# NextGen Negative Core

### Ban the Plan CP

#### Text: The United States federal government should freeze all funding for the Next Generation Air Transportation System until 2016.

#### It’s not too late to role back funding—it’ll be five years until NextGen gets going

Wood 11 (Janice, General Aviation News, *FAA Reauthorization Bill Includes Amendment to Help Equip for NextGen*, 4/5/11, https://www.generalaviationnews.com/2011/04/05/faa-reauthorization-bill-includes-amendment-to-help-equip-for-nextgen/) LA

The FAA Reauthorization and Reform Act of 2011, passed in the U.S. House of Representatives April 1, included an amendment authorizing a public-private partnership approach to accelerating NextGen equipage for general aviation and airlines. The NextGen Equipage Fund will bring substantial private-sector capital to overcome the investment barriers that have prevented many air carriers and other operators from investing in the NextGen technologies for their aircraft, according to FAA officials. These barriers are driven mainly by the need to start making these investments several years before the FAA systems can deliver the benefits. “Accelerating NextGen aircraft equipage will unlock real economic growth and benefits, such as job creation, as soon as equipment orders are placed,” said Russ Chew, general partner of NextGen Fund and former FAA chief operating officer and JetBlue Airways’ president. “According to research that we have conducted, accelerating NextGen equipage will create up to 32,000 jobs and $23.5 billion in economic growth over its five-year ramp-up period.” “The NextGen Fund is partnering with ITT Corporation, other aerospace companies and Wall Street, to provide the more than $1.5 billion in financing for the industry to adopt the avionics technology needed to help make NextGen a reality,” said Michael Dyment, general partner of the NextGen Fund, and managing partner at NEXA Capital Partners. “We are proud to bring a private-sector solution to the aviation industry that currently has few alternatives available to address equipage financing. NextGen is the only system capable of reducing passenger delays, while at the same time lowering fuel burn and producing favorable environmental benefits.” The [NextGen Equipage Fund](http://www.nextgenfund.com/) will enable the retrofit of up to 75% of the U.S. commercial air transport fleet – including airlines and some general aviation aircraft – with NextGen technology such as ADS-B and data communications. The NextGen Fund’s offering combines financing at competitive rates backed by loan guarantees with proven credit management practices that drive default risks to near-zero. The main advantage to the airlines and commercial operators is that they can equip for NextGen without a large cash outlay or adding more debt, company officials said. Payments for the equipage would be deferred until specific NextGen services are delivered to the aircraft operators by the FAA.

### AT: Uniqueness Trick

#### Doesn’t thump the DA—airlines have shown no interest in NextGen

Bogdan 12 (Jennifer, Press of Atlantic City, *Uncertainty about benefits, funds hurting Next Generation Air Transportation System, think tank study says*, 5/31/12, http://www.pressofatlanticcity.com/communities/eht/uncertainty-about-benefits-funds-hurting-next-generation-air-transportation-system/article\_606a1c4a-86a1-11e1-9a37-001a4bcf887a.html) LA

Airline carriers are reluctant to take on the costs associated with upgrading planes to accommodate the Next Generation Air Transportation System because there is no clear funding stream for the project and there is disagreement about its benefits, according to a study by a Washington, D.C., think tank. The study by the Eno Center for Transportation, a nonpartisan group that leads professional development in the transportation industry, found four key barriers to implementing the federal program known as NextGen: n Uncertainty about the program’s benefits; n Uncertainty about the Federal Aviation Administration’s ability to deliver the program; n Lack of a clear source of funds for NextGen; n And operators’ reluctance to invest in NextGen equipment. NextGen refers to a series of initiatives that will modernize the air traffic control system, transforming it from a radar-based system to a more-efficient satellite-based program. The cost of the upgrades is projected at about $40 billion — with half shouldered by the federal government and half by the airlines — and they are not expected to be complete before 2025. Much is riding on the federal program for South Jersey. NextGen concepts must be tested at the FAA’s William J. Hughes Technical Center in Egg Harbor Township, which employs 1,500 FAA workers and 1,500 contractors. Plans have existed since 2005 to develop a NextGen Aviation Research and Technology Park on the tech center’s grounds in the hope that major aviation companies would take up residence there. Progress on the park, however, has been slowed by gaffes made by the South Jersey Economic Development District, which leases the park’s land from the FAA. Slow progress also is attributed to problems with federal funding for the initiative. The FAA has released only $442 million of $7 billion in NextGen funding, and when the rest will come is unknown. “Operators are unlikely to invest until, at a minimum, the (FAA) is ready to deliver the promised benefits. This leads to a stalemate: Operators are uncertain whether investing in NextGen is worthwhile. When the infrastructure is not yet fully in place and without equipage, the infrastructure by itself is ineffective,” the report reads. Joshua Schank, president and CEO of the Eno Center, said he couldn’t speak specifically about the prospects of the Egg Harbor Township park. However, he said, given his firm’s research, he would move cautiously if involved in the project. “To be frank, basing any development of any kind on federal money is pretty risky,” Schank said. “Things like transportation are often the first things to be cut in a federal budget because people take them for granted. If you say, ‘We’re going to cut funding for NextGen,’ what constituency is going to step up and fight that? The aviation industry? Maybe. But probably no one.”

### No Solvency—Loan Guarantees Bad

#### Government loan guarantees harm economy

Issa et al 12 (Darrell, US representative and Chairman of the Committee on Oversight and Government Reform, “The Department of Energy’s Disastrous Management of Loan Guarantee Programs” http://oversight.house.gov/wp-content/uploads/2012/03/FINAL-DOE-Loan-Guarantees-Report.pdf) KGH

The DOE loan guarantee and ATVM loan programs may harm capital formation within the capital markets. As the government makes low cost loans available, private capital cannot compete with the subsidized low interest loans. As a result, many private investors and lenders cease to compete in the same space or may choose to invest in those subsidized firms that anticipate government loans. As intended, government subsidies redirect capital to less efficient industries, causing a misallocation of capital. To the extent investors target subsidized firms, those funds that would have sought a more profitable opportunities that would have yielded greater efficiencies and benefits for the economy, instead invest in relatively less profitable industries, where the government subsidy compensates for the lost profit. To the extent government loans programs proceed, the government must maintain the highest integrity in the allocative process. If government fails to impose a fair and impartial loan process that prioritizes genuinely eligible borrowers, then the government further misallocates capital within the subsidized industry, increasing economic harm. Relatively better businesses may suffer losses while waiting for subsidies that never materialize. Lower quality firms, with strong political ties, may succeed in gaining government support with inferior products, reflecting a multi-factored misallocation of capital. The failure to maintain integrity and abide by the law when implementing the DOE loan program significantly impacts those that failed to receive subsidies as well. On February 28, 2012, Bright Automotive announced it was shutting down operations. In a poignant and blunt letter to the Secretary, Bright Automotive’s management team laid the blame squarely on the unprofessionalism and mismanagement of the DOE loan guarantee program.

#### Taxpayers pay price for loan guarantee failures

Issa et al 12 (Darrell, US representative and Chairman of the Committee on Oversight and Government Reform, “The Department of Energy’s Disastrous Management of Loan Guarantee Programs” http://oversight.house.gov/wp-content/uploads/2012/03/FINAL-DOE-Loan-Guarantees-Report.pdf) KGH

In October 2011, the White House ordered that an independent review be conducted by outside consultants in response to emerging problems, uncovered by the Solyndra scandal, with DOE’s Loan Guarantee Programs.78 The review, led by an “independent consultant,” former Obama Administration Assistant Secretary of the Treasury, Herbert Allison, found serious systemic problems related to DOE management and issuance of loan guarantees.79 - A lack of clarity in the lines of authority within the loan program office; Among the findings, Allison reported that DOE’s loan program office suffers from structural weaknesses. The report finds: - A lack of balance between those with governmental experience and those with “substantial private sector experience and skill in project management and finance;” - A lack of clear guidance regarding DOE’s standard of “reasonable prospect of repayment;” - A lack of clarity with regard to DOE’s goals and tradeoffs with respect to financial goals versus policy goals; and - The fees charged to companies to administer the program are not adequate to last through the duration of the loan guarantees. While the institutional and managerial recommendations from the independent review are appropriate and helpful, the report falls short because it fails to consider whether political pressure played a role in the decision-making process at DOE. Additionally, the review does not provide much insight into taxpayer risks – the independent review looks at “credit subsidy costs,” which represent the net present value of the expected lifetime cost to taxpayers of these loans. Credit subsidy costs, however, do not fully capture the risks to which taxpayers are subjected. According to the non-partisan Congressional Research Service, the independent review “did not calculate expected losses that may be realized by the project portfolio, and the report states that eventual losses cannot be predicted [using the accounting methods adopted by the review].” 80 Furthermore, it has been widely reported that the independent review found the cost to taxpayers of the loan programs to be lower than originally projected. This reading of the report neglects to explain how these calculations came about. The independent review evaluated 30 loans and loan guarantees, broken down into three categories created by the independent consultant: utility-linked loans and loan guarantees (“projects for the generation or transmission of alternative sources of energy” In other words, unforeseen risks exist within DOE’s portfolio which may have future budgetary implications but are incalculable using governmental accounting methods. 81); Non-utility-linked loans and loan guarantees (generally, projects that bear greater technological risk; Beacon Power and Solyndra would fall into this category); and Ford and Nissan loans (loans to these two companies were broken out because these “projects are more typical of traditional secured corporate loans”).82 When looked at in the aggregate, the costs of the program have, in fact, decreased since the DOE’s estimates at the time of origination. 83 However, this optimistic outlook is driven largely by the third category of loans and loan guarantees – those given to Ford and Nissan. The costs of the first two categories – utility-linked loans and non-utility-linked loans – increased by 14 percent and 71 percent, respectively, while the estimated cost of the Ford and Nissan loans decreased by 95 percent. The large drop in the cost of the loan to Ford and Nissan was largely driven by these two companies receiving credit ratings substantially greater than what DOE believed they merited at the time of DOE’s loan origination.84 Lastly, the review excludes costs associated with Beacon Power and Solynda when it calculated taxpayer liabilities. This is a significant omission, as Beacon Power had drawn down 91 percent of its loan guarantee at a cost to taxpayers of $39 million, while Solyndra had drawn Looking just at utility-linked and non-utility-linked loans and loan guarantees, the expected cost to taxpayers has markedly increased. The Allison report glosses over this pertinent fact. This is $566 million in costs to taxpayers from the loan guarantee program that are completely ignored by the independent review.

#### Loan guarantees fail; Solyndra and others prove

Ryan 11 (Paul, Chairman of the House Budget Committee, “The Empty Promise of Green Jobs: The Costly Consquenes of Crony Capitalism,” http://budget.house.gov/uploadedfiles/greenjobs9222011.pdf) KGH

Since its introduction in the 2009 stimulus bill, the Department of Energy (DOE) has issued $40 billion in new loan guarantees for private-sector loans for renewable energy projects that might not otherwise have been market-viable. Already, multi-million dollar projects, initially labeled as successes, have failed: The first renewable energy loan guarantee recipient, solar start-up Solyndra, received a loan guarantee for $535 million in the fall of 2009, even after repeated warnings from federal financial analysts. In the spring of 2010, it failed to complete its initial public offering after an independent audit questioned the ongoing viability of the firm. Then, in the fall of 2010, the firm closed one of its manufacturing facilities and laid off 180 workers. Finally, the firm declared bankruptcy and laid off 1,100 employees only 15 months after Obama visited a company factory. Beacon Power, received a $43 million loan guarantee in July of 2009. Since then, its stock price has dropped by 90 percent – a period during which the NASDAQ exchange on which it is listed has increased by 40 percent. The company has not been in compliance with NASDAQ listing requirements, leading to a delisting determination from the exchange. First Wind Holdings, received a $117 million loan guarantee in March of 2010. First Wind withdrew its initial public offering in October of 2010, due to a lack of investor demand. 11 According to the Boston Globe, investors shied away from the company because “First Wind owes more than $500 million, loses money on a steady basis, and reports a negative cash flow.”12 Even in the midst of these failures, DOE has been advertising additional loan guarantee recipients, announcing a $1.2 billion loan guarantee to another solar company just one day after the FBI raided Solyndra’s offices. Congressional investigators are initiating a review to examine how many future Solyndras have been already financed by this loan-guarantee program or approved through shoddy review, and how can we prevent future examples of this kind of wasteful federal spending. Western states, which have invested billions in state subsidies for the green economy, have had to deal more than most with the consequences of mismanaged expectations and lost investments. For all the pie-in-the sky campaign claims touting millions of new permanent, high-paying jobs, there has not been a full accounting of positions created. Monthly Labor Department employment reports are silent on a “green-collar” workforce. However, in July, the Brookings Institution released a study which found green jobs only accounted for 2 percent of employment nationwide and 2.2 percent in the Silicon Valley. Rather than its intended effect of boosting new employment, Brookings found the clean-energy sector actually lost almost 500 jobs from 2003 to 2010 in California’s South Bay, where the unemployment rate in June was 10.5 percent. A $20 million federal grant in Seattle, Washington to invest in weatherization programs has resulted in only three completed projects and just 14 new jobs, many of them low-wage administrative positions. As a Heritage Foundation report recently noted, taxpayers are hit by a “double wallop” – first by paying for ineffective, wasteful subsidies, then by paying higher energy prices caused by energy taxes and regulations.13 This kind of wasteful government spending is not sustainable. U.S. taxpayers cannot afford billions of dollars in mismanaged resources, with poor oversight and no accountability for results.

#### Loan guarantees subject to mass bureaucracies and costs billions

Spencer and Loris 12 (Jack, Senior Research Fellow at Heritage Foundation, Nicolas, Herbert and Joyce Morgan Fellow at the Thomas A. Roe Institute, “Loan Guarantee Report Neglects Central Question: Why Loan Guarantees?” http://blog.heritage.org

/2012/02/13/loan-guarantee-report-neglects-central-question-why-loan-guarantees/) KGH

The White House released its much-awaited Report of the Independent Consultant’s Review with Respect to the Department of Energy’s Loan and Loan Guarantee Portfolio. Unfortunately, the report’s conclusions were doomed from the beginning, because it fails to ask an important, fundamental question: Why do we have the loan guarantee program in the first place? Instead of asking the Independent Consultant (IC) to look at whether government-backed loans actually worked, the White House simply asked the IC to report on the status of current loans and provide recommendations to improve risk-assessment activities. The report did not even analyze the failed loans of Solyndra and Beacon Power, both of which filed for bankruptcy. However, given what the IC was asked to do, no one should be surprised by its conclusions. Essentially, it lays out a series of recommendations that essentially provide indefinite life support for an unjustifiable subsidy to the energy industry. In keeping with the priorities of most needless, unjustifiable bureaucracies, the first recommendation from the IC is to ensure long-term funding for the program. It also provides some organizational recommendations, all of which are laughable. It recommends assigning decision-making authority with individuals and not committees. The implication is that if the government could only act as a real venture capitalist, it could have real venture capitalist successes. Of course, governments cannot act as venture capitalist, which is precisely the reason it should not be in the venture capital business. A better recommendation would be for the government bureaucrats making investment decision to be personally liable for the losses. Then we might have something. Now, however, is when the report’s recommendations go from comical to scary. In an effort to “Proactively Protect the Taxpayer’s Interest,” the IC praises efforts to increase the conditions of loans and guarantees closed after mid-2010. But then it oddly recognizes that these efforts increase the bureaucratic frustration among loan/loan guarantee recipients to the point that they may ask for relief. Their answer: nationalize the company that needs bureaucratic relief. So, the answer to too much red tape is allowing the Department of Energy (DOE) to buy shares in the company in exchange for regulatory relief? Really? The other big recommendation from the report is to establish a comprehensive early warning system to help identify and mitigate concerns with loan/loan guarantee recipients. They don’t recognize that an early warning system is already in place. It’s called the market test. There’s a clear reason why venture capitalists have stayed away from these projects. They have the knowledge and the expertise to determine if full-scale commercialization is profitable. Yes, private investors took a chance on Solyndra—but only after the DOE announced that the company qualified to be a loan recipient. The report does answer one question once and for all about whether loan guarantees are subsidies. The report estimates that the value of the loan programs is $5 billion to $6.8 billion. This means that loan/guarantee recipients were able to invest at a $5 billion to $6.8 billion discount compared to their competitors. That is a multi-billion-dollar subsidy by any clear-thinking person’s standard. The review of the 30 government-backed loans also estimates about $2.7 billion in losses from the program. The most critical question from the Solyndra saga is still largely unanswered. The White House, Members of Congress, and the DOE need to answer why we have the loan guarantee program in the first place. In the end, loan guarantee supporters likely understood that there is no justification for the program and thus chose not to even ask the question. More stringent oversight and risk assessment may marginally improve the protection of the taxpayers’ money, but the best option is to get rid of the loan program altogether and allow free-market competition to drive energy investment. This protects taxpayer money and will ensure that only the most promising new energy technologies move forward. The market system will work for new energy technologies if Washington could just get out of the way.

#### Loan guarantees destroy industry

Spencer 9(Jack, Senior Research Fellow at Heritage Foundation, “The Problem with Increasing Energy Loan Guarantees,” http://www.heritage.org/research/reports/

2009/02/the-problem-with-increasing-energy-loan-guarantees) KGH

There has been a push to expand the clean energy loan guarantee program established by the Energy Policy Act of 2005. Despite there already being tens of billions authorized for guarantee, some are pushing to add up to $100 billion more in the stimulus bill. Although most alternative and renewable energy sources are eligible, only nuclear energy has the near-term promise to actually achieve America's economic and environmental goals. Therefore, it is critical to the future of the nation to understand how loan guarantees will help or hinder nuclear power. Market Distortion The program, under which the government guarantees bank loans for power projects, was originally sold as a way to help move new, clean energy sources toward market viability. Regarding nuclear power, given the past role of organized political opposition and overzealous regulators in making the industry uncompetitive, some limited, near-term help to reduce government-imposed risk seemed appropriate. In support of including nuclear energy as part of the program, former Secretary of Energy Spencer Abraham argued, "I am not calling for massive ongoing subsidies to the nuclear industry, [but] I do believe some federal financial participation is in order to help defray a percentage of the high, first-time costs associated with new generation construction."[1] The same was argued for other energy sources as well. But as America edges toward a $150 billion loan guarantee program, not all of which will go to nuclear, this starts looking very much like an ongoing subsidy. And it is a subsidy that does not need to be extended. Consider an exchange between Senator Richard Burr (R-NC) and Secretary of Energy Steven Chu during his recent confirmation hearing. Senator Burr suggested that the existing loan guarantee program was so poorly run that utilities were being forced to build reactors without the loan guarantees. Emblematic of the subsidy-first mentality of modern U.S. energy policy, Burr and Chu deduced not that this demonstrates the market viability of nuclear power but that the subsidy program should be more workable. They are inviting government dependence. And that is the problem with loan guarantees: They distort normal market forces and encourage government dependence. One problem with the larger national economic debate is the notion that money--or, more accurately, savings or capital--does not grow on trees. It comes from real people who have saved and invested and exists in finite amounts. By subsidizing a portion of the actual cost of a project through a loan guarantee, the government is actually distorting the allocation of resources by directing capital away from a more competitive project. This signals to industry (be it nuclear, wind, clean coal, natural gas, or anything else) that it does not have to be competitive. It reduces incentives to manage risk and be independent, innovative, and efficient. The end result will be a new nuclear industry that is built for the short run and not sustainable. While a loan guarantee may be good for the near-term interests of the individual guarantee recipient, it is not good for consumers, taxpayers, or long-term competitiveness. How Loan Guarantees Distort the Market They remove incentives to decrease costs. The loan guarantee discounts the cost to build a project, and this artificial price reduction allows the recipient's project to be market viable at a point where it otherwise would not be. The consumer will eventually have to pay for this artificial reduction either through higher prices once the subsidy is removed or by being denied access to the less expensive technology that the guarantee recipient displaced. Eventually, these inefficiencies will result in higher electricity prices for consumers. They stifle competition and innovation both between sectors and within sectors. The loan guarantee artificially reduces the cost of capital, which allows a recipient to offer its product at below actual cost. This removes the incentive to look for less expensive or more competitive options. If a product is not competitive in a free market, then it should be allowed to adjust or fail.

#### Loan Guarantees halt industry; nuclear energy proves

Loris 9(Nicolas, Herbert and Joyce Morgan Fellow at the Thomas A. Roe Institute, “The Stimulus, Energy Loan Guaranntees, and Opportunity,” http://blog.heritage.org

/2009/02/13/the-stimulus-energy-loan-guarantees-and-opportunity/) KGH

Congressional conferees reportedly stripped the $50 billion energy loan guarantee authorization from the final version of the stimulus package. Although most emissions-free sources would have been eligible for the program, removing it disproportionately affects large capital projects like nuclear energy. While this is viewed as a set-back from many in the nuclear industry, it could be used as an opportunity to address some of the structural problems that create the risk that loan guarantees are meant to off-set. The reality is that the federal government’s schizophrenic association with commercial nuclear power since the industry’s inception creates substantial risk. Although the industry’s decline in the late 1970’s cannot be completely blamed on government, bad public policy and over regulation certainly played a significant role. This cannot be allowed to happen again. The versatility, affordability, and availability of nuclear energy is critical to the future of the nation. Squandering this opportunity for a commercial nuclear energy rebirth is simply not an option. Yet it seems that is exactly what we see unfolding. Just a few years ago, the nuclear industry seemed unstoppable. Firms were ready to start building new reactors for the first time in nearly 30 years. In fact, the primary government program to help bring industry along, Nuclear Power 2010, was originally supposed to bring our first new reactor on line by 2010. Then came the push for subsidies. Many were included in the Energy Policy Act of 2005. The thought was that these would push industry forward. And in some respects they did. Approximately 20 entities are pursuing permits to build around 30 new reactors and this has spawned substantial growth in the nuclear industrial base. How much of this was due to subsidies is questionable. What is not questionable is that market viability is necessary for these gains to be sustainable. As of now, one thing is definite. No new reactors have been built. None have been started. None have even been ordered. Why is that? There have been a number of problems. One of which is the administration of the Loan Guarantee program that EPACT 2005 authorized. The Department of Energy simply has been too slow and inefficient. Many utilities were depending on this program to back up their financing so as the program slowed, so did the nuclear renaissance. And therein lays the danger of government dependence. Government programs beget dependence. The more independent an industry can be, the better shot it has of long-term success, and the nation needs nuclear energy to be successful.

#### Loan guarantees only for unsuccessful companies

Loris 11 (Nicolas, Herbert and Joyce Morgan Fellow at the Thomas A. Roe Institute, “Congress Should Scrap the Energy Loan and Loan Guarantee Programs,” http://blog.heritage.org/2011/09/27/congress-should-scrap-the-energy-loan-and-loan-guarantee-programs/) KGH

Senator Harry Reid (D–NV) and his Senate colleagues rejected the idea of cutting $1.5 billion unspent from a $7.5 billion advanced vehicle manufacturing technology loan program and another $100 million from the Department of Energy’s (DOE) loan guarantee program—the same program that funded bankrupt Solyndra. The political squabbling did not cause the partial government shutdown that many feared, but the real issue should be about the protection of these green programs. The reality is that simply reducing the programs is not enough. By leaving them in place at all, the House is still promoting crony capitalism, just a little less of it. The better approach is to scrap these boondoggles completely. There are two kinds of companies that seek loan guarantees: (1) those that are economically uncompetitive, and (2) those that can be competitive. The former need loan guarantees to stay alive. But as we’ve seen with Solyndra, even they will eventually fail. For those that can be competitive, loan guarantees are nothing more than handouts that pad their bottom lines. Neither case can be justified.

#### Loan guarantees corrupt

Markay 11(Lachlan, Investigative Reporter for Heritage Foundation, “Report: 80% of DOE Green Energy Loans Went to Obama Backers,” http://blog.heritage.org

/2011/11/14/report-80-of-doe-green-energy-loans-went-to-obama-backers/) KGH

A new book by Hoover Institution fellow Peter Schweizer details the startling extent of the cronyism that has pervaded President Obama’s “green jobs” push. According to Schweizer, 4 out of every 5 renewable energy companies backed by the Energy Department was “run by or primarily owned by Obama financial backers.” Those companies’ “political largesse is probably the best investment they ever made in alternative energy,” Schweizer explains. “It brought them returns many times over.” Such is the inevitable consequence of large government interventions in private markets. Leaving aside the losses associated with transfers of funds from self-sustaining industries to ones that rely on government support, such interventions also encourage unproductive business activities by making “subsidy suckling” far more profitable than run-of-the-mill business expansions or product improvements. Doug Ross spotted the relevant excerpt of Schweizer’s book (h/t Ben Domenech’s Transom): When President-elect Obama came to Washington in late 2008, he was outspoken about the need for an economic stimulus to revive a struggling economy… After he was sworn in as president, he proclaimed that taxpayer money would assuredly not be doled out to political friends… …But an examination of grants and guaranteed loans offered by just one stimulus program run by the Department of Energy, for alternative-energy projects, is stunning. The so-called 1705 Loan Guarantee Program and the 1603 Grant Program channeled billions of dollars to all sorts of energy companies… …In the 1705 government-backed-loan program [alone], for example, $16.4 billion of the $20.5 billion in loans granted as of Sept. 15 went to companies either run by or primarily owned by Obama financial backers—individuals who were bundlers, members of Obama’s National Finance Committee, or large donors to the Democratic Party. The grant and guaranteed-loan recipients were early backers of Obama before he ran for president, people who continued to give to his campaigns and exclusively to the Democratic Party in the years leading up to 2008. Their political largesse is probably the best investment they ever made in alternative energy. It brought them returns many times over. …The Government Accountability Office has been highly critical of the way guaranteed loans and grants were doled out by the Department of Energy, complaining that the process appears “arbitrary” and lacks transparency. In March 2011, for example, the GAO examined the first 18 loans that were approved and found that none were properly documented. It also noted that officials “did not always record the results of analysis” of these applications. A loan program for electric cars, for example, “lacks performance measures.” No notes were kept during the review process, so it is difficult to determine how loan decisions were made. The GAO further declared that the Department of Energy “had treated applicants inconsistently in the application review process, favoring some applicants and disadvantaging others.” The Department of Energy’s inspector general, Gregory Friedman, … has testified that contracts have been steered to “friends and family.” …These programs might be the greatest—and most expensive—example of crony capitalism in American history. Tens of billions of dollars went to firms controlled or owned by fundraisers, bundlers, and political allies, many of whom—surprise!—are now raising money for Obama again.

