for reducing federal expenditures and maintaining a primary budget surplus of approximately 3.75 percent through 2005. Today, Brazil seems to be relishing the opportunity to impose conditions on the IMF: Last October, Brasília made it crystal clear that it will not help the IMF should it decide to continue imposing austerity measures on European states. Much to Brazil's chagrin, however, last month the IMF and the EU provided a bailout package of 130 billion euros to Greece with stiff austerity measures attached, grudgingly passed by Greece's parliament -- a slight that may explain Brazil's delayed assistance to the IMF. What's more, Finance Minister Mantega has told the EU that Brazil will only provide IMF support as long as the EU strengthens its Central Bank and if other European nations contribute to the European Financial Stability Facility, the special relief fund set up provide a firewall for heavily indebted economies. Rousseff also wants an expanded role for Brazil within the IMF, along with the other BRICS, mainly through increased quota shares and voting rights. She has joined her colleagues from China, India, Russia, and South Africa in emphasizing that the IMF needs to recognize the importance of the world's largest emerging economies and allow for opinions and recommendations from nations that have overcome their economic hurdles and that more accurately represent the developing world. Despite the IMF Governing Board's agreement in 2008 to increase the BRICS' quota and vote shares, and despite the Board deciding to shift more than 6 percent of the quota shares to them and other nations last December, these recommendations have yet to be officially adopted and ratified into the Articles of Agreement. What's more, analysts and the BRICS believe that these changes are insufficient, especially in light of the US and Europe's substantially higher quota shares, voting rights, and the BRICS' growing importance to the global economy. Mantegna and Rousseff hope that the Euro crisis will be an opportunity to address this imbalance.

**Business Monitor 11** (Business Monitor International, independent research firm specialising in country risk, industry sectors and financial markets 11/29/11, "What if the Eurozone Collapses?," Risk Watchdog)

In light of this, my colleagues and I have been discussing the political and geopolitical consequences of the collapse of the eurozone. We discussed these issues on Risk Watchdog back in July, but are revisiting the topic. What follows below is not an official BMI forecast, but reflects our worst fears: Any country that quit the eurozone would probably have to leave the EU. This means that a major fracturing of the eurozone could mean the end of the EU as we know it. In its place, we could see a new ‘curtain’ separate Europe. The dire economic conditions in any state leaving the eurozone could bring to power ultranationalist or extremist parties. Indeed, the newly impoverished post-EU states could feel that they have been subjected to Treaty of Versailles-style austerity. If this were to happen in several European states, international (i.e. intra-European) tensions could rise dramatically, especially if the ‘extremist’-governed states turned against the rump eurozone/EU core states. Even without the collapse of the eurozone and EU, the high levels of youth unemployment in Europe threaten to create a ‘lost generation’ of young people whose prosperity and livelihoods will be impaired. Although incidents such as the England riots of 2011 do not appear to have been politically motivated, they could be a harbinger of things to come. If economic conditions do not improve, then the various ‘Occupy’ movements could gain momentum, and potentially become more aggressive. If the EU collapses, then the less developed member states such as Romania, Bulgaria, and the former Yugoslav states would no longer have a policy anchor to converge with Western European economic, financial, legal, and social norms. This could even pave the way for a return to ethnic violence in Bosnia, Kosovo, and Macedonia. Turkey would also lose a key policy anchor. Turkey has identified itself with the Western world since 1923, and has aspired to EU membership for decades. Although the Islamist government of Recep Tayyip Erdogan has been moving the country along a more independent trajectory in recent years, it is still nominally aiming to join the EU. Yet if the EU ceases to exist, there would be very little reason for Turkey to adopt European economic, political, and social norms. This could lead to a reversal of the pro-EU reforms enacted since the early 1990s, and hasten Turkey’s shift away from the West. This in turn could make Ankara more assertive towards Greece and Cyprus, and the Middle East. If the EU collapses, then Russia would surely be tempted to reassert its influence in Central and Eastern Europe. Russia’s geopolitical ‘revival’ under Vladimir Putin has largely focused on rebuilding a sphere of influence in the former Soviet Union, but the Kremlin could subsequently seek to meddle in the affairs of Poland, Slovakia, Romania, Bulgaria, etc. A collapse of the EU would also raise new question marks about NATO’s survivability. The Alliance has already been strained repeatedly by disagreements over its wars against Serbia, Iraq, and Libya. Most NATO states have been slashing defence budgets, due to fiscal austerity, and the US has long bemoaned that European states aren’t spending enough on defence. With Europe in disarray, the US would no longer be able to rely on Europe as a security partner. Other regions of the world experimenting with greater economic or political integration could be put off such initiatives by a collapse of the eurozone/EU. Perceptions of the EU would quickly shift from role model to bad example. The net result would be a sharp decline in Europe’s global influence. How could rising powers, including ‘troublemakers’, take Europe seriously if European countries are constantly bickering among themselves?

## 2NC - US Soy Down

**US soybean competitiveness declining**

**WWI 5** (World Watch Institute, "Soybean Demand Continues to Drive Production," http://www.worldwatch.org/node/5442)

The United States is the largest producer of soybeans, with an output of 83.4 million tons in 2005.3 Over the past 25 years, however, its market dominance has eroded.4 The United States produced 60 percent of the world’s soybeans in 1980 but only 39 percent in 2005.5 The country’s declining role as an exporter can be traced to increased competition with South American producers, growing domestic competition with corn, the production of biodiesel, and the resistance in some markets to genetically modified (GM) soybeans.6 Soybeans enrich the soil with nitrogen, which can then be used by other plants, making them beneficial for crop rotations.7 In the United States, this has usually meant planting soybeans and corn in alternating years. But high demand for corn for ethanol production and distiller’s grains (a high-protein animal feed) has driven many farmers to plant two years of corn for every year of soybeans.8 This in large part explains the 7-percent decline in total U.S. soybean harvested area in 2005.9 Globally, however, harvested area stayed stable at 92 million hectares.10 (See Figure 3.) Brazil produces a quarter of the soybeans worldwide and in 2003 became the largest exporter.11 Its success in this field is largely due to vast tracts of undeveloped land.12 The 11 states of the center-west and Amazonia regions, which include the cerrado—the world’s most diverse savanna—and large portions of the Amazon rainforest, doubled production from 2000 to 2005.13 Production in Argentina is growing even faster, with an increased output of 216 percent since 1995.14 Rapid South American soybean expansion is creating mono-crop plantations at a rate that endangers 22 million hectares of tropical forest and savanna in the next 20 years.15 Global growth in wealth and in industrial agriculture has resulted in greater consumption of meat and convenience foods, raising demand for soybeans as animal feed and as soybean oil (the most widely used vegetable oil).16 Soybean meal, the protein-rich solid produced in the soybean crushing and oil extraction process, accounts for 65 percent of the world’s protein feed.17 The majority of soy meal is used for animal feed, including 98 percent in the United States.18

## 2NC - Brazil Soy Up

## 2NC Comp = Zero Sum

## 2NC AT: We Don’t Decrease Prices

## 2NC - Soy k2 Brazil

**Food prices are key to growth - they've been correlated to the recent boom - that's BBC**

**Soy key to stabilize the Brazilian economy**

**Barrionuevo 11** (Alexei, 5/26/11, "China's Interest in Farmland Makes Brazil Uneasy," New York Times, http://www.nytimes.com/2011/05/27/world/americas/27brazil.html?pagewanted=all)

China has become Brazil’s biggest trading partner, buying ever increasing volumes of soybeans and iron ore, while investing billions in Brazil’s energy sector. The demand has helped fuel an economic boom here that has lifted more than 20 million Brazilians from extreme poverty and brought economic stability to a country accustomed to periodic crises.¶ Yet some experts say the partnership has devolved into a classic neo-colonial relationship in which China has the upper hand. Nearly 84 percent of Brazil’s exports to China last year were raw materials, up from 68 percent in 2000. But about 98 percent of China’s exports to Brazil are manufactured products — including the latest, low-priced cars for Brazil’s emerging middle class — that are beating down Brazil’s industrial sector.¶ “The relationship has been very unbalanced,” said Rubens Ricupero, a former Brazilian diplomat and finance minister. “There has been a clear lack of strategy on the Brazilian side.”¶ While visiting China last month, Brazil’s new president, Dilma Rousseff, emphasized the need to sell higher-value products to China, and she has edged closer to the United States. “It is not by accident that there is a sort of effort to revalue the relationship with the United States,” said Paulo Sotero, director of the Brazil Institute at the Woodrow Wilson International Center for Scholars. “China exposes Brazil’s vulnerabilities more than any other country in the world.”¶ China’s moves to buy land have made officials nervous. Last August, Luís Inácio Adams, Brazil’s attorney general, reinterpreted a 1971 law, making it significantly harder for foreigners to buy land in Brazil. Argentina’s president, Cristina Fernández de Kirchner, followed suit last month, sending a law to Congress limiting the size and concentration of rural land foreigners could own.¶ Mr. Adams said his decision was not a direct result of land-buying by China, but he noted that huge “land grabs” in Latin America and sub-Saharan Africa, including China’s attempt to lease about three million acres in the Philippines, had alarmed Brazilian officials.¶ “Nothing is preventing investment from happening, but it will be regulated,” Mr. Adams said.¶ A World Bank study last year said that volatile food prices had brought a “rising tide” of large-scale farmland purchases in developing nations, and that China was among a small group of countries making most of the purchases.

## 2NC - Brazil k2 China

**Brazilian soy is key to China - the plan results in a US advantage which is unsustainable**

**Silveira 11** (Fabio, Director of RC Consultores, he holds a Master degree by the University of Grenoble and a Postgraduate degree by the University of Genebra. He graduated in Economics at USP, "China and the Brazilian soybean production," Watershed, http://www.watershed.com.br/article/193/china-and-the-brazilian-soybean-production.aspx)

In line with the above considerations, it is expected that the income of the Brazilian soybean complex – grain, meal and oil in the domestic and foreign markets – will close 2010 with a drop of 13%, down to US$ 35.2 billion, compared with US$ 37.3 billion in 2009. Such projections are strategic to China not only in terms of defining the volume of its imports but are also important to the plans of the Asian country to start planting soybean in Brazilian soil to meet future needs of consumption. Since the middle of this decade, Chinese importers have been trying to acquire the product directly from Brazilian farmers, but without success. Since the middle of this decade, Chinese importers have been trying to acquire the product directly from Brazilian farmers, but without success. However, this intention seems to be close to becoming reality, considering the initial contacts developed between the Brazilian government and state-owned Chongqing Wanzhou Grain and Oils Group. The Chinese company plans to invest US$ 300 million to purchase of 100,000 hectares in western Bahia, with the goal of producing soybean. If the negotiations progress, there will be a growing chance of a scenario of significant expansion in Brazilian supply and, consequently, a reduction in the cost of this commodity for consumers in China, in the long term. This situation, probably, should motivate China to prepare a huge offensive in investment in Brazilian soybean production. Between this and that, there are strong reasons why Brazil should become the world's largest producer of soybean, surpassing of 100 million t/year in the middle of the decade (presently, its annual production is around 69 million t). This additional volume in soybean Brazilian production would be able to properly take care of not only future Chinese demand, but also the international demand for this kind of oilseed.

**Prefer our predictive evidence -**

**Cleary et. al 10** (David Cleary, Director of Sustainable Harvests, Carrie Brown-Lima and Melissa Clooney, The Nature Conservancy, "An overview of the Brazil-China soybean trade and its strategic implications for conservation," http://www.nature.org/ourinitiatives/regions/southamerica/brazil/explore/brazil-china-soybean-trade.pdf)

Brazil and China have been maintaining informal trade since 1949. There was a boom in bilateral trade in the 1990s and in early 2000, as Brazil and China formalized an agreement in which China would be supported for a membership position at WTO in exchange for its reduction of some existing tariffs on imports from Brazil [4]. The adoption of a free-floating trade regime by Brazil also promoted an increase in trade. Over the past decade, bilateral trade between Brazil and China has continued to grow considerably (Figure 4). In 2009, China was the destination of US$20.2 billion of Brazilian exports, most of this in the form of non-processed agricultural and mineral products. In 2009, China surpassed the US to become Brazil’s largest trading partner. This was a historic change, as the US had been Brazil’s top trade partner since the 1930s. Although likely to prove temporary, given the US economy’s exceptional weakness that year, it is an indication of the great importance the Chinese market now has for Brazilian commodity exporters. For decades, the main global bilateral trade link has been between the United States, the leading exporter of grain, soybeans and meat, and Japan, the top importer. However, China’s growing population and reduction of croplands combined with Brazil’s rapidly expanding agricultural production, especially soy, has created a new food trade link that will soon surpass that between the US and Japan. China began looking overseas for external food sources in the mid-1990s, when it became clear that the country’s production capacity for food, especially meat products, was insufficient to meet its rising demand. When evaluating which commodity to import, soybeans make more economic sense in a country with a significant shortage of agricultural land, since corn has a greater yield per hectare [5]. By 2009, China imported 41 million tons of soybeans, mostly from the US, Brazil and Argentina. In 2009, soy represented 31% of the total Brazilian exports to China (Figure 4). From 2000 through 2009, Brazil’s overall soybean exports rose from US$2.2 billion to $11.4 billion. While this five-fold increase in total soybean export value is impressive, China’s import of Brazilian soybeans by volume has increased nine times over between 2000 and 2010. In 2000, China was the destination of 16% (1.8 million tons) of Brazil’s total soybean export. By 2009, China was importing 56% (15.9 million tons) of Brazil’s total soybean exports (see figures 5 and 6) [6]. To understand the soy trade relationship between Brazil and China, it is necessary to understand the evolution of Brazil’s soy production and export capacity, as well as the evolution of China’s soy demand.

**Transportation is key to price competitiveness**

**Schnepf et. al 1** (Randall D. Schnepf, Erik Dohlman, and Christine Bolling. Market and Trade Economics Division, Economic Research Service, U.S. Department of Agriculture, December 2001 "Agriculture in Brazil and Argentina: Developments and Prospects for Major Field Crops," Agriculture and Trade Report)

U.S. Infrastructure Vastly More Developed The transportation and marketing infrastructure for agricultural products in Argentina and Brazil has played a critical role in determining their international competitiveness. Both Argentina and Brazil possess long coastlines with major seaports providing outlets to international markets. Argentina has an important internal waterway, the Parana-Paraguay River system located close to the major grain-and-oilseed producing region. Brazil also possesses enormous internal waterway potential, including the world’s largest river system—the Amazon River and its many tributaries. Development of the Amazon’s tributaries is just beginning to open Brazil’s interior agricultural areas to the ocean portal provided by the Amazon River. Yet, despite considerably shorter average distances to ports from both Argentina’s Pampas and Brazil’s South, transportation and marketing costs for bulk agricultural product exports have historically been much higher for Argentina and Brazil than for the United States. This has generally reflected an inefficient or underdeveloped barge and railroad transportation system, and a heavy reliance on more expensive truck hauling. A Southern Hemisphere-Atlantic coast orientation and, in the past, export taxes and high port charges have also contributed to higher marketing and transportation costs to major international markets in Europe and East Asia. In contrast, the United States has a widespread internal transportation network, centered on the Mississippi waterway and its many tributaries, to move bulk commodities to international markets cheaply and efficiently. The U.S. grain transport system relies heavily on barges that are unrivaled as the cheapest, most efficient mode for moving bulk commodities to export (table B-5).

## 2NC - Eurozone Impact

**Leahy 11** (Joe Leahy, 9/14/2011, "Dilma says Brazil will back a eurozone rescue," Financial Times, http://www.ft.com/intl/cms/s/0/39a02f6e-deef-11e0-9af3-00144feabdc0.html#axzz21vaOvvss)

Brazil’s president Dilma Rousseff has thrown her weight behind proposals for an “international effort” to help rescue Europe from its debt crisis.¶ Although she stopped short of proposing a solution involving only the “Bric” emerging nations, which aside from Brazil include Russia, India and China, she said if Europe could present a viable framework for a rescue package, her government would support it.¶ “Brazil will always be willing to participate in any international effort,” Ms Rousseff told reporters in Brasília.¶ Any effort by Brazil to co-ordinate a Brics response to the European debt crisis would mark a significant step in the country’s efforts to increase its influence in world affairs.¶ Brazil’s finance minister Guido Mantega first floated the idea on Tuesday when he said senior officials of the Brics nations would meet next Thursday in Washington to hammer out a possible rescue plan for Europe. While he did not elaborate, Brazilian newspaper Valor Econômico reported the plan could involve buying European sovereign bonds, probably those of Germany.¶ Ms Rousseff said the problem was that at present there was no international rescue plan for the eurozone on the table.¶ She called on politicians in the eurozone to end their bickering and come up with a joint framework to solve their problems. “It is necessary, in the case of the eurozone, to speed up their rescue plans.”

## 2NC - Soft Power Impact

**Brazil soft power good**

**Rothkopf 12** (David, CEO and editor of Foreign Policy, 2/28/12, "Brazil's New Swagger," Foreign Policy, http://www.foreignpolicy.com/articles/2012/02/28/brazil\_s\_new\_swagger?page=0,0)

Nonetheless, after over a year in office, despite facing great domestic and international challenges, Rousseff has already earned a higher popularity rating than did Lula at a similar point in his tenure. And Patriota is quietly and, in the eyes of close observers, with great deftness, building on Amorim's groundbreaking work to establish Brazil as a leader among the world's major powers. "We have a great advantage," notes Patriota. "We have no real enemies, no battles on our borders, no great historical or contemporary rivals among the ranks of the other important powers … and long-standing ties with many of the world's emerging and developed nations." This is a status enjoyed by none of the other BRICs -- China, India, and Russia -- nor, for that matter, by any of the world's traditional major powers. This unusual position is strengthened further by the fact that Brazil is not investing as heavily as other rising powers in military capabilities. Indeed, as Tom Shannon, the U.S. ambassador to Brazil, has noted, the country is one of the few to effectively stake its future on the wise application of soft power -- diplomacy, economic leverage, common interests. It's surely no coincidence that, in areas from climate change to trade, from nonproliferation to development, Brazil under Lula and Amorim and under Rousseff and Patriota has been gaining strength by translating steady growth at home and active diplomacy abroad into effective international networks. But Rousseff's administration is also breaking with the past. Whereas Cardoso and Lula achieved greatness by addressing and solving some of the most bedeviling problems of Brazil's past, from stabilizing the economy to addressing social inequality, Rousseff, while still cognizant of the work that remains to be done, has also turned her attention to creating opportunities and a clear path forward for Brazil's future. From her focus on education to her commitment to science and technology through innovative programs like "Science Without Borders," she is doing something that no Latin American leader has done before but that has been a proven formula in Asia. She is committed to moving Brazil from being a resource-based and thus dependent (which is to say vulnerable) economy to one that counts more for future growth on value-added industries, research and development, and educating more scientists and engineers.

**China has a monopsony - prices determine what China buys**

**Cleary et. al 10** (David Cleary, Director of Sustainable Harvests, Carrie Brown-Lima and Melissa Clooney, The Nature Conservancy, "An overview of the Brazil-China soybean trade and its strategic implications for conservation," http://www.nature.org/ourinitiatives/regions/southamerica/brazil/explore/brazil-china-soybean-trade.pdf)

The global soybean export market has four main players: China, the principal importer (importing over half the world’s exported soy) and the US, Brazil, and Argentina as the principal exporters (Figure 11). According to a trade model market power analysis funded by the USDA-CSREES National Research Initiative (NRI), Chinese soybean importers have stronger market power relative to soybean exporters from the US, Brazil and Argentina and thus control the market. China’s immense demand for soybeans combined with its strategy to purchase soybeans from more than one country gives it monopsony power. China’s importers can strategically use this power to reduce the risk of price increases and maximize soybean import profits. Because China is the most important market for the three exporting nations, they compete with each other for market share. However, the seasonal production differences between the US and the two South American countries allow them to be complementary soybean suppliers for China, with South America’s peak production period extending from June through October and the US peak production period extending from November through May [15]

**Ag growth sustainable - land conversion**

**Cleary et. al 10** (David Cleary, Director of Sustainable Harvests, Carrie Brown-Lima and Melissa Clooney, The Nature Conservancy, "An overview of the Brazil-China soybean trade and its strategic implications for conservation," http://www.nature.org/ourinitiatives/regions/southamerica/brazil/explore/brazil-china-soybean-trade.pdf)

The US cannot bring much new land into agricultural production. This, combined with competition for existing land with other crops such as corn, will likely limit soybean expansion. Brazil faces no such constraints, and will likely out-produce the US in the not too distant future. Brazilian Ministry of Agriculture (http://www.agricultura.gov.br) projections predict an expansion of soy plantations from 21.5 million hectares to 26.5 million hectares by the crop year 2018/2019. These projections indicate an annual increase of 2.43% in production during period, and only a 1.95% annual increase in planted area, primarily in the Cerrado and Amazon. The difference is accounted for by higher yields on land currently planted, and in areas where there is no new land to come into production, the replacement of other crops with soybeans [9].

**Brazilian soy will beat the US - land use**

**Cleary et. al 10** (David Cleary, Director of Sustainable Harvests, Carrie Brown-Lima and Melissa Clooney, The Nature Conservancy, "An overview of the Brazil-China soybean trade and its strategic implications for conservation," http://www.nature.org/ourinitiatives/regions/southamerica/brazil/explore/brazil-china-soybean-trade.pdf)

However, Brazil holds a major strategic advantage in its vast capacity to expand area planted to soybeans. US cropland devoted to soybeans has declined as land use has shifted to corn for ethanol production, with very limited new arable land available for expansion. Another advantage that Brazil holds over the US is the composition of its soybeans. Brazilian soybeans yield about 4.5% more oil and contain 4.5% more protein than US soybeans. Brazilian meal is guaranteed to contain 47-48% protein, while US meal is sold as 44%. While genetically modified soybean strains have been introduced to Brazil, the predominance of non-genetically modified soybeans has made Brazilian exports more attractive to European and Asian consumers. [16]

**They say competition means exports are inevitable - but if Brazil loses demand now it's gone forever - NGO pressure kills the market**

**Cleary et. al 10** (David Cleary, Director of Sustainable Harvests, Carrie Brown-Lima and Melissa Clooney, The Nature Conservancy, "An overview of the Brazil-China soybean trade and its strategic implications for conservation," http://www.nature.org/ourinitiatives/regions/southamerica/brazil/explore/brazil-china-soybean-trade.pdf)

 Further projections are discussed in Part 2 of this report. Brazil has felt substantial international pressure from conservation NGOs, the media and European buyers who are concerned about deforestation in the Amazon and the responsible sourcing of soy. However, with the shift to China as the leading importer of Brazilian soy (as shown in figures 7 and 8), these environmentally-conscious voices are overpowered by China’s demand for soybeans. Chinese consumers have not demonstrated the same concern over deforestation as Brazil’s European buyers.

**1. If they win this that means our DA turns case - they don't actually make the US more competitive - Brazil is still more important to China than the US**

**2. Infrastructure investment is key to reduce prices which makes the US more competitive**

**Schnepf et. al 1** (Randall D. Schnepf, Erik Dohlman, and Christine Bolling. Market and Trade Economics Division, Economic Research Service, U.S. Department of Agriculture, December 2001 "Agriculture in Brazil and Argentina: Developments and Prospects for Major Field Crops," Agriculture and Trade Report)

Competitiveness in commodity markets reflects the influence of many different factors. These include relative resource endowments and agro-climatic conditions, but also the impact of macroeconomic policies (affecting exchange rates, work incentives, investment, energy costs and availability, etc.), sector-specific policies (e.g., credit subsidies, import or export taxes on inputs or final products), infrastructure (for storage and transportation), and supporting institutions (e.g., credit, regulatory, news and information, etc.) that help markets to work effectively. Export shares and growth trends also depend on domestic demand, relative returns to other crops, and other conditions. However, in its simplest terms, international market competitiveness is the ability to deliver a product at the lowest cost—i.e., with the lowest combined farmlevel production, transportation, and marketing costs. On this basis, analysis of 1998/99 cost structures underlying soybean production, transportation, and marketing from principal growing regions to a common export destination, Rotterdam, suggests that the United States lags slightly behind Argentina and Brazil in soybean export cost competitiveness. At the farm level, soybean producers in the U.S. “Heartland” had the highest overall average costs of production at $5.11 per bushel, ranging from 18 to 25 percent above those of Argentine or Brazilian competitors. 1 Total production costs were lowest in Argentina’s central soybean growing region (southern Santa Fe and northern Buenos Aires Provinces) and in Brazil’s interior expansion zone (the State of Mato Grosso), at about $3.90 per bushel in both regions. Production costs in Brazil’s coastal State of Parana (in Brazil’s traditional heartland) were estimated at $4.16 per bushel. High imputed land costs in the United States account for much of the difference in overall production costs. The U.S. production cost disadvantage is partially mitigated by internal transportation and marketing cost savings. In Brazil and Argentina, these costs are two to three times higher, on average, than in the United States, despite important efficiency gains in recent years. Freight charges to Rotterdam are also higher from South America. As a result, the delivered cost of Argentine and Brazilian soybeans at Rotterdam ranged from 2 to 12 percent less than U.S. costs in 1998/99.

## 2NC - Turns Case

**Wright 12** (Thomas Wright, Fellow with the Managing Global Order at Brookings, "What if Europe Fails," The Washington Quarterly, Vol. 35(3))

Thinking through and prioritizing the consequences of a failed Europe yield five of the utmost importance. First, the most immediate casualty of the failure of the European project would be the global economy. A disorderly collapse (as opposed to an orderly failure, which will be explained shortly) would probably trigger a new depression and could lead to the unraveling of economic integration as countries introduce protectionist measures to limit the contagion effects of a collapse. Bare survival would drag down Europe’s economy and would generate increasing and dangerous levels of volatility in the international economic order.