#### Loan guarantees fund felons

Marklay 12 (Lachlan, Investigative Reporter for Heritage Foundation, “USDA Backed $7.5 Million Stimulus Loan for Convicted Financial Felon,” http://blog.heritage.org/2012/06/21/usda-gave-7-5-million-stimulus-loan-to-convicted-financial-felon/) KGH

The U.S. Department of Agriculture guaranteed a $7.45 million loan to a company owned by a convicted financial felon as part of the president’s stimulus package. The loan guarantee, one of 515 given out by the USDA as part of the stimulus to fund rural development projects, helped David Myers and a partner purchase a home health agency in Mississippi. Myers was sentenced to nine months in prison in 2009 for falsifying financial records at telecommunications giant WorldCom. The crime inflicted significant damage on the company and its employees, according to Bloomberg News: The $11 billion accounting fraud wiped out more than 17,000 jobs and $184.6 billion in market value from WorldCom’s high on June 1999. Myers’s cooperation with prosecutors led to the guilty plea of Scott Sullivan, WorldCom’s former chief financial officer, who became the star government witness in the trial of Chief Executive Officer Bernie Ebbers. Ebbers was convicted in 2005. Federal law prohibits the government from directing funds to convicted felons within two years of their convictions, Myers pleaded guilty in 2002, five years before he was sentenced, making the USDA’s loan guarantee legal. But former WorldCom employees told Bloomberg that the USDA should not be trusting Myers with taxpayer funds given his record. “I don’t think criminals should be given federal stimulus money,” said one former employee. “Obviously he doesn’t know how to handle money honestly to begin with, or he wouldn’t have been involved with the fraud at WorldCom.” The USDA defended its decision, claiming that Myers’ company “demonstrated strong repayment ability, sufficient security for the loan and the loan saved jobs and helped meet the tremendous need for health care in rural Mississippi.” The USDA doesn’t know whether other felons received financing under the stimulus provision, according to Bloomberg.

#### Loan guarantees hide true cost by billions

Marklay 11(Lachlan, Investigative Reporter for Heritage Foundation, “Federal Accounting May Understate Costs of Solyndra-style Programs,” http://blog.heritage.org/2011/12/05/federal-accounting-may-understate-costs-of-solyndra-style-programs/) KGH

The accounting methodology used to measure the cost to taxpayers of federal loan guarantee programs such as the one that financed defunct solar company Solyndra may dramatically understate the programs’ financial risk to taxpayers. Simply put, the federal government ignores administrative costs and the risks of borrowers defaulting on their obligations. Under the Federal Credit Reform Act of 1990, the cost of federal financing is measured according to a discounted rate based on the cost of lending Treasury securities. That includes the cost of average losses from loan defaults, but it does not take market risk into account – the risk that borrowers will default based on present market conditions – or the administrative costs associated with it. In other words, the costs of federal loan guarantees are completely divorced from the financial realities facing private lenders. That reduces the cost of the programs on paper, but during periods of financial turbulence and a weak economy, the cost of the programs can be far higher than the FCRA methodology predicts. Fair-value accounting, an alternative method of measuring the costs to taxpayers of federal programs, does take the state of financial markets into account when estimating the costs of various financing mechanisms. Hence, it tends to produce a more accurate picture of the financial risks borne by taxpayers. Because fair-value accounting “include[s] administrative costs and the cost of risk,” explained Congressional Budget Office director Doug Elmendorf in March, “fair-value estimates provide a more comprehensive measure of the cost of loan and loan guarantee programs.” Elmendorf explained the difference in a letter to Sen. Judd Gregg, who asked for CBO to score President Obama’s government takeover of the student loan industry. CBO discovered that the FCRA measure understated the cost of the proposal by $28 billion. All CBO scores are based on the FCRA methodology unless the lawmakers who request them specify otherwise. That inevitably leads to inaccurate scoring, since market conditions are constantly changing. And of course failing to account for administrative costs further understates the true price tag of a subsidy or loan guarantee

#### Federal investment into the AIP is key to solve

Bennett 99 (Grant, D. “Funding Airport Infrastructure: Federal Options for Solvency”. August 5. Journal of Engineering and Public Policy; Denver Urban Renewal Authority Administrator. http://www.wise-intern.org/journal/1999/index.html)

Funding problems are the main priorities to address when looking at the future of airport infrastructure. Current political themes driving funding decisions obscure and ignore needed investments. Solutions involve funding options that link investment to airport demand for infrastructure. Only after long-term and dedicated investment is established can the internal FAA priorities on exact funding levels be addressed. Literature Review Airport Problems and Infrastructure Solutions The foreseeable future for airport infrastructure is grim. As growth in airline traffic continues, many experts predict that significantly higher spending will be needed for airport infrastructure. The National Civil Aviation Review Commission (NCARC) was established by Congress to review, in part, whether the Federal Aviation Administration (FAA) has the resources it needs to meet critical safety, security and operational activities, and to continue investing in airport capital development. The NCARC reports that the aviation field will soon feel dramatic effects from added flight delays. 9 The effects of flight delays were quantified when the Air Transport Association reported that the delays in aviation cost carriers $2.4 billion in 1997. 10 The FAA’ s National Plan of Integrated Airport Systems (NPIAS) came to the same conclusions regarding added flight delays in the future. It describes the most problematic areas of aviation to be large numbers of people exposed to high noise levels and delays due to congestion. 11 NPIAS helps the FAA to coordinate airport development, and includes some 3,344 airports that are “ significant to national air transportation.” It estimates $35.1 billion is needed over the next 5 years to meet the need of all segments of commercial and general aviation. The NPIAS suggests major airfield improvements, together with enhanced technology, will be needed to solve the problem. 12 Growth in passenger traffic requires increased infrastructure spending at airports. The NPIAS says that due to a 62% increase in passengers, more investment in terminals is necessary to accommodate this growth. 13 The national plan goes on to say that developing new runways at large and medium hub airports will help to relieve the load. While mentioning alternative solutions like scheduling more flights for off-peak hours, it concludes that congestion pricing to force alternative scheduling will not substitute for capacity enhancement. 14 An Aviation Week article states that trading frequency for capacity will not solve the problem. The article emphasizes that improvements like added runways, terminals and gates are the only solutions to the upcoming capacity problems. 15 If investment does not occur now, costs will escalate in the future. The GAO reports that airfield pavement rehabilitation will cost 2 to 3 times more if airports wait to fix the problem. 16 The NPIAS confirms this fact with recommendations that regular maintenance is needed for airfield pavement. 17 Although current pavement conditions are not terrible, the NPIAS credits funding from thousands of local and state agencies for these conditions. 18 In addition to cost savings and flight delays, safety is also addressed by infrastructure funding because federal money requires specific standards be used in airport development. The NPIAS says uniformity, with regards to infrastructure, helps promote safety and that federal funds ensure uniformity. 19 Experts throughout aviation argue that new infrastructure funding is necessary to increase capacity and safety, and reduce flight delays. Federal Funding Role Funding for the FAA primarily comes from the Aviation Trust Fund. In 1970 the Congress passed the Airport and Airway Revenue Act to establish the Aviation Trust Fund, which allowed the FAA to implement a series of user fees and gas taxes related to aviation as a source of revenue. 20 The Aviation Trust Fund then finances the FAA along with help from the general fund of the U.S. government. The appropriations to the FAA for fiscal year 1999 include $1.6 billion for the Airport Improvement Program, $1.9 billion for facilities and equipment, $150 million for research, engineering and development and $4.1 billion for FAA operations. The federal government general fund contributes approximately 26% of the FAA operations budget. 21 Airport Improvement Program The FAA, through the Airport Improvement Program (AIP), addresses infrastructure needs. The AIP was established to promote and enhance safety, security, capacity, noise mitigation and environmental concerns, and to promote the use of existing infrastructure (i.e., using former military airports for civilian use). 22 In general, the AIP receives money from the Aviation Trust Fund to address infrastructure and development needs and concerns at airports. Although the AIP is tasked to support airport infrastructure, the demand for further funding is not met by these federal dollars and the burden is falling on state and regional authorities. The overall capital development by airports in 1998 is shown in the chart below. 23 The tax-exempt bonds are issued at the regional level, leaving AIP grants as the sole source for federal funding. Even for AIP projects, the nonfederal share of funding is 10% for smaller airports and 25% for large and medium hub airports. 24 Passenger Facility Charges Although the federal government does not fund a majority of infrastructure, the AIP grants and Passenger Facility Charges (PFC’ s) combined cover over one-third of the development money, and could be increased to cover a larger share. PFC’ s began in 1992 by allowing airports to collect up to $3 per boarding passenger for preserving or enhancing airports’ safety, security, or capacity; reducing noise; or enhancing airline competition. 25 This allows for use of PFC’ s in development areas similar to AIP use, except with respect to airline competition. PFC’ s play a crucial role in addressing competition between airlines since regulations require development projects using these funds to enhance competition among airline carriers. Congress sets limits on the amounts of these charges, so current legislation to reauthorize the FAA looks to alter PFC levels. Current Legislation on Capitol Hill Realizing that airports need more funding for infrastructure, some members of Congress are asking why there is a surplus of money in the Aviation Trust Fund that could go to AIP grants. For 1999, the unexpended balance of the Aviation Trust Fund will be $3.41 billion. This money, along with unexpended balances from years past, will create a beginning balance in the Aviation Trust Fund of $12.3 billion for fiscal year 2000. 26 Addressing this concern, Rep. Bud Shuster (R-PA), Chairman of the House Committee on Transportation and Infrastructure, pushed H.R.1000 through the House on June 15th , 1999, by a vote of 316-110. 27 H.R.1000, the Aviation and Investment Reform Act for the 21st Century (AIR21), proposes AIP spending of $2.475 billion for FY2000, $4 billion for FY2001, $4.1 billion for FY2002, $4.25 billion for FY2003, and $4.35 billion for FY2004. Also included in H.R.1000 are proposals to change PFC caps to $4, $5, or $6. The proposed AIP funding levels in H.R.1000 are dramatically increased over current levels because of an AIR21 measure moving the Aviation Trust Fund off budget. Off budget treatment removes the Trust Fund from the Budget Enforcement Act, guaranteeing that all the dollars collected by the Aviation Trust Fund go to FAA programs. 28 The Senate bill reauthorizing the FAA does not move the Trust Fund off budget. The Air Transportation Improvement Act, S.82, sponsored by Chairman John McCain (R-AZ) of the Senate Committee on Commerce, Science and Transportation, proposes AIP spending of $2.41 billion for FY1999 and $2.475 billion for FY2000. 29 A conference committee will create the final bill to be passed by both houses of Congress and then to be signed or vetoed by the President. The bills from both the House of Representatives and the Senate increase funding for the AIP, but opposition within Congress and by the President is a problem. Congressional Opposition to Increased Funding Levels A key distinction to recognize is that the previously mentioned bills are authorizations. This legislation allows the money to be spent, but a second obstacle facing airport infrastructure and the FAA is the appropriations process in Congress. Appropriators actually give the money to specific programs, and the funding levels authorized are not necessarily the same as the money appropriated. Many members in Congress from Budget and Appropriations committees want to have oversight of the AIP funding, but they never mention the needs of airport infrastructure in their analysis. The Senate Budget Committee, chaired by Senator Pete Domenici (R-NM), says strong oversight is needed from both authorization and appropriation committees to prevent inappropriate spending. 30 Further analysis by the committee states that firewalls around aviation funding will not be sufficient alternatives for moving the Aviation Trust Fund off budget. Firewalls in legislation would allow for earmarking by Congress to specific AIP projects, but force the authorized funding levels to be spent on aviation. The main theme appearing is one of control and oversight of spending by the congressional committees. Reasons for wanting these controls do not focus on infrastructure needs, but instead focus on political concerns. Rep. C. W. Bill Young (R-FL), chairman of the House Appropriations Committee, worries that the increased spending from AIR21 will break the current budget caps and postpone income tax cuts for the general public. His main concerns revolve around maintaining fiscal discipline, tax cuts, and protecting social security. 31 Although Chairman Young warns of effects from moving the Aviation Trust Fund off budget, the Appropriations Committee recommended that $2.25 billion be spent on the AIP for FY2000, which is $65 million higher than FY1999 levels. 32 Presidential Politics in Infrastructure Spending The Clinton Administration, along with the FAA, has released a different proposal, S.545, to set AIP spending at $1.6 billion (current funding levels) for each fiscal year for FY2000 through FY2004. 33 This proposal also raises the caps on PFC’ s to $5 so as to increase nonfederal spending. The House Appropriations Committee is willing to spend more on AIP than the Clinton administration for FY2000. This is clearly a political conflict, as the FAA reports cited earlier state that increased funding is needed for airport infrastructure. The Executive Office of the President overlooks airport needs, like the appropriators, by saying that H.R.1000 would reduce the federal budget surplus so that there would be no long-term solvency to Social Security or Medicare. 34 Politics are controlling the reauthorization of the FAA, and the previous actions by Congress and the President reflect that theme. Status Quo Funding Levels Currently, and in the past, Congress and the President have extended the same funding levels to the FAA for a few months at a time so differences in funding priorities could be worked out. In May, the 1999 Emergency Supplemental Appropriations Act included an extension of the AIP authorization that expires August 6th , 1999. 35 As mentioned earlier, this funds the AIP at $1.6 billion annually. In all likelihood, the August deadline will cause a similar extension of previous funding levels if differences between the Senate and the House are not worked out soon. The effects from this kind of stop-and-go funding could lead to negative effects on airport infrastructure development and upkeep, but these effects fall outside of the scope of this paper. The Truth in Budgeting Alliance Whether the status quo is extended for a few more months or new legislation is enacted, changes in the methods of airport infrastructure funding need to be supported. Addressing this concern, the American Society of Civil Engineers supports having the trust fund moved off budget. 36 ASCE has joined the Alliance for Truth in Transportation Budgeting, which supports legislation to move all transportation trust funds off budget. Members of the alliance include: Airports Council International, Airports Consultants Council, Air Transport Association, National Air Carrier Association, National Association of State Aviation Officials, American Road and Transportation Builders Association and the U.S. Chamber of Commerce. 37 The alliance is advocating that all aviation dollars go to aviation projects, and stands as a strong force in the push for an off budget measure. The alliance supports the permanent extension of user fees to fund the specific areas they tax. Overview The growth of aviation and the needs of airports bring infrastructure spending to the forefront of the aviation debate. Political concerns block the path for dedicated funding of airport infrastructure. As the deadline approaches for the FAA reauthorization, analysis of the problems within infrastructure funding must be addressed to remedy the current situation. Pressing Conflicts and Long Term Concerns Airport infrastructure funding problems start with an increased need for money due to growth in aviation. The next obstacle to be faced involves supplying proactive funding to airports. These two concerns can only be addressed if problems within current funding mechanism at the federal level are solved. Once necessary funding is linked to airport infrastructure needs, the long term concerns for federal oversight and control can be addressed. Link Funding to Infrastructure As infrastructure needs more money for upkeep and growth, experts in aviation point to additional funding to solve current airport problems and to stay even with the growth in aviation. Federal funding needs to be linked to changes in the aviation system. Ideas like moving the Aviation Trust Fund off budget support the concept that dedicated user fees should be going back into the system they came from. As aviation gets larger the taxes collected and funding spent on infrastructure should reflect the growth in system size. Even if forecasts for growth and need are wrong, a link between system changes and spending are still not in place. To implement a strong funding mechanism, loopholes in the system must be overcome. Internal Conflicts within the FAA The FAA is essentially reporting limited needs with the presidential budget request in mind. The airport funding proposal the FAA submits to the President has an overall need value based on desired funding levels, giving a false picture of real needs. 38 To determine which AIP projects are at the top of the funding list, the FAA uses the National Priority System (NPS). The NPS ranks projects according to criteria vital to the National Plan of Integrated Airport Systems (NPIAS). 39 This false sense of need looks at what legislation will address and not at what aviation demand actually requires. This internal conflict of actual demand versus presidential requests clearly presents problems for determining how much funding is really needed. Nonfederal Funding Role Increasing PFC’ s for a large infrastructure burden could have significant negative effects on the NPIAS and small airports. A Congressional Budget Office report states that large airports could succeed without federal aid if caps on PFC’ s were raised or eliminated. This method would leave smaller airports in a difficult spot to finance capital investment since PFC’ s help large airports the most. 40 The report states that small airports’ finances are not all the same, but the federal role of funding is still important. The AIP, with a mission complementary and contrasting to PFC’ s purpose, stands to help the national aviation system instead of PFC’ s helping individual airports. The federal role in funding airport infrastructure needs to be resolved before system philosophies can be debated. Politics in the System Congressional and presidential control of funding has political themes overpowering the effects of poor infrastructure in the current funding debate. As the benefits from increased investment in airports are proven, the federal surplus, created in part by the Aviation Trust Fund, allows lawmakers to address larger social programs. The political benefits of promoting social security, Medicare and tax cuts limit the solvency of the funding mechanism in the current era. Pushing for strong infrastructure funding will move the fight in the right direction, but the political realm is in the way. Concerns for Federal Oversight and Control Assuming that airport infrastructure funding can be linked to growth in aviation demand, long-term concerns for functionality of the system will arise. Immediately funding the entire demand of aviation is not reasonable and the current funding available through the Aviation Trust Fund is not necessarily the right amount. There are no exact figures for infrastructure funding levels that will ensure functionality of the airport system. The concern that the Trust Fund might not have enough money for infrastructure opens debate for altering the revenue. Altering PFC’ s or taxation levels could remedy the problem, but the Trust Fund is split among the many needs of the FAA and not on infrastructure alone. The lack of knowledge regarding total needs opens the door for checks and balances in the funding system. A lack of congressional and presidential oversight could lead to unnecessary and unreasonable spending. The NPIAS looks to aviation demand, but does not consider cost-benefit analysis when evaluating growth for projects under $5 million. 41 Review of benefits versus costs for smaller AIP projects could help resolve this issue. Oversight that does not affect funding levels politically could also help. Firewalls that protect funding levels or controls for the taxes taken into the Trust Fund are ideas for oversight and control, but this debate is a long way off when looking at the current situation.

### No Solvency—Flexibility

#### Flexible Solutions are key to solve [?]

De Neufville 8 (Richard, MIT Prof, *Building Airport Systems for the Next Generation*, http://ardent.mit.edu/real\_options/Real\_opts\_papers/NAS%20Bridge%20Article.pdf) LA

We must begin to think strategically about developing the system of airports. We must also anticipate and design for a variety of possible scenarios. A fixed plan, built around a single prediction of the future is invariably ineffective. Excellent performance requires that designers think through the possible consequences of decisions, develop contingency plans, and commit to making only one move at a time. Thinking strategically about designing the overall system of airport infrastructure represents a change in engineering practice. This shift in thinking is absolutely necessary to confront the realities of the new situation, but there is no doubt that the transition will be difficult. Old patterns of thought, however obsolete, are hard to change once they have been imprinted through practice. 9 The shift to a new strategic approach will require not only changes in the engineering paradigm, but also changes in procedures. Current research is being conducted to determine the best approaches to these changes. Procedurally, we must calculate the possible consequences of different developments under different scenarios associated with future uncertainties. In doing so, we will be able to identify unfavorable outcomes that we must protect against, as well as opportunities we must ready to exploit. As in good financial management, we need the equivalent of options—“puts” against the possible downside outcomes and “calls” on the upside opportunities; technically, these are “real options in the system”.1 There are many ways to develop real options in engineering systems, particularly in airports (de Neufville, 2007). The essence of new strategic thinking about the development of infrastructure is flexible design, which involves components that system managers can adapt to future conditions as they unfold. For example, the design for the new passenger building at the Toronto airport includes a number of interior passageways that make it possible to use given gates for different kinds of traffic (such as international and domestic) that must be handled separately.2 This arrangement will enable airport operators to adapt their facilities to handle a wide range of possible short- and long-term variations in traffic. To design for the airport system as a whole, we can no longer simply repair the components that “squeak the loudest” or are the most politically expedient. We must develop a process for identifying what will be best for the system as a whole and then investing in those areas. Inevitably, this will mean investing in system components that do not currently have a large amount of traffic or support. For example, a systems perspective on the development of additional airport capacity around Chicago would have considered the relative values of two alternatives: (1) building a brand new 10 airport on a green-field site; and (2) modernizing Chicago/O’Hare (the second-busiest airport in the world) while keeping it operational. In the current institutional framework, the first option could not be given serious consideration because the mayor of Chicago (traditionally a Democrat) would not allow the governor of Illinois (frequently a Republican) to control the process. Furthermore, statutes largely obligate the federal government to allocate airport funds to facilities in proportion to their traffic volume (by definition non-existent at a new airport). Designing for the system as a whole will constitute a fundamental paradigm shift, which may be particularly difficult to achieve in the United States and EU, which both consist of separate states with the own entitlements. This circumstance may represent a grand challenge for the development of airport infrastructure—and, more generally, of rapid intercity transportation, which can be supplied by rail systems, such as the Japanese Shinkansen or the French TGV.

### FAA Bad—Oversight

#### FAA is terrible at monitoring programs—undermines effectiveness

Mitchell 10 (Mike, AvStop.com, *FAA’s Oversight of Air Carrier Inspection Continues to be Ineffective*, http://avstop.com/news\_april\_2010/faa\_s\_oversight\_of\_air\_carrier\_inspections\_continues\_to\_be\_ineffective.htm) LA

April 6, 2010 - DOT’s Inspector General’s Office testified before congress, Subcommittee on Transportation, in their report they indicated the FAA’s oversight of the Air Transportation Oversight System (ATOS) inspections continues to be ineffective at the national level in large part because the FAA does not collect data on all overdue inspections or fully utilize the data it already collects.   In response to DOT 2008 recommendation, the FAA established a process to compile inspection data at the national level and distribute quarterly reports to alert regional managers to overdue inspections. However, FAA’s data tracking efforts still lack accountability in two key areas. First, FAA does not monitor completion of a key group of inspections, those identified as scheduled, but not yet assigned.   From June 2008 through June 2009, 237 scheduled inspections were left unassigned and uncompleted—and none were being tracked by FAA to completion. While local oversight offices rescheduled some of the inspections, they were not projected for completion for as much as 4 years beyond the original inspection date Unless the FAA holds regional managers accountable for ensuring that local inspection offices complete these inspections, they will continue to lapse beyond the minimum inspection intervals established by FAA. Inspecting air carrier programs at required time intervals is critical to validate the levels of risk that might exist in air carrier programs

### 

### **1NC Econ Advantage**

#### **1. US and global economy is resilient**

Behravesh 6 (Nariman, most accurate economist tracked by USA Today and chief global economist and executive vice president for Global Insight, Newsweek, “The Great Shock Absorber; Good macroeconomic policies and improved microeconomic flexibility have strengthened the global economy's 'immune system.'” 10-15-2006, www.newsweek.com/id/47483)

The U.S. and global economies were able to withstand three body blows in 2005--one of the worst tsunamis on record (which struck at the very end of 2004), one of the worst hurricanes on record and the highest energy prices after Hurricane Katrina--without missing a beat. This resilience was especially remarkable in the case of the United States, which since 2000 has been able to shrug off the biggest stock-market drop since the 1930s, a major terrorist attack, corporate scandals and war. Does this mean that recessions are a relic of the past? No, but recent events do suggest that the global economy's "immune system" is now strong enough to absorb shocks that 25 years ago would probably have triggered a downturn. In fact, over the past two decades, recessions have not disappeared, but have become considerably milder in many parts of the world. What explains this enhanced recession resistance? The answer: a combination of good macroeconomic policies and improved microeconomic flexibility. Since the mid-1980s, central banks worldwide have had great success in taming inflation. This has meant that long-term interest rates are at levels not seen in more than 40 years. A low-inflation and low-interest-rate environment is especially conducive to sustained, robust growth. Moreover, central bankers have avoided some of the policy mistakes of the earlier oil shocks (in the mid-1970s and early 1980s), during which they typically did too much too late, and exacerbated the ensuing recessions. Even more important, in recent years the Fed has been particularly adept at crisis management, aggressively cutting interest rates in response to stock-market crashes, terrorist attacks and weakness in the economy. The benign inflationary picture has also benefited from increasing competitive pressures, both worldwide (thanks to globalization and the rise of Asia as a manufacturing juggernaut) and domestically (thanks to technology and deregulation). Since the late 1970s, the United States, the United Kingdom and a handful of other countries have been especially aggressive in deregulating their financial and industrial sectors. This has greatly increased the flexibility of their economies and reduced their vulnerability to inflationary shocks. Looking ahead, what all this means is that a global or U.S. recession will likely be avoided in 2006, and probably in 2007 as well. Whether the current expansion will be able to break the record set in the 1990s for longevity will depend on the ability of central banks to keep the inflation dragon at bay and to avoid policy mistakes. The prospects look good. Inflation is likely to remain a low-level threat for some time, and Ben Bernanke, the incoming chairman of the Federal Reserve Board, spent much of his academic career studying the past mistakes of the Fed and has vowed not to repeat them. At the same time, no single shock will likely be big enough to derail the expansion. What if oil prices rise to $80 or $90 a barrel? Most estimates suggest that growth would be cut by about 1 percent--not good, but no recession. What if U.S. house prices fall by 5 percent in 2006 (an extreme assumption, given that house prices haven't fallen nationally in any given year during the past four decades)? Economic growth would slow by about 0.5 percent to 1 percent. What about another terrorist attack? Here the scenarios can be pretty scary, but an attack on the order of 9/11 or the Madrid or London bombings would probably have an even smaller impact on overall GDP growth.

#### Economy is resilient

Main Wire 8 (Reporting the Congressional Budget Office Summer Report on Economic Assessments, “FOMC Seen Hiking FFR Through '09,'10”, 9-9, Lexis)

However, the economic outlook could also improve sooner than CBO is currently forecasting. During the past 25 years, the economy has been resilient in the face of adverse shocks; since 1983, it has experienced only two relatively mild recessions, and inflation has been much more contained than in earlier years. Some economists attribute that long period of relative stability to a number of developments -- for example, less economic regulation, greater competition in labor and product markets (including globalization), and more-effective monetary policy. They argue that the economy has become more competitive and more flexible, able to respond to shocks because prices can adjust more quickly to reflect relative scarcities. (According to that view, scarce goods and services can be quickly redirected to their most valued uses, and a price shocks negative effect on output will be muted.) The current turbulence in the financial markets is testing that argument, but up to now, the economy has coped with the severe shocks of the past year relatively well. In particular, in a distinct contrast to events following the shocks of the 1970s, the lack of a steady surge in core inflation and unit labor costs, and the degree to which the consumption of petroleum products has declined, indicate an efficient response by businesses and households to skyrocketing oil prices. (For example, initial estimates indicate that the consumption of petroleum products during the second quarter of this year was about 4 percent lower than it was a year ago, even though real GDP was 1.8 percent higher. In contrast to responses to earlier oil price shocks, the reduction in the use of petroleum per unit of GDP has occurred without causing major disruptions.) Moreover, the apparent restraint in core inflation has given the Federal Reserve more latitude to try to mitigate the downturn in the economy. Also, some of the negative effects that the shortage of credit has had on businesses' investment spending may have been alleviated by the relatively healthy balance sheets of nonfinancial corporations.