## Holes in the Soy Advantage

Their scenario:

Changes to being a net soybean importer has allowed China to allocate land towards grain production instead of soybean production. A collapse in soy production means that China can't rely on soy imports - which means they would have to turn land that farms soy into land that farms grain. That will cause them to start importing more grain. Grain imports are bad because China exerts a demand on the markets that is way too big. That causes price fluctuations - the higher demand increases the price and prevents lower income nations from getting grain

Problems with this—

1. grain market resilient to shocks

2. it will take a long time for China to switch their arable land use from soy to grain. The price fluctuations will take a long time to matieralize

Their powell card says that food price spikes kill billions in developing countries because they can't buy food - but their advantage is based on prices increasing because China and India buy grain - means the status quo doesn't lead to the wars or starvation powell describes

**World food supply is sufficient and wars trigger famine.**

Ronald Bailey 2k, science correspondent, author of Earth Report 2000: Revisiting the True State of the Planet, former Brookes Fellow in Environmental Journalism at the Competitive Enterprise Institute, member of the Society of Environmental Journalists, adjunct scholar at the Cato Institute, May 2000, Reason Magazine, “Earth Day, Then and Now,” http://reason.com/0005/fe.rb.earth.shtml

The Soylent Green crowd didn’t simply predict mass starvation. They argued that even trying to feed so many people was itself a recipe for disaster. As Lester Brown, a former U.S. Department of Agriculture agronomist who would later become far more prominent as the founder of the Worldwatch Institute, put it in Scientific American, “There is growing doubt that the agricultural ecosystem will be able to accommodate both the anticipated increase of the human population to seven billion by the end of the century and the universal desire of the world’s hungry for a better diet. The central question is no longer `Can we produce enough food?’ but `What are the environmental consequences of attempting to do so?’” Even if somehow famine were avoided, what would the world’s population be in 2000? Peter Gunter predicted 7.2 billion. Ehrlich foresaw that “by the end of the century we’ll have well over 7 billion people if something isn’t done.” Brown agreed that “world population at the end of the century is expected to be twice the 3.5 billion of today.” In the April 21, 1970, Look, Rockefeller University biologist and Pulitzer Prize-winning writer Rene Dubos made the shocking suggestion that, “To some overcrowded populations, the bomb may one day no longer seem a threat, but a release.” Time has not been gentle with these prophecies. It’s absolutely true that far too many people remain poor and hungry in the world--800 million people are still malnourished and nearly 1.2 billion live on less than a dollar a day--but we have not seen mass starvation around the world in the past three decades. Where we have seen famines, such as in Somalia and Ethiopia, they are invariably the result of war and political instability. Indeed, far from turning brown, the Green Revolution has never been so verdant. Food production has handily outpaced population growth and food today is cheaper and more abundant than ever before. Since 1970, the amount of food per person globally has increased by 26 percent, and as the International Food Policy Research Institute reported in October 1999, “World market prices for wheat, maize, and rice, adjusted for inflation, are the lowest they have been in the last century.” According to the World Bank’s World Development Report 2000, food production increased by 60 percent between 1980 and 1997. At the same time, the amount of land devoted to growing crops has barely increased over the past 30 years, meaning that millions of acres have been spared for nature--acres that would have been plowed down had agricultural productivity lagged the way Ehrlich and others believed it would.

# Trade Adv

## 1NC Trade Frontline

Potentially impact turning trade/protectionism here

# Economy Adv

## 1NC Economy Frontline

We can probably swing with some sick defense. The rails turn applies here

# EIS CP

## Facts on Facts on Facts

NEPA compliance is key to avoid the environmental impacts as a result of the plan

IWR 12 (Institute for Water Resources, US Army Corps of Engineers, 6/20/12, "US Port and Inland Waterways Modernization: Preparing for Post-Panamax Vessels," http://www.iwr.usace.army.mil/docs/portswaterways/rpt/June\_20\_REPORT\_SUMMARY\_U.S.\_Port\_and\_Inland\_Waterways\_Modernization.pdf)

Since the 1970s, compliance with the National Environmental Policy Act (NEPA), Clean Water Act, Endangered Species Act (ESA) and other regulatory law has greatly reduced the adverse environmental impacts of many previous practices and positively transformed social attitudes toward the environment. Due to these changes in national commitments, future modernization actions that would have significant adverse impacts will be mitigated, often at great expense, and will play an important role in modernization decisions. In this section, the “environmental footprint” caused by the transportation system is first described to help identify the potential for future environmental impact and mitigation needs. Then indicators of potential impact sources and vulnerabilities are compared to determine which regions may require the most impact mitigation as a consequence of modernization. 3 The national footprint of adverse environmental impacts has accumulated over many decades and is not indicative of the present rate of adverse impact, which is much improved. Measured in geographical terms, the environmental footprint directly impacted by development of transportation system infrastructure is a small fraction of the conterminous United States. But the degree of adverse impact on natural systems and wild species of public interest has been particularly intense and the offsite impacts on air, water and habitat quality from systems operations have been far reaching. The sources of past environmental effects indicate the type of future modernization impacts that are likely to occur from expansion of harbor, port and intermodal infrastructure and from transportation systems operations. Modernization will need to be accompanied by justified mitigation to avoid further 1) degraded air and water quality that threatens human health and safety, especially of low income and minority groups; 2) loss of important natural and cultural heritage found in parks, refuges, wetlands and scarce species; or 3) loss of recreational, commercial and other economically important resources. Potential infrastructural development along coasts and waterways is a concern because coastal ports and inland waterway infrastructure is closely associated with two of the scarcest types of ecosystems—free flowing rivers and estuarine wetlands. Lock and dam impoundments have contributed substantially to the imperilment of numerous freshwater species by reducing free-flowing river habitat. In general, dredging of nontoxic bottoms impacts coastal and riverine benthic organisms temporarily and bottoms typically recolonize quickly following disturbance. In the past, about 10 percent of bottom sediments were contaminated with toxic materials and resistant to colonization by some bottom species. Sediment toxicity directly affects bottom species and indirectly affects the fish and other species that feed on them and humans at the end of the food chain. Contaminated sediments are now disposed of in isolated containment areas. In 1992, USACE was authorized to beneficially use dredge material for environmental improvement. Today about 20 to 30 percent of port and waterway dredged material is used for habitat creation and other beneficial use. But dredging also has had some persistent effects, including some unavoidable take of imperiled species (e.g., sea turtle take is about 35 per year) and damage to shallow-water estuarine ecosystems. Deepening coastal navigation channels can also favor destructive saltwater intrusion into freshwater ecosystems and domestic water supplies. With respect to operations, future emissions of potentially harmful materials into air and water, including green house gasses, also are a significant environmental concern. Because harbors concentrate transportation system operations in densely populated areas, they remain a significant source of air quality degradation and inequitable impact on low income and minority groups (which is inconsistent with Federal policies pertaining to environmental justice). Trucks contribute much more than any other mode to atmospheric emissions. In general, relying more on oceanic shipment by large vessel and inland shipment by train and waterway in place of truck transport is preferred because trucks are so much less fuel and emissions efficient. Ports have made improvements to reduce emissions and are planning more, consistent with social concerns. As freight transport operations increase, accidents may increase. Accidental collision of whales and other marine mammals with vessels approaching and leaving ports has been a significant mortality source, but may moderate with recent speed restrictions. Potential oil and other contaminants spills are associated with all modes.

## **AT: Other Assessments Check**

The NEPA analysis subsumes other environmental assessments

CEQ 7 — (Council on Environmental Quality, December 2007, "A Citizen's Guide to the NEPA," Bureau of Labor Management)

The NEPA process can also serve to meet other environmental review requirements. For instance, actions that require the NEPA process may have an impact on endangered species, historic properties, or low income communities. The NEPA analysis, which takes into account the potential impacts of the proposed action and investigates alternative actions, may also serve as a framework to meet other environmental review requirements, such as the Endangered Species Act, the National Historic Preservation Act, the Environmental Justice Executive Order, and other Federal, State, Tribal, and local laws and regulations. 9

## **Environment Net Benefit**

Key to effective cost-benefit analysis

Beder 97 — Sharon Beder, Prof at Wollongong, Environmental Impact Assessment, Ecodate, July 1997

An important principle of sustainable development is the integration of economic, social and environmental concerns. Sustainable development recognises that the economy and the environment are closely interrelated. Much economic activity uses up materials and resources, including forests and minerals and creates waste products. Yet many economic activities, including agriculture, fishing and tourism, are also dependent on a healthy environment. Other industries are indirectly affected as it becomes more expensive to obtain resources and because pollution decreases the health of the work-force. For economic activity to be sustainable therefore, there is a need to consider environmental factors along with economic factors in government and private sector decisionmaking. This principle is at the heart of international agreements and various national policies and strategies. Environmental impact assessment is one way to ensure that major development decisions take account of, and where possible mitigate, environmental impacts. Where the goals of economic growth and environmental protection conflict governments attempt to reach a decision by weighing the environmental damage that might occur due to a proposed project against the benefits that might accrue. In the past the environment has often lost out in such a comparison. Environmental economists argue that because environmental 'assets' are free or underpriced they tend to be overused or abused, resulting in environmental damage. They claim that by estimating a monetary value for environmental 'assets' more weight will be given to environmental protection in the decision-making process. Cost-benefit analysis in conjunction with environmental impact assessment is therefore promoted as a primary method for integrating economic and environmental considerations in decision-making. This paper will consider how objective such an exercise can be. ENVIRONMENTAL IMPACT STATEMENTS An Environmental Impact Statement (EIS) is sometimes required before projects or developments, such as freeways, chemical plants and waste facilities, can be approved by the government. The EIS is supposed to provide a justification for the project or development, to include a detailed assessment of the potential environmental effects of the project, and to consider alternatives to the project. It includes scientific studies and economic analyses and it is done by the developer of the project or by consultants hired by the developer.

NEPA regulations create an EIS that happens before the plan

Farber 9 (Daniel Farber, Sho Sato Professor of Law and Director of the Environmental Law Program @ Berkeley, "A Legal Framework for Climate Adaptation Assessment," Resources for the Future, Issue Brief 09-14)

A Model for a Planning Process More than 40 years ago, Congress enacted NEPA to force agencies to consider environmental aspects of their decisions. Obviously, such a requirement does not mean that the final decision will be environmentally ideal, but it does mean that the environment will at least get fair consideration. Because EISs are public documents, NEPA also provides the public the information needed to make informed judgments about government activities (Farber et al. 2006). Specifically, section 102(2)(C) of NEPA requires agencies to “include in every recommendation or report on proposals for legislation and other major Federal actions significantly affecting the quality of the human environment, a detailed statement by the responsible official on (i) the environmental impact of the proposed action, (ii) any adverse environmental effects which cannot be avoided should the proposal be implemented, (iii) alternatives to the proposed action.” An agency cannot simply decide arbitrarily that a project lacks significant impacts. Instead, it must make a formal Finding of No Significant Impact (FONSI), which must be backed by facts. The key elements of an EIS are a description of the project, an evaluation of the project’s environmental impacts, consideration of alternative to the project, and discussion of measures that can be taken to mitigate the impacts if the project goes forward. Although not specified by statute, a specific set of procedures has evolved from a combination of judicial rulings and executive branch rules (Farber et al. 2006; Lawrence 2003). Key aspects of the process are public notice and an opportunity to comment before the agency decides whether an EIS is needed and during the EIS preparation process; consultation with other federal and state agencies about the content of the EIS; and a staged process for determining the scope of the EIS, preparing a preliminary draft EIS and a final EIS, and supplementation of the EIS when required by new information. The adequacy of an EIS can be reviewed by a court, and so can an agency’s decision that it does not even need to prepare an EIS because the project in question has no significant environmental impacts (Farber et al. 2006; Karkkainen 2004).

## **2NC - Terrorism Net Benefit**

NEPA review key to solve terrorism

Eccleston 3 (Charles, President, Environmental Planning and NEPA Services, "How NEPA Can Be Used to Counter Terrorism," Environmental Practice 5.4)

Divining Rods, Terrorism, and NEPA Since September iith, little attention has been given as to what role, if any, environmental planning processes such as the National Environmental Policy Act (NEPA) of 1969‘ might play in safeguard- ing the American homeland. Some “experts” have suggested that pro- cesses such as NEPA should be exempted from homeland security efforts as they might hamper efforts to fortify security. In some instances this could be the case, particularly if inefficient practices are implemented. Applied in a streamlined manner, however, NEPA can provide decision makers and policy makers with a “divining rod”-a powerful, scientifi- cally-based tool for evaluating potential threats not only to the natural envi- ronment, but also to the security and livelihood of our citizens, culture, and institutions. While nearly all other environmental statutes regulate or place substantive constraints on what may be done and how it is to be done, NEPA does neither. NEPA is unique; it provides the only comprehensive federal planning process that is applicable to virtually all federal actions. Its purpose is not to prescribe strict limitations on what can e done, but instead to provide a rigorous planning process for ensuring that federal actions and alternatives are appropriately consid- ered before a final decision is made and before other highly prescriptive environ- mental laws and regulations are triggered, which may dictate precisely what actions may be carried out and how. In essence, NEPA is a planning process that can provide a zist-century framework for implementing Sun Tzu’s strategy. Performed correctly, NEPA and “environ- mental” planning can provide a cutting- edge tool for helping to secure the nation’s homeland. Terrorist Events and the ”Human Environment” Protractors might question the relevancy of including potential terrorist acts into what has more traditionally been an environmental analysis. Some might even question whether it is legal, let alone wise, to include potential terrorist scenarios within an NEPA analysis. Do potential terrorist scenarios and homeland secur- ity issues even fall within the scope of NEPA? According to Section 102 of the NEPA statute, an Environmental Impact State- ment (EIS) must be prepared for all “. . . major Federal actions significantly affect- ing the quality of the human environ- ment. . .”3 (emphasii added, here and subsequently). Thus, federal actions that have the potential to significantly affect the human environment are subject to the EIS requirement. According to the Coun- cil on Environmental Quality’s (CEQ) NEPA regulations, “human environment” shall be interpreted as follows: . . . comprehensively to include the natural and physical environment and the relation- ship of people with that environment.. . When an environmental impact statement is prepared and economic or social and natural or physical environmental effects are interrelated, then the environmental impact statement will discuss all of these effects on the human en~ironment.~ Thus, “human environment” is inter- preted “comprehensively” to include not only the physical environment but also its relationship with people; significant socio- economic impacts that are related to environmental impacts must be evaluated within an EIS. Moreover, under the CEQ NEPA regulations, the section of the EIS describing environmental consequences is to address “. . . urban quality, historic and cultural resources, and the design of the built environment, including the reuse and conservation potential of various alterna- tives and mitigation mea~ures.”~ This requirement implies that if urban quality, historic/cultural resources, or design of the built environment (i.e., manmade structures) could be significantly im- pacted, such effects should be inves- tigated. Thus, it appears that potential terrorist acts and homeland security issues fall within the scope of NEPA.