#### **2. Economic decline doesn’t cause war**

Ferguson 6 (Niall, Professor of History – Harvard University, Foreign Affairs, 85(5), September / October, Lexis)

Nor can economic crises explain the bloodshed. What may be the most familiar causal chain in modern historiography links the Great Depression to the rise of fascism and the outbreak of World War II. But that simple story leaves too much out. Nazi Germany started the war in Europe only after its economy had recovered. Not all the countries affected by the Great Depression were taken over by fascist regimes, nor did all such regimes start wars of aggression. In fact, no general relationship between economics and conflict is discernible for the century as a whole. Some wars came after periods of growth, others were the causes rather than the consequences of economic catastrophe, and some severe economic crises were not followed by wars.

#### Economic decline doesn’t cause war – --Studies prove

Miller 00 (Morris, Economist, Adjunct Professor in the Faculty of Administration – University of Ottawa, Former Executive Director and Senior Economist – World Bank, “Poverty as a Cause of Wars?”, Interdisciplinary Science Reviews, Winter, p. 273)

The question may be reformulated. Do wars spring from a popular reaction to a sudden economic crisis that exacerbates poverty and growing disparities in wealth and incomes? Perhaps one could argue, as some scholars do, that it is some dramatic event or sequence of such events leading to the exacerbation of poverty that, in turn, leads to this deplorable denouement. This exogenous factor might act as a catalyst for a violent reaction on the part of the people or on the part of the political leadership who would then possibly be tempted to seek a diversion by finding or, if need be, fabricating an enemy and setting in train the process leading to war. According to a study undertaken by Minxin Pei and Ariel Adesnik of the Carnegie Endowment for International Peace, there would not appear to be any merit in this hypothesis. After studying ninety-three episodes of economic crisis in twenty-two countries in Latin America and Asia in the years since the Second World War they concluded that:19 Much of the conventional wisdom about the political impact of economic crises may be wrong ... The severity of economic crisis – as measured in terms of inflation and negative growth - bore no relationship to the collapse of regimes ... (or, in democratic states, rarely) to an outbreak of violence ... In the cases of dictatorships and semidemocracies, the ruling elites responded to crises by increasing repression (thereby using one form of violence to abort another).

#### No resources

Duedney 91 (Daniel, Hewlett Fellow in Science, Technology, and Society – Princeton University, “Environment and Security: Muddled Thinking?”, Bulletin of the Atomic Scientists, April)

Poverty wars. In a second scenario, declining living standards first cause internal turmoil, then war. If groups at all levels of affluence protect their standard of living by pushing deprivation on other groups, class war and revolutionary upheavals could result. Faced with these pressures, liberal democracy and free market systems could increasingly be replaced by authoritarian systems capable of maintaining minimum order.9 If authoritarian regimes are more war-prone because they lack democratic control, and if revolutionary regimes are war-prone because of their ideological fervor and isolation, then the world is likely to become more violent. The record of previous depressions supports the proposition that widespread economic stagnation and unmet economic expectations contribute to international conflict. Although initially compelling, this scenario has major flaws. One is that it is arguably based on unsound economic theory. Wealth is formed not so much by the availability of cheap natural resources as by capital formation through savings and more efficient production. Many resource-poor countries, like Japan, are very wealthy, while many countries with more extensive resources are poor. Environmental constraints require an end to economic growth based on growing use of raw materials, but not necessarily an end to growth in the production of goods and services. In addition, economic decline does not necessarily produce conflict. How societies respond to economic decline may largely depend upon the rate at which such declines occur. And as people get poorer, they may become less willing to spend scarce resources for military forces. As Bernard Brodie observed about the modern era, “The predisposing factors to military aggression are full bellies, not empty ones.” The experience of economic depressions over the last two centuries may be irrelevant, because such depressions were characterized by under-utilized production capacity and falling resource prices. In the 1930s increased military spending stimulated economies, but if economic growth is retarded by environmental constraints, military spending will exacerbate the problem.

#### No timeframe

Russett 83 (Bruce, Dean Acheson Professor of International Relations and Political Science – Yale University, “Prosperity and Peace: Presidential Address”, International Studies Quarterly, 27(4), p. 384)

The ‘optimism’ argument seems strained to me, but elements of Blainey’s former thesis, about the need to mobilize resources before war can be begun, are more plausible, especially in the 20th century. Modern wars are fought by complex organizations, with complex and expensive weapons. It takes time to design and build the weapons that military commanders will require, and it takes time to train the troops who must use them. Large bureaucracies must plan and obtain some consensus on those plans; and even in a dictatorship the populace in general must be prepared, with clear images of who are their enemies and of the cause that will justify war with them. In short, preparations for war take time. Just how long a lag we should expect to find between an economic downturn and subsequent war initiation is unclear. But surely it will be more than a year or two, and war may well occur only after the economy is recovering.

#### Economic downturn doesn’t cause war – empirics prove

Blackwill 9 (Robert, former deputy National Security Advisor for Strategic Planning, “The Geopolitical Consequences of the World Economic Recession—A Caution,” Occasional Papers @ RAND Institute. [PDF Online @] www.rand.org/pubs/occasional\_papers/OP275.html)

Earlier slumps that have affected the United States may hold lessons regarding the present one. Including this recession, from 1945 to 2009, the National Bureau of Economic Research has identified 12 U.S. recessions; excluding the current recession, their average duration was ten months (peak to trough).8 Did any of these post–World War II U.S. economic downturns result in deep structural alterations in the international order, that is, a fundamental, long-term change in the behavior of individual nations? None is apparent. Indeed, on some occasions geopolitical events caused international economic dips, but not the other way around. For example, the Iranian Revolution in 1979 sharply increased the global price of oil, which in turn produced an international energy crisis and, abetted by tight monetary policy by the Federal Reserve, a U.S. recession.

#### 3. U.S. isn’t key to the global economy

ML 6 (Merrill Lynch, “US Downturn Won’t Derail World Economy”, 9-18, http://www.ml.com/index.asp?id=7695\_7696\_8149\_63464\_70786\_71164)

A sharp slowdown in the U.S. economy in 2007 is unlikely to drag the rest of the global economy down with it, according to a research report by Merrill Lynch’s (NYSE: MER) global economic team. The good news is that there are strong sources of growth outside the U.S. that should prove resilient to a consumer-led U.S. slowdown. Merrill Lynch economists expect U.S. GDP growth to slow to 1.9 percent in 2007 from 3.4 percent in 2006, but non-U.S. growth to decline by only half a percent (5.2 percent versus 5.7 percent). Behind this decoupling is higher non-U.S. domestic demand, a rise in intraregional trade and supportive macroeconomic policies in many of the world’s economies. Although some countries appear very vulnerable to a U.S. slowdown, one in five is actually on course for faster GDP growth in 2007. Asia, Japan and India appear well placed to decouple from the United States, though Taiwan, Hong Kong and Singapore are more likely to be impacted. European countries could feel the pinch, but rising domestic demand in the core countries should help the region weather the storm much better than in previous U.S. downturns. In the Americas, Canada will probably be hit, but Brazil is set to decouple.

#### **US not key to world economy – US recession at a time of global growth empirically proves**

Greenspun 8/1/2011 (Philip, semi-retired American computer scientist, educator, and early Internet entrepreneur who was a pioneer in developing online communities, “Does It Make Sense To Talk About The U.S. Economy Being In A Recession?,” Business Insider, http://www.businessinsider.com/philip-greenspun-recession-economy-2011-8)

A commenter on a recent blog post says “Philip, I know you don’t believe there’s a recession” (based on the fact that the NBER declared the U.S. economy to have come out of the most recent recession in the summer of 2009). It occurred to me that maybe asking whether or not the U.S. economy is in a recession is the wrong question. Now that the world economy is so tightly linked, what does it mean for a single country to be in a “recession”? A recession implies that there is a business cycle within each country that inevitably expands and contracts. Thus if a country is “in recession”, without any changes in laws, education, tax rates, or attitudes, it will inevitably enjoy strong growth when the recession is over. The world economy has never been in better shape than right now. You might not get that perspective from news articles, but of course they tend to focus on problem spots such as Greece, Ireland, the U.S., etc. There has been a huge amount of growth in the world economy since 2007 (chart). If a country, such as the U.S., has a smaller economy than it did in 2007, does it make sense to say that country is “in a recession” or simply that whatever conditions are necessary for growth in the current world economy are not present in that country? Does it make sense to predict that next year will be different from this year in terms of a business’s willingness to invest in the U.S.? The existence of growth generates inequality. In a subsistence economy, most people have about the same standard of living. Growth, however, will affect different people to different extents and lead to an inequality of income and wealth. Rather than talk about recession or expansion of a particular economy, would it not make more sense to say that different regions of the world will enjoy a larger or smaller share of the world’s economy growth? Even within the U.S., the expansion periods have not been experienced equally in all regions and industries. Michigan stagnated while North Carolina grew. Investment banks grew fat while other kinds of companies at best stayed even. The U.S. recession is over and yet there are a lot of unemployed Americans. Maybe the answer is that it simply is not productive to consider the concept of a national “recession” at a time when the world economy is exploding with growth.

### AT: Economy Solvency

#### **Only demand management solves, NextGen can’t alone**

Barkowski 10 (Justin T, Pepperdine University and of California Berkeley, *Managing Air Traffic Congestion Through the Next Generation Air Transportation System: Satellite-Based Technology, Trajectories, and - Privatization?*, Pepperdine Law Review, 37 Pepp. L. Rev. 247, Lexis)

D. Unresolved Demand-Management Policies With or without an ATC commercialization debate, the airlines and the new Secretary of Transportation, Ray LaHood, strongly believe that NextGen is the key to solving congestion. 223 One author even argues that "airside capacity shortages and suboptimal usage/management of airspace" is the underlying cause of air traffic congestion. 224 While these concerns undoubtedly need to be addressed through NextGen, there is a severe problem when airspace capacity increases but corresponding airport resources and infrastructure do not. This will be the case in high-density areas where any room for expansion is nearly impossible. 225 Even the JPDO is skeptical that NextGen is a "cure-for-all," stating that where "airport infrastructure [development] cannot be accomplished using existing resources," the airports will have to implement "market-based mechanisms such as peak period pricing to ease congestion" in times of high demand. 226 Merely increasing the availability of landing and takeoffs at a high-density airport may not have the desired cure-for-all effect that industry participants might expect. For example, in 2004 American and United Airlines agreed with the FAA to voluntarily reduce the number of scheduled flights out of Chicago O'Hare by 12.5% in order to help fight congestion. 227 In effect, this increased the number of potential flights out of that airport during the agreed upon times through its voluntary reduction, just as NextGen [\*296] would do. However, the opening up of more space simply resulted in other airlines adding "flights while the hub carriers cut their schedules," providing no relief to the airport congestion problem. 228 NextGen essentially creates this increased capacity without any supplemental FAA policies to address how this extra space in the system will be allocated to air carriers that are continuously demanding more flights than the system can handle. 229 To prevent air traffic congestion from resulting after the implementation of NextGen, like it had in Chicago, effective demand-management policies are therefore critically in need. Given the historical struggles, 230 this may be difficult to accomplish.

#### **Alt cause—no runways or controllers**

Williams 9 (Genevra, J.D. Candidate – Southern Methodist University Dedman School of Law and B.B.A. –University of Iowa, “GPS For The Sky: A Survey of Automatic Dependent Surveillance-(ADS-B) and its Implementation in the United States”, Journal of Air Law and Commerce, Spring, 74 J. Air L. & Com. 473, Lexis)

The U.S. aviation infrastructure faces many challenges if it is going to accommodate this expansion in air traffic. For example, there is a shortage in the number of runways from which all of these planes must take off and land. 44 While an in-depth analysis of the airport capacity problems relating to takeoff and landing are outside the scope of this paper, it is worth noting that runway and airport expansion is a special kind of problem. Long takeoff and landing delays, often suffered in the cramped quarters of a plane on the tarmac or circling over an airport, are infuriating to passengers, yet no one wants an already noisy airport further crowding into their neighborhood. 45 Another problem is the profound shortage of qualified air traffic controllers. 46 Over the next ten years, the bulk of today's air traffic controllers must be replaced. 47 The majority of today's controllers were hired in the 1980s after President Reagan fired 10,000 striking controllers, 48 and now they are all approaching the mandatory retirement age of fifty-six years. 49 The FAA has been scrambling to retain experienced air traffic controllers who have not yet hit retirement age by offering six-figure salaries in some locations, and relocation bonuses of up to [\*479] $ 75,000. 50 The shortage is compounded by a protracted labor dispute between the National Air Traffic Controllers Association and the FAA that contributes to serious worker dissatisfaction. 51 Of the 1,876 controllers who retired between 2005 and 2008, only thirty-seven did so because they reached mandatory retirement age. 52 "The attrition rate was 23 percent higher than projected, and even the FAA acknowledges some of that is because of the labor dispute." 53

#### **NextGen implementation is too slow**

Halsey 12 (Ashley, Transportation Writer for the Washington Post, *New Guidance System for Skies Could Face Delays*, WashingtonPost.com, http://www.washingtonpost.com/local/antidote-to-air-gridlock-is-complex- undertaking/2011/06/30/AG9bdnwH\_story\_4.html) LA

The very business of getting aloft — the time that passengers know as the minutes between the “buckle your seat belts” order and “you are free to move about the cabin” — is an intricate choreography between controllers and the cockpit. “Two seventy on the heading, Southwest 658 going to departure,” the pilot says just after liftoff from Dulles, repeating the compass direction given by the Dulles tower. Then he tells a controller based in Warrenton that he’s climbing. “Potomac departure, Southwest 658, passing [1,800 feet] for 3,000, heading 270,” he radios. The new controller tells him to keep climbing to 5,000 feet and maintain that altitude. That keeps him 1,000 feet below flights heading to land at Dulles. When the plane reaches a waypoint known as “Blues,” a new controller takes over and orders Flight 658 to 12,000 feet. When Flight 658 reaches another waypoint, over Linden, Va., the pilot is told to head for 17,000 feet. Then he is handed over to a new controller, on a different radio frequency, who takes the flight to 27,000 feet before handing over to yet another controller who ultimately guides the plane to its 40,000-foot cruising altitude. Now, “you are free to move about the cabin.” If all that sounds complicated and open to human error, one goal of NextGen is to replace almost all of it with new technology, much of it in the cockpit. Can the FAA deliver? NextGen has virtually no credible enemies — not in the administration, not on Capitol Hill and not in the airline industry. But the seemingly simple concept is layered like an onion with complexities. In addition to demanding an enormous investment, there is a confluence of history and technology that creates a hurdle to progress. Airlines fear that the FAA will not meet its timetable for creation of the network of ground-based stations and satellite links that will make it all work. “The FAA’s track record on deployment hasn’t been good,” said Russ Chew, a former airline executive and former FAA chief operating officer. “The FAA could be perfect in meeting NextGen deadlines, but [private investors] are looking at past history.” Michael P. Huerta, the FAA deputy administrator who was given charge of NextGen after an internal shake-up this year, said he is well aware of that. “How can they be sure that FAA will deliver on its commitments? That’s a fair question,” Huerta said As for evidence of the rapid pace of technological advancement, one need look no further than GPS. The technology is advancing so quickly that some car buyers opt against the factory-installed unit for fear that it will be outdated in a year or two. Airlines have the same issue. “If I go first, I’ll have to bear the cost of updating the software, and when [NextGen is] turned on, I’ll have the oldest, most obsolete systems out there,” Chew said. In addition, the FAA must clear through a jungle of procedures and retrain 15,475 air traffic controllers to deal with a system that will entirely replace the old one. “A lot of the tough stuff is new procedures, is human-machine interface and human factors, moving from an air traffic control mind frame to an air traffic management mind frame” that puts greater responsibility in the hands of pilots, said Bobby Sturgell, former acting FAA administrator. Congress has tossed more uncertainty into the mix by extending the current FAA funding plan 20 times rather than approving a comprehensive long-term spending plan that imposes strict NextGen deadlines on the agency. “NextGen is threatened,” Chew said. “Everyone knows it. The FAA budget is under pressure. Even they will say that NextGen is on track, but it’s not.” JetBlue, with $4.2 million in federal funding help, and Southwest Airlines, with federal incentives, have installed some of the technology, but other airlines are reluctant to move ahead. “Absolutely I’m concerned about the schedule,” said Gary Kelly, chief executive of Southwest, which has spent $94 million on NextGen. “I’m concerned that we don’t have metrics in place to measure the progress. Any investment, any project, has to be evaluated based upon the risk of the return, and I’m not going to argue with you, this is a very high risk-return, because we’re not in control of the benefits.”

### Economy Resilient

#### The U.S. economy is resilient, and can react adequately to new economic threats.

Behravesh 6 (Nariman, most accurate economist tracked by USA Today and chief global economist and executive vice president for Global Insight, Newsweek, “The Great Shock Absorber; Good macroeconomic policies and improved microeconomic flexibility have strengthened the global economy's 'immune system.'” 10-15-2006, [www.newsweek.com/id/47483](http://www.newsweek.com/id/47483), ATP)

The U.S. and global economies were able to withstand three body blows in 2005--one of the worst tsunamis on record (which struck at the very end of 2004), one of the worst hurricanes on record and the highest energy prices after Hurricane Katrina--without missing a beat. This resilience was especially remarkable in the case of the United States, which since 2000 has been able to shrug off the biggest stock-market drop since the 1930s, a major terrorist attack, corporate scandals and war. Does this mean that recessions are a relic of the past? No, but recent events do suggest that the global economy's "immune system" is now strong enough to absorb shocks that 25 years ago would probably have triggered a downturn. In fact, over the past two decades, recessions have not disappeared, but have become considerably milder in many parts of the world. What explains this enhanced recession resistance? The answer: a combination of good macroeconomic policies and improved microeconomic flexibility. Since the mid-1980s, central banks worldwide have had great success in taming inflation. This has meant that long-term interest rates are at levels not seen in more than 40 years. A low-inflation and low-interest-rate environment is especially conducive to sustained, robust growth. Moreover, central bankers have avoided some of the policy mistakes of the earlier oil shocks (in the mid-1970s and early 1980s), during which they typically did too much too late, and exacerbated the ensuing recessions. Even more important, in recent years the Fed has been particularly adept at crisis management, aggressively cutting interest rates in response to stock-market crashes, terrorist attacks and weakness in the economy. The benign inflationary picture has also benefited from increasing competitive pressures, both worldwide (thanks to globalization and the rise of Asia as a manufacturing juggernaut) and domestically (thanks to technology and deregulation). Since the late 1970s, the United States, the United Kingdom and a handful of other countries have been especially aggressive in deregulating their financial and industrial sectors. This has greatly increased the flexibility of their economies and reduced their vulnerability to inflationary shocks. Looking ahead, what all this means is that a global or U.S. recession will likely be avoided in 2006, and probably in 2007 as well. Whether the current expansion will be able to break the record set in the 1990s for longevity will depend on the ability of central banks to keep the inflation dragon at bay and to avoid policy mistakes. The prospects look good. Inflation is likely to remain a low-level threat for some time, and Ben Bernanke, the incoming chairman of the Federal Reserve Board, spent much of his academic career studying the past mistakes of the Fed and has vowed not to repeat them. At the same time, no single shock will likely be big enough to derail the expansion. What if oil prices rise to $80 or $90 a barrel? Most estimates suggest that growth would be cut by about 1 percent--not good, but no recession. What if U.S. house prices fall by 5 percent in 2006 (an extreme assumption, given that house prices haven't fallen nationally in any given year during the past four decades)? Economic growth would slow by about 0.5 percent to 1 percent. What about another terrorist attack? Here the scenarios can be pretty scary, but an attack on the order of 9/11 or the Madrid or London bombings would probably have an even smaller impact on overall GDP growth.

#### **The U.S. economy is stable and resilient to adverse shocks.**

Main Wire 8 (Reporting the Congressional Budget Office Summer Report on Economic Assessments, “FOMC Seen Hiking FFR Through '09,'10”, 9-9, Lexis, ATP)

However, the economic outlook could also improve sooner than CBO is currently forecasting. During the past 25 years, the economy has been resilient in the face of adverse shocks; since 1983, it has experienced only two relatively mild recessions, and inflation has been much more contained than in earlier years. Some economists attribute that long period of relative stability to a number of developments -- for example, less economic regulation, greater competition in labor and product markets (including globalization), and more-effective monetary policy. They argue that the economy has become more competitive and more flexible, able to respond to shocks because prices can adjust more quickly to reflect relative scarcities. (According to that view, scarce goods and services can be quickly redirected to their most valued uses, and a price shocks negative effect on output will be muted.) The current turbulence in the financial markets is testing that argument, but up to now, the economy has coped with the severe shocks of the past year relatively well. In particular, in a distinct contrast to events following the shocks of the 1970s, the lack of a steady surge in core inflation and unit labor costs, and the degree to which the consumption of petroleum products has declined, indicate an efficient response by businesses and households to skyrocketing oil prices. (For example, initial estimates indicate that the consumption of petroleum products during the second quarter of this year was about 4 percent lower than it was a year ago, even though real GDP was 1.8 percent higher. In contrast to responses to earlier oil price shocks, the reduction in the use of petroleum per unit of GDP has occurred without causing major disruptions.) Moreover, the apparent restraint in core inflation has given the Federal Reserve more latitude to try to mitigate the downturn in the economy. Also, some of the negative effects that the shortage of credit has had on businesses' investment spending may have been alleviated by the relatively healthy balance sheets of nonfinancial corporations.

### Terrorism Advantage 1NC

#### 1. No threats - terrorists are focused on Syria more than the US

China Daily 7/3 ("Syrian crisis becomes increasingly militarized" http://usa.chinadaily.com.cn/world/2012-07/03/content\_15543719.htm) BSB

As the Syrian crisis has grown more militarized with armed opposition fighters attacking, kidnapping and ambushing government troops, Syrian President Bashar al-Assad seems to have become more decisive regarding what his administration regards as "terrorism" and endorsed Monday an anti-terrorism legislation in a bid to legally back the ongoing pursuit of armed opposition. The Syrian forces and the armed opposition on ground have been at each other's throats recently with armed fighters undertaking guerrilla-style attacks on army and security bases, while the Syrian administration has decided to flush the existence of those armed elements once and for all and unleashed a large-scale military "cleansing" campaign in the rebellious areas. The military operation started 10 days ago in the restive suburbs of the Syrian capital of Damascus. Sounds of shelling and gunshots have become daily occurrences, particularly in the early morning and at night. The latest operation was in the restive suburb of Douma, a scene of armed insurgency, in which the military troops have succeeded over the past hours in dislodging the armed rebels. An official source at the Syrian Red Crescent told Xinhua Monday that large swathes of sprawling Douma have been cleaned. He said humanitarian assessment missions have succeeded in entering the area and evacuated 26 restive people. Syria defends its crackdown, saying that foreign-backed extremists are fighting on its soil. The government has provided names of foreign fighters that have recently been arrested, mainly Tunisians with affiliations to al-Qaida.

#### 2. Next gen can't solve. Terrorists will get around it

Thomas 11 (Evan Thomas, author and professor of journalism at Princeton University, "Is terrorism inevitable?" cnn.com, http://globalpublicsquare.blogs.cnn.com/2011/07/06/is-terrorism-inevitable-interview-with-evan-thomas/) BSB

Evan Thomas: I’m not sure there’ll be one single figure. What I’m more worried about is the psychological point. What scared us was not bin Laden sitting in a cave with his beard. It was that these cavemen learned how to use modern technology against us. These people who want to return the world to the 8th century were able to use jet airplanes to kill a lot of people. As an article in Wired Magazine put it a decade ago, technology is a force multiplier for evil. Anarchists in 1905 set off a bomb and killed people outside JP Morgan. A single person today with the know-how and the smarts can do much more damage, especially through biological weapons. If somebody got their hands on the right spore, they could kill thousands and conceivably millions. I fear that the progress in technology will make it easier for one man or woman or small group to do terrible harm to fulfill their crazy dreams. How do we prevent this? I think we’re essentially defenseless. That’s what’s so scary about it. Counterterrorism requires a bit of everything. There is no one magic bullet. You have to have border controls, screening in airports and drones that shoot terrorist leaders. You have to throw everything at it and hope that by doing so you can stop the one thing. But I think most of the people in the counterterrorism business live in fear that it is almost inevitable that something is going to slip through.

#### 3. Terrorist threats are being de-escalated

Syed 11 (Baqir Sajjad Syed, writer for dawn.com "Diplomacy under way to de-escalate crisis"http://dawn.com/2011/09/27/diplomacy-under-way-to-de-escalate-crisis/)

Meanwhile, Vice Premier of China Meng Jianzhu in a meeting with Chairman Joint Chiefs of Staff Committee General Khalid Shameem Wynne discussed “the emerging geo-strategic situation of the region”. The Chinese leader was quoted by the ISPR as having praised “the role played by the armed forces of Pakistan in the fight against terror”. The issue also came up during Mr Jianzhu’s meeting with President Asif Ali Zardari. Salim Saifullah Khan, chairman of the Senate Foreign Relations Committee, told Reuters that he and other officials held talks with diplomats to explain Pakistan’s stand as the United States pushes the Pakistani army to go after the Haqqani network. “We have been meeting with diplomats with the purpose to convey Pakistan’s point of view, and also that they should make the United States understand that we have sacrificed so much,” he said without naming the countries with which the discussions had taken place. President Zardari, who made a rare appearance at a reception hosted by the Saudi Embassy to celebrate the Kingdom’s national day, spoke about Saudi support for Pakistan at critical junctures. “Every difficult moment in our history has witnessed us standing together in mutual support and solidarity,” Mr Zardari was quoted in a statement issued by the presidency. The media remained full of speculations about Saudi intervention in the dispute over the Haqqani network. A team of Saudi counter-terrorism and security officials that reached Islamabad for participating in joint military exercises was mistaken as a group of intelligence officials that had flown in to talk with ISI chief Lt Gen Shuja Pasha on American allegations. In a later twist it was said that Gen Pasha, following a Saudi message, dashed to Riyadh for continuing the talks. However, military spokesman Maj Gen Ather Abbas rejected the reports and said that Gen Pasha was in Islamabad and the visiting Saudi team was here for military exercises. AFP adds: Pakistan will not launch an offensive against the Haqqani network despite Washington ramping up the pressure, an official said on Monday. “I don’t think the indicators are as such,” a senior Pakistani security official told AFP when asked if the army was going to launch an operation in North Waziristan. Instead, he said, the military needs to “consolidate gains” made against local militants who pose a security threat elsewhere in the tribal region. The official said that troops were too busy countering cross-border attacks from Afghanistan and local Pakistani militants in other parts of the tribal belt to take on the Haqqanis. “These are kind of more pressing issues that we have to tackle. We have to consolidate the gains in Mohmand and in other tribal and north-western regions after a series of operations in these areas,” he said. “As for North Waziristan, the army has at least five brigades there, which is enough to take care of the situation. There is a complete tribal structure in the region to help security forces deal with the militants and outlaws.”

#### 4. US hegemony prevents escalation of a nuclear conflict

Mendelsohn 09 (Barak Mendelsohn, assistant professor of political science, “Combating Jihadism: American Hegemony and Interstate Cooperation in the War,” University of Chicago Press, pg 3)

The encompassing picture of the war on terrorism presented in this book also brings to light the multifaceted nature of U.S. actions. Detailing spheres of action that typically do not get the same attention as the violent face of counterterrorism, this study shows that allegations directed at the United States overstate its unilateralist inclinations, In fact, U.S. hegemony has been orchestrating a multilateral effort against the jihadi movement. Unilateral action taken by the United States in the war on terrorism is often consistent with the war’s grand design, which sets general parameters but largely maintains states’ freedom of action. Nevertheless, even the hegemon is sometimes tempted to breach the boundaries of legitimate action set by the international society. When it does, cooperation falters: the society’s members demonstrate an inclination to protect the system from the jihadi threat, but also to restrain U.S. hegemony when its actions are incompatible with the society’s constitutive ideas. Secondary powers, in particular, serve as corrective agents, helping to produce a system of checks and balances.

#### 5. Much bigger possible threats than cyber security

Knee 10 (Iron Knee, "Invasion of the Body Scanners: why airport security will never work" http://politicalirony.com/2010/11/15/invasion-of-the-body-scanners-why-airport-security-will-never-work/) BSB

And finally, even if we could have completely and foolproof airport security that had absolutely no risks, we would still not be any safer. Because airplanes are not the only place where we are in danger from terrorists. In fact, some people have argued that a terrorist could easily walk into an airport carrying a bomb and detonate it near a crowded airport security checkpoint. This would cause just as much terror, and shut down our air transportation system. And airport security couldn’t stop it. As we well know, any place where large numbers of people gather could be a potential target for a terrorist bombing. For example, 9/11 killed around 3,000 people, but football stadiums hold tens of thousands of innocent people. There are many cruise ships that hold more people than were killed on 9/11, and those often operate in international waters where they cannot be protected. Even if we made airplanes (and airports) completely terrorist proof, the terrorists aren’t going to just give up. After all, the Oklahoma City bombing was carried out on an entire building, using a bomb hidden in a parked vehicle. So what am I saying? That we shouldn’t do anything to prevent terrorism? Of course not. Installing reinforced cockpit doors on airplanes already took away the incentive for terrorists to try to pull something like 9/11 again. Not to mention the fact that passengers are now more willing to fight back against terrorists. A group of terrorists could perhaps blow up an airplane, but it would be much more difficult for them to use the airplane like a guided missile to destroy a large building. What I’m saying is that the money being spent on airport security would be much better spent somewhere else, like investigating terrorists so we can stop them no matter if their plans target airplanes, government buildings, water supplies, or whatever. Even Forbes magazine says that we should abolish the TSA.

#### 6. Cyberterrorism and cyberwarfare are overblown threats that are minimal at best.

CATO 11 [CATO Institute, reputable think tank, “The Underwhelming Threat of Cyberterrorism”, *Cato Policy Report*, <http://www.cato.org/pubs/policy_report/v33n1/cpr33n1-6.html>] ATP

Harper's level-headedness is getting attention. The Obama White House cited a paper he wrote in the executive summary of its Cyberspace Policy Review. In it, Harper argued that updating tort law to allow those harmed by insecure computer products to recover damages from providers and manufacturers is a better path to true security than government regulation of the market. And he was called before the House Subcommittee on Technology and Innovation to testify about how the federal government should respond to cyberterrorist threats and how it should approach securing the nation's information technology infrastructure. Harper is adamantly clear that cybersecurity is important. While arguing that the federal government should not directly regulate computer security, he is careful not to downplay the need to secure our computer networks. But such security, like in the brick and- mortar world outside the Internet, is a matter of personal responsibility, business interest, and common sense. That same common sense should lead us to recognize that cyberterrorism does not exist and that threat of cyberwarfare is minimal. Claims to the contrary result from technological illiteracy and the incentives of government officials and contractors that favor inflating threats. Cyberterrorism is "cyber–snake oil," Harper says.

#### 7. Cyber Terror is not a major threat, backup’s and security is in place

Bronk, Medlock, and Wallach, 9 (Chris, Ken, and Dan, The Houston Chronicle, INFRASTRUCTURE Is U.S. vulnerable to a cyber attack? THE GRID: Few facts available in talk of cyber attacks much rhetoric, fewer facts in debate over likelihood of penetration of America's grid, http://www.lexisnexis.com/us/lnacademic/results/docview/docv iew.do?docLinkInd=true&risb=21\_T6876348738&format=GNBFI&sort=BOOLEAN&startDocNo=1&resultsUrlKey=29\_T6876348741&cisb=22\_T6876348740&treeMax=true&treeWidth=0&csi=8380&docNo=7) LA

For at least a decade, rumors have swirled around major electricity outages in the United States that malicious computer hackers, possibly based overseas, are responsible for turning out the lights. Recent news reports allege, "Cyberspies have penetrated the U.S. electrical grid and left behind software programs that could be used to disrupt the system." Invariably such charges are attributed to a usual set of suspects, chiefly Russia and the People's Republic of China, and largely hinge upon the contribution of an anonymous source working somewhere inside the U.S. intelligence community. From those who coined the term "Electronic Pearl Harbor" we are informed of a falling sky in cyberspace, which will destroy the financial system, cripple air traffic control and crash out the energy grid. Disappointingly, this debate is largely informed by rumors, anonymous sources or wild conjecture without much basis in verifiable fact. So has the power grid been hacked and can criminal elements, terrorists or agents of the People's Liberation Army bring it down? Possibly. But we are aware of but a handful of cyber attacks responsible for disabling a computerized critical infrastructure management system. On this topic we are trending through a precious few data points. One particular case is interesting. In April 2000, Vitek Boden, a computer programmer, compromised the computer software managing the wastewater control system in the Australian resort town of Maroochy Shire, releasing millions of liters of raw sewage onto parks, rivers and the grounds of the Hyatt Regency. "Marine life died, the creek water turned black and the stench was unbearable for residents," observed Australia's environmental agency. Boden knew what he was doing, but likely because he worked for the company that had designed and installed the system. And he was disgruntled. Maroochy Shire had rejected his application to work for the municipality. Boden was arrested and jailed.Sewage spills aside, and with the Internet virus of the moment, conficker, still an issue, it is worth thinking about the computers that manage our critical infrastructure, including the energy grid. Electrical power systems (and, for that matter, oil refineries) are often controlled with SCADA (Supervisory Control And Data Acquisition) gear, and SCADA was never designed with security in mind. Despite this, some SCADA systems are apparently reachable from the Internet. Others are simply reachable if you're within radio range. After 9/11, this issue became a topic of conversation. There are plenty of people working on the problem. Meanwhile, the problem persists in fielded equipment.The reality of our electric power system is that, in point of fact, it is vulnerable to outages in a multitude of ways. Some of these are not even the result of malevolent acts, such as improperly maintained trees near power lines. In fact, some of these vulnerabilities could likely be much more debilitating than the threat presented by cyber terrorism or cyber espionage. In a matter of hours an individual could easily disable power flows to large numbers of consumers by causing physical damage to vital transmission links, power relay stations or generation facilities. Moreover, such damage could take extended periods to repair. A cyber attack, on the other hand, would likely be reparable in a relatively short period of time, unless the attack damaged physical hardware. The point being that there are personnel at power stations that monitor critical systems and there are personnel at independent system operators that monitor load flow patterns. Thus, any problem would in practice be identified very quickly and a remedy would be forthcoming. As nice as it might be to imagine we live in a world where vital systems are completely automated, they are not.In addition, most of our nation's critical services, such as hospitals, are served with their own sources of back-up generation. As we in Houston observed in the wake of Hurricane Ike, hospitals, police and even large data centers remain powered and in operation during blackouts or times of large scale power outages. Most of us need not worry about losing hospital and emergency services as long as those back- up systems remain fueled and operable. Even our industrial facilities would be able to continue to operate in many cases as cogeneration capabilities allow them to generate, and even dispatch, their own power. The key point in this is that our power grid is incredibly flexible precisely because it is designed to overcome many problems in the interest of reliability. A more pressing worry we should have is the age of our transmission network, and the serious investments that are needed for upgrades.Finally, statements indicating a wave of cyber attacks on the nation's power systems would be forthcoming if we were to "go to war" are simply fearful rhetoric.

### 2NC Ext - Next Gen Can't Solve

#### Current security is stopping any threat of terrorism

Avlon 11 (John Avlon, senior columnist for Newsweek and The Daily Beast, "Forty-Five Foiled Terror Plots Since 9/11" http://www.thedailybeast.com/articles/2011/09/08/9-11-anniversary-45-terror-plots-foiled-in-last-10-years.html) BSB

As news of a new “credible” threat swept across the nation on the 10th anniversary of 9/11, Americans were abruptly reminded that terrorism is always one bad day away from being issue No. 1. In the latest case, one report said at least three people—one believed to be a U.S. citizen—entered the U.S. in August to plan a car-bomb attack against Washington, D.C., or New York. The suspected terrorists are thought to have come from Afghanistan or Pakistan, and at least two rental trucks are being sought nationwide. White House officials confirmed that President Obama had been briefed on the "specific" terrorism threat. Too often, 10 years after the worst terrorist attacks in our nation’s history, we sometimes fall into a false sense of security as a degree of 9/11 amnesia takes hold; a desire to recast the attacks as a tragic isolated incident. The facts tell a very different story. The record shows that there have been at least 45 jihadist terrorist attacks plotted against Americans since 9/11—each of them thwarted by a combination of intelligence work, policing and citizen participation.

### 2NC Ext - Terrorist threast NBD

#### Terrorist threats are extremely exaggerated

CNN 10 ("Study: Threat of Muslim-American terrorism in U.S. exaggerated" http://articles.cnn.com/2010-01-06/us/muslim.radicalization.study\_1\_radicalization-muslim-americans-anti-terrorism?\_s=PM:US) BSB

The terrorist threat posed by radicalized Muslim- Americans has been exaggerated, according to a study released Wednesday by researchers at Duke University and the University of North Carolina at Chapel Hill. A small number of Muslim-Americans have undergone radicalization since the September 11, 2001, terrorist attacks on New York and Washington, the study found. It compiled a list of 139 individuals it categorized as "Muslim-American terrorism offenders" who had become radicalized in the U.S. in that time -- a rate of 17 per year. That level is "small compared to other violent crime in America, but not insignificant," according to the study, titled "Anti-Terror Lessons of Muslim-Americans." To be included on the list, an offender had to have been wanted, arrested, convicted or killed in connection with terrorism-related activities since 9/11 -- and have lived in the United States, regardless of immigration status, for more than a year prior to arrest. Of the 139 offenders, fewer than a third successfully executed a violent plan, according to a Duke University statement on the study, and most of those were overseas. Read the report:"Anti-Terror Lessons of Muslim-Americans" "Muslim-American organizations and the vast majority of individuals that we interviewed firmly reject the radical extremist ideology that justifies the use of violence to achieve political ends," David Schanzer, an associate professor in Duke's Sanford School of Public Policy and director of the Triangle Center on Terrorism and Homeland Security, said in the statement.

#### Terrorists aren't a threat

Brookings 8("Have We Exaggerated the Threat of Terrorism?" http://www.brookings.edu/events/2008/02/21-terrorism) BSB

The Crisis in the Middle East Task Force addressed the topic of “Have We Exaggerated the Threat of Terrorism?” in its sixth session on February 21, 2008. This session, hosted by the Saban Center for Middle East Policy, assessed the risks of and appropriate responses to terrorism. One participant argued that terrorism presents minimal cause for concern. Discounting war zones, studies show that there have been very few people killed by “Muslim extremists” each year—in fact, more people drown in bathtubs each year in the United States. The FBI reported in 2005 that it had not found an al-Qaeda presence in the United States. Additionally, terrorism, by its very nature, can be self-defeating: many attacks by al-Qaeda have caused the group to lose popularity. This participant questioned both the intentions and capability of al-Qaeda. Osama bin Laden has threatened many attacks that he has not been able to execute. In specific, this participant thought it unlikely that that al-Qaeda would obtain nuclear weapons, despite fears to the contrary. Another participant agreed that the fears about terrorism are exaggerated and differentiated between the actual campaign against al-Qaeda and its supporters and the idea of a general “war on terrorism.”

#### Pentagon agrees terrorist threats are exaggerated

Catholic Online 12 ("'Terrorist threats' by Muslims to U.S. appear exaggerated, study says" http://www.catholic.org/national/national\_story.php?id=44720)BSB

According to study by the Triangle Center on Terrorism and Homeland Security in North Carolina, the number of plots by and indictments against radicalized Muslim Americans fell sharply last year from a high in 2009. This figure was in counter to predictions made by law enforcement and other officials. In fact, only one of the 20 Muslim Americans who were indicted in 2011 for plotting terrorist activities succeeded in carrying out an actual attack . with the assailant fired shots at military buildings outside Washington without injuring anyone. "Threats remain: violent plots have not dwindled to zero, and revolutionary Islamist organizations overseas continue to call for Muslim-Americans to engage in violence," the report's principal author, Charles Kurzman, a sociologist at the University of North Carolina wrote. "However, the number of Muslim-Americans who have responded to these calls continues to be tiny, when compared with the population of more than two million Muslims in the United States and when compared with the total level of violence in the United States, which was on track to register 14,000 murders in 2011," Kurzman wrote, who last year published a book titled "The Missing Martyrs: Why There Are So Few Muslim Terrorists." The new report was released simultaneously as a senior Pentagon official suggested that Washington may also have exaggerated the threat posed by Al-Qaeda in the aftermath of 9/11.

#### Studies show terrorist threats are exaggerated

Grooms 11 (John, multiple award-winning writer and editor, teacher, public speaker, event organizer, cultural critic, "N.C. study: "homegrown terrorism" threat exaggerated" http://clclt.com/theclog/archives/2011/02/18/nc-study-homegrown-terrorism-threat-exaggerated)BSB

If you have mice in your house, you want to get rid of them, since, otherwise, they’ll get in your food supply, shred things to use in making nests, and crap all over the place. They are a potentially destructive nuisance, and it’s a good idea to do something about them: call an exterminator, put out traps, whatever. What you don’t need to do in this situation is to suddenly think that you are being systematically persecuted by organized hordes of aggressive wharf rats. That’s the comparison that comes to mind these days when I hear discussions (if you can call them that) about “the terrorist threat to America.” Note that the nearly always-terrified right wing in this country is currently going wild over a scattering of discovered terrorist plans and the occasional, usually failed, attempt at blowing up something. If you want to see how deep the irrationality over this issue can get, check out the comments about an earlier blog post regarding Sue Myrick’s chief of staff leaving to work for an “anti-terror” group that we described as Islamophobic. Here’s the good news: A new study conclusively shows that the “homegrown terrorism” threat is way overrated. Now the bad news: Hardly anyone is paying attention to the study. The study, “Muslim American Terrorism Since 9/11: An Accounting,” was put together by the Triangle Center on Terrorism and Homeland Security (TCTHS), a think tank of experts from Duke, UNC Chapel Hill and RTI International, a research and development arm of Research Triangle Park. You can read the entire report here. The short version is that the number of Muslim-Americans who perpetrated or were arrested for terrorist acts declined sharply in the past year. Listening to Myrick and her over-caffeinated followers, you’d think that hundreds of American Muslims are being radicalized and taught to engage in violent acts against the U.S. In actuality, 20 Muslim-Americans committed or were arrested for terrorist crimes in 2010, down from 2009’s 47. The study is full of facts and figures that paint a different picture than the one drawn by various anti-Muslim groups, lawmakers and pundits, whose approach to the problem seems to be “Jump up and down — the world is on fire!,” rather than simply taking a look at the actual numbers. One very interesting fact you won’t see mentioned by the “Islam is the boogeyman” crowd is that, since 9/11, tips from the Muslim American community provided information that led to a terrorist plot being thwarted in 48 of 120 cases.

### 2NC Ext - Cyber Security Exaggerated

#### Cyber impacts are exaggerated

Lewis 11 (James A. Lewis, Center for Strategic and International Studies, "Cybersecurity: Assessing the Immediate Threat to the United States" http://oversight.house.gov/wp-content/uploads/2012/01/5-25-11\_Lewis\_NatSec\_Testimony.pdf) BSB

Cyber warfare will involve disruption of crucial network services and data, damage to critical infrastructure, and the creation of uncertainty and doubt among opposing leaders. The Russian use of cyber exploits during their clash with Georgia suggests how cyber attacks might be used – to complement conventional forces rather than to replace them. The air raid against the Syrian nuclear facility is a good example of this. While jets streaked across Syria, air defense radars showed an empty sky. This “informational” aspect of cyberwar, where an opponent might scramble or erase data, or put in false information to mislead an opponent, is a new and forceful aspect of military conflict. Most people know about the Stuxnet worm, when a cyber attack destroyed equipment at an Iranian nuclear facility. Stuxnet confirmed what a test at the Idaho National Labs in 2007 had already shown – that an attacker could remotely interfere with the software controlling critical infrastructure and damage or destroy machinery and equipment. This kind of “military grade” cyber attack is best seen as a new capability for long range, very rapid strikes against critical infrastructure, information and networks. Cyber attacks are faster than a missile and have a global reach, but their payload is much less destructive. This military aspect of the cyber problem is like other military threats to U.S. security, deterred in part by our capability for response.

#### **The Impacts of Cyber Terrorism are Exaggerated**

Morozov 09 (Evgeny, July/August, “The exaggerated fears over digital warfare”, http://bostonreview.net/BR34.4/morozov.php)

The age of cyber-warfare has arrived. That, at any rate, is the message we are now hearing from a broad range of journalists, policy analysts, and government officials. Introducing a comprehensive White House report on cyber-security released at the end of May, President Obama called cyber-security “one of the most serious economic and national security challenges we face as a nation.” His words echo a flurry of gloomy think-tank reports. The Defense Science Board, a federal advisory group, recently warned that “cyber-warfare is here to stay,” and that it will “encompass not only military attacks but also civilian commercial systems.” And “Securing Cyberspace for the 44th President,” prepared by the Center for Strategic and International Studies, suggests that cyber-security is as great a concern as “weapons of mass destruction or global jihad.” Unfortunately, these reports are usually richer in vivid metaphor—with fears of “digital Pearl Harbors” and “cyber-Katrinas”—than in factual foundation. Consider a frequently quoted CIA claim about using the Internet to cause widespread power outages. It derives from a public presentation by a senior CIA cyber-security analyst in early 2008. Here is what he said: We have information, from multiple regions outside the United States, of cyber-intrusions into utilities, followed by extortion demands. We suspect, but cannot confirm, that some of these attackers had the benefit of inside knowledge. We have information that cyber-attacks have been used to disrupt power equipment in several regions outside the United States. In at least one case, the disruption caused a power outage affecting multiple cities. We do not know who executed these attacks or why, but all involved intrusions through the Internet. So “there is information” that cyber-attacks “ have been used.” When? Why? By whom? And have the attacks caused any power outages? The CIA may have some classified information, but very little that is unclassified suggests that such cyber-intrusions have occurred. Or consider an April 2009 Wall Street Journal article entitled “Electricity Grid in U.S. Penetrated By Spies.” The article quotes no attributable sources for its starkest claims about cyber-spying, names no utility companies as victims of intrusions, and mentions just one real cyber-attack, which occurred in Australia in 2000 and was conducted by a disgruntled employee rather than an external hacker. It is alarming that so many people have accepted the White House’s assertions about cyber-security as a key national security problem without demanding further evidence. Have we learned nothing from the WMD debacle? The administration’s claims could lead to policies with serious, long-term, troubling consequences for network openness and personal privacy. Cyber-security fears have had, it should be said, one unambiguous effect: they have fueled a growing cyber-security market, which, according to some projections, will grow twice as fast as the rest of the IT industry. Boeing, Raytheon, and Lockheed Martin, among others, have formed new business units to tap increased spending to protect U.S. government computers from cyber-attacks. Moreover, many former government officials have made smooth transitions from national cyber-security policy to the lucrative worlds of consulting and punditry. Speaking at a recent conference in Washington, D.C., Amit Yoran—a former cyber-security czar in the Bush administration and currently the C.E.O. of NetWitness, a cyber-security start-up—has called hacking a national security threat, adding that “cyber-9/11 has happened over the last ten years, but it’s happened slowly, so we don’t see it.” One way for the government to protect itself from this cyber-9/11 may be to purchase NetWitness’s numerous software applications, aimed at addressing both “state and non-state sponsored cyber threats.” From a national security perspective, cyber-attacks matter in two ways. First, because the back-end infrastructure underlying our economy (national and global) is now digitized, it is subject to new risks. Fifty years ago it would have been hard—perhaps impossible, short of nuclear attack—to destroy a significant chunk of the U.S. economy in a matter of seconds; today all it takes is figuring out a way to briefly disable the computer systems that run Visa, MasterCard, and American Express. Fortunately, such massive disruption is unlikely to happen anytime soon. Of course there is already plenty of petty cyber-crime, some of it involving stolen credit card numbers. Much of it, however, is due to low cyber-security awareness by end-users (you and me), rather than banks or credit card companies. Second, a great deal of internal government communication flows across computer networks, and hostile and not-so-hostile parties are understandably interested in what is being said. Moreover, data that are just sitting on one’s computer are fair game, too, as long as the computer has a network connection or a USB port. Despite the “cyber” prefix, however, the basic risks are strikingly similar to those of the analog age. Espionage has been around for centuries, and there is very little we can do to protect ourselves beyond using stronger encryption techniques and exercising more caution in our choices of passwords and Wi-Fi connections. To be sure, there is a war-related caveat here: if the military relies on its own email system or other internal electronic communications, it is essential to preserve this capability in wartime. Once more, however, the concern is not entirely novel; when radio was the primary means of communication, radio-jamming was also a serious military concern; worries about radio go back as far as the Russo-Japanese War of 1904-

#### Terrorists don't posses cyber capabilities

Knake 10, (Robert K, Former international affairs fellow in residence, "Cyberterrorism Hype v. Fact", http://www.cfr.org/terrorism-and-technology/cyberterrorism-hype-v-fact/p21434,) BSB

Director of National Intelligence Dennis Blair caught the media's attention recently with two major headlines when he presented this year's Annual Threat Assessment (PDF) of the U.S. Intelligence Community. The first was his statement that the United States is "severely threatened" by cyberattacks of "extraordinary sophistication." The second was that al-Qaeda is intent on striking within the United States in the next six months. Both sections of the assessment are chilling, but they are unrelated. Blair said that the United States faces challenges in cyberspace from nation states, terrorist networks, organized criminal groups, individuals, and other cyberactors. He went on to say, "Terrorist groups and their sympathizers have expressed interest in using cybermeans to target the United States and its citizens." Fortunately, interest does not equal capability. After raising the specter of cyberterrorism, Blair never mentioned the cyberthreat from al-Qaeda anywhere in the five pages he devoted to their plans to strike the United States. Here's why. While the United States' critical infrastructure, from the electric grid to the financial sector, is vulnerable to attack through cyberspace, al-Qaeda lacks the capability and motivation to exploit these vulnerabilities. To penetrate, map, and damage the networks that control the industrial base requires a large team of experienced hackers, a lot of time, and advanced infrastructure. Only a handful of groups, mostly nation state actors, possess this level of capability, and al-Qaeda is not one of them. In the last ten years, according to the National Counterterrorism Center's Worldwide Incidents Tracking Database, there have been 63,192 incidents of terrorism. Not one was an incident of cyberterrorism. As Irving Lachow at NDU has pointed out, the jihadist community heavily relied on one London-based hacker known by the moniker Irhabi 007, who at best had moderate ability. Since his arrest in 2005, indications are that al-Qaeda's cybercapabilities have only eroded. While continuing to rely on petty crime to fund many plots, al-Qaeda has been unable to capitalize on the explosion of cybercrime, lacking the technical capability to do so.

#### A cyber strike wouldn't kill anyone

Knake 10, (Robert K, Former international affairs fellow in residence, "Cyberterrorism Hype v. Fact", http://www.cfr.org/terrorism-and-technology/cyberterrorism-hype-v-fact/p21434,) BSB

For al-Qaeda to do any real damage with cyberattacks, it would need to make a multi-year investment in developing offensive cybercapabilities and would need a secure facility and advance test bed from which to do it. Understanding the control software for an electric grid is not a widely available skill. It is one thing to find a way to hack into a network and quite another to know what to do once you're inside. Beyond the technical hurdles, al-Qaeda's primary goal has always been to generate large numbers of casualties in addition to inflicting economic damage. But cyberattacks are largely weapons of mass disruption, not destruction. Causing a blackout or destroying airline reservations systems won't kill many people, if any at all. The worst-case scenario is that a cyberattack could override controls at a chemical or nuclear plant and cause a chemical release or nuclear meltdown. Such an incident could kill thousands if not millions. Thankfully, the control systems for plants that could cause that kind of harm are still "air gapped," disconnected from networks that connect to the Internet. In attempting to attack the homeland, the organization has relied on decidedly low-tech means. Of the twenty-two plots disrupted since 9/11, all involved the use of improvised explosives or small arms, and all were aimed at killing large numbers of people. In its twenty-year existence, al-Qaeda has never carried out a plot intended to do economic harm without also causing large numbers of casualties. Concerns about cyberterrorism arise from the fact that al-Qaeda has expressed interest in devastating the U.S. economy and that Bin Laden has spoken of "bleeding America to the point of bankruptcy." But the context for these quotes is important, and has nothing to do with cyberterror aspirations. Bin Laden has articulated a goal of forcing the withdrawal of U.S. forces from the Muslim world by raising the costs of these deployments both politically and economically to the point that they are no longer sustainable. To do this, Bin Laden is borrowing a play from the mujahedeen, who pinned down the Soviets in Afghanistan for over a decade before forcing their withdrawal and, ultimately, the collapse of the Soviet Union.