The permutation doesn't solve environmental justice - prior genuine NEPA evaluation is key - they rubbers stamp away the requirements

Johnson 97 – Professor of Law @ Mercer (Stephen, “NEPA and SEPA's in the Quest for Environmental Justice,” Digital Commons @ LMU, Loyola of Los Angeles Law Review, Hein Online)

NEPA would also be a more effective tool to achieve environmental justice if it imposed some substantive requirements on the federal government in addition to the procedural requirements. NEPA only requires the federal government to consider the effects of its actions; it does not prohibit the government from taking actions that will have adverse health, socioeconomic, or environmental impacts."' NEPA requires the government to consider alternatives to proposed actions and to consider measures that will mitigate the impacts of the action, but it does not require the government to implement those alternatives or mitigation measures.1 Communities can use the procedural requirements of NEPA as a tool to achieve environmental justice, as previously discussed.' However, as Professor William Rodgers has noted, "Process, without more, is fundamentally a toothless exercise, committed only to the perfection of forms.""4

# Privatize the USACE CP

## Notes

**There are two ways to read this CP. Either you can say that the entire USACE (US Army Corps of Engineers) should be privatized, in which case you would have to say that the USACE is bad, coercively steals taxpayer money, etc. OR you can say that the plan trades off with the USACE's budgetary priorities, in which case the CP would read that we should privatize the waterway responsibilities of the USACE.**

## 1NC - Privatize the USACE

**The Army Corps' funds are coopted for political gains - localized interests and private capital solve better**

**Edwards 5** (Chris Edwards, Director of Tax Policy at CATO, "Privatize the Army Corps of Engineers," CATO, http://www.cato.org/pubs/tbb/tbb-0510-27.pdf, Tax and Budget Bulletin No. 27)

Reform Options To solve these problems, the civilian activities of the Corps should be transferred to state, local, or private ownership. A rough framework for reform might be: • Privatize: port dredging, hydroelectric dams, beach replenishment, and other activities that could be supported by user fees and revenues. • Transfer to lower governments: levees, municipal water and sewer projects, recreational areas, locks, channels, and other waterway infrastructure. Such reforms could accompany broader reforms to U.S. ports and waterways. For example, U.S. ports are owned by state and local governments and are dredged by the Army Corps. But ports could be privatized, and they could purchase dredging services in the marketplace. The harbor maintenance tax could be repealed, and ports could recover dredging costs from port users. For example, if the $286 million Delaware River dredging project made sense, it could be funded by the refineries and other industries along the river that would be the beneficiaries. In Britain, 19 ports were privatized in 1983 to form Associated British Ports. ABP and a subsidiary UK Dredging sell port and dredging services in the marketplace. They earn a profit, pay taxes, and return dividends to shareholders. 11 Two-thirds of British cargo goes through privatized ports, which are highly efficient. In the United States, there are complaints that governments are not investing enough in port facilities and dredging to the detriment of U.S. international trade. If ports were privatized, they could invest and expand as needed to relieve congestion and accommodate larger ships. Privatization is also a good option for the Corp’s large inventory of hydroelectric dams. The Corp’s recreational areas should be transferred to state governments or to the private sector if they could generate sufficient user fees. Municipal water, sewer, and beach projects should be left to local governments. Waterway and environmental projects, such as the $8 billion Florida Everglades Restoration Plan, should be funded by state governments. Waterway facilities that affect numerous states, such as those along the Mississippi River, could be transferred to the states and managed under a regional agreement. Conclusion For decades, presidents have tried to rein in wasteful spending by the Corps of Engineers. President Eisenhower vetoed a Corp’s spending bill in 1958 because it included numerous projects that made no economic sense. In 1977 President Carter gave Congress a hit list of wasteful water projects that he wanted to cut. The Bush administration has tried to cut the agency’s waste and to refocus its budget on completing the high-value projects in its large construction backlog. But as TCS noted, “the administration has failed to follow through and defend those budget cuts,” which is a common problem with this White House. 12 A better solution is to privatize and devolve to lower governments the Corp’s activities. The New Orleans levees, for example, should be transferred to the State of Louisiana. State, local, and private ownership would better ensure that infrastructure is efficiently maintained and upgraded, and not subject to neglect because of distracted policymakers in far away Washington.

## 2NC - Corps Fail

**Edwards 12** (Chris Edwards, director of tax policy studies at CATO, March 2012, "Cutting the Army Corps of Engineers," CATO, Downsizing Government, http://www.downsizinggovernment.org/usace)

The Corps of Engineers has a long history of wasteful, low priority, and questionable spending. For example, a 2004 joint report by the National Wildlife Federation and Taxpayers for Common Sense identified 29 wasteful Corps projects that would cost the federal government $12 billion. 1 The report stated, ―The fact that damaging and wasteful proposals continue to receive federal funds and are proceeding is a dramatic testament to the need to overhaul the Corps of Engineers.‖ 2 Additionally, Congress has refused to prioritize the completion of ongoing Corps of Engineers projects before beginning new projects. This behavior has resulted in a construction backlog ranging from $61 billion to more than $80 billion. 3 This backlog has had a negative impact on our economy and the environment. According the Office of Management and Budget, ―The Corps‘ enormous backlog of ongoing civil works construction represents a significant source of unrealized economic and environmental benefits. The size of the backlog and the amount of funding necessary to complete it have grown in recent years, largely because of the continued addition of new projects to the Corps workload each year… This growth trend in the construction backlog unfairly penalizes both taxpayers and project sponsors.‖ 4 Congress should stop authorizing new Corps of Engineers projects until it addresses its $80 billion backlog. Congress also needs an automatic process to trim the Corps‘ to-do list by systematically de-authorizing outdated or unfunded projects. Current laws for unfunded projects can easily be circumvented by Congress or the agency spending a small amount on an updated study or evaluation to keep the project authorized. 5

## 2NC - Privatization Good

**Edwards 5** (Chris Edwards, Director of Tax Policy at CATO, "Privatize the Army Corps of Engineers," CATO, http://www.cato.org/pubs/tbb/tbb-0510-27.pdf, Tax and Budget Bulletin No. 27)

The Army Corps of Engineers has been in the news as the owner of the levee system in New Orleans. The levee system could not handle a storm of the strength of Hurricane Katrina, and its failure contributed to the disastrous flooding of the city. The Corps of Engineers is a federal agency that builds and maintains infrastructure for ports and waterways. Most of the agency’s $5 billion annual budget goes toward dredging harbors and investing in locks, channels, and other works on rivers such as the Mississippi. The Corps is the largest owner of hydroelectric power plants in the country with 75 plants worth $18 billion. 1 It also manages 4,300 recreational areas, funds beach replenishment, and upgrades local water and sewer systems. This bulletin examines the inefficiencies that result from federal funding of such local infrastructure, and proposes that the Corp’s civilian activities be privatized or devolved to the states. A Pork Barrel Machine for Congress Congress has used the Army Corps as a pork barrel spending machine for decades. Funds are earmarked for low-value projects in the districts of important members of Congress, while higher-value projects go unfunded. Federal decisions on spending for local infrastructure are often based on political pull, not on economic analysis. That is true for the Army Corps and for federal spending on airports, highways, transit systems, and other facilities. The Washington Post notes that “powerful members of Congress dictate the selection, pace, and price tag for major projects” of the Army Corps. 2 Indeed, data from Citizens Against Government Waste show that Congress inserted 1,073 special interest, or pork, projects into the Corp’s budget for 2005. 3 The result is that while levee upgrades in New Orleans were stalled, dubious projects in other states moved ahead. The Corps epitomizes the “iron triangle” that produces excess and misallocated federal spending. It tends to favor expensive projects that expand its empire and please its political overlords. Politicians use the agency’s budget to curry favor with special interests in their districts. Of course, those interests would rather have federal taxpayers fund their projects than pay for them locally. One problem with the federalization of local infrastructure is that it makes local officials complacent about planning for their own needs. Louisiana politicians have complained that the Bush administration underfunded New Orlean’s levees, but they were closest to the problem and should have funded the upgrades themselves.

**Edwards 9** (Chris Edwards, director of tax policy studies at CATO, "Cato Handbook for Policymakers, 7th Edition," CATO, http://www.cato.org/pubs/handbook/hb111/hb111-6.pdf)

Army Corps of Engineers. The Corps of Engineers is a federal agency that builds and maintains infrastructure for ports and waterways. Most of the agency’s $5 billion annual budget goes toward dredging harbors and investing in locks and channels on rivers, such as the Mississippi. In addition, the corps is the largest owner of hydroelectric power plants in the country, manages 4,300 recreational areas, funds beach replenishment, and upgrades local water and sewer systems. Congress has used the corps as a pork barrel spending machine for decades. Funds are earmarked for low-value projects in the districts of important members of Congress, while higher-value projects go unfunded. Further, the corps has a history of scandals, including the levee failures in New Orleans and bogus economic studies to justify expensive projects. To solve these problems, the civilian activities of the corps should be transferred to state, local, or private ownership. A rough framework for reform would be to privatize port dredging, hydroelectric dams, beach replenishment, and other activities that could be supported by user fees and charges. Levees, municipal water and sewer projects, recreational areas, locks, and other waterway infrastructure could be transferred to state governments. Federal Assets At the end of fiscal year 2007, the federal government held $1.2 trillion in buildings and equipment, $277 billion in inventory, $919 billion in land, and $392 billion in mineral rights. The federal government owns about one-fourth of the land in the United States. Many government assets are neglected and abused, and would likely be better cared for in the private sector. It is common to see government property in poor shape, with public housing being perhaps the most infamous government eyesore. The GAO has found that ‘‘many assets are in an alarming state of deterioration’’ and the watchdog agency has put federal property holdings on its list of activities at high risk for waste. The GAO also notes that the federal government has ‘‘many assets it does not need,’’ including billions of dollars worth of excess and vacant buildings. The federal government spends billions of dollars each year maintaining excess facilities of the Departments of Defense, Energy, and Veterans Affairs. The solution is to sell federal assets that are excess to public needs and to better manage the smaller set of remaining holdings. For example, there are substantial maintenance backlogs on facilities of the Forest Service, Park Service, and Fish and Wildlife Service. The solution is not a larger maintenance budget, but trimming asset holdings to fit limited taxpayer resources. Another part of the solution is to scrap the Davis-Bacon rules, which require that artificially high wages be paid on federal contracts, including maintenance contracts.

**Edwards 12** (Chris Edwards, director of tax policy studies at CATO, March 2012, "Cutting the Army Corps of Engineers," CATO, Downsizing Government, http://www.downsizinggovernment.org/usace)

While the Army Corps has built some impressive infrastructure, many of its projects have been economically or environmentally dubious. The agency's activities have often subsidized private interests at the expense of federal taxpayers. Furthermore, the Corps has a history of distorting its cost-benefit analyses in order to justify its projects. The civilian side of the Corps grew out of the engineering expertise gained by the agency's military activities early in the nation's history. In mid-19th century, Congress began adding civilian missions to the Corps in response to political demands and various natural disasters. Today we are left with an agency involved in far flung activities such as beach replenishment, upgrades to city water systems, agriculture irrigation, clean-up of hazardous waste sites, and efforts to revive the Florida Everglades. The Corps has been greatly mismanaged over the decades, with problems ranging from frequent cost overruns on projects to the major engineering failures that contributed to the disaster of Hurricane Katrina. In addition, the dominance of special-interest politics on the agency's activities has resulted in it supporting many wasteful projects. Fortunately, most of the Corps' activities do not need to be carried out by the federal government. Some of its activities—such as flood control and the management of recreational areas—should be turned over to state and local governments. Other activities—such as seaport dredging and hydropower generation—should be turned over to the private sector. This essay focuses on cutting the Corps' spending activities, and does not address the calls for reforming the agency's regulatory functions.3 The following sections look at the history of the Army Corps, the pork-barrel nature of its spending, its legacy of mismanagement, and its role in Hurricane Katrina. The essay concludes that the bulk of the agency's civilian activities and assets should be privatized or transferred to state and local governments. The remaining activities of the Corps that are truly federal in nature should be transferred to the Department of the Interior. The civilian side of the Army Corps should be closed down.

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In 1927 one of the most damaging floods in U.S. history occurred when the Mississippi River and its tributaries broke out of extensive levee systems in many places. The flood dramatically illustrated the failure of the Corps' single-minded approach to flood control that focused on building levees. In annual reports leading up to the disastrous 1927 flood, the Corps had confidently told Congress that the Mississippi was safe from serious flooding.10 After the flood, Editorial Research Reports noted that many experts thought that the "levees only" policy was unwise, but the Corps still resisted reforms. In a 1927 story the news service said: "After each flood there has been sharp criticism of the policy of placing sole reliance on the levee system, but the Army engineers heretofore have always successfully defended their position before Congress."11 The Corps did adjust its strategy somewhat, but the scope of its construction increased under flood control acts of 1928 and later years. The agency had failed, but its budget was greatly boosted.12 Journalist Michael Grunwald noted of the "levees only" approach that worsened the 1927 flood: "Congress rewarded this failure by allowing the Corps to seize control of the entire river and its tributaries, an unprecedented big government project that foreshadowed the New Deal."13 During the 1930s, huge flood control projects were embraced as a way to create jobs, and the Corps—along with other federal agencies—spearheaded efforts to drain wetlands across the nation.14 In his classic book about federal water infrastructure, Cadillac Desert, Marc Reisner said that the Corps has "ruined more wetlands than anyone in history, except perhaps its counterpart in the Soviet Union."15 The Corps' efforts to dam rivers for flood control led to its involvement in hydroelectric power. At the beginning of the 20th century, a political battle was waged over private versus government development of hydropower. At first, the Army Corps teamed with private power companies to build plants at its dam sites. But in the 1920s Congress authorized the Corps to start building its own plants, and by the 1930s huge federal power projects were being pursued, such as Bonneville Dam in Oregon. Once the Corps was building dams and reservoirs, the next step was to build and operate recreation sites near its facilities, which Congress authorized it to do in legislation of 1944 and later years. Today, the Corps operates more than 4,200 recreation areas across the nation.16 The Corps has a history of supporting environmentally damaging projects, although it has tried to adopt a "green" image in recent years. Since 1992 the agency has expanded into municipal water supply and wastewater treatment facilities, and 400 such projects have been authorized to date.17 In 2000 the Corps helped launch an almost $8 billion effort to fix the Florida Everglades—a project that is needed in part because of the damage done by the Corps' own infrastructure in prior decades.18 For example, taxpayers paid for the Corps to straighten Florida's Kissimmee River in the 1960s, but that project was later determined to have been misguided. So today taxpayers are paying for the Corps to restore the Kissimmee River's original meandering course.19 Bad environmental decisions by the Corps have thus cost federal taxpayers doubly.

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Occasionally, the Corps has tried to save money by making its operations more efficient, such as by closing down some of its district offices. However, Congress has usually blocked such cost-saving efforts.24 Similarly, members of Congress usually block efforts to close unneeded post offices or farm offices in their districts. Such congressional parochialism is one reason why the government can never operate as efficiently as a private business.

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A 1971 book by Arthur Morgan, Dams and other Disasters, was even more critical. The book rips into the Corps for its arrogant and damaging mismanagement. Morgan found that "there have been over the past 100 years consistent and disastrous failures by the Corps in public works areas . . . result[ing] in enormous and unnecessary costs to ecology [and] the taxpayer."34 Morgan was a former chairman of the Tennessee Valley Authority and a highly distinguished engineer, who had worked on water resource issues for decades. In his book, he documents how the Corps—with a bullheaded mentality—consistently underestimated the costs of its projects, followed shoddy engineering practices, treated Native American tribes poorly, lied to the public, hid information, pursued environmentally damaging projects, and demonized its enemies in order to silence dissent. Some of these charges still ring true. The nation was reacquainted with the Corps' shoddy engineering with the tragic failure of the levees in New Orleans during Hurricane Katrina. In recent years, the Corps has hidden information from the public, and has been caught distorting economic analyses to justify wasteful projects. Because of its pro-construction mindset, the Corps continues to pursue projects that would damage the environment and produce limited economic benefits. In recent decades, for example, "the Corps has channelized dozens of rivers for barges that never arrived."35 These longstanding problems are the result both of the agency's pro-building culture and congressional politics. The ad hoc way that the agency's projects are funded creates further problems. New projects are typically authorized in Water Resources Development Acts, which are passed every few years. The last of such acts was enacted in 2007 over a veto by President George W. Bush.36 After authorization, each project included may or may not receive funding a year at a time in annual appropriations bills.

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The problem is that Congress has crammed far too many projects into the Corps' pipeline, with the result that progress on each project is slow and erratic. For example, Congress has authorized more than 400 municipal water and sewer projects for the Corps, with a total price tag of more than $5 billion. However, only about $140 million or so is actually appropriated for these projects each year.37

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The slow progress of Corps' projects contrasts with private sector construction projects, which are built as quickly as possible to hold down costs. A Government Accountability Office report on the Corps found that "funding projects in increments hinders project efficiency by increasing costs and timelines."38 One Corps' official told the GAO, "this is one of the reasons that a civil works project takes 20 years to execute, instead of 3 if we were fully funded from the start."39 The Corps currently has a backlog of more than 1,000 feasibility studies and construction projects worth more than $80 billion that have been authorized but not funded.40 The Corps is an engineering and construction organization, and in our economy such activities are usually carried out by private businesses. The Corps has never been run like a private business—it doesn't have an efficient structure, it doesn't pursue the highest-return projects, and it doesn't construct projects quickly and efficiently. Former Senate majority leader Tom Daschle (D-SD) said the Corps is "one of the most incompetent and inept organizations in all the federal government."41 The good news is that we don't need a civilian Army Corps organization because most of its functions could be carried out by state and local governments and the private sector.

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Aside from economics, many Corps' projects don't make sense from an environmental perspective. The Congressional Research Service says that "the Corps has been widely criticized for the environmental harm its water resources projects have caused to ecosystems."66 For example, the Corps' single-minded efforts since the 1940s to redirect water flows in Florida to aid developers and farmers have damaged the Everglades.67 Federal sugar subsides have added to the damage. Taxpayers are now footing the bill for an almost $8 billion Corps' effort to reverse the damage to the Everglades caused by prior federal policies.68 The Corps' navigation and flood-control structures on the Mississippi and other rivers may have actually made flooding worse over the decades by forcing rivers into narrow channels, destroying wetlands, and encouraging the development of flood-prone areas.69 River navigation is important to the economy, but the Corps seems to have long undervalued the negative effects that its projects are having. A study by Taxpayers for Common Sense and the National Wildlife Federation in 2004 identified 29 Corps' projects that they argued would impose environmental damage and waste a total of $12 billion.70 Similarly, a group of taxpayer and environmental groups produce an annual "Green Scissors" report, which lists billions of dollars in dubious Corps' spending.71 Environmental groups often support wrongheaded anti-development positions, but fiscal conservatives find common cause with environmentalists in opposing government subsidies for dubious projects. A good example of an anti-taxpayer and anti-environment boondoggle was a $220 million project to drain 67,000 acres of wetlands near the Yazoo River in Mississippi for the benefit of a small number of farmers and land owners. The area that was to be drained for farming acts as an emergency relief valve during rises in the Mississippi River. By draining and blocking the floodplain, the Corps would increase the risk of flooding for other areas along the river.

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An expert on the system, Steve Ellis, testified to Congress last year about the inefficiency of the current funding structure. One problem is that "since users don't have to pay anything for maintenance, they are constant cheerleaders for new construction."98 Another problem is that spending is allocated based on politics, not on market demands such as barge traffic levels. Some rivers in the system receive very little barge traffic, yet receive substantial spending from the Corps. Ellis also notes that inland waterway projects suffer from the Corps' usual distorted analyses and cost overruns: "None of the inland navigation projects the Corps has green-lighted in recent decades have met their economic predictions."99

# USACE Tradeoff DA

## 1NC Impact

**McInnis 10** (Robert, UN Ramsar Convention on Waterlands, "Urban development, biodiversity and Wetland management," http://www.unhabitat.org/downloads/docs/ExpertWorkshopWetlands.pdf)

Urban human populations and wetlands have been joined in a turbulent symbiotic marriage since the dawn of civilisation. The advent of the earliest urban conurbations in Mesopotamia was dependent on wetlands and the benefits they provided. For almost five millennia humans remained predominantly occupants of rural areas. This situation has changed markedly in the last few years. Since the mid 2000s more than 50% of the Earth's population now resides in cities, towns and urban settlements. This shift to a predominantly urban population is predicted to continue at average rates up to almost 1.6% per annum worldwide with low growth rates in the most developed countries and highest urbanization rates in less developed and the least developed countries. Urban areas can generate a range of negative impacts on the environment. These impacts will vary in their scale and geographic scope. Some impacts may be short‐term and of only local significance. Other impacts may be chronic and extend well being municipal boundaries. The relationship between water and cities is crucial. Unsustainable use of water resources can have significant impacts on wetlands and the biodiversity they support far beyond the peri‐urban environment. Wetlands are highly diverse and support a great diversity of life. Wetlands include lakes and rivers, swamps and marshes, wet grasslands and peatlands, oases, estuaries, deltas and tidal flats, near‐ shore marine areas, mangroves and coral reefs, and human‐made sites such as fish ponds, rice paddies, reservoirs, and salt pans. Wetlands have progressively been lost and degraded due to human activities for thousands of years. They are now recognised as being lost at a rate that is greater than for any other type of ecosystem. Wetlands are essential for human well‐being. They deliver a range of benefits or ecosystem services including provisioning services, such as food and fibre which are essential for human welfare, and regulating services, such as recharge of groundwater and protection from natural hazards, which are critical to sustaining vital ecosystem functions. Wetlands also have considerable aesthetic, cultural, educational and spiritual values and provide sustainable opportunities for recreation and tourism. For the prosperity of future generations and the protection of wetland biodiversity it is essentiala that society moves away from resource exploitation and adopts a more sustainable approach to urbanization. There are many organizations currently active in the fields of urban development planning and management and the protection, restoration and enhancement of wetlands and their biodiversity. These include the UN‐HABITAT and the Ramsar Convention. Many of these organizations are implementing joined‐up initiatives which are benefiting people and biodiversity. Across the world there are many good examples of integrated and sustainable urban development which have considered natural resources and protected the vital ecosystem services that wetlands provide.

## Yes Tradeoff

**Carter & Stern 11** (Nicole, Specialist in Natural Resources Policy AND Charles, Analyst in Natural Resources Policy, 7/18/11, "Army Corps Fiscal Challenges: Frequently Asked Questions," CRS, http://planning.usace.army.mil/toolbox/library/Misc/R41961\_Corps\_fiscal\_challenges-11Aug.pdf)

Corps fiscal challenges have multiple underlying causes. The Corps and its infrastructure is expected to help meet the nation’s increasing demands on water resources and the services they provide; however, what the agency can accomplish given the level of federal funding provided is declining. At the same time, Corps asset management costs are increasing as facilities age. Nonfederal projects sponsors that pay a portion of the cost for most Corps projects can become frustrated as Corps studies and projects are authorized, but remain unfunded or are slowed by lower levels of funding than anticipated. The Administration and appropriators have to choose what to fund out of an increasing pool of authorized activities. The agency now faces a construction backlog of more than $62 billion, while receiving roughly $2 billion a year in construction funding. As Corps fiscal challenges become more apparent, frequently asked questions about the Corps fall into four broad categories: • appropriations, • backlog of project delivery, • authorizations and missions, and • navigation expenditures and trust funds. At issue for Congress is deciding how to tackle Corps fiscal challenges during a tight fiscal climate and under earmark moratoriums. In the past, Congress generally has increased the agency’s budget above the Administration’s request and expanded the list of projects and types of projects funded. At present, fundamental questions about what the agency does and how it operates are being asked. The perspectives on how to proceed among Members of Congress, project sponsors, fiscal conservatives, environmental interests, and other stakeholders vary widely. The perspectives often diverge based on views of the appropriate federal role in water resources management and infrastructure and the priorities for the limited federal water resources funding. Some stakeholders see the Corps backlog as a justification to direct more funds to Corps activities. Other see a need to reduce the level and types of Corps activities authorized, while others want to make gains through efficiency improvements to reduce the expense and time needed to complete a Corps project. Some also are interested in pursuing private sector involvement in and alternative federal financing (e.g., infrastructure banks) for water resources infrastructure in order to reduce the demands on the agency. Some of these perspectives are apparent in proposed legislation in the 112 th Congress, including H.R. 104, H.R. 235, H.R. 1861, H.R. 2354, S. 475, and S. 573.