#### Terrorists don't have cyber warfare capabilities

Knake 10, (Robert K, Former international affairs fellow in residence, "Cyberterrorism Hype v. Fact", http://www.cfr.org/terrorism-and-technology/cyberterrorism-hype-v-fact/p21434,) BSB

For less than $500,000 and using box cutters as the primary weapon, al-Qaeda was able to create a military response that to date has cost between $1 trillion to $2.5 trillion. What kind of results could al-Qaeda get from hacking? If al-Qaeda were able to cause a power blackout by hacking SCADA systems, they couldn't do much better than the tree limbs that caused the 2003 Northeast Blackout. That event put 50 million people in the United States and Canada in the dark for up to four days. Economists place the cost of that event between $4.5 and $10 billion, a blip in the $14.2 trillion economy. One thing the United States has learned about the cost of disruption to the economy is that disruption causes pain that is short lived and minimal. A two-day snow storm doesn't eliminate two days of economic activity, it only delays it. The same holds true for port closures and other disruptive activities. For now, the United States has little to fear from al-Qaeda on the cyberfront. Only a handful of sophisticated nation states currently have the ability to carry out a devastating cyberstrike. In his assessment of the People's Liberation Army Modernization program, Blair briefly noted that "China's aggressive cyberactivities" pose challenges, and it's true that China, Russia, and other countries' capabilities do pose a real threat. Luckily, these countries also have vulnerable systems, as well as a lot to lose, in any conflict, cyber or otherwise. The United States' reliance on the Internet and dependence on automated systems connected to it represent a massive vulnerability to the United States, but it is not one that terrorist organizations are likely to be able to exploit anytime soon. As with any developing technology, the cost and other barriers to developing an advanced cyberoffensive are declining each year. To stay ahead of al-Qaeda and other actors, the United States needs to make real investments to bolster the security of its critical infrastructure, starting with government and military systems but extending into the private sector, particularly the electric grid and the financial community. If infrastructure can be turned into a weapon, it shouldn't be connected to the Internet at all, no matter what safeguards are in place. The United States needs to continue to raise its defense to ensure that whatever capabilities terrorists develop will not be sufficient to harm its freedom of action abroad or critical infrastructure at home.

#### No threat of large-scale cyber-terrorism---30 years of empirical evidence proves

Lawson 11, [Sean, Ph.D. Department of Communication University of Utah "BEYOND CYBER-DOOM: Cyberattack Scenarios and the Evidence of History" Jan 11 mercatus.org/sites/default/files/publication/beyond-cyber-doom-cyber-attack-scenarios-evidence-history\_1.pdf]

Despite persistent ambiguity in cyber-threat perceptions, cyber-doom scenarios have remained an important tactic used by cybersecurity proponents. Cyber-doom scenarios are hypothetical stories about prospective impacts of a cyberattack and are meant to serve as cautionary tales that focus the attention of policy makers, media, and the public on the issue of cybersecurity. These stories typically follow a set pattern involving a cyberattack disrupting or destroying critical infrastructure. Examples include attacks against the electrical grid leading to mass blackouts, attacks against the financial system leading to economic losses or complete economic collapse, attacks against the transportation system leading to planes and trains crashing, attacks against dams leading floodgates to open, or attacks against nuclear power plants leading to meltdowns (Cavelty, 2007: 2). Recognizing that modern infrastructures are closely interlinked and interdependent, such scenarios often involve a combination of multiple critical infrastructure systems failing simultaneously, what is sometimes referred to as a “cascading failure.” This was the case in the “Cyber Shockwave” war game televised by CNN in February 2010, in which a computer worm Leaked U.S. diplomatic cables published by WikiLeaks.org seem to corroborate this accusation (Shane & Lehren, 2010).5 spreading among cell phones eventually led to serious disruptions of critical infrastructures (Gaylord, 2010). Even more ominously, in their recent book, Richard Clarke and Robert Knake (2010: 64–68) present a scenario in which a cyberattack variously destroys or seriously disrupts all U.S. infrastructure in only fifteen minutes, killing thousands and wreaking unprecedented destruction on U.S. cities. Surprisingly, some argue that we have already had attacks at this level, but that we just have not recognized that they were occurring. For example, Amit Yoran, former head of the Department of Homeland Security’s National Cyber Security Division, claims that a “cyber- 9/11” has already occurred, “but it’s happened slowly so we don’t see it.” As evidence, he points to the 2007 cyberattacks on Estonia, as well as other incidents in which the computer systems of government agencies or contractors have been infiltrated and sensitive information stolen (Singel, 2009). Yoran is not alone in seeing the 2007 Estonia attacks as an example of the cyberdoom that awaits if we do not take cyber threats seriously. The speaker of the Estonian parliament, Ene Ergma, has said that “When I look at a nuclear explosion, and the explosion that happened in our country in May, I see the same thing” (Poulsen, 2007). Cyber-doom scenarios are not new. As far back as 1994, futurist and best-selling author Alvin Toffler claimed that cyberattacks on the World Trade Center could be used to collapse the entire U.S. economy. He predicted that “They [terrorists or rogue states] won’t need to blow up the World Trade Center. Instead, they’ll feed signals into computers from Libya or Tehran or Pyongyang and shut down the whole banking system if they want to. We know a former senior intelligence official who says, ‘Give me $1 million and 20 people and I will shut down America. I could close down all the automated teller machines, the Federal Reserve, Wall Street, and most hospital and business computer systems’” (Elias, 1994). But we have not seen anything close to the kinds of scenarios outlined by Yoran, Ergma, Toffler, and others. Terrorists did not use cyberattack against the World Trade Center; they used hijacked aircraft. And the attack of 9/11 did not lead to the long-term collapse of the U.S. economy; we would have to wait for the impacts of years of bad mortgages for a financial meltdown. Nor did the cyberattacks on Estonia approximate what happened on 9/11 as Yoran has claimed, and certainly not nuclear warfare as Ergma has claimed. In fact, a scientist at the NATO Co-operative Cyber Defence Centre of Excellence, which was established in Tallinn, Estonia in response to the 2007 cyberattacks, has written that the immediate impacts of those attacks were “minimal” or “nonexistent,” and that the “no critical services were permanently affected” (Ottis, 2010: 72). Nonetheless, many cybersecurity proponents continue to offer up cyber-doom scenarios that not only make analogies to weapons of mass destruction (WMDs) and the terrorist attacks of 9/11, but also hold out economic, social, and even civilizational collapse as possible impacts of cyberattacks. A report from the Hoover Institution has warned of so-called “eWMDs” (Kelly & Almann, 2008); the FBI has warned that a cyberattack could have the same impact as a “wellplaced bomb” (FOXNews.com, 2010b); and official DoD documents refer to “weapons of mass disruption,” implying that cyberattacks might have impacts comparable to the use of WMD (Chairman of the Joint Chiefs of Staff 2004, 2006). John Arquilla, one of the first to theorize cyberwar in the 1990s (Arquilla & Ronfeldt, 1997), has spoken of “a grave and growing capacity for crippling our tech-dependent society” and has said that a “cyber 9/11” is a matter of if, not when (Arquilla, 2009). Mike McConnell, who has claimed that we are already in an ongoing cyberwar (McConnell, 2010), has even predicted that a cyberattack could surpass the impacts of 9/11 “by an order of magnitude” (The Atlantic, 2010). Finally, some have even compared the 7 impacts of prospective cyberattacks to the 2004 Indian Ocean tsunami that killed roughly a quarter million people and caused widespread physical destruction in five countries (Meyer, 2010); suggested that cyberattack could pose an “existential threat” to the United States (FOXNews.com 2010b); and offered the possibility that cyberattack threatens not only the continued existence of the United States, but all of “global civilization” (Adhikari, 2009). In response, critics have noted that not only has the story about who threatens what, how, and with what potential impact shifted over time, but it has done so with very little evidence provided to support the claims being made (Bendrath, 2001, 2003; Walt, 2010). Others have noted that the cyber-doom scenarios offered for years by cybersecurity proponents have yet to come to pass and question whether they are possible at all (Stohl, 2007). Some have also questioned the motives of cybersecurity proponents. Various think tanks, security firms, defense contractors, and business leaders who trumpet the problem of cyber attacks are portrayed as selfinterested ideologues who promote unrealistic portrayals of cyber-threats (Greenwald, 2010)

#### No desire for terrorists to carry out cyber attacks---their operations will be small-scale

Ackerman 11 [Spencer, American national security reporter and writer for the Washington Independent "Pentagon Deputy: What if al-Qaeda Got Stuxnet?" Feb 15 www.wired.com/dangerroom/2011/02/pentagon-deputy-what-if-al-qaeda-got-stuxnet/]

Points for imagination here: at the RSA information-security conference in San Francisco, Deputy Defense Secretary William Lynn worried aloud about a terrorist group getting ahold of a malware tool like Stuxnet. Sure, al-Qaeda hasn’t launched any cyberattacks so far. Nor have its operatives manifested any ability to design anything as sophisticated as the Stuxnet worm. “But it is possible for a terrorist group to develop cyberattack tools on their own or to buy them on the black market,” Lynn, the Pentagon’s point man on cybersecurity, warned on Tuesday. “As you know better than I, a couple dozen talented programmers wearing flip-flops and drinking Red Bull can do a lot of damage.” Maybe so. But in last week’s congressional mega-hearing from the nation’s intelligence leaders on threats facing the country, no spymaster assessed that al-Qaeda was looking to launch a giant cyberattack. The most likely forecasted method of terrorist assault against the U.S. are “small-scale attacks” like homemade bombs, Director of National Intelligence James Clapper told a House panel. al-Qaeda appears more focused on making inroads to unsuspecting Muslim youth through social media.

#### **Cyber protection doesn't work**

CNN 11("Online security doesn't exist" http://money.cnn.com/2011/08/05/technology/cybersecurity\_myth/index.htm) BSB

LAS VEGAS (CNNMoney) -- One of the big jokes at this year's Black Hat cybersecurity conference in Las Vegas is that there is no such thing as cybersecurity. No system can be 100% secure. There is no uncrackable code. "Security, in effect, sucks," said Richard Thieme, a prolific writer and professional speaker on the impact of new technologies on society. "Security professionals feel overwhelmed because they can't do security." Cybersecurity vendors and antivirus software firms advertise that they can keep companies, agencies and people safe. Yet antivirus programs can't stop every attack. And every day a new company or government organization announces that they've been compromised. "Our whole industry is built on smoke and mirrors," said Thieme at Black Hat Thursday. "What we have is fundamentally broken. Cryptography is the opiate of the naive. So how can we use the word 'security' when we don't mean it?" The root of the conundrum, Thieme argued, is not that everything is unsafe, but rather that people in the security profession are lying to themselves about what and how much they protect. They're bad at mitigating risk but very good at mitigating fear by pretending that everything is safe and secure, he said.

#### Cyber Security threats are still in infancy

Brito and Watkins 11 ("Loving the Cyber Bomb? The Dangers of Threat Inflation in Cybersecurity Policy" http://harvardnsj.org/wp-content/uploads/2012/01/Vol.-3\_Brito\_Watkins1.pdf) BSB

Security risks to private and government networks from criminals and malicious state actors are no doubt real and pressing. However, the rhetoric of “cyber doom”2 employed by proponents of increased federal intervention in cybersecurity implies an almost existential threat that requires instant and immense action. Yet these proponents lack clear evidence of such doomsday threats that can be verified by the public. As a result, the United States may be witnessing a bout of threat inflation similar to that seen in the run-up to the Iraq War. Additionally, a cyber-industrial complex is emerging, much like the military-industrial complex of the Cold War. This complex may serve not only to supply cybersecurity solutions to the federal government, but to drum up demand for those solutions as well. Part I of this article draws a parallel between today’s cybersecurity debate and the run-up to the Iraq War and looks at how an inflated public conception of the threat we face may lead to unnecessary regulation of the Internet. Part II draws a parallel between the emerging cybersecurity establishment and the military-industrial complex of the Cold War and looks at how unwarranted external influence can lead to unnecessary federal spending. Finally, Part III surveys several federal cybersecurity proposals and presents a framework for soberly analyzing the cybersecurity threat.

#### Only top countries have cyber warfare capabilities

Perera 12 (David, executive editor of the FierceMarkets Government Group, "Fears of cyberwar greatly exaggerated, says paper" http://www.fiercegovernmentit.com/story/fears-cyberwar-greatly-exaggerated-says-paper/2012-05-30) BSB

Fears that cyber attacks and weapons are destabilizing agents that could increase the frequency of war or erase the power imbalance between weak and strong nations are exaggerated, concludes a paper published in the June edition of the Journal of Strategic Studies. Rather, in some situations, cyber attacks may actually decrease the frequency of war--to the extent that a weaker state is able to deter a stronger one from attacking due to the threat of cyberwarfare. The paper, by Princeton University doctoral student Adam Liff, notes that for cyber attacks to be considered "cyberwarfare," they must be done with intent to coerce an adversary and that analysts should resist the urge to characterize cyberwar as fundamentally different. That urge has led some to develop "fantastical scenarios" that ignore that war is part of a political bargaining process, Liff says. It's also led to common misconceptions about "ostensibly unique characteristics of cyberwarfare," such as that otherwise weaker nations equalize their power standing with stronger ones, thus emboldening the weaker states to initiate war more often. However, a cyber weapon capable of sufficiently equalizing the battlefield "would require significant human capital, technical, and organizational capabilities, which in most cases will be out of reach for conventionally weak actors." But, should a weaker state nonetheless come into possession of strong enough cyber weapons, then it would possess a deterrent against the stronger state attacking it that may actually decrease the frequency of war by making both strong and weak state reluctant to fight. The belief that cyber weapons pose an undeterrable threat is likewise often inaccurate, Liff says. A weak state could perhaps launch a cyber attack (assuming it had the resources to develop powerful enough cyber weapons), but it would still be unable to follow up that with a conventional force attack to hold on to the advantage of its attack. In the case of a strong state seeking conflict with a superpower, a strong state that underestimates the superpower's willingness to escalate the conflict or overestimates the superpower's vulnerability to cyber attack may indeed not be deterred from launching a cyber attack, Liff says.

#### Cyber Security impact is exaggerated

Campen 12 (Alan D, USAF (Ret.), "Cybersecurity Policy and Strategy Need a Dose of Reality" http://www.afcea.org/signal/articles/templates/Signal\_Article\_Template.asp?articleid=2973&zoneid=353) BSB

Today’s approach to the issue of cybersecurity is totally wrong. For years, experts have been propounding similar solutions to the problem of securing the virtual realm. Yet, that realm is less safe today than it was when the first calls for improved security achieved urgent status. The changes that define cyberspace—and what cyberspace in turn has wrought on society—cry out for a new approach rather than add-on measures to the same strategies that continue to prove unsuccessful over the long term. What was conceived in 1982 as a simple four-node network empowering a handful of U.S. Defense Department academics to exchange digital files has exploded into the commercially owned global Internet. Its open architecture is so admissive of malicious activity that it has been called one of the greatest threats to U.S. national security. In seemingly endless headline-making hearings before congressional committees and cyberconferences, military, civilian and private-sector officials bewail that despite significant efforts and money, our information infrastructure may not be available during times of crisis. Finding that “the energy of the national dialogue on cybersecurity has not translated into progress” and that the nation still is unprepared to meet the challenge, the Center for Strategic and International Studies issued a report titled “Cybersecurity Two Years Later.” It concludes that the United States needs to “rethink its policies and institutions for cybersecurity.” U.S. policy and strategies have been founded on public-private partnerships, voluntary information sharing, common global standards, enforceable regulations, laws and surveillance—in short, a top-down governance strategy. This has not sold—not to the wary self-policing and self-financing private industry that owns the information facilities and believes it can cope with the threat; nor to the vocally fearful public that sees an unacceptable threat to privacy and civil liberties. Finally—and crucially—it has not sold to the users. Because of the information tools they demand and carelessly employ, users have become the default architects of the evolving Internet.

### AT: NextGen Solves CyberTerrorism

#### The Technology needed to prevent cyber terrorism does not exist

National Science and Technology Council 6, ("Federal Plan for Cyber Security and information assurance research and development" http://www.pdfdocspace.com/docs/40649/available-online-(pdf-document).html) BSB

Although the evolution of the PSTN and IP-based communication networks has already begun, the converged networks that are expected to form the next generation of telecommunication networks do not currently exist as they are envisioned. Capabilities available in today’s PSTN that will also be required as part of the NGN security architecture include: access control, authorization, non-repudiation, confidentiality, communications security, data integrity, availability, and privacy. Existing approaches to providing these capabilities in IP-based networks include encryption and virtual private networks. Redundant communication paths are likely to continue to be used in the future, but are not sufficient to meet all of the NGN security requirements. Capability Gaps Research is required in these NGN security issues: ❖ Large-scale identity management technologies for use in addressing, rather than for location as in the traditional PSTN ❖ Highly scalable authentication architectures and techniques that make use of multiple authentication factors (e.g., name or ID, password, subscriber identity module [SIM] card containing user authentication information, smart card, physical or software token) ❖ Techniques to enable non-repudiation on a usertouser basis, unlike existing capabilities that are focused at the network rather than the user level ❖ Technologies that enable data integrity, confidentiality, and availability across control and media planes of the network and across all security layers ❖ Technologies that enable the above security requirements to be met while at the same time assuring some degree of protection of privacysensitive information

### 1NC Environment Advantage

#### **1. Only a combination of mitigation and adaptation policies can solve warming impacts.**

IPCC 7 [Intergovernmental Panel on Climate Change,” Climate Change 2007: Working Group II: Impacts, Adaptation and Vulnerability”, <http://www.ipcc.ch/publications_and_data/ar4/wg2/en/ch18s18-es.html>] ATP

Even the most stringent mitigation efforts cannot avoid further impacts of climate change in the next few decades (Working Group I Fourth Assessment Report, Working Group III Fourth Assessment Report), which makes adaptation unavoidable. However, without mitigation, a magnitude of climate change is likely to be reached that makes adaptation impossible for some natural systems, while for most human systems it would involve very high social and economic costs (see Chapter 4, Section 4.6.1 and Chapter 17, Section 17.4.2). Adaptation and mitigation actions include technological, institutional and behavioural options, the introduction of economic and policy instruments to encourage the use of these options, and research and development to reduce uncertainty and to enhance the options’ effectiveness and efficiency [18.3, 18.5]. Opportunities exist to integrate adaptation and mitigation into broader development strategies and policies [18.6].

#### 2. Too late: We’ve passed an irreversible tipping point – Siberian Permafrost proves.

Sample 5 [Ian, science correspondent for The Guardian, Warming hits 'tipping point', <http://www.guardian.co.uk/environment/2005/aug/11/science.climatechange1>] ATP

Researchers who have recently returned from the region found that an area of permafrost spanning a million square kilometres - the size of France and Germany combined - has started to melt for the first time since it formed 11,000 years ago at the end of the last ice age. The area, which covers the entire sub-Arctic region of western Siberia, is the world's largest frozen peat bog and scientists fear that as it thaws, it will release billions of tonnes of methane, a greenhouse gas 20 times more potent than carbon dioxide, into the atmosphere. It is a scenario climate scientists have feared since first identifying "tipping points" - delicate thresholds where a slight rise in the Earth's temperature can cause a dramatic change in the environment that itself triggers a far greater increase in global temperatures. The discovery was made by Sergei Kirpotin at Tomsk State University in western Siberia and Judith Marquand at Oxford University and is reported in New Scientist today. The researchers found that what was until recently a barren expanse of frozen peat is turning into a broken landscape of mud and lakes, some more than a kilometre across. Dr Kirpotin told the magazine the situation was an "ecological landslide that is probably irreversible and is undoubtedly connected to climatic warming". He added that the thaw had probably begun in the past three or four years.

#### 3. Nitrous emissions are 300 times more potent than CO2 emissions.

Hoffman 9 [Doug, professor-UCA, “Biofuels Damage the Environment: Nitrous Oxide Trumps Carbon Dioxide”, <http://www.theresilientearth.com/?q=content/biofuels-damage-environment-nitrous-oxide-trumps-carbon-dioxide>] ATP

Scientists working on behalf of the International Council for Science (ICSU), a Paris-based federation of scientific associations from around the world, have issued a new report that says biofuels do more to create global warming than burning fossil fuels. The reason is that raising the plants to be turned into ethanol and biodiesel releases large volumes of nitrous oxide (N2O), which is 300 times more potent than carbon dioxide (CO2) as a greenhouse gas. Once again, trying to solve humanity's longterm energy and climate problems by hastily grasping at so called green solutions has resulted in the opposite of what eco-activists have claimed

#### 4. Air pollution is declining – other studies are biased

Schwartz 7(Joel, Senior Scientist @ Reason Foundation’s Environmental Program, July 1, http://www.heartland.org/environmentandclimatenews.org/article/21605/American\_Lung\_Associations\_2007\_Report\_Distorts\_Air\_Quality\_Facts.html, ATP)

Conveniently, ALA provides a fictional "explanation" of the fictional rise in PM2.5: "power plants are likely the source of much of the increase in particle pollution in the eastern United States, driven by increased electricity production during the period." Note how ALA is careful never to claim explicitly that power plant pollution increased, but merely that electricity production increased. The reader is led to assume that more electricity production means more power plant air pollution and therefore higher PM2.5 levels. Actually, power plant sulfur dioxide (SO2) emissions--the source of the sulfate component of PM2.5--remained unchanged during the year when ALA claimed they were increasing. The figure accompanying this article compares average PM2.5 levels and power plant SO2 emissions for the eastern half of the United States since 1994. (National PM2.5 monitoring didn't begin until 1999.) Note the unique jump in PM2.5 in 2005, with steady declines both before and after. Also note that under existing law SO2 emissions must decline another 70 percent over the next several years, ensuring far more PM2.5 improvement in the future.

#### Legislation is improving the air

WAMC News 11 (Staff, http://www.publicbroadcasting.net/wamc/news.newsmain/article/ 0/0/1825213/North.CountryAdirondacks.News/Environmental.Groups.Praise.New.Air.Pollution.Rules, ATP)

Environmental groups say new air pollution rules approved by the Obama Administration will help plants and wildlife in the Catskills, Adirondacks and other northeastern mountains recover from decades of acid rain. WAMC North Country Bureau Chief Pat Bradley reports... The Environmental Protection Agency on Thursday finalized rules governing air pollution from power plants that drifts across state lines. Adirondack Council Spokesman John Sheehan says the new cross state air pollution rule will stop acid rain emissions from other states. "We think that this will essentially bring to an end the continuing damage from acid rain in the Adirondack," said Sheehan. "That is a milestone we've been trying to reach since 1975." The new rule cuts sulfur dioxide by 73% and nitrogen oxides by 54% from 2005 levels by 2014.

#### 5. The effects of air pollution are exaggerated

Schwartz 4 (Joel, Senior Scientist @ Reason Foundation’s Environmental Program, September 1, http://www.heartland.org/environmentandclimate-news.org/article/15559/EPA\_Policy\_Ignores\_Declines\_in\_US\_Air\_Pollution.html, ATP)

In addition, there is evidence that EPA and activists have greatly exaggerated the health effects of current PM2.5 levels. EPA's annual PM2.5 standard is based mainly on a 1995 American Cancer Society (ACS) PM study, which reported an association between PM2.5 and mortality. Some features of the study, however, suggest PM is unlikely to be the agent responsible. According to the ACS results, PM increased mortality for men, but not women, and for those with no more than a high school degree but not for those with at least some college. The ACS study also reported increased mortality among former smokers but not among those who currently smoke or never smoked, and among those who said they were moderately active but not among the very active or the sedentary. Such biologically implausible variations in the ostensible effects of low-level PM suggest the association between PM and mortality is spurious and does not represent a genuine cause-and-effect relationship. Claims about low-level PM and health suffer from other biological plausibility problems. For example, coal-fired power plants contribute some 25 to 50 percent of the total PM2.5 in the eastern half of the United States, in the form of sulfates formed as a result of SO2 emissions. But toxicology studies with human volunteers suggest sulfates are not toxic, even at exposures many times greater than today's peak levels, and even in people with respiratory diseases. Scientists use ammonium sulfate, the main form of sulfate PM in the air in the eastern United States, as an inert control factor--that is, a substance not expected to have any health effects--in studies of the health effects of acidic aerosols, and magnesium sulfate is used therapeutically to reduce airway constriction in asthmatics. Nitrate PM, which makes up 25 to 50 percent of PM in the western U.S., has been shown to have no deleterious health effects in controlled studies. EPA attributes about 90 percent of the benefits of all air pollution regulation to lives saved due to PM reductions. But if PM at current levels is not killing people, then almost all of the benefits EPA claims for clean-air regulation are bogus.

#### Figures for people affected are exaggerated

Schwartz 4 (Joel, Senior Scientist @ Reason Foundation’s Environmental Program, September 1, http://www.heartland.org/environmentandclimate-news.org/article/15559/EPA\_Policy\_Ignores\_Declines\_in\_US\_Air\_Pollution.html, ATP)

EPA also has exaggerated the number of people living in areas that violate the PM2.5 standard. Instead of the 100 million reported in news stories, the true figure is more like 45 million. The overestimate is attributable to two factors. First, EPA included many counties not because their own air quality violated the PM2.5 standard, but because the agency believes they contribute to violations in other counties. That makes sense for regulatory policy, but not as a means of determining PM exposure. Second, counties that monitor PM levels at more than one location sometimes violate the standard in one area but comply in another, yet EPA counts all people in the county as living in areas that violate the standard.

#### Air pollution has a minimal effect on health

Schwartz 7 (Joel, Senior Scientist @ Reason Foundation’s Environmental Program, July 1, http://www.heartland.org/environmentandclimatenews.org/article/21605/American\_Lung\_Associations\_2007\_Report\_Distorts\_Air\_Quality\_Facts.html, ATP)

National polls routinely show most Americans believe air quality has been steady or declining. In reality, the nation's air quality has been steadily improving for decades and has never been better. The public believes otherwise because most of the information they receive on the environment comes from environmental activist groups and government regulators--interest groups who need to keep us scared in order to maintain their powers and budgets. No matter how clean the air is, they continue to find ways to make it seem we've made little progress and that things will only worsen without aggressive new regulatory programs. Even without the activists' exaggerations, millions of Americans do live in areas that violate one or more federal air pollution health standards. But that's not actually a cause for concern, either. In the next issue of Environment & Climate News, I'll show how the air pollution fear industry not only exaggerates pollution levels but also exaggerates the harm from any given level of pollution. In reality, the underlying health research shows our air is already safe to breathe and our current, historically low air pollution is at worst a minor factor in people's health.