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Unrealistic Expectations Given the Level of Federal Funding ─ “The Corps of Engineers reflects a national water planning paradox: national water resources demands are increasing and becoming more complex, while at the same time, national investments in water infrastructure exhibit a declining trend.” “Despite declining investment levels and numbers of Corps personnel, the nation expects the Corps to provide a number of services, including flood control, water-based recreation, commercial navigation, ecosystem restoration, hydropower production, and coastal and beach protection. This situation leads to expectations that the Corps of Engineers and its civil works construction program cannot meet consistently.” “Despite decreasing emphasis on new construction, Congress and the nation continue to rely upon the Corps for emergency response activities and for periodic upgrades to civil works infrastructure.” Broadened Scope of Responsibilities and Inefficient Project Delivery ─ “Over time, Congress has greatly broadened the Corps’ work program and responsibilities.” “The collective backlog of unfinished work leads to projects being delayed, conducted in a stop-start manner, and to overall inefficient project delivery.” Managing Existing Assets and Changing Demands ─ “Future Corps water resources activities will be less dedicated to construction of major new civil works, and more heavily focused on: (1) operating, maintaining, rehabilitating, and upgrading existing infrastructure, (2) reallocating reservoir storage and releases among changing water resources demands and users, and (3) providing some degree of ecosystem restoration and ecological services in heavily-altered riparian and aquatic ecosystems.”

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Figure 2 compares budget requests and enacted appropriations from FY1986 to FY2011. Congressional appropriations regularly exceeded the executive branch requests over this period. Because of inflation in the cost of civil works activities, the purchasing power of the Corps annual appropriations has been relatively flat for two decades. That is, while Figure 2 shows that the nominal value of the Corps budget has increased since 1986, the real value increase has been less dramatic. A comparison of the real values of the 1990 and 2010 appropriations, using a general GDP deflator, shows a 10% increase in Corps appropriations. 4 These real values likely overestimate the Corps’ ability to use appropriations to accomplish activities since they do not reflect inflation for the types of construction (e.g., steel and concrete material costs) and services associates with a Corps project. Figure 3 uses a construction cost index that reflects that these construction and service costs increased faster than the general GDP deflator; the graph shows that the real value of Corps construction appropriations has been flat over the last twenty years.

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Generally, supplemental funds are directed to flood fighting and repair of flood control infrastructure and navigation channels after floods. At times, such as in response to Hurricane Katrina, supplemental funds have also been provided for construction of flood and storm damage reduction infrastructure. In many recent years, supplemental appropriations for the Corps have significantly augmented annual appropriations, especially in FY2006, FY2007, and FY2008 and in FY2009 and FY2010 through the American Recovery and Reinvestment Act (ARRA). Although the Corps received no supplemental appropriations in FY2011, it continued to spend supplemental appropriations previously provided (e.g., contracts for hurricane storm damage protection projects for Louisiana). The figures below do not reflect supplemental appropriations (except where noted in Figure 2).

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Earmark moratoriums appear to be altering the makeup of Corps appropriations by reducing the addition of specific projects to the Corps budget and by funding broad categories of activities rather than specific projects. Some projects which have historically benefitted from congressional support have received less funding (or no funding) in FY2011 enacted appropriations and FY2012 markups, respectively. This includes individual projects which typically receive little or no support in the Administration’s budget proposal (e.g., ongoing projects with BCRs below the Administration’s cutoff), as well as projects that the Administration typically considers outside of Corps mission areas (e.g., municipal water and wastewater projects). While the current earmark moratoriums have limited congressional ability to direct funding to individual Corps projects not included in the President’s budget, funding levels for some projects and activities that were included in the President’s budget request have been altered by Congress. Additionally, Congress has funded broad categories of Corps projects and has provided the agency discretion to select specific projects that will receive this funding. 9 In addition to funding impacts, the earmark moratoriums also influence Corps authorizations and may contribute to deauthorization of Corps activities. Water Resources Development Acts (WRDAs), which are the primary vehicle for Corps authorizations, historically have been omnibus bills that include many provisions for site-specific activities. Consideration of a WRDA 2010 (H.R. 5892, 111 th Congress) in the House was affected by the House Republican Conference moratorium on members requesting congressional earmarks in 2010. 10 H.Rept. 111-654, accompanying the House Transportation and Infrastructure Committee-reported version of H.R. 5892, included a statement of “minority views” that cited numerous reasons, including economic conditions, for not supporting the bill at the time. Additionally, the decline in congressionally directed spending of specific Corps activities may contribute to more authorized projects and studies being deauthorized under established deauthorization procedures; 11 many activities authorized in WRDA 2007 (P.L. 110-114) have yet to receive funding.

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While there has been reference to “low-priority construction” projects in recent legislation, there is no exact definition for this term. 28 The term at times has been applied to projects that the Administration considers outside of Corps primary missions and projects that were not competitive using the Administration’s annual budget development metrics (e.g., inland waterways and coastal harbors with low commercial traffic). The most easily identified category of what the Administration considers “low priority” construction projects are the Corps “environmental infrastructure” projects (i.e., municipal water and wastewater projects). Congress has authorized and funded these projects since 1992; all Administrations since 1992 have considered these activities outside the agency’s principal missions and cite the availability of assistance for these activities from other federal programs. 29 In FY2010, environmental infrastructure projects received $140 million in annual appropriations, representing more than 6% of the enacted annual construction appropriations. Additionally, ARRA provided an additional $200 million for environmental infrastructure activities in FY2009 and FY2010; that is, more than 4% of the $4.6 billion in ARRA funding for the Corps was for environmental infrastructure. No funding was provided for these projects in the Corps work plan for the FY2011 long term Continuing Resolution. 30

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Opinions on what the Corps and its federal funding should be focused on varies widely. The range of opinions and approaches can be seen through past attempts to redefine the Corps more narrowly. Most attempts to refocus the agency would require congressional authorization and possibly near-term funding to realize implementation. Some see the Corps civil works as distracting from its military purpose. Most recently, in 2002 and 2003, then-Secretary of the Army White included the Corps in his efforts to concentrate Army activities on its “core competencies” and asked that divestiture and privatization of some Corps functions be investigated. Congress curtailed this effort through limitations on appropriations. In the early 1990s, initially as part of the Defense Base Realignment and Closure process, but later as part of a Corps initiative, the Corps division and districts were reorganized (e.g., fewer Corps districts, divisions, and personnel) in an effort to reduce Corps administrative expenses. This reorganization largely occurred, but a related effort in 1995 was never completed. A review of options for civil works missions and activities was underway, which was expected to compare options such as transferring responsibilities to other federal agencies, devolving responsibilities to states, and private sector participation. The report was never publically released. As part of the FY1996 budget request, the Clinton Administration proposed major changes, including turning over 500 small or low-use harbor projects to nonfederal interests and limiting flood control projects to those with a strong interstate nexus. 31 Congress did not adopt these proposals. Prior to the 1990s, there also were discussions about changing the Corps’ position in the federal bureaucracy; no enactment of these changes occurred. One approach considered combining the Corps with the other federal owner of large dams and water resources infrastructure—the Department of the Interior’s Bureau of Reclamation which has more of a water delivery mission than the Corps. This approach received particular attention during the Reagan Administration.

## AT: We Increase Overall Funding

**Carter & Stern 11** (Nicole, Specialist in Natural Resources Policy AND Charles, Analyst in Natural Resources Policy, 7/18/11, "Army Corps Fiscal Challenges: Frequently Asked Questions," CRS, http://planning.usace.army.mil/toolbox/library/Misc/R41961\_Corps\_fiscal\_challenges-11Aug.pdf)

The Inland Waterway Trust Fund (IWTF) partially funds Corps construction and major rehabilitation projects on federal inland waterways, including funding for lock and dam construction. 36 The IWTF is derived from revenues from a fuel tax on commercial barges, and currently has a shortfall: eligible projects far exceed available funding under current revenue and budgetary baselines. 37 In recent years, several proposals have been submitted to amend the IWTF and provide more funding for inland waterway projects, including most recently a proposal by the user industry to make the IWTF solvent and increase funding for inland waterway projects.

## AT: Barge Tax Good

## Wetlands Impact

**Reyna 12** (Isidoro, USACE Galveston District, 7/12/12, "What is Ecosystem Restoration," USACE News Archive)

A. The USACE is comprised of approximately 30,000 civilian and military personnel, making it the world's largest public engineering, design and construction management agency. Although generally associated with flood risk management, the environmental mission is a main function of the organization. Ecosystem restoration is the process of assisting in the recovery of ecosystems that have been degraded, damaged, or destroyed and focuses on establishing the ecological processes necessary to make terrestrial and aquatic ecosystems sustainable, resilient, and healthy under current and future conditions. The focus of the Corps ecosystem restoration program is on water-related ecosystem projects, including restoration of wetland, riparian and aquatic systems. Although the Corps sometimes does become involved in broader restoration projects, Corps policy is that there has to be a water nexus, as other federal agencies have missions and funding specifically for restoration of upland habitats -- like the U.S. Forest Service. As such, the Corps focus is on wetlands, submerged aquatic vegetation, oyster reefs, riparian forest and wet prairie. The USACE works to restore degraded ecosystems to a more natural condition through large-scale ecosystem restoration projects, such as the Comprehensive Everglades Restoration, Louisiana Coastal Area Ecosystem Restoration, Chesapeake Bay Oyster Recovery, Aransas National Wildlife Refuge Beneficial Use of Dredged Material (restoration of marsh critical to the endangered Whooping Crane), and Houston Ship Channel Beneficial Use of Dredged Material (marsh restoration in Galveston Bay), and by employing system-wide watershed approaches to problem solving and management for smaller ecosystem restoration projects.

## Fund definition

**OED 12** (Oxford English Dictionary, fund, v., Oxford University Press)

4. intr. to fund up : to ‘pay up’, provide funds. 5. trans. To supply with funds, pay (a person); to finance (a position or enterprise).

**Mehan 6** (G. Tracy Mehan, assistant administrator for water at the U.S. Environmental Protection Agency, 5/10/06, "Concentrating the Army Corps of Engineers," The American Spectator)

On the budget or appropriations side, the White House, OMB, and the Secretary of the Army develop the President's budget priorities which are, in turn, subject to change or supplementation by congressional committees. Because the Corps' total civil works budget has been reduced over recent decades, in terms of real dollars, and because a higher percentage of it goes to funding operations and maintenance activities, congressional add-ons put additional strain on already limited resources. Of course, executive branch priorities are not infallible. But they are developed from a national perspective. And OMB, usually a constructive player in these matters, does look to optimize net economic benefits, which is at least an intellectually defensible basis for prioritization if not the only one. "Concentration" is the overarching principle of war. It has been characterized as the concentration of superior forces and the strict economy of forces assigned to secondary missions. This venerable maxim of military strategy may provide a useful analogy for prioritizing the nation's infrastructure investments as they relate to the work of the Army Corps of Engineers, especially in the area of flood protection, navigation, and even environmental restoration.

**Mehan 6** (G. Tracy Mehan, assistant administrator for water at the U.S. Environmental Protection Agency, 5/10/06, "Concentrating the Army Corps of Engineers," The American Spectator)

Whenever a Corps authorization or appropriations bill is moving through Congress, it is festooned with, literally, hundreds of such projects and studies, driven largely by parochial political interests, rather than pressing national priorities in terms of human health and safety, economics, or environmental protection. Call it the Canal-to-Nowhere syndrome. Another feature of the bill is a requirement for independent review by panels of outside experts for Corp projects that are over $25 million; are challenged by a governor of a state in which the project is located; or are determined by the Secretary of the Army to be "controversial" as to impacts, costs, and benefits -- economic and environmental.

Cut uniqueness for every internal link - find a card that the coal industry industry

Diversification of means of transportation

Alt cause arguments

Steel industry structurally doomed

China alt supplier - checks

Terminal impact defense

States CP
we can lopez away the legal barriers

Eis cp

Exim bank does a rigorous assessment about whether they have good enough credit. Nib competes of certainty. We give the states infrastructure

Acoe bad DA

-iraq impact

# T - Minor Adjustments

## 1NC Shell

**A. Interpretation – a topical aff must target new physical assets.**

**1. Increase means to make greater.**

Encarta 6 – Encarta Online Dictionary. 2006. ("Increase" http://encarta.msn.com/encnet/features/dictionary/DictionaryResults.aspx?refid=1861620741)

in·crease [ in krss ] transitive and intransitive verb (*past and past participle* in·creased, *present participle* in·creas·ing, *3rd person present singular* in·creas·es)Definition**:** make or become larger or greater: to become, or make something become, larger in number, quantity, or degree noun (*plural* in·creas·es)

**2. Infrastructure investment is capital spending.**

**CBOJCT 9 —** Congressional Budget Office/Joint Committee on Taxation, October 2009 (Subsidizing Infrastructure Investment with Tax-Preferred Bonds, p. 2-3)

In this analysis, investment in infrastructure is defined as capital spending on transportation, utilities (for example, water and power supply), environmental projects, and schools. 1 In addition, because they account for a significant share of the tax-exempt debt issued, health care facilities and hospitals are treated as infrastructure in this study, although they might not be classified as such for many other types of analyses. Capital spending under this study’s definition consists of investment in physical capital, such as structures and facilities, rather than intangible capital, which is formed by spending on educational programs or on research and development.