#### 6. No impact - **Diseases have evolved to be less dangerous**

Achenbach 3 [Joel, Washington Post staff, November 2003, "Our Friend, the Plague," writer <http://ngm.nationalgeographic.com/ngm/0311/resources_who.html> ATP]

Whenever a new disease appears somewhere on our planet, experts invariably pop up on TV with grave summations of the problem, usually along the lines of, "We're in a war against the microbes"—pause for dramatic effect —"and the microbes are winning." War, however, is a ridiculously overused metaphor and probably should be bombed back to the Stone Age. Paul Ewald, a biologist at the University of Louisville, advocates a different approach to lethal microbes. Forget trying to obliterate them, he says, and focus instead on how they co-evolve with humans. Make them mutate in the right direction. Get the powers of evolution on our side. Disease organisms can, in fact, become less virulent over time. When it was first recognized in Europe around 1495, syphilis killed its human hosts within months. The quick progression of the disease—from infection to death—limited the ability of syphilis to spread. So a new form evolved, one that gave carriers years to infect others. For the same reason, the common cold has become less dangerous. Milder strains of the virus—spread by people out and about, touching things, and shaking hands—have an evolutionary advantage over more debilitating strains. You can't spread a cold very easily if you're incapable of rolling out of bed. This process has already weakened all but one virulent strain of malaria: *Plasmodium falciparum* succeeds in part because bedridden victims of the disease are more vulnerable to mosquitoes that carry and transmit the parasite. To mitigate malaria, the secret is to improve housing conditions. If people put screens on doors and windows, and use bed nets, it creates an evolutionary incentive for *Plasmodium falciparum* to become milder and self-limiting. Immobilized people protected by nets and screens can't easily spread the parasite, so evolution would favor forms that let infected people walk around and get bitten by mosquitoes.

### **2NC Environment Advantage**

#### **1.** Adaptation prevents extinction, and accounts for impacts we don’t know of yet.

Smit et al ‘0 [Barry, Ian burton, Richard Klein, J. Wandel, U of Guelph, EARG, Potsdam institute, U of Guelph, An Anatomy of Adapthing to Climate Change and Variability p23] ATP

Adaptation is not just a climate change issue. Improved adaptation to current conditions is likely to enhance prospects for reducing costs of climate change\* (Burton. 1996; Smith et al., 1996). However, in many parts of the world, more urgent problems are posed by current variability and extreme events in their own right. This is definitely the case in developing countries subject to recurring extremes such as droughts, floods, and tropical storms. However, huge lose associated with extreme climate or weather events have been recently experienced in North America and Europe as well, highlighting the utility of adapting in order to manage risks and benefit from opportunities.

#### **2. Even releasing a small amount of frozen methane, which the plan doesn’t solve for, triggers extinction on a level comparable to nuclear war.**

Archer 7 [D., U of Chicago, Methane hydrate stability and anthropogenic climate change, Biogeosciences, 4, 521–544,] ATP

There is so much methane as hydrates on Earth that it seems like a perfect ingredient for a climate doomsday scenario. Hydrate is unstable at Earth surface conditions, both because of the low atmospheric methane concentration and because most of the Earth’s surface is warmer than the freezing point of methane hydrate at one atmosphere pressure. The hydrate reservoir contains thousands of Gton C of methane, enough that releasing a small fraction of the methane directly to the atmosphere, within a time window that is short relative to the atmospheric lifetime of methane, could increase the methane concentration of the atmosphere by a factor of 100 to 1000 over pre-anthropogenic values. Methane absorbs infrared light between about 1250 and 1350 cm−1, a frequency range at which terrestrial radiation is less intense than it is in the absorption band of the CO2 bending mode, about 600–700 cm−1. A massive increase in methane concentration therefore has a smaller impact on the radiative balance of the Earth than would a comparable increase in CO2, but nevertheless the greenhouse forcing from the methane increase could be catastrophic, equivalent to increasing CO2 by a factor of 10 or more. The methane hydrate reservoir therefore has the potential to warm Earth’s climate to Eocene hothouse-type conditions, within just a few years. The potential for planetary devastation posed by the methane hydrate reservoir therefore seems comparable to the destructive potential from nuclear winter or from a bolide impact.

#### **Rising emissions from permafrost leads to more methane and CO2 emissions, causing a feedback loop.**

Hosansky 8 [David, journalist for UCAR, PERMAFROST THREATENED BY RAPID RETREAT OF ARCTIC SEA ICE, NCAR STUDY FINDS, <https://www2.ucar.edu/atmosnews/news/933/permafrost-threatened-rapid-retreat-arctic-sea-ice-ncar-study-finds>] ATP

Lawrence and his colleagues then used the model to study the influence of accelerated warming on permafrost and found that in areas where permafrost is already at risk, such as central Alaska, a period of abrupt sea-ice loss could lead to rapid soil thaw. This situation, when summer thaw extends more deeply than the next winter’s freeze, can lead to a talik, which is a layer of permanently unfrozen soil sandwiched between the seasonally frozen layer above and the perennially frozen layer below. A talik allows heat to build more quickly in the soil, hastening the long-term thaw of permafrost. POTENTIAL IMPACTS ON GREENHOUSE GASES Arctic soils are believed to hold 30 percent or more of all the carbon stored in soils worldwide. Although researchers are uncertain what will happen to this carbon as soils warm and permafrost thaws, one possibility is that the thaw will initiate significant additional emissions of carbon dioxide or the more potent greenhouse gas, methane.

#### **3. Nitrous oxide emissions are contributing more to global warming, and killing the ecosystem all the while.**

Jones 12 [Steve, journalist-Telegraph, “If carbon dioxide isn’t a worry, nitrous oxide could not possibly offer any threat... right?”, <http://www.telegraph.co.uk/science/steve-jones/8989117/If-carbon-dioxide-isnt-a-worry-nitrous-oxide-could-not-possibly-offer-any-threat...-right.html>] ATP

Nature, as usual, is not mocked and the present century may bring a nitrogenous hangover. The rate at which nitrates and their relatives are pumped into the ecosystem has doubled since Haber’s day and since 1960 fertiliser use has gone up by 10 times. More than half is washed away or escapes as a gas into the atmosphere, where it is joined by more of the stuff that comes from coal and oil. In rivers, lakes and seas the new bounty allows bacteria and algae to flourish and, as they die, to drag oxygen out of the waters, turning them into biological deserts. The Baltic has already been badly damaged and the problem may soon spread into the deeper oceans. Once, the issue seemed to be limited to the developed world, but new surveys in the high Arctic show that, over the past century, the concentration of artificial nitrogen compounds has shot up there, too. The same is true in the forests of Thailand. In the chilly lakes of Siberia and Canada algae and other nitrogen-loving creatures have much increased, and in the forest certain trees that can use the element more efficiently may soon take over. Pessimists suggest that the cycle has now been pushed so far off balance that soils themselves may begin to release even more of the unwelcome compounds. The problem of excess fertility is spreading through the whole of nature, with unpredictable results. What is to be done? One option is to ask the bacteria for help. Plenty of crop plants – peas, clover and more – enter into intimate associations with such organisms and have long been used by farmers to return nitrogen to their fields. Scientists are trying to persuade other crops such as wheat to form similar relationships, either by improving the bacteria or by inserting genes into the plants that allow them to welcome them into their own roots; but success has been limited. More modest breeding experiments are producing crop varieties that grow well without so much need for added stimulants. The rocketing price of the stuff (in part due to increased costs of energy) also means that farmers are less wasteful than they were. All this may do something to help, but the scientists involved seem to ignore the none-too-comforting fact that nitrous oxide (N2O) – one of the main breakdown products of the excess fertiliser – is a greenhouse gas several times more potent than CO2. That, as every well-briefed journalist knows, means that it cannot possibly offer any kind of threat.

#### **4.** Panicked reports are wrong – the air is improving

Artz 11 (Kenneth, Reporter @ The Heartland Institute, http://www.heartland.org/environmentandclimate-news.org/article/30147/Nations\_Air\_Quality\_Continues\_to\_Improve.html, ATP)

According to the report, ozone levels registered the strongest improvement. All metro areas in the 25 cities most polluted by ozone showed improvement over last year’s report. Particulates also registered impressive reductions. All but two of the 25 cities most affected by particle pollution (sometimes called soot) improved over last year’s report. The State of the Air 2011 report examines ozone and particulate pollution at official monitoring sites across the United States in 2007, 2008, and 2009. The report uses the most current quality-assured nationwide data available for these analyses. Joel Schwartz, a Senior Consultant with Blue Sky Consulting Group of Sacramento, California, said the U.S. Environmental Protection Agency and environmental activist groups nevertheless continue to frighten people into believing national air quality is worsening. “The Environmental Protection Agency (EPA) has made the claim that air pollution at current levels kills tens of thousands of Americans every year. EPA makes a wild claim like that because, first, they believe it, but secondly because they must keep up the perception that there’s a serious problem that must be solved. If there wasn’t a serious problem, then EPA wouldn’t be able to justify the enormous budget and resources the organization commands,” said Schwartz. “Of course, the EPA’s story is all wrong. We have cleaner air now than 1970 when the Clean Air Act was established. In fact, the air in 1970 was cleaner than it was in the 1930s,” Schwartz observed. “Obviously, at high enough levels air pollution can kill people. But the evidence shows that the air we breathe today is nowhere near that level, nor has it been for a very long time. In fact, the air is getting cleaner,” said Schwartz.

#### **5.** Death from pollution is a relic of the past

Dunn 8 (John D., Civilian Faculty, Carl R. Darnall Army Medical Center, June 23, http://www.heartland.org/custom/semod\_policybot/pdf/24453.pdf, ATP)

It appears that these studies are mischievous and deceptive and they will panic politicians to do more to hurt the California economy for no real benefit to the citizens of California. S-137 People do not die of air pollution in America. The bad old days of London and Pittsburg dirty air are gone. Modern medicine would have saved those folks too because the last 50 years have completely changed our ability to treat respiratory illness. Air quality in California, the rest of America is benign and getting better all the time. CARB refuses to tell the truth on that, instead focusing on the negative. The days of the killer smog and soot in America are gone. This panic mongering has to stop and physicians in public health research have a professional duty to shut up the chicken littles. Regulatory and economic burdens of new CARB regimes of air quality controls, chasing after small particles and diesel exhaust, will jeopardize the economic well being of the state of California and its residents. It is well known in public health epidemiology that poverty is an independent predictor of premature deaths. Will CARB be responsible for those deaths created by lost jobs and other economic hardships? Those will be real deaths, not the desk top toxin deaths predicted by the CARB.

#### Pollutants don’t cause death – designated substances are nontoxic

Schwartz 7 (Joel, Senior Scientist @ Reason Foundation’s Environmental Program, October 1, http://www.heartland.org/environmentandclimate-news.org/article/21984/The\_American\_Lung\_Associations\_Fear\_Campaign.html, ATP)

The most serious claim leveled against air pollution is that it prematurely kills tens of thousands of Americans each year, even at today's record-low levels. But here too, the real-world evidence says otherwise. Even air pollution at levels many times greater than Americans ever breathe doesn't kill laboratory animals. Researchers can't, of course, do laboratory studies on people to see if air pollution kills them. But they can look for more mild health effects in human volunteers. Such studies provide little support for claims of serious harm. Two major forms of PM2.5--sulfates and nitrates--are simply nontoxic. In fact, ammonium sulfate, the main form of particulate matter from coal-fired power plants, is used as an "inert control"--that is, a substance without any health effects--in human studies of harm from acidic particles. Inhaler medications to reduce airway constriction are delivered in the form of sulfate aerosols. The lack of toxicity of power plant particulate matter is particularly ironic. In a slew of reports with scary titles like Death, Disease, and Dirty Power and Power to Kill, environmentalists have been running a vicious multi-year campaign against inexpensive coal-fired electricity, based on the false claim that power plant pollution is deadly.

#### **6.** The more virulent, the less likely extinction is

Adam 5 (Mike, Staff Writer for Newstarget.com, "Why the bird flu virus is less deadly but more dangerous," June 21, http://loveforlife.com.au/content/08/02/05/why-bird-flu-virus-less-deadly-more-dangerous-mike-adams-21st-june-2005, ATP)

If you're a really deadly virus -- like Ebola, which kills 90 percent of the people infected -- then you're actually not very good at spreading from one person to the next. Why? You kill your host too quickly. You're so deadly that your host dies before you get a chance to be infectious. In order to be a pandemic, a virus must be highly infectious; it must be able to spread from one person to another in an undetectable way. When a virus becomes less-immediately lethal, it is able to survive in the host in an undetectable state, for a longer period of time. This is what makes viruses really, really dangerous: A dangerous virus is not lethal to one individual; rather, it can exist in a hidden state and be passed from one person to the next. It's the contagiousness of a virus that makes it dangerous. Let's say you're a virus and you consider "success" to be wiping people out. Obviously, viruses don't have that sort of thought process, this is just a way to explain their strategies. If you're a virus and you're trying to infect and kill people, you're going to be far more "successful" if you have a low kill rate but infect a billion people, rather than having a very high kill rate and only infecting 10 or 20 people. If you are a very deadly virus in the Congo, for example, and you manage to wipe out a small village, even though you were rather horrifying to the village and fatal to those people, you as a virus haven't been very successful. Why? You wiped out the village; there's nobody left to spread it. Now, again, of course viruses don't think this way: They don't have plans, they don't have strategies -- this is just evolutionary biology in play.

#### The more virulent a disease it is, the less of a concern it is

The Guardian 3 (“Second Sight”, September 25, http://technology.guardian.co.uk/online/story/0,3605,1048929,00.html, ATP)

The parallel with the natural world is illustrative. Take the case of everyone's favourite evil virus, Ebola. This is so virulent that it kills up to 90% of infected hosts within one to two weeks. There is no known cure. So how come the entire population hasn't dropped dead from haemorrhaging, shock or renal failure? The "organism" is just too deadly: it kills too quickly and has too short an incubation period, so the pool of infected people doesn't grow.

#### No way of knowing how diseases begin

Lafee 9 (“Viruses versus hosts: a battle as old as time”, SCOTT MAY 3, http://www.signonsandiego.com/news/2009/may/03/1n3virus01745-viruses-versus-hosts-battle-old-time/?uniontrib, ATP)

When and how a virus jumps species are difficult to determine. Usually the leap involves new and sustained exposure to a previously unknown virus. For example, HIV, the virus that causes AIDS, was originally a modest disease of chimpanzees. Researchers suspect simian HIV leapt to human hunters early in the past century. SARS, or severe acute respiratory syndrome, is believed to have originated in civet cats sold at Asian markets.

#### Mutations ensure extinction of the virus

Lafee 9 (“Viruses versus hosts: a battle as old as time”, SCOTT MAY 3, http://www.signonsandiego.com/news/2009/may/03/1n3virus01745-viruses-versus-hosts-battle-old-time/?uniontrib, ATP)

But whatever type, viruses evolve in two fundamental ways. The first, called antigenic drift, is gradual but constant. A single virus can produce 1 billion offspring in a single day. This profligate rate is essential. Viruses need maximum numbers to boost their chances of finding hosts and ensuring survival. Such rapid replication guarantees that mistakes will be made, that tiny mutations in gene copying will result in new viral strains not recognized by immune systems. For small viruses such as influenza or hepatitis C, antigenic drift is critical to helping them evade detection during infection.

### **AT: Environment Solvency**

#### NextGen can’t offset rising demand

Sebastian and Piltz 7 (Thea—Director Climate Science Watch and Rick—Director Climate Science Watch, July 2007, *NextGen Air Transportation System Progress Reports Ignore Climate Change*, <http://www.climatesciencewatch.org/file-uploads/NextGen_final_18jul07.pdf>) LA

Third, NextGen/JPDO makes little commitment to alternative options – besides “improved management increases and marginal increases in fuel efficiency” – for airline companies.26 Aviation is going to be dependent on carbon-based fuels for quite some time, barring a major breakthrough. Accordingly, industry officials argue that climate 23 U.N. holds conference to look at cutting aircraft emissions. Greenwire: May 15, 2007 24 White, Aoife. “EU: Airlines Should Join Carbon-Cap Plan.” Associated Press: June 8, 2007 http://www.forbes.com/feeds/ap/2007/06/08/ap3802324.html 25 White, Aoife. “EU: Airlines Should Join Carbon-Cap Plan.” Associated Press: June 8, 2007 http://www.forbes.com/feeds/ap/2007/06/08/ap3802324.html 26 ibid. 7 change concerns should be deflected to the electric utility, industry, buildings, and automobile sectors, which account for a much larger percentage of current carbon dioxide emissions. There are potential alternatives for the aviation industry. Experiments with alternative fuels – including biodiesel, biokerosene and hydrogen – are currently underway, along with new engine and airframe designs. Breakthroughs would be needed to implement these technologies; however, further research could prove fruitful. There is also some potential for reduced emissions due to improvements in aviation operations, including load factors (reducing the amount of fuel spent per passenger by loading airplanes to capacity), airport and air traffic management improvements (doing more direct flights, as opposed to lay-over flights) and setting high fuel efficiency targets. However, NextGen/JPDO does not appear to have a strategy that would pursue changes designed to offset the projected growth of aviation’s carbon footprint.

#### NextGen increases air pollution --- planes will fly lower and with more frequency

Wolf 9 (Heather V., Founder and Director of Our Airspace, Information Advisor for the Alliance for Sensible Airspace Planning and National Advisory Board member for the American Working Group for National Policy, *Northeast Airspace Redesign*, http://ourairspace.org/background.html) LA

The Northeast Airspace Redesign is the first major overhaul of this airspace in almost 50 years. The chief aim of this project is to increase capacity of the airspace by double in ten years and by triple by 2025. This project is part of the Operational Evolution Plan, National Airspace Redesign, Northeast Airspace Expansion, and relies on Next Gen which is all part of the ultimate objective of achieving Free Flight. The highly congested and delay-prone Northeast is the "test bed" for the national airspace redesign. Once successfully implemented in this region, the airspace across the United States will be redesigned using the same methodology. The redesign project was created to make use of efficiencies created by fascinating new technology upgrades "Next Gen." Unfortunately, Next Gen is 16 years behind schedule and not expected to fully roll out until 2025. The FAA has decided to implement the airspace redesign without the safety net of all the "Next Gen" technology presumably due to industry pressure. It has been fast tracked into implementation well before being safe. The airspace design being implemented is deeply flawed. It failed to meet it's objectives. It does not solve flight delay and it does not safely increase capacity. Instead this project compromises safety, exacts enormous negative impacts and is being implemented without a legal impact study. The FAA is now being sued over this premature implementation in a landmark lawsuit which combined 12 petitioners in 5 states. Many of the 12 petitioners represent communities with populations over 1 million. Several amicus briefs have also been filed by congressmen, senators and State Attorney Generals. Lawmakers across the country are now concerned the Northeastern redesign rollout will become the model for implementing the nationwide redesign; inviting negative public sentiment, litigious action and compromising the nations aviation safety record. Please note: This project is also referred to as "NY/NY/PA Airspace Redesign", "New York Redesign" ,"Airspace Redesign", "Routes and Procedures for Performance Based Navigation" , "Northeast Airspace Redesign" The chief aim of this project was to safely increase capacity of the airspace, reduce complexity to delay by 20 percent. This project is part of a Nationwide Airspace Redesign (NAR)) which requires 'Next Gen' technology. It is part of the FAA's Operational Evolution Plan. All of these initiatives move the industry toward Free Flight. The project was audited by the Inspector General twice with alarming results. The project suffered over the years since it's inception in 1998. Personnel changes, budget management issues, and project management breakdowns plagued the project. They failed to conduct essential studies, failed to involve keep players, failed to document changes, utilized flawed and outdated and incomplete data for modeling and outsourced sensitive information. The project continued towards implementation due to political and industry pressure with a near total lack of transparency. The redesign incorporates controversial actions including the use of restricted airspace, reducing safe distance between the aircraft in flight and on the runways, reducing cruising altitudes over populated areas, intentionally excluding air traffic controllers, pilots, and impacted communities in the planning process, ignoring professional comment put forth by the office of the Inspector General and failing to conduct cost analysis or risk VS. gain studies. These issues notwithstanding, due to intense political pressure, the implementation is rolling out during a staffing crisis at the control tower. Initial changes have begun in 2007 and will implement fully in 2011. The project, which will affect 29 million residents across 5 states, introduces severe noise and air pollution to thousands of communities. Some communities in NJ and NY will have 600 flights a day flying directly over their homes. The environmental and economic consequences of this Project have not been fully researched or discussed with the affected communities by the FAA. Political and industry pressure are sighted as factors in rushing this project into early production. Other factors may include averting pending environmental protection policy changes. This project does not fulfill it's purpose and need. It will not safely expand the capacity of the airspace and it will not reduce flight delay. Significant downsides exist with this ill-conceived project including increase of fuel consumption, overuse of airport facilities, potential national security risks, environmental damages, air quality degradation and noise and air pollution to more communities. The Inspector General of the Department Of Transportation executed an audit of the redesign project in 2003 in response to notice of inefficiencies at the FAA brought forth by members of congress, whistle blowers at the FAA and DOT internally. The public audit details some of the major flaws. The EIS includes data anomalies caused by miscalibration of instrumentation. This was never addressed in the Final EIS and the FAA also refused to produce corrected data.

#### Plan increases the number of flights

Kaye 11 (Ken, veteran journalist, Fly faster, safer with new air traffic control plan, Dec 3, http://articles.sun-sentinel.com/2011-12-03/news/fl-faa-nextgen-20111202\_1\_air-traffic-faa-projects-faa-estimates) LA

"We face difficult economic conditions," said Steve Lott, spokesman for Airlines for America, a trade organization that represents the major U.S. carriers. "Without significant modernization, congestion and delays will worsen as traffic increases." At the heart of NextGen is the plan to shift from old-fashioned ground stations to satellites for navigation. Notably, this will allow planes to use GPS to fly directly to airports and make fewer turns while approaching runways. A version of the more efficient approaches already is being used at Miami International Airport. "It's like a continual glide to the runway end," said Paul Fontaine, the FAA's technology development director. "It doesn't imply the engines are shut off." Eventually, the low-power gliding approaches are expected to be approved for all of South Florida's major airports. NextGen will allow planes to fly more precise routes, saving 30 to 100 gallons of fuel and shaving 10 minutes off travel time per flight, according to FAA estimates. Among the other benefits: The program should improve safety by giving pilots a cockpit display of all the air traffic around them, the same display air traffic controllers see. Also through the use of cockpit displays, it should minimize weather delays, which currently cost the airlines about $30 billion a year. Even in poor visibility, the displays would show a pilot the terrain as if it were a sunny day. And NextGen should improve pilot-controller communications through the increased use of "datalink" machines, which work like e-mail and already are installed in many airliners. The devices should ease radio congestion. By the time the program is completed in 2025, at a cost of $15 billion to $22 billion, more planes will be able to take off per hour, more planes will be able to fill the skies and more passengers will reach their destinations without delays, the FAA said. Without NexGen, air travel is doomed to start bogging down as soon as 2015. Despite the down economy, the FAA projects the number of U.S. passengers will increase from 800 million in 2010 to more than 1 billion by 2020.

### AT: Air Pollution

#### Air quality is improving

Hayward 4 (Steven F., Pacific Research Institute, Index of Leading Indicators, http://www.pacificresearch.org/pub/sab/enviro/04\_enviroindex/Enviro\_2004.pdf)

Average vehicle emissions are dropping about 10 percent per year as the fleet turns over to inherently cleaner vehicles, including modern SUVs. · Since 1985, nitrogen oxides (NOX) emissions from cars have dropped 56 percent and volatile organic compounds (VOCs) are down 67 percent, according to the most recent EPA data. · Stories touting an uptick in ozone pollution are based largely on the .weekend effect,. a paradoxical situation in which the weekend drop in NOX emissions, from 10 to 40 percent, causes an increase in ozone levels. · Asthma rates in children under the age of five rose more than 160 percent between 1980 and 1994, while air pollution rates fell from 25 to 80 percent. Was 2003 the year we started losing the battle against ozone smog? That is what you would think if you read the media headlines. .Smog Woes Back on Horizon,. trumpeted an abovethe- fold Los Angeles Times headline in mid-July.1 .It.s One Smoggy Summer,. declared the Associated Press. And USA Today joined the chorus in October with .Smoggy Skies Persist Despite Decade of Work..2 Unfortunately, a reader of these articles will learn very little about what is behind the recent uptick in ozone levels. To the contrary, most media stories convey loads of misinformation. The USA Today story, for example, offers this explanation of stubborn ozone levels: .One likely reason why the smog isn.t lifting: Americans are driving more miles than they did in the 1980s. And they.re driving vehicles that give off more pollution than the cars they drove in the .80s. (emphasis added). USA Today needs a better fact-checking department.

#### Global air pollution inevitable

Watson 5 (Traci, USA Today, Air Pollution From Other Countries Drifts into USA, 3-13, http://www.usatoday.com/weather/resources/climate/2005-03-13-pollution-\_x.htm)

Americans drive imported cars, wear imported clothes and chug imported beers. Now scientists are discovering another, less welcome import into the USA: air pollution. Mercury from China, dust from Africa, smog from Mexico — all of it drifts freely across U.S. borders and contaminates the air millions of Americans breathe, according to recent research from Harvard University, the University of Washington and many other institutions where scientists are studying air pollution. There are no boundaries in the sky to stop such pollution, no Border Patrol agents to capture it. Pollution wafting into the USA accounts for 30% of the nation's ozone, an important component of smog, says researcher David Parrish of the National Oceanic and Atmospheric Administration. By the year 2020, Harvard University's Daniel Jacob says, imported pollution will be the primary factor degrading visibility in our national parks. While the United States is cutting its own emissions, some nations, especially China, are belching out more and more dirty air. As a result, overseas pollution could partly cancel out improvements in U.S. air quality that have cost billions of dollars.

#### No impact

Schwartz 3 (Joel, Competitive Enterprise Institute, *Particulate Air Pollution: Weighing the Risks*, April, http://cei.org/pdf/3452.pdf)

Nonetheless, both the Bush Administration and congressional Democrats have proposed sweeping new measures to further crack down on power plant emissions. The Administration’s Clear Skies Initiative and a more stringent Democratic alternative are largely justified by claims that current levels of particulate matter (PM) pose a serious public health threat. Supporters of these bills promise substantial benefits from additional PM reductions. Nevertheless, the benefit claims for PM reductions rest on a weak foundation. EPA based its new annual fine PM (PM2.5) standard on a study known as the American Cancer Society (ACS) study of PM and mortality, which assessed the association between the risk of death between 1982 and 1998 with PM2.5 levels in dozens of American cities. Although the ACS study reported an association between PM and mortality, some odd features of the ACS results suggest that PM is not the culprit. For example, according to the ACS results, PM increased mortality in men, but not women; in those with no more than a high school degree, but not those with at least some college education; in former- smokers, but not current- or never-smokers; and in those who said they were moderately active, but not those who said they were very active or sedentary. These odd variations in the relationship between PM2.5 and mortality seem biologically implausible. Even more surprising, the ACS study reported that higher PM2.5 levels were not associated with an increased risk of mortality due to respiratory disease; a surprising finding, given that PM would be expected to exert its effects through the respiratory system. EPA also ignored the results of another epidemiologic study that found no effect of PM2.5 on mortality in a cohort of veterans with high blood pressure, even though this relatively unhealthy cohort should have been more susceptible to the effects of pollution than the general population. The evidence therefore suggests that the existing annual standard for PM2.5 is unnecessarily stringent. Attaining the standard will be expensive, but is unlikely to improve public health.

#### Tons of alt causes

Brook et al. 4 (Robert D. M.D., *Air Pollution and the Cardiovascular Disease*, Circulation: Journal of the American Heart Association, 6-1, <http://circ.ahajournals.org/cgi/content/full/109/21/2655#SEC1/>)

A brief description of several individual air pollutants is provided first for background. A complete discussion is beyond the scope of this statement, and interested readers may find a more comprehensive review on this subject elsewhere.26 Particulate Matter Airborne Particulate Matter consists of a heterogeneous mixture of solid and liquid particles suspended in air, continually varying in size and chemical composition in space and time (Figure 1). Primary particles are emitted directly into the atmosphere, such as diesel soot, whereas secondary particles are created through physicochemical transformation of gases, such as nitrate and sulfate formation from gaseous nitric acid and sulfur dioxide (SO2), respectively. The numerous natural and anthropogenic sources of PM include motor vehicle emissions, tire fragmentation and resuspension of road dust, power generation and other industrial combustion, smelting and other metal processing, agriculture, construction and demolition activities, residential wood burning, windblown soil, pollens and molds, forest fires and combustion of agricultural debris, volcanic emissions, and sea spray. Although there are thousands of chemicals that have been detected in PM in different locations, some of the more common constituents include nitrates, sulfates, elemental and organic carbon, organic compounds (eg, polycyclic aromatic hydrocarbons), biological compounds (eg, endotoxin, cell fragments), and a variety of metals (eg, iron, copper, nickel, zinc, and vanadium).

#### Panicked reports are wrong – the air is improving

Artz 11 (Kenneth, Reporter @ The Heartland Institute, http://www.heartland.org/environmentandclimate-news.org/article/30147/Nations\_Air\_Quality\_Continues\_to\_Improve.html, ATP)

According to the report, ozone levels registered the strongest improvement. All metro areas in the 25 cities most polluted by ozone showed improvement over last year’s report. Particulates also registered impressive reductions. All but two of the 25 cities most affected by particle pollution (sometimes called soot) improved over last year’s report. The State of the Air 2011 report examines ozone and particulate pollution at official monitoring sites across the United States in 2007, 2008, and 2009. The report uses the most current quality-assured nationwide data available for these analyses. Joel Schwartz, a Senior Consultant with Blue Sky Consulting Group of Sacramento, California, said the U.S. Environmental Protection Agency and environmental activist groups nevertheless continue to frighten people into believing national air quality is worsening. “The Environmental Protection Agency (EPA) has made the claim that air pollution at current levels kills tens of thousands of Americans every year. EPA makes a wild claim like that because, first, they believe it, but secondly because they must keep up the perception that there’s a serious problem that must be solved. If there wasn’t a serious problem, then EPA wouldn’t be able to justify the enormous budget and resources the organization commands,” said Schwartz. “Of course, the EPA’s story is all wrong. We have cleaner air now than 1970 when the Clean Air Act was established. In fact, the air in 1970 was cleaner than it was in the 1930s,” Schwartz observed. “Obviously, at high enough levels air pollution can kill people. But the evidence shows that the air we breathe today is nowhere near that level, nor has it been for a very long time. In fact, the air is getting cleaner,” said Schwartz.

#### Air pollution is declining – other studies are biased

Schwartz 7(Joel, Senior Scientist @ Reason Foundation’s Environmental Program, July 1, http://www.heartland.org/environmentandclimatenews.org/article/21605/American\_Lung\_Associations\_2007\_Report\_Distorts\_Air\_Quality\_Facts.html, ATP)

Conveniently, ALA provides a fictional "explanation" of the fictional rise in PM2.5: "power plants are likely the source of much of the increase in particle pollution in the eastern United States, driven by increased electricity production during the period." Note how ALA is careful never to claim explicitly that power plant pollution increased, but merely that electricity production increased. The reader is led to assume that more electricity production means more power plant air pollution and therefore higher PM2.5 levels. Actually, power plant sulfur dioxide (SO2) emissions--the source of the sulfate component of PM2.5--remained unchanged during the year when ALA claimed they were increasing. The figure accompanying this article compares average PM2.5 levels and power plant SO2 emissions for the eastern half of the United States since 1994. (National PM2.5 monitoring didn't begin until 1999.) Note the unique jump in PM2.5 in 2005, with steady declines both before and after. Also note that under existing law SO2 emissions must decline another 70 percent over the next several years, ensuring far more PM2.5 improvement in the future.

#### Legislation is improving the air

WAMC News 7-8 (Staff, http://www.publicbroadcasting.net/wamc/news.newsmain/article/ 0/0/1825213/North.CountryAdirondacks.News/Environmental.Groups.Praise.New.Air.Pollution.Rules, ATP)

Environmental groups say new air pollution rules approved by the Obama Administration will help plants and wildlife in the Catskills, Adirondacks and other northeastern mountains recover from decades of acid rain. WAMC North Country Bureau Chief Pat Bradley reports... The Environmental Protection Agency on Thursday finalized rules governing air pollution from power plants that drifts across state lines. Adirondack Council Spokesman John Sheehan says the new cross state air pollution rule will stop acid rain emissions from other states. "We think that this will essentially bring to an end the continuing damage from acid rain in the Adirondack," said Sheehan. "That is a milestone we've been trying to reach since 1975." The new rule cuts sulfur dioxide by 73% and nitrogen oxides by 54% from 2005 levels by 2014.

#### Impact studies are flawed – inconclusive cause

Green & Schwarz 2 (Kenneth & Joel, Chief & Senior Scientists @ Reason Foundation’s Environmental Program, May 1, http://www.heartland.org/environmentandclimate-news.org/article/398/Air\_pollution\_risk\_exaggerated.html, ATP)

It is thus difficult to tell in an ecologic study whether observed health outcomes are the result of pollution exposure ... or other differences between people who live in high- and low-pollution areas. For example, if it turned out that people in high-pollution areas are more likely to drink or smoke, there’s a danger of inadvertently confusing an effect of alcohol consumption or smoking with an effect of pollution. This problem is known as confounding. Other confounders include diet, exercise frequency, income, marital status, “body-mass index” (BMI, a measure of obesity), and educational attainment. The Pope study researchers accounted for most of these confounders in their analysis. But the factors were assessed only when people entered the study in 1982 and not afterward. If any of these factors changed after 1982, and if the changes were correlated with pollution levels, then the study results would suffer from uncontrolled confounding. For example, if people in areas with higher pollution were also likely to get fatter between 1982 and 2000 when compared with people in lower pollution areas, researchers could mistake an effect of body weight for an effect of air pollution. Similar concerns apply to other confounders, such as diet and smoking. For example, if the prevalence of smoking decreased more slowly in higher pollution areas during the last 20 years, then smoking might have actually been responsible for effects the Pope study attributes to air pollution. Because the risks of smoking and obesity are so much larger than the risks the Pope study estimated for fine particulates, even a small difference in smoking and obesity trends between areas with differing pollution levels could swamp the claimed effect of differences in air pollution. For example, the Pope study found that a 70 percent increase in the concentration of fine, airborne particle levels increases risk of dying prematurely by 6 percent. But for a six foot, 200-pound, non-smoking man, gaining just 15 pounds increases the risk of an early death by 17 percent. Two other findings in the Pope study suggest the authors’ efforts to control for confounding were incomplete. First, the study found particulate exposure increases the risk of lung cancer for men, but not for women. Second, the association of air pollution and either cancer or cardiopulmonary mortality held only for people with a high school education or less. There are also other potentially confounding factors the Pope study did not assess at all, including income and wealth, and physical activity levels. These factors also have a strong relationship to health and could have changed over time in ways that could cause misattribution of health effects to air pollution when they were actually due to other factors.

### Politics Links

#### Federal loan guarantees unpopular for Obama

Trabish 6/6 (Herman K., writer for Green Tech Media, “Sparks Fly as Bush’s Brain and Obama’s Mouth Talk Wind,” <http://www.greentechmedia.com/articles/read/sparks-fly-as-bushs-brain-and-obamas-mouth-talk-wind/>) KA

Rove said the present political leadership has “been too focused on the presidential election to get things done." Rove predicted the wind industry’s production tax credit (PTC) would not be extended until after the November election, far too late to save an industry whose development lead times are eighteen months or more from a severe contraction in 2013. Gibbs agreed election year politics will stop all progress. “This should not be a partisan issue,” he said of the effort to get Congress to extend the PTC. “The one reason it would not get done is because somebody deems that to be in their political interest.” When Rove attacked the President’s political tactics, Bode reminded him Mr. Obama has staunchly supported renewables. Rove responded by changing the subject to tax reform. Gibbs agreed there is a need to reform the tax code and added that tax reform is a highly charged political topic. Rove kept the discussion away from wind, instead arguing for tax reforms like a long-term extension of the R&D tax credit. He did not, however, mention the possibility of a similar long-term extension of the PTC. He did take a big step when he noted that, unlike the federal loan guarantees that have become so unpopular in his political party, the PTC is based on performance and is a proven way of leveraging private investment.

#### Congressional backlash from spending on NextGen

Poole 10 (Robert W. Jr., Director of Transportation Policy and Searle Freedom Trust Transportation Fellow – Reason Foundation, and Chris Edwards, Director of Tax Policy Studies – Cato Institute, “Airports and Air Traffic Control”, June, <http://www.downsizinggovernment.org/transportation/airports-atc>)

Political Constraints. A third impediment to ATC reform is political. The redesign of the ATC system foreseen in NextGen could potentially deliver major cost savings and greatly expand ATC capacity. However, realizing those gains would require retirement of large numbers of costly radars and other ground-based navigation aids and the consolidation of ATC facilities. One current proposal would replace 21 en route centers and 171 terminal radar approach control (TRACON) facilities with just 35 air traffic service hubs in a redesign of U.S. airspace.28 Physical control towers located at many smaller airports would gradually be phased out as "virtual tower" functions are built into the new super-hubs.

However, Congress tends to resist consolidating ATC facilities because of concerns about job losses and the like, which is similar to the political resistance to closing post offices and military bases. A major 1982 proposal for consolidating ATC facilities was quietly dropped after it became clear that getting it through Congress would be very difficult. Similarly, Congress came extremely close to forbidding the FAA's recent success in outsourcing its Flight Service Station system, which involved reducing the system from 58 facilities to 20. The prohibition was defeated only by a credible veto threat from the White House. In sum, as long as ATC remains government-owned and controlled, making the needed reforms to improve efficiency and implement NextGen will be very difficult.

#### NextGen loan guarantees unpopular

Langston 11 (Sara M., Reporter – Aviation Week, “Congressman Introduces Clause To Fund Aviation's Equipage Of Nextgen”, Legal News Dictionary, <http://law.hukuki.net/congressman-introduces-clause-to-fund-aviations-equipage-of-nextgen.htm>)

Rep. Dan Lipinski (D-Ill.) is proposing to add a clause to the FAA reauthorization bill that would provide grants and loan guarantees for aircraft operators to equip for the NextGen program. Lipinski is one of the minority members of the House Transportation &amp; Infrastructure Committee. He has not said how he will attempt to include his proposal in the reauthorization bill that will soon be introduced by Committee Chairman John Mica (R-Fla.). Unless Mica decides to incorporate it, the proposal will likely be offered as an amendment. While there is broad bipartisan support for NextGen, authorizing new spending could be a tough sell in the House. Under the proposal, the FAA would be authorized to issue grants of up to 20% of the cost of equipping aircraft for automatic dependent surveillance-broadcast (ADS-B). The proposal specifies ADS-B "out," which will be used to improve surveillance for controllers. A second part of the proposal would authorize loan guarantees of up to 80% of equipage costs. Under certain conditions, the remaining 20% could be met by the direct grant.

#### Congress hates NextGen – not providing FAA funds

McGee 11 (Bill, contributing editor to Consumer Reports – USA Today, “Five ways to improve air travel (that government won't act on)”, <http://travel.usatoday.com/experts/mcgee/story/2011-10-26/Five-ways-to-improve-air-travel-that-government-wont-act-on/50925900/1>) KA

Now consider that the United States, for all its power and wealth, is dependent upon an outdated air traffic control network that relies on radar rather than satellite-based technology. And further consider that the solution has been a political football, and the punting has continued for years now, ever since a new methodology was proposed in 2003. Benefits abound It's called the Next Generation Air Transportation System - better known as NextGen -- and by employing satellite and data technologies it's designed to reduce flight delays 35% by 2018. The Federal Aviation Administration site provides more background information—in both text and video formats—than most air travelers would ever need. For consumers, the simple fact is the FAA promises that modernizing the nation's antiquated air traffic control system would bring immediate and lasting advantages. Here are the top five benefits for air travelers: 1. A more efficient airline network with fewer flight delays, both in the air and on the ground 2. Fewer flight cancellations, providing passengers with savings in both money and time 3. Less time en route from Point A to Point B, aided by more direct flight paths, thus reversing the "padded flight times" trend I wrote about here in 2009 4. An enhanced level of safety "to better predict risks and then identify and resolve hazards" 5. Fuel savings and a reduction in aviation's carbon footprint, not just by lowering fuel emissions but also by curbing noise What's more, these efficiencies and economic benefits would also flow to airlines, corporate customers and communities as well, thereby strengthening the nation's economy. So the only pressing question concerning NextGen would seem to be: What's holding it up? The answer, of course, is funding, and neither the U.S. Government nor the airline industry has quite resolved this issue. In the meantime, the traveling public keeps waiting for NextGen. Footing the bills Support for NextGen crosses party lines and transcends political ideologies. As far back as 1997, Vice President Al Gore was calling for air traffic control modernization that would "make the notion of 'highway lanes in the sky' as obsolete as the bonfires that used to guide early fliers." The Reason Foundation points out that "the technology the (FAA) uses to navigate $200 million jets is less advanced than the GPS technology drivers use to navigate $20,000 cars." A key roadblock has been Congress. Critics on both sides of the aisle complain that the lack of long-term and sustained funding for the FAA is crippling big-picture capital improvement projects such as NextGen. Last summer, Congressional bickering prevented an extension of funding for an FAA Reauthorization bill and led to a temporary "shutdown" of non-essential FAA funding. That incident underscored that the FAA has been working without a long-term reauthorization since 2007, and has been temporarily funded more than 20 times in five years

#### Loan guarantees unpopular – Solyndra proves

O’Dowd 11 (Peter, writer for NPR, “Solar Titan Faces Funding Worries After Solyndra”, <http://www.npr.org/2011/09/30/140930702/solar-titan-faces-funding-worries-after-solyndra?ft=1&f=1001>) KA

America's solar industry is struggling to stand on its own, Raffaelle says. First Solar got more than $50 million in local incentives for the Mesa factory and up to $5 billion in federal loan guarantees to get its utility projects financed. That's the same kind of help that California company Solyndra received before it went bankrupt. Now, the loan guarantees are increasingly unpopular in Washington. "First Solar is in big trouble. Big, big trouble," says Gordon Johnson, a senior research analyst for Axiom Capital Management. Johnson doesn't believe American companies — even the biggest American company — can compete. Massive government investment in Asia is tipping the scale and helping Chinese manufacturers like GCL-Poly Energy creep closer to First Solar's envied production costs.

#### Loan guarantees massively unpopular

Holtz-Eakin 12 (Douglas, President of the American Action Forum, “ALL-OF-THE-ABOVE OR ANYTHING-BUT-FOSSIL?”, http://americanactionforum.org/topic/all-above-or-anything-fossil) KA

If the president talks enough about his all-of-the-above policies, maybe we’ll forget about his abject failures in advancing the energy game. But more important are the things the president didn’t talk about. He left out all mention of the Keystone pipeline in his State of the Union, knowing it was an unpopular – and damaging – decision. He left out all mention of failed loan guarantees to Solyndra, which his administration approved despite Solyndra’s pitiful business plan. He left out all mention of the threat that EPA regulation has on energy producers and jobs, despite evidence that the compliance burden is unaffordable. He left out all mention of nuclear power. While a boom in shale gas makes the economics of nuclear power uncompetitive at the moment, Obama’s regulatory chokehold on natural gas just might mean a resurgence in the nuclear sector – and electricity prices.

#### NextGen funding will be hard to pass

Pyper 12 (Julia, Reporter – Energy & Environment Daily, “Industry Says Efficient Air Traffic Program Still Needs More Political Support”, ClimateWire, Lexis)

A system designed to make air transport faster, safer and more fuel efficient still lacks the political backing it needs to really take off, industry leaders said yesterday at the 11th Annual Aviation Summit. Congress passed a Federal Aviation Administration reauthorization bill earlier this year after 23 extensions, which increased authorized spending to develop the Next Generation Air Transportation System, or NextGen. But at a time of steep budget cuts and slow regulatory action, air carriers and their supporting industries are concerned about how the program will roll out. "We haven't made as much progress on capacity and efficiency as we need to make, and this isn't as much about the technology as it is about the political alignment and the will to implement it," said Dennis Muilenburg, president and CEO of Boeing's Defense, Space & Security division. NextGen will make air transport more efficient and less carbon-polluting by integrating new and existing technologies, including satellite navigation and advanced digital communications. FAA estimates NextGen will reduce delays by 38 percent compared to the status quo by 2020 and achieve 14 million metric tons in cumulative reductions of carbon dioxide emissions by the end of the decade. To realize these benefits, the U.S. government needs to provide incentives for airports and airlines to become NextGen-equipped and encourage the adoption of existing technologies that fit with the program, said Muilenburg. Some big commitments For American Airlines, the transition to NextGen "absolutely cannot happen fast enough," said Cpt. Brian Will, the airline's director of airspace modernization and advanced technologies. American has already invested $1.4 billion in its NextGen programs and upgraded the navigation and surveillance technology on hundreds of planes. But FAA has repeatedly delayed the technology certification process. This makes the upgrades unusable, said Will. The road map to mandate many new technologies now lies in the 2020 to 2025 time frame, he said. "For the amount of money that we've put into equipage, we're not seeing the benefits accrue at a rapid enough pace to justify the investment," he said. NextGen is a "transformational" project, said Duane Woerth, U.S. ambassador to the Council of the International Civil Aviation Organization (ICAO), the U.N. agency that handles global aviation matters. "When, at long last, NextGen becomes fully operational, it will feel like a chapter from the big bang theory of evolution of aviation policy," he said. A $40B price tag NextGen is made up a multiple programs that must fit together like a puzzle but also need to be put into place in the right order. Woerth added that ICAO is currently working to integrate U.S. technologies with similar systems being developed in Europe and Japan to ensure they are harmonized. To keep up the momentum on NextGen, David Barger, president and CEO of JetBlue Airways Corp., said the airline industry needs to keep selling the benefits of the system to policymakers and the public. "I would like to see NextGen used in the presidential debate. Someone use it, please. Because it really is significant when it comes to energy, the environment and the economy," he said. Clayton Jones, president and CEO of Rockwell Collins, a leading company in aviation electronics, said the price tag on NextGen is about $40 billion over 15 years. Half of that amount is needed for airplane equipage and the other half is needed to upgrade ground systems. "The problem now is getting $40 billion in this economic climate, and I just don't have confidence in that," Jones said.

#### Airline companies don’t like NextGen – FAA untrustworthy

IB Times 11 (IB Times, “Fed’s NextGen: Air Traffic Control for the 21st Century”, <http://www.ibtimes.com/articles/174672/20110705/faa-nextgen-air-traffic-control-gps-airlines-travel-business-travel-leisure-travel-airports-airlines.htm>) KA

In a nutshell, NextGen is a long-overdue, tech-based system that will save time, money, and energy. And any system that reduces the amount of fuel a commercial plane burns per flight is good for the environment. So who could possibly complain against a system that's roughly the equivalent of replacing a 1960s Buick with a 2011 Porsche 911? Airline companies, that's who. Airlines favor NextGen, but they're concerned about the FAA's history of changing directions after they've made costly new investments. That's one reason the arilines want the federal government to help pay for the equipment they're required to buy. Loan guarantees may represent one compromise between the feds and airlines, The Washington Post reported Tuesday. Airlines also want proof that NextGen is ready to produce tangible benefits. That's why the FAA's goal is to leverage current GPS technology, before adding more technology, and, by extension, raising cost.

#### Congress against remodeling of air traffic control

USA Today 11 (USA Today, “House votes to end unpopular new business tax rule”, <http://www.usatoday.com/money/perfi/taxes/2011-03-04-house-business-tax_N.htm>) KA

The filing requirement is so unpopular in Congress that it is unlikely to ever take effect. The House voted 314 to 112 Thursday to repeal the filing requirement, with 76 Democrats joining all Republicans in voting to pass the bill. The Senate passed a similar measure last month, and attached it to an unrelated bill to help modernize the nation's air traffic control system. However, many Democrats and Republicans — and the House and Senate — disagree on how to make up the potential revenue, so the debate could drag on for months. "Frankly, it is an attempt to repeal a provision of the health care bill that never should have been there in the first place," said Rep. Dan Lungren, R-Calif., who sponsored the House repeal bill. "Let's not make it a political football now." President Barack Obama's budget office released a statement saying the administration supports repealing the filing requirement — even though it was included in the health care law he championed — because it would "place an unnecessary bookkeeping burden on small businesses." The administration, however, opposes both the Senate and House plans to make up the potential revenue.

#### Companies and business lobbies don’t like NextGen – too expensive

Perera 11 (David, executive editor of the FierceMarkets Government Group, “FAA must chose NextGen flight prioritization soon, says report”http://www.fiercegovernmentit.com/story/faa-must-chose-nextgen-flight-prioritization-soon-says-report/2011-02-08) KA

If air traffic controllers are to make use of advanced flight prioritization methods made possible by satellite tracking of aircraft positions, then Federal Aviation Administration faces some urgency in choosing a prioritization methodology, says a report commissioned by the FAA-led NextGen Joint Planning and Development Organization. Under today's radar-based air traffic control system, controllers can estimate the future position of aircraft based on their position and speed, but planned changes to air traffic control that include requiring aircraft to transmit their position using Global Positioning System signals should make trajectory data far more accurate. The FAA is requiring aircraft to carry GPS transmitters by 2020 as part of a multi-billion collection of efforts to modernize air traffic control known as NextGen. NextGen projects and NextGen-enabling technologies such as ERAM will need to incorporate flight prioritization algorithms, meaning that the FAA must decide soon what that future flight prioritization methodology will be, says the Jan. 31 report. The methodology will affect which NextGen projects need support the algorithm. The report, based on the work of JPDO-empaneled private sector and academic aviation experts, examines a number of prioritization methodologies, selecting four as worthy of additional investigation while appearing to favor a methodology that would have aircraft operators bid for prioritization. Market-based prioritization mechanisms "offer the best opportunity to achieve the many objectives of NextGen," the report states. The Government Accountability Office has said (.pdf) that the FAA lacks the authority to auction landing slots for money and market-based approaches to air traffic control is hugely unpopular in the private sector. The report attributes that unpopularity most to "reluctance to pay directly for resources that are now being supported indirectly through taxes and fees paid into the Aviation Trust Fund." The FAA might have to seek congressional authorization to implement such a mechanism, the report adds. Other possible methodologies include assigning priority points according to some objective criteria and allowing operators to bid points against each other to win priority; prioritization according to published air flight schedule or estimated time of arrival for those operators that don't publish schedules; or a system under which the best-NextGen equipped aircraft gain priority, although that last option couldn't be rolled out across the entire United States, the report states.

#### Unstable markets make FAA unpopular

FAS 82 (Federation of American Scientists, “Airport and Air Traffic Control System”, <http://www.fas.org/ota/reports/8202.pdf>) KA

Most other aviation forecasts generally support FAA’s projections, but some do not. This is not surprising in light of the uncertainty about the factors that may affect future traffic growth. The Air Transport Association and a major aerospace firm have suggested that the U.S. airline industry may already be approaching its mature size, which would mean that air carrier operations may level off or even decline by the end of the century. Airline deregulation has destabilized market structure and airline profitability, leading to questions about the ability of the industry to finance badly needed new equipment. There are questions about the future price and availability of aviation fuel and about the longterm impacts of the Professional Air Traffic Controllers Organization walkout. There is also uncertainty about the future distribution of operations among user groups and among airports. FAA expects general aviation users to account for 75 percent of the increase in demand, but there are large uncertainties about the continued growth of the general aviation fleet. One such uncertainty is the future price and availability of the aviation gasoline used by small personal aircraft. As for air carriers, market forces and the restrictions imposed following the strike have already resulted in a redistribution of operations away from congested hubs to second-tier airports that have excess capacity. This new trend, in combination with improved facilities for general aviation traffic at reliever airports, could make it possible to accommodate some increases in aggregated operations within existing system capacity.

### Spending Links

#### The plan expensive – at least $14 billion

Dillingham 8 (Gerald L., Ph.D. Director, Physical Infrastructure Issues, “NextGen and Research and Development Are Keys to Reducing Emissions and Their Impact on Health and Climate”, <http://www.gao.gov/new.items/d08706t.pdf>) KA

Most U.S. airlines have stated that they plan to invest in aircraft and technologies that can increase fuel efficiency and lower emissions, but in the near term, integrating new aircraft into the fleet, or retrofitting aircraft with technologies that can improve their operational efficiency, poses financial challenges to the airline industry. Aircraft have an average lifespan of about 30 years, and the airlines can take almost that entire period to pay for an aircraft. The current fleet is, on average, about half as many years old—11 years for wide-body aircraft, and 14 years for narrow-body aircraft—and therefore is expected to be in operation for many years to come. In addition, the financial pressures facing many airlines make it difficult for them to upgrade their fleets with new, state-of-the-art aircraft, such as the Boeing 787 and Airbus A380, which are quieter and more fuel efficient, emitting lower levels of greenhouse gases.36 Currently, U.S. carriers have placed a small proportion (40, or less than 6 percent) of the over 700 orders that Boeing officials say the company has received for its 787 model. Furthermore, no U.S. carriers have placed orders for the new Airbus 380. These financial pressures also limit the airlines’ ability to equip new and existing aircraft with NextGen technologies such as ADS-B that can enable more efficient approaches and descents, resulting in lower emissions levels. FAA estimates that it will cost the industry about $14 billion to equip aircraft to take full advantage of NextGen.

#### Plan massively expensive – billions will be spent

JPDO 6 (Joint Planning and Development Office, “Next Generation Air Transportation In Brief” <http://www.jpdo.gov/library/in_Brief_2006.pdf>) KA

A natural question is, how much is NextGen going to cost? This is important in making budget and programmatic decisions and in evaluating investments in the NextGen portfolio. In 2006, JPDO delivered the initial cost estimates for NextGen. The expected short-term cost of NextGen through 2012 is estimated at $4.6 billion. This estimate is based on the expected cost of identified programs and research activities. These costs are included in current budgets. Mid- and long-term cost estimates were also developed based on the current five-year picture. Total federal spending will range from $8-$10 billion through 2017, and $15-$22 billion through 2025. Cost estimates for equipping aircraft with NextGen technologies range between $14-$20 billion through 2025. Estimates vary depending on the bundling of the technologies and the pace at which the current commercial aircraft fleet is replaced.