**B. Violation – the plan repairs locks which is distinct from new infrastructure.**

Law Depot 8 — (“Capital Expenditure”, 2-6, http://wiki.lawdepot.com/wiki/Capital\_Expenditure)

Definition of "Capital Expenditure" Capital expenditure is money spent to acquire or upgrade (improve) long term assets such as property, buildings and machinery. Capital expenditure does not include the cost to merely repair such assets.

**C. Vote neg –**

**1. Limits – their interpretation allows for an explosion of an infinite amount of minor repair aff’s like potholes, increase on-ramps, broken railroads, and fixing cracks in canals.**

**2. Ground – their interpretation allows them to maintain the status quo’s infrastructure without establishing new assets. This kills neg ground by undermining disad uniqueness**

# Outline

\*\*\*1AC\*\*\*

1AC – Plan Text

Text: The United States federal government should fund inland waterway modernization.

1AC – Inherency

Contention 1: Status quo

Adoption of a “fix when fail” policy ensures delays and collapse of inland waterways

Len Boselovic, award winner for business and investigative reporting, 3/18/2012, Pittsburgh Post (“THE NATION'S LOCKS AND DAMS, INCLUDING 23 IN REGION, ARE ON THE BRINK OF FAILURE, ACCORDING TO U.S. ARMY CORPS OF ENGINEERS”)

And, there’s no impact to minor delays, but poor maintenance makes mass lock failure inevitable

Boselovic 2012 (Len Boselovic, Journalist for Pittsburgh Post-Gazette, 5/9/2012 “Locked and Dammed: Neglect erodes river commerce,” http://www.post-gazette.com/stories/news/environment/locked-and-dammed-neglect-erodes-river-commerce-617136/)

1AC – Trade

Contention 2 is Trade

First, catastrophic lock system failure is inevitable—completely halts inland river commerce

PPG 3/25/2012 (Pittsburgh Post-Gazette, “Water torture: Congress needs to act on decaying locks and dams,” March 25, 2012, http://old.post-gazette.com/pg/12085/1219052-192.stm )hhs-ps

Failure of one lock spills over – brings all river commerce to a standstill

Meira 12 (Kristin Meira, Executive Director @ Pacific Northwest Waterways Association, Political Transcript of a hearing of the House Committee on Transportation and Infrastructure, proquest)

1AC – Trade – Coal

Scenario 1 is Coal

Lock failure shuts down waterborne coal transportation and crushes the coal industry

Len Boselovic, award winner for business and investigative reporting, 3/18/2012, Pittsburgh Post (“THE NATION'S LOCKS AND DAMS, INCLUDING 23 IN REGION, ARE ON THE BRINK OF FAILURE, ACCORDING TO U.S. ARMY CORPS OF ENGINEERS”)

And, coal is critical to the steel industry—coal scarcities tank production capacity

WCI 2009 (World Coal Institute, organization promoting technological innovation and improved environmental outcomes within the context of a balanced and responsible energy mix. “Coal and Steel,” 3/6/2009)hhs-ps

Steel industry key to heg, econ, and competitiveness

Buyer 2k7(Member of the House of Representatives, 7-31-7 (Steve, Before the International Trade Commission, Regarding the five-year sunset review on Certain Hot-Rolled Carbon Steel Flat Products from Argentina, China, India, Indonesia, Kazakhstan, Netherlands, Romania, South Africa, Taiwan, Thailand, and Ukraine (Inv. Nos. 701-TA-404-408 and 731-TA-898-908 )

Collapse of hegemony causes nuclear war

Kagan, PhD in history, 7— senior associate at the Carnegie Endowment for International Peace. Listed as one of the world’s “Top 100 Public Intellectuals” by Foreign Policy. Former member of the State Department Policy Planning Staff. BA from Yale, MPP from JFK School of Government at Harvard, PhD in American History from American University. (Robert, July, End of Dreams, Return of History, http://www.realclearpolitics.com/articles/2007/07/end\_of\_dreams\_return\_of\_histor.html, AG/JMP)

1AC – Trade – Food Security

Scenario 2 is Food Security

Collapse of inland waterways crushes U.S. soybean exports

Micik, Agfax, 2012 (Katie, January 25, “Waterway Lock Failure Would be Severe Economic Blow, study finds”, http://agfax.com/2012/01/25/waterway-lock-failure-would-be-severe-economic-blow-study-finds/

Inland waterway systems are critical to the American soy market

United Soybean Board 1/26/12 (http://www.unitedsoybean.org/topics/global-opportunities/u-s-farmers-and-consumers-could-pay-if-river-locks-fail/ “U.S. Farmers and Consumers Could Pay if River Locks Fail”)

China is increasingly dependent on the United States for soybean imports

Wilson, reporter for Bloomberg News in Chicago, 2/15/12 (“China to Buy $4.3 Billion of Soybeans in Deals With U.S. Exporters in Iowa”, http://www.bloomberg.com/news/2012-02-15/china-to-buy-4-3-billion-of-soybeans-in-deals-with-u-s-exporters-in-iowa.html

Food security is inevitable

Soybeans not k2 food security

Ccp inevitable

No adventurism

Without a constant stream of soybean imports china food security initiatives fail

Wong and Huang, Professorial Fellow and Research Assistant at the East Asian Institute, National University of Singapore, 2012 (China: An international Journal, Volume 10, number 1, “China’s Food Security and Its Global implications”, Project Muse)

Even small fluctuations in Chinese food security devastates global grain markets

Wong and Huang, Professorial Fellow and Research Assistant at the East Asian Institute, National University of Singapore, 2012 (China: An international Journal, Volume 10, number 1, “China’s Food Security and Its Global implications”, Project Muse)

That kills billions

Power 1996 (Paul R.; Tampa Tribune Staff Writer, "Grain Shortage Growing Problem" 1/20 Tampa Tribune l/n)

And, Food insecurity causes internal political instability and collapse of the CCP

Smith 98 (Paul J. Smith is a research fellow with the Asia-Pacific Center for Security Studies in Hawaii. He specializes in transnational security issues and has published numerous articles on these subjects.], “FOOD SECURITY AND POLITICAL STABILITY IN THE ASIA-PACIFIC REGION,” ASIA-PACIFIC CENTER FOR SECURITY STUDIES, SEPTEMBER 11, 1998http://www.apcss.org/Publications/Report\_Food\_Security\_98.html )hhs-ps

Income inequality in China means political stability is on the brink – food shocks tip it over the edge

Qiang 10 (Guo, Journalist, “Income Gap Rings Alarm” Global Times, http://china.globaltimes.cn/society/2010-05/535803.html)

Collapse of the CCP control triggers a nuclear civil war and regional conflicts that causes extinction

Yee and Storey 2002 (Herbert Yee, Professor of Politics and International Relations at the Hong Kong Baptist University, and Ian Storey, Lecturer in Defence Studies at Deakin University, 2002 (The China Threat: Perceptions, Myths and Reality, RoutledgeCurzon, pg 5

Scenario 2 is competitiveness

Competitiveness is declining– statistics prove

Ferguson 12 (Niall, Prof of History @ Harvard, “Is The U.S. Losing Competitiveness?”, http://appropriations.house.gov/uploadedfiles/03.28.12\_cjs\_-\_american\_manufacturing\_and\_job\_repatriation\_-\_niall\_ferguson\_-\_testimony.pdf)

Inland waterway renewal secures competitiveness

Gibbs 12 (Bob, representative of Ohio, Political Transcript of a hearing of the House Committee on Transportation and Infrastructure, proquest)

Action now is necessary to maintain competitiveness

Ausick 12 (Paul, staff writer for 24/7 Wall Street, citing Harvard Business School report, http://247wallst.com/2012/01/18/harvard-study-says-us-competitiveness-will-decline/)

Decline in export/import competitiveness results in protectionist blacklash

Farqee et al 6 (“Would Protectionism Defuse Global Imbalances and Spur Economic Activity? A Scenario Analysis,” Staff Report no. 268 December 2006, Hamid Faruqee Douglas Laxton Dirk Muir Paolo Pesenti, Federal Reserve Bank of New York, http://app.ny.frb.org/research/staff\_reports/sr268.pdf )hhs-ps

Protectionism causes nuclear trade war and turns case

Panzner 8, faculty at the New York Institute of Finance, 25-year veteran of the global stock, bond, and currency markets who has worked in New York and London for HSBC, Soros Funds, ABN Amro, Dresdner Bank, and JPMorgan Chase (Michael, Financial Armageddon: Protect Your Future from Economic Collapse, Revised and Updated Edition, p. 136-138, googlebooks)

1AC - Congestion

Scenario 3 is congestion

Collapse of lock system results in congestion that drains the economy

Boselovic, award winner for business and investigative reporting, 2012 (March 20, “Locked and Dammed: Neglect erodes river commerce”, http://old.post-gazette.com/pg/12080/1218128-113.stm)

Delays in barge transportation now stifle economic growth

Boselovic, award winner for business and investigative reporting, 2012 (March 20, “Locked and Dammed: Neglect erodes river commerce”, http://old.post-gazette.com/pg/12080/1218128-113.stm)

Collapse of the economy leads to nuclear war

Harris and Burrows 09 – PhD in European History @ Cambridge and Counselor of the US National Intelligence Council AND Member of the National Intelligence Council’s Long Range Analysis Unit (Mathew J. and Jennifer, “Revisiting the Future: Geopolitical Effects of the Financial Crisis,” April, Washington Quarterly, http://www.twq.com/09april/docs/09apr\_Burrows.pdf, EMM)

1AC - Solvency

Contention 4 is solvency

Inland waterway modernization accesses new markets post-Panama Canal expansion

Len Boselovic, award winner for business and investigative reporting, 3/18/2012, Pittsburgh Post (“THE NATION'S LOCKS AND DAMS, INCLUDING 23 IN REGION, ARE ON THE BRINK OF FAILURE, ACCORDING TO U.S. ARMY CORPS OF ENGINEERS”)

No other system can replace waterways

Kruse et al., Director at the Center for Ports and waterways, 2011 (“America’s Locks & Dams: “A Ticking Time Bomb for Agriculture?”, www.unitedsoybean.org/wp-content/uploads/Americas\_Locks\_And\_Dams.pdf)

States can’t solve – Army Corps of Engineers has sole jurisdiction for the plan

MSMRG 1 (Minnesota Shoreland Management Resource Guide, Jan 2001, No Author Given, http://www.shorelandmanagement.org/quick/ll.html)

Funding for waterway modernization is inevitable – cost overruns and stop-go payment makes status quo policies collapse under themselves

Pittsburgh Post-Gazette 3/25/2012 (Pittsburgh Post-Gazette, “Water torture: Congress needs to act on decaying locks and dams,” March 25, 2012, http://old.post-gazette.com/pg/12085/1219052-192.stm )hhs-ps

Competitiveness is declining because of decreasing traffic not poor technology – no need to update systems

Walker et al 2010 Brad Walker, Glynnis Collins, David Conrad, Christine Favilla, Bill Grant, David Hoskins, Scott Kovarovics, Dawn Merritt, Mark Muller, Julia Olmsted, Brad Redlin, Gwen Steel, and Dr. Don Sweeney, Nicollet Island Coalition, “Big Price- Little Benefit” <http://www.iwla.org/index.php?ht=a/GetDocumentAction/i/2079>, Accessed 6-26-12

As the environmental functions of the rivers have shifted, so have the economic opportunities in agriculture in the Upper Midwest. From 1950 through the late 1970s, the Mississippi River experienced steady growth in agricultural commodities traffic moving down the river via barge. However, since 1980, Mississippi River barge traffic has fluctuated significantly and the overall trend has been less traffic. At one key lock at Alton, Illinois, for example, barge traffic has declined from its peak of 80.5 million tons in 1990 down to 56.3 million tons in 2008.The causes of this transition include significant growth in agricultural production in other parts of the world and less demand than expected from emerging markets like China.

Alternate causality – the US anti-dumping law violates free trade laws.

Ikenson 10/6/05 CATO Free Trade Institute since 1990, Co-founded the Library of International Trade Resources (Daniel, Co-author of [Antidumping Exposed: The Devilish Details of Unfair Trade Law](http://www.catostore.org/index.asp?fa=ProductDetails&method=cats&scid=13&pid=1441160), “Abuse of Discretion: Time to Fix the Administration of the US Antidumping Law,” Trade Policy Analysis No. 31, <http://www.freetrade.org/node/30>)

Administration of the U.S. antidumping law has been a significant source of friction in international trade in recent years. Since the establishment of the World Trade Organization in 1995, various aspects of U.S. antidumping practice have been subject to dispute settlement in 26 different cases. Most of the issues raised in those cases concern the discretionary practices of the U.S. Import Administration, an agency within the Department of Commerce that administers part of the antidumping law. At present, the United States remains noncompliant with several WTO determinations that certain U.S. antidumping methodologies violate the rules established by WTO members. Compliance in some of those cases could be achieved simply by changing the offending discretionary practices and would require no actions by the U.S. Congress. IA routinely exploits gray areas in the law to favor the domestic interests that seek protection--and, according to the verdicts of U.S. courts, sometimes violates the law in the process. In the 18-month period ending in June 2005, IA published 19 antidumping redeterminations pursuant to court orders to revise its assumptions or calculations to become compliant with the law. In 14 of those redeterminations, the revised antidumping rates were lower than those originally calculated. The imposition of antidumping orders and the inflation of antidumping duty rates based on erroneous judgments have profound adverse effects on trade and trade relations. It is time for U.S. antidumping policy to be brought into the fold of broader U.S. trade policy objectives. Its administration must be disciplined and calibrated with the efforts of other U.S. agencies to open markets abroad and to demonstrate that the United States believes in the merits of free trade. Accordingly, policymakers should consider the merits of establishing an oversight board, comprising representatives from various agencies with jurisdiction over trade policy, to review IA's antidumping determinations before they are published. Such a body could help buffer antidumping decisions from the results orientation and politicization to which they are currently so prone.

Globalization short-circuits trade conflicts before they can escalate. It is self-correcting

De Jonquieres 03 Guy de Jonquieres, Senior Fellow at ECIPE and London-based writer and speaker on international economic affairs who previously worked for The Financial Times in positions that included world trade editor and Asia columnist and commentator Financial Times, May 26, 2003, <http://www.itssd.org/References/Johns%20Hopkins%20SAIS%20Ctr%20for%20Transatlantic%20Relations%20-%20highlighted.pdf>

Nonetheless, multinationals are not invulnerable. Increasingly, they rely on global supply chains; as a consequence, more than a third of world trade today is within companies. As the impact of stricter US border security after September 11 showed, those networks are highly sensitive to trade disruptions. The good news is that global integration is a potent check on governments' temptation to reach for the trade weapon. It is much easier to convince politicians that lashing out at foreigners is a bad idea if it directly imperils jobs and prosperity at home. That argument has made free-traders of governors of many US states that are home to foreign-owned companies. It also explains why protectionist US measures, such as steel tariffs, are increasingly confined to industries that produce only in their home market.

Waterways don’t solve trade - Locks sit empty over 50% of the time

Walker et al 2010

Brad Walker, Glynnis Collins, David Conrad, Christine Favilla, Bill Grant, David Hoskins, Scott Kovarovics, Dawn Merritt, Mark Muller, Julia Olmsted, Brad Redlin, Gwen Steel, and Dr. Don Sweeney, Nicollet Island Coalition, “Big Price- Little Benefit: Proposed Locks on the Upper Mississippi and illinois rivers Are not economically Viable” February 2010 <http://www.iwla.org/index.php?ht=a/GetDocumentAction/i/2079>, Accessed 6-26-12

In fact, 2008 traffic levels on the UMR-IWW, taken from the Corps’ Internet barge traffic reporting system, continued a two decades long flat-to-declining trend with recent dramatic declines. Historic barge traffic for the Melvin Price Locks (see Figure 4) shows a steady decline from a peak of 80.5 million tons in 1990 down to 56.3 million tons in 2008. Preliminary data indicate that barge traffic for 2009 at the Melvin Price Locks will be close to the 2008 tonnage. A 2009 report by Dr. Donald Sweeney 13 (former lead economist on the Corps’ UMR-IWW proposed 1,200foot locks feasibility study) evaluates the Corps’ 2008 Economic Reevaluation Report. Dr. Sweeney compares the lock service status in four usage categories for the seven 600-foot locks at which new 1,200-foot locks are proposed. (See Figure 5) The graph vividly shows the steady decrease in lock traffic and associated growth in available lock capacity. In 1999, these seven locks were processing river traffic approximately 60 percent of the time and sat idle without traffic more than 35 percent of the time. By 2008, the same seven locks were processing traffic less than 35 percent of the time and sat idle without traffic more than 60 percent of the time. The existing seven 600-foot locks have had excess capacity of well more than 50 percent of their annual carrying capacity over the last five years and could accommodate significant increases in barge traffic. With lockage “supply” already outstripping “demand,” there is no justification for spending more than $2 billion to construct new 1,200-foot locks.

No demand for trade – waterway need is vastly exaggerated

Stern 12 [Charles V. Stern, Analyst in Natural Resources Policy, “Inland Waterways: Recent Proposals and Issues for Congress,” The Congressional Research Service, April 12, 2012, <http://www.fas.org/sgp/crs/misc/R41430.pdf>]

A central issue for Congress is the level and urgency of infrastructure investments on federal waterways. Commercial users, including shippers and some agricultural interests, have argued that additional investment is justified because of aging infrastructure, the need for expanded capacity, and positive environmental externalities associated with inland waterway shipping compared to other forms of shipping. These users argue that the benefits of inland waterways are widespread. Their claims are countered by a number of other groups, including taxpayer and environmental advocacy groups, who argue against increased federal funding for inland waterways. These groups contend that the shipping industry often misrepresents or overstates the benefits of these investments and that major funding increases for inland waterway projects are not warranted.48 Despite these disagreements, most entities agree that the current system of financing inland waterways is inadequate to address future needs (regardless of the precise level of those needs). As a result of the recent funding drawdown, the Corps is expected to have appropriations for just one ongoing lock replacement project (Olmstead Lock on the Ohio River) through FY2016 under its current baseline for IWTF revenues.49 Barring a new source of revenue or supplemental federal appropriations by Congress, new or ongoing IWTF construction projects may be put on hold by the Corps, regardless of their urgency.Aging Infrastructure and Urgency of New Investments The condition of Corps inland waterway facilities has been a primary driver behind the call for increased investment on inland waterways. The Institute for Water Resources (part of the Corps of Engineers) notes that the majority of locks in the United States are now past their intended design age of 50 years.50 The Corps has connected this aging infrastructure to an overall decline in the efficiency of its assets on inland waterways, noting that overall lock unavailability (both scheduled and unscheduled) has increased in recent years.51 In some cases, the user industry favors new lock construction and expanded capacity over ongoing maintenance for a number of reasons.52 Other groups argue against significant new investments for inland waterway projects. In arguing against new locks on the Upper Mississippi River, a coalition of environmental groups noted that while the design life of new investments is usually only 50 years, regular maintenance can extend the life of existing locks for an additional 50 years at a considerably lesser cost than that for new construction.53 These groups generally argue that the costs of new lock construction greatly exceed the benefits of reduced waiting time and lock unavailability, and point out that issues associated with most aging inland waterways infrastructure can be overcome by improved smallscale and nonstructural improvements.54Waterway Traffic Projections The Corps has in the past noted that the justification for most new navigation alternatives depends greatly on traffic forecasts from future trade scenarios, which can themselves be difficult to predict. These forecasts often depend on a number of interrelated variables, such as commodity prices, the overall price sensitivity of shippers, and outside factors such as increases or decreases in the efficiency of other modes of freight transit. The Corps has noted that total domestic freight traffic is expected to increase by approximately 70% by 2020, but recently has avoided projections specific to inland waterway freight traffic.55 The Department of Transportation projects that the majority of this increase in freight traffic will be on freight rail and highway traffic, with annual waterway traffic projected to increase 2% per year between 2010 and 2035.56 Shipping interests point out that an overall increase in the efficiency of inland waterways could lessen anticipated pressure on highway and rail shipments, or at least maintain viability of inland waterways compared to these other forms of freight shipping. Future lock upgrades or new construction would likely increase demand for inland waterways. However, the extent to which these upgrades would have an effect on demand would likely also depend on a number of other external factors. Some groups have countered industry requests for new lock construction based on traffic projections by noting that traffic has been flat or decreasing at some individual locks on hightraffic portions of the inland waterway system.57 Observers, including former Corps employees, have also criticized previous projections of traffic increases by the Corps and as overly optimistic.58 To date, the Corps has avoided use of projected future traffic increases as a basis for changes to the overall level of investments on inland waterways.

Plan sparks political backlash—funding and the barge industry

Glass 11

P. Glass, The Maritime Domain Awareness Information Exchange, MDA.com, “Inland infrastructure funding remains elusive”, December 20, 2011 http://www.mda.gov/2011/12/20/top-ten-news-stories-of-2011/

Inland infrastructure funding remains elusive A long-term funding solution for the nation’s aging inland infrastructure remains elusive, as Congress, skittish about increasing taxes and federal spending, considers two funding proposals that would do just that. The difficulty is that neither of the plans — one offered by the Obama administration, the other by a joint industry-federal advisory board — makes lawmakers feel politically comfortable in an environment dominated by partisan politics and intense pressure to cut spending and the federal deficit. The first, floated more than a year ago by the Inland Waterways Users Board (IWUB), envisions more federal spending on lock-and-dam construction while proposing an increase in the diesel fuel tax now paid by the barge industry into the Inland Waterways Trust Fund. The Capital Development Plan (CDP) also calls for significant reforms in how water projects are evaluated and prioritized for funding. The industry plan “is a place to start the discussion,” Rep. Bob Gibbs, R-Ohio, chairman of the House Water Resources and Environment subcommittee, said after a September hearing. “I don’t think it will go forward with a tax increase.” Added Rep. Timothy Bishop, D-N.Y., the panel’s ranking minority member: “I don’t see how this plan can fly unless there is an increase in the Corps budget, and I don’t see that happening.” The second plan, proposed recently by the Obama administration, would collect more funds for inland waterways infrastructure by imposing new fees on commercial vessels that use the nation’s rivers. The plan is expected to raise $1 billion over the next 10 years by using a two-tier fee system — one for all inland waterways operators and a second for those transiting locks — and would supplement the current 20-cent-per-gallon fuel tax. The plan would also expand the definition of inland waterways from 27 to 67 segments that would be subject to the new fees. These differing proposals have set up a perfect storm for a stalemate. The barge industry opposes the Obama plan, saying it is unworkable and unfairly doubles the taxes and fees on commercial shippers. The Obama administration opposes the industry plan, preferring instead its solution that would make commercial users pay more for using inland rivers. Meanwhile, Congress hasn’t shown much enthusiasm for either. No lawmaker has yet come forward to offer legislation on the industry’s plan, only one hearing on Capitol Hill has been held, and several lawmakers have said that any plan that shifts more costs to U.S. taxpayers or increases taxes will not pass Congress. User fees are equally unpopular, with previous proposals being ignored by Congress. But industry representatives, acknowledging tight budgets and challenges of educating lawmakers about the importance of waterways, remain optimistic that a solution can be found. The Waterways Council Inc., an industry-funded group, has taken a different track on convincing Congress that the industry plan merits approval. Newly appointed WCI president and CEO Michael J. Toohey pointed to some positive signs of late, including the willingness of Rep. Ed Whitfield, R-Ky., to offer the CDP legislation, and the inclusion of waterways infrastructure improvements in the president’s jobs plan. “We have a moment in time where the stars are aligned, and we must take advantage of it,” he said. “We will continue to have an opportunity if the economy remains stagnant, and we have high unemployment before the elections.”

**local**

Plan not popular - Congress has consistently rejected lock funding

Glass 11

 “Obama proposes inland waterways financing program,” Pamela Glass, staff writer for Work Boat, published 9/26/2011, <http://www.workboat.com/newsdetail.aspx?id=11266>

Darcy said the administration has begun to discuss the plan with the inland industry and other stakeholders. Both the Bush and Obama administrations have previously submitted legislative proposals to replace the fuel tax with a lock user fee that would have increased revenues and tied user fees to trust fund balances. Congress rejected them all. Last year, the Inland Waterways Users Board, a federal advisory committee, endorsed an alternative capital development plan that would increase the fuel surcharge by six cents, but also require an increase in the federal share of inland waterway costs. Congress is now considering the plan.

Key to trade

John Horsley 2003 (last date cited) Executive Director American Association of State Highway and Transportation Officials “Freight-Rail Bottom Line Report” http://www.camsys.com/pubs/FreightRailReport.pdf

As a result, many ports are taking the lead role in making rail access improvements. The most visible example to date is the recently opened Alameda Corridor, which serves the ports of Long Beach and Los Angeles. The ports, in cooperation with local, regional, and state governments, developed and implemented a $2.4 billion dollar plan to consolidate the operations of three freight lines and reduce local trucking between port and rail facilities. The result is a single, triple-tracked, fully grade-separated, 20-mile intermodal freight-rail corridor. About half the funding is derived from bonds secured by freight-rail revenues; the remainder is a combination of loans, grants, and tax proceeds. The public benefits of the project included strengthening the economic value of the ports, reducing truck traffic and engine emissions, eliminating congestion at rail-grade crossings, and reconnecting neighborhoods once divided by the rail lines. By serving the nation’s seaports, rail becomes a critical element in the nation’s access to global markets and supports U.S. producers and consumers in the world economy. Rail also provides access across land borders to Canada and Mexico. While trucks sit in queues at borders awaiting inspection and clearance, trains that are pre-cleared and electronically tracked can cross the border at full speed without stopping. According to the U.S. Bureau of Transportation Statistics, surface trade with Canada and Mexico was valued at over $575 billion dollars in 2000. Rail was responsible for over $94 billion dollars or 16 percent of this trade. Just five border crossings — Port Huron, Michigan; Laredo, Texas; Buffalo-Niagara Falls, New York; Detroit, Michigan; and International Falls-Ranier, Minnesota — account for 80 percent of rail-borne international trade by value.