#### NextGen massively over current budget

Sad Hill News 11 (Sad Hill News, “Big Government’s $20 Billion ‘NextGen’ Air Traffic System Already $300 Million Over Budget” <http://sadhillnews.com/2011/10/15/big-governments-20-billion-nextgen-air-traffic-system-already-300-million-over-budget>) KA

Not sure what’s more surprising. That big government will only spend $20+ billion on another iffy transportation project that is already $300+ million over budget (just in software), or that government lovin’ NPR actually published this article – albeit quietly. No doubt thousands of metro hippies are rushing to ‘occupy’ Congress and the White House over this financial boondoggle… (sound of one cricket chirping). Big Government’s $20 Billion ‘NextGen’ Air Traffic System (NPR) The government is trying to modernize the nation’s air traffic control system, but cost overruns, software problems and management concerns are making some wonder whether the so-called “Next Generation” system may take another generation to complete. The radar screens in the nation’s aircraft control towers are based on technology dating to World War II. Many of the routes airliners fly were laid out at a time pilots followed bonfires for navigation at night. The promise of NextGen, as explained in a video on the Federal Aviation Administration’s website, is to bring all that into the 21st century. “You will appreciate the increased safety, environmental benefits and reduced delays as the Next Generation Air Transportation System is adopted,” the video says. What sounds so whizzbang in the video isn’t really all that different from the satellite-based GPS navigation systems many Americans have in their cars, but adopting that technology to the airline industry has been a challenge. The Transportation Department’s inspector general reported that one of the key software components of the system is running more than $300 million over budget and might not be fully phased in for another five years. ~snip~ Steve Lott with the Air Transport Association says the airline industry wants the FAA to allow more use of the advanced navigation procedure, for which many aircraft are now equipped. The deputy administrator of the FAA, Michael Huerta, told a congressional panel recently the agency is working on making that happen. “In the year ahead, what we really want to do is focus on how can we improve the quality of these procedures, and how can we see the very real benefits associated with reduced fuel consumption, reduced time and corresponding environmental benefits as well,” he says. But Transportation Secretary Ray LaHood says until Congress approves a long-term bill for the FAA, the NextGen program will remain in a holding pattern. “We’re stuck in mid-air because of the fact that Congress won’t pass an FAA bill. As soon as they pass a bill, we’ve got a big, bold vision for Next Generation technology,” he says. The government’s share of the NextGen program is estimated to be more than $20 billion. That’s another big concern of its supporters — coming up with that cash at the same time the government is desperately looking for ways to cut spending.

#### Plan is at least 20 billion

Reed 9 (Dan, Senior Writer at USA Today, “Airline leaders shift focus on air traffic control replacement” <http://www.usatoday.com/travel/news/2009-04-20-nextgen-air-traffic-control_N.htm?csp=34>) KA

So now the industry's leaders are trying to make quick funding of the long-discussed Next Generation, or NextGen, air traffic control program a priority in the budget battle in Washington. Their message: Planes need to fly in straight lines, guided by satellites, rather than taking longer, twisting routes over the current network of ground-based navigational radio beacon and radar sites that controls flights. Doing so, the industry claims, would save the USA's economy more than $40 billion a year through fuel and labor cost savings for the airlines and time savings for the 740 million fliers a year. The savings, they claim, could begin showing up by 2012, maybe sooner, if the administration and Congress start providing the $20 billion needed to finally build a system that everyone agrees would be more efficient. United Airlines CEO Glenn Tilton launched the airlines' lobbying effort on March 27 at an industry gathering in Phoenix. There, Tilton, who is chairman this year of the Air Transport Association, the industry's big trade group, said the new system has "been too long coming" and the airlines "are growing impatient" with Washington's dithering on funding a project that has been discussed for a decade but has been slow to roll out. Its deployment has been caught in ongoing concerns over how to pay for a system that will cost the government up to $20 billion and the airlines $20 billion for new equipment and training. Some airlines have spent money upgrading their planes to be ready for NextGen, but funding it has been caught in Washington disputes over whether to raise fuel taxes, taxes on tickets or impose takeoff fees.

#### NextGen very expensive to implement

Gates 12 (Dominic, writer for Seattle Times, “Sea-Tac airliner tests could yield quieter, more efficient landings”, <http://seattletimes.nwsource.com/html/businesstechnology/2018404046_satnavigation11.html>) KA

The FAA's co-lead on the project, Doug Marek, compares it to sliding down a banister instead of taking the stairs. Planes today are guided in by air traffic controllers in a step-by-step descent that takes more time, and more fuel. Another change: Jets arriving from the south, if they need to bypass the airport and turn for a landing toward the south, will turn over Elliott Bay instead of over North Seattle residential areas. The so-called "Greener Skies Over Seattle" flight trials will continue for up to six months, involving some of the passenger flights flown by Alaska Air, Horizon Air, US Airways and SkyWest. The aircraft-navigation technology was pioneered by Alaska Airlines, which in 2009 used the system on late-night test flights into Sea-Tac — without paying passengers. The FAA project is part of a massively complicated and expensive revamp of the U.S. air traffic control system — known nationally as NextGen — that must be implemented airport by airport. The new technologies and procedures have to work alongside the current ground-based aircraft-navigation system. And they must be introduced without a pause, much less a disruption, to the immense flow of daily air traffic in U.S. skies. JetBlue Chief Executive Dave Barger, in Seattle last month to chair a NextGen federal-advisory-committee meeting, said Seattle will benefit as one of the "first movers" to implement the systems. Barger praised "the collaboration between the FAA, Boeing, Alaska, the Port of Seattle, working it over the last four years." JetBlue isn't participating in the trial flights, but Barger said he'll be asking how quickly it can join the project. Elements of NextGen have been implemented separately and piecemeal at various airports around the country.

#### NextGen technology is expensive

TIC 11 (Transportation and Infrastructure Committee, “COSTS, BENEFITS, PROGRESS OF FAA’S NEXTGEN PROGRAM TO BE FOCUS OF HEARING”, <http://transportation.house.gov/News/PRArticle.aspx?NewsID=1406>) KA

Wednesday’s hearing, chaired by U.S. Rep. Tom Petri (R-WI), will focus on the FAA’s progress in delivering measureable benefits to aviation users, as well as the agency’s projections for future benefits to be gained from federal and industry investment. The FAA has promised efficiency gains through NextGen by optimizing air traffic controller performance, consolidating obsolete facilities, enhanced safety improvements, and improved operational efficiency of the national airspace system. For example, the FAA estimates that with NextGen aviation users will save 1.4 billion gallons of fuel and see a 14 million ton reduction in carbon emissions through 2018. However, the airspace users who will be asked to invest in expensive NextGen compatible avionics must have confidence in FAA’s ability to manage the program and deliver the benefits. Wednesday’s hearing will allow the FAA an opportunity to highlight the specific goals and upcoming milestones of the program and provide an update on the measurable NextGen benefits delivered to date. Federal auditors will also provide an assessment of the FAA’s management and implementation of the NextGen program.

#### NextGen costs could quadruple - $160 billion

Hoover 10 (J. Nicholas, Senior Editor, InformationWeek Government, “FAA NextGen Air Traffic Control Costs Could Quadruple”, <http://www.informationweek.com/news/government/enterprise-apps/228500257>) KA

The Federal Aviation Administration's massive, long-term air traffic control systems upgrade risks ballooning in costs from an already expensive $40 billion price tag to as much as a whopping $160 billion, an internal FAA planning office has found. According to a new report by the Government Accountability Office, the FAA's joint planning and development office determined that, if the FAA implements the "highest performance levels" suggested for NextGen, such as requiring extensive electronic systems to be installed on every aircraft, it could make NextGen's cost rise dramatically. In order to keep costs low, the FAA report found, NextGen will have to be developed with fewer ground and aircraft capabilities than envisioned. "Analysis shows a subset of scenarios developed, assuming lower levels of capabilities, whose cost estimates remain in the $40 billion range," the GAO report said. GAO also noted that the FAA has not yet established clear performance goals and metrics for NextGen despite creating an implementation plan through 2018. "Without goals and metrics, FAA could pursue and implement capabilities that fail to produce the desired results," the report said. NextGen is arguably the largest project the FAA has ever undertaken. Today's air traffic systems are decades behind current technologies, and the United States risks falling behind the rest of the world without an upgrade. In response, the NextGen system will transition U.S. air travel from a ground-based, analog system to a satellite-based, data-based and more automated system. It will optimize and automate parts of ground and air traffic control, enable real-time GPS maps of air and ground traffic, employ computerized weather monitoring to help route plans, and let planes fly closer together without any loss of safety, among other benefits. However, with its goals being so ambitious and taking place over such a long time frame, the GAO and Congress have repeatedly raised concerns about maintaining rigorous controls over NextGen in order to keep it on schedule and budget. In April, witnesses told a House of Representatives subcommittee that the FAA's handling of the project called into question its ability to manage it and raised concerns that NextGen would fail to be completed on schedule. Then, in June, the FAA's inspector general reported that the agency needed to do more planning to assure the project's success and had failed to develop the necessary skill sets to make NextGen work. A third negative report came in July when the GAO found the FAA didn't have adequate performance metrics in place for the project. Earlier reports have also noted that significant research gaps remain unresolved that could threaten FAA's proposed schedule, including ways to synchronize numerous weather applications.

#### NextGen running into problems – costs will climb steadily

Hoover 10 (J. Nicholas, Senior Editor, InformationWeek Government, “Problems Plague FAA's NextGen Air Traffic Control Upgrade”, <http://www.informationweek.com/news/government/info-management/231900067>) KA

The Federal Aviation Administration continues to struggle with budgets, deadlines, and management of its multi-billion dollar upgrades to the nation's air traffic control systems, government officials and industry executives told Congress on Wednesday. The long-term, multi-stage NextGen effort, which has been underway for several years and isn't slated to be complete until approximately 2025, aims to improve American aviation by upgrading numerous Cold War-era flight systems. But the effort has long suffered problems. Within the last couple of years, the FAA has instituted a number of changes to improve NextGen's management, including working closely with an advisory group made up of users and other constituents, changing the NextGen program so that it directly reports to the FAA's deputy administrator, and centralized program management for the effort. However, ongoing problems continue to threaten the program's costs and timeline and have kept private industry in the dark about the program's benefits and schedule, the officials and executives told the House Transportation and Infrastructure Committee. As a result, according to Lee Moak, president of the Air Line Pilots Association, a group that represents the interests of 53,000 pilots, and Ed Bolen, president and CEO of the National Business Aviation Association, manufacturers are building and delivering future-proofed planes and carriers are putting new processes in place but can't take advantage of all their capabilities because of delays in or improper management of NextGen. For example, numerous carriers are ready to adopt procedures that they co-developed with the FAA to provide "smooth, fuel efficient, low emission descents that reduce [the need for] communications and enhance safety during good weather conditions" and others that help out in poor weather conditions, Bolen said. But the FAA doesn't even have plans or approval processes to permit planes to follow these procedures even as jet fuel costs continue to rise. In another case, the En Route Automatic Modernization (ERAM) system, a computer system to provide communications and generate display data for air traffic controllers, is about 5 years behind schedule and as much as $500 million over budget, according to a study by Mitre Corp. According to FAA Inspector General Calvin Scovel, early testing of ERAM revealed problems with safety management, and controllers had to rely on cumbersome workarounds to overcome those issues. That problem snowballed. "ERAM's problems are the direct result of poor program management," Scovel said. "There was over-optimism that ERAM could be deployed in a year, and FAA didn't begin to mitigate some risks until three years after problems began surfacing. This was a program that was hobbled out of the gate." Even with all those problems, and despite the significant program risks, the FAA still hasn't conducted an assessment of ERAM's dependencies or impacts on other program costs. At a higher level, Scovel noted, the FAA has yet to develop an integrated master schedule to help manage NextGen, meaning that "programs are left with no clear end state." The officials and executives pointed to a number of causes for the delays and cost overruns, including unstable requirements, poor program and contract management, the inability of the FAA to bring all constituents into the decision-making process, training, and a lack of communication. Now, added to that list might be the fiscal environment. Amidst all the turbulence, Congress is considering slashing spending at the Federal Aviation Administration between 5% and 10%, which could further delay implementation of some pieces of NextGen. "There's no question that reduced funding will cause delays, and that the delays will cost us more in the end in terms of lost benefits as well as increased costs of deployment," FAA deputy administrator Michael Huerta told legislators, adding that Congress should fund the FAA to the levels suggested by President Obama. "In the end, to be able to meet the timeline set out, the President's funding level is really what we need to get us there." The government has already spent nearly $3 billion on NextGen, and the effort will likely cost into the tens of billions of dollars. By 2018, the FAA estimates that, thanks to NextGen, airlines will see a 35% improvement in delays and save more than a billion gallons of fuel. However, with continued problems and looming budget cuts, those numbers may be hard to reach.

#### Failing programs creates higher costs for NextGen

Namowitz 11+ (Dan, writer for Aircraft Owners and Pilots Association, “GAO report focuses on NextGen costs, scheduling “, <http://www.aopa.org/advocacy/articles/2012/120218gao-report-focuses-on-nextgen.html>) KA

Costs that exceed estimates by $4.2 billion and widespread scheduling setbacks highlight a new Government Accountability Office report to Congress evaluating FAA acquisition programs to implement the transition to the Next Generation Air Transportation System. The GAO report faulted the FAA for its methods that developed cost estimates, and for failing to adopt “best practices” that the GAO had previously recommended for managing FAA programs. The GAO examined 30 acquisition programs associated with the transition to NextGen. The $4.2 billion in higher costs came primarily from 11 programs that account for 60 percent of total acquisition costs of $17.7 billion. Fifteen of 30 programs faced delays that average four years, the report said, adding that overall NextGen implementation could be impeded as a result. “The three programs with the largest cost increases—totaling more than $4 billion—are key to ATC modernization,” it said. To evaluate FAA cost estimating and scheduling practices, the GAO conducted in-depth reviews from August 2010 to February 2012 of the Automatic Dependent Surveillance-Broadcast (ADS-B) system, the Collaborative Air Traffic Management Technologies (CATMT) system, the System Wide Information Management (SWIM) system, and the Wide Area Augmentation System (WAAS)—all “baseline” NextGen programs. The audits came at the stage of NextGen development focused on implementing midterm improvements by 2018, and long-term improvements by 2025. NextGen planning began in 2003.

#### NextGen very costly – upwards of $25 billion

Karp 7 (Aaron, writer for Air Transport World, “FAA, airlines confront potential $47 billion collective cost of NextGen ATC”, <http://atwonline.com/airline-financedata/news/faa-airlines-confront-potential-47-billion-collective-cost-nextgen-atc-030-0>) KA

US airlines will have to invest $20-$25 billion through 2025 to equip aircraft for FAA's planned satellite-based NextGen system, according to ATA President and CEO James May, who spoke yesterday at the agency's annual Aviation Forecast Conference in Washington. "I think a lot of people don't understand the magnitude of the task we have before us [in shifting from ground-based radar to satellite ATC]," May said. "We've got 140,000 different ground-based installations in the current structure. You can't fund those and invest in NextGen. There are huge political difficulties on the horizon about what you do with that infrastructure." The airline outlay is in addition to the $15-$22 billion the government projects spending to modernize ATC (ATWOnline, March 15). The heavy financial commitments are needed to meet anticipated strong long-term traffic growth, industry representatives and US officials say. FAA's annual Aerospace Forecast released yesterday projected that US airline traffic will "grow significantly" long-term, with RPM growth averaging 4.5% annually. By 2020, FAA projects US airlines will have collective capacity of 1.8 trillion ASMs. US "commercial aviation is on track to reach a billion passengers by 2015," Administrator Marion Blakey said Thursday. "But before we break out the champagne, let's drink a little coffee," she added, noting that 2006 was "the worst year ever for flight delays" and that the "looming spike in passengers" means more congestion is ahead absent modernized ATC. "The system will reach its absolute breaking point," she warned. "The forecast we're seeing today is virtually unconstrained. It's where demand will take us," Assistant Administrator for Policy, Planning and Environment Dan Elwell explained. "But the current system is not scalable to these numbers. We're still operating on 1960s [ATC] technology." House of Representatives Aviation Subcommittee Republican Staff Director Holly Woodruff Lyons told attendees that lawmakers are aware of the need to move to satellite technology. "What struck us about [last month's JetBlue delays at New York JFK] is that could be a normal day in the not-too-distant future," she said. "I think members definitely realize that the time to [upgrade ATC] is now." Added US Transportation Secretary Mary Peters: "Congestion is generating some very strong headwinds. Delays are mounting. It costs our economy $9.4 billion [annually] in productivity loss as passengers wait at airports for hours. . .There's absolutely no way we can cope without NextGen."

### General Aviation DA—Shell

#### A. General aviation is high now but NextGen crushes it

Spence 12 (Charles, General Aviation News, *Could NextGen Ground GA?,* 4-10, http://www.generalaviationnews.com/2012/04/10/could-nextgen-ground-ga/)

When good developments are made, most people are delighted and few consider the secondary effects. These, however, are often significant. Take the unintended consequences of NextGen. It has been said a secondary effect of the development of the cheap transistor radio was important in bringing turmoil in the Middle East. Prior to that development, many residents of some nations in that region could not read and lived in unconnected tribes. The cheap radio made widespread communication possible, enabling unification of tribes into stronger governments. What does this have to do with aviation? Let’s look at the Next Generation Air Transportation System (NextGen). Among the many alleged advantages, NextGen will speed traffic, reduce travel routes, and allow less distances separating flights. These will be needed to safely and more efficiently handle increased air traffic. Forecasts from the FAA expect revenue passenger miles to increase for U.S. airlines from 814.6 billion in 2011 to 1.57 trillion in 2032. The air carrier fleet, including cargo carriers, is forecast to grow from 7,185 aircraft in 2011 to 9,853 in 2032. The number of GA aircraft is expected to increase from 222,520 in 2011 to 253,205 in 2032. One of the secondary effects of this growth will be: Where are we going to put all these airplanes on the ground? By 2015, FAA information indicates that with planned improvements, six major airports will need more capacity. Without these planned improvements, 18 will need more capacity. In some locations not only the current airports need added capacity but so, too, do the entire metropolitan areas. The FAA lists seven metropolitan areas that will need increased capacity. Even with planned improvements at six airports in these areas, four metropolitan areas will still need additional capacity. These constraints are expected in just three years. By 2025, 14 airports and metropolitan areas need additional capacity — and unless there are on-going improvements, 27 airports and metropolitan areas will need improvements and additional capacity. Building airports or improving them is a long, tedious affair. In the past 30 years fewer than five major airports have been built in the United States (Denver, Dallas/Fort Worth, O’Hare, and Austin). There have been a few smaller airports built, but many have closed. Years are required to gain community support for an airport and many more years for construction. Public opposition, environmental issues, funding, and dealing with real estate developers are a few of the issues that must be settled before actual construction can begin. This needed additional capacity is primarily at major airports in metropolitan areas. Why should this concern general aviation? Here, again, secondary effect might come into play. If there is not enough capacity to accommodate aircraft, there is little question about what segment of flight will get restricted. These restrictions could be added fees, regulations for new equipment, denial of use, limited hours, restricted numbers, or any other type of restraint government minds can conceive. Limited capacity is not limited to airports only, but to the airspace around them and the air traffic management system. Reaching capacity maximums at metropolitan areas can have a ripple effect to even the smallest GA facility. Use of a personal or charter aircraft will have reduced value if it cannot be used where and when it is wanted or needed. America’s highway system was in similar difficulties 60 years ago. Highways were two-lane concrete or asphalt strips and interstate routes went through major cities, not around them. President Dwight Eisenhower saw the problem. So did William Randolph Hearst, Jr.

#### B. Farm yields will plummet without general aviation

Maher 1 (Guy R., Business Owner and Aircraft Appraiser with 12,000 Flight Hours in General Aviation Airplanes and Helicopters, “Owner’s Handbook: Cream of the Crops”, General Aviation News, 1-1, http://www.generalaviationnews.com/2001/01/01/owners-handbook-cream-of-the-crops/)

Light aircraft are trainers, check-runners, news gatherers, ambulances, taxis, tour guides, fire fighters, police patrollers and family haulers. That’s what general aviation is all about. As aviation enthusiasts, I am sure we all share the same disgust when we hear the uninformed (mainstream media, non-pilots, etc.) make generalizations about aviation that are incorrect. Well, over the past six months, I have gotten an incredibly up-close and personal look into another industry that puts aircraft to work — and hard work, at that. This is the agricultural industry. And I found that my generalized perceptions about agricultural aviation were way off the mark. Like all modern industries, today’s farmers use technologically advanced methods, equipment and products. These tools assist in providing food and fiber for the world’s growing population and protecting our natural resources. As part of this, aircraft are used to apply crop protection products in a safe, efficient, economical and environmentally friendly manner. Without crop protection products to control insects, weeds and diseases, crop yields per acre would drop by more than 50%, according to the National Agricultural Aviation Association. It’s more than 1,250 agricultural operator members who accomplish more crop protection in one hour than ground equipment can in a day, the association claims.

#### C. Extinction

Lugar 4 (Richard G., U.S. Senator – Indiana and Former Chair – Senate Foreign Relations Committee, “Plant Power”, Our Planet, 14(3), http://www.unep.org/ourplanet/imgversn/143/lugar.html)

In a world confronted by global terrorism, turmoil in the Middle East, burgeoning nuclear threats and other crises, it is easy to lose sight of the long-range challenges. But we do so at our peril. One of the most daunting of them is meeting the world’s need for food and energy in this century. At stake is not only preventing starvation and saving the environment, but also world peace and security. History tells us that states may go to war over access to resources, and that poverty and famine have often bred fanaticism and terrorism. Working to feed the world will minimize factors that contribute to global instability and the proliferation of weapons of mass destruction. With the world population expected to grow from 6 billion people today to 9 billion by mid-century, the demand for affordable food will increase well beyond current international production levels. People in rapidly developing nations will have the means greatly to improve their standard of living and caloric intake. Inevitably, that means eating more meat. This will raise demand for feed grain at the same time that the growing world population will need vastly more basic food to eat. Complicating a solution to this problem is a dynamic that must be better understood in the West: developing countries often use limited arable land to expand cities to house their growing populations. As good land disappears, people destroy timber resources and even rainforests as they try to create more arable land to feed themselves. The long-term environmental consequences could be disastrous for the entire globe. Productivity revolution To meet the expected demand for food over the next 50 years, we in the United States will have to grow roughly three times more food on the land we have. That’s a tall order. My farm in Marion County, Indiana, for example, yields on average 8.3 to 8.6 tonnes of corn per hectare – typical for a farm in central Indiana. To triple our production by 2050, we will have to produce an annual average of 25 tonnes per hectare. Can we possibly boost output that much? Well, it’s been done before. Advances in the use of fertilizer and water, improved machinery and better tilling techniques combined to generate a threefold increase in yields since 1935 – on our farm back then, my dad produced 2.8 to 3 tonnes per hectare. Much US agriculture has seen similar increases. But of course there is no guarantee that we can achieve those results again. Given the urgency of expanding food production to meet world demand, we must invest much more in scientific research and target that money toward projects that promise to have significant national and global impact. For the United States, that will mean a major shift in the way we conduct and fund agricultural science. Fundamental research will generate the innovations that will be necessary to feed the world. The United States can take a leading position in a productivity revolution. And our success at increasing food production may play a decisive humanitarian role in the survival of billions of people and the health of our planet.

### Generial Aviation DA—Extensions

#### GA declining and ripples across the economy

NBAA 9 (National Business Aviation Association, “General Aviation Industry Hurting During Economic Downturn”, 3-30, http://www.nbaa.org/advocacy/issues/economic-downturn/recession.php)

General aviation is an essential economic generator directly or indirectly employing over 1.26 million people nationwide according a 2006 economic study by Merge Global. These jobs generate $150 billion in economic activity across the United States, including states like California ($18B), Texas ($11B), Georgia ($9B), and Kansas ($7B). Our industry is continuing to build a strong American manufacturing and employment base that contributes positively to our national balance of trade. Congress recognized just how fundamental general aviation is to our nation's transportation system, rural economies, manufacturing capability, and balance of trade when it passed the General Aviation Revitalization Act a little more than a decade ago. There's no question that in communities across the country, general aviation means millions of jobs: jobs in aircraft manufacture (the U.S. industry leads the world), jobs for people in small towns (where companies use airplanes to reach new markets), and jobs in flight support (including schedulers, dispatchers, maintenance technicians, pilots, training professionals, and airport employees to name just a few examples). Unfortunately, the people and businesses in general aviation are weathering one of the worst economic storms anyone has ever seen. The impact of the flagging economy on the companies and communities that rely on general aviation is visible in all parts of the country. Following are some examples: GA Manufacturing has been hit hard by the economy The general aviation industry supports highly skilled, well-paying jobs for engineers and manufacturing line workers who design and build aircraft in places like Savannah, Wichita, and Little Rock and for hundreds of component manufacturers such as GE, Honeywell, and Pratt and Whitney that supply them with parts including many small businesses. GA is an important national industry that contributes greatly to the economy and to local tax bases. These suppliers also contribute extensively to aircraft produced by foreign companies like Dassault, Embraer, and Bombardier. The collective direct earnings of general aviation exceed $53 billion. Layoffs The industry started feeling the effects of the downturn last fall and since then US members of the General Aviation Manufacturers Association (employing 144,000 people in the U.S.) have laid off over 12,155 people to adjust to the economy with thousands more among suppliers and additional layoffs pending. In addition, some general aviation manufacturers, including Adam Aircraft and Eclipse Aviation, have declared bankruptcy and ceased production. Backlog and Loss of Orders Our industry held a record backlog of $83 billion at the end of the third quarter 2008, but it is rapidly shrinking. Customers are not placing orders which results in the backlog shrinking by $6-7 billion each quarter. Customers are also cancelling or delaying orders as they manage their own finances and schedule for capital purchases. At the same time, the used aircraft market is saturated with inventory levels for business jets reaching over 17%. Criticism of business aviation risks further flooding the used aircraft market and depressing prices. Exports Our industry is a strong contributor to U.S. exports with a total of 1,161 airplanes exported in 2008. The export billings reached $5.86 billion. The aggregate aviation industry, including GA has a positive impact on the US trade balance. Our exports accounted for 43.9 percent of the total value of U.S. manufactured general aviation airplanes in 2008. GA Flight Activity is in Decline According to FAA data, overall general aviation traffic volumes in January 2009 are down 23% compared to January 2008. The same data reports the change in business jet operations is a decline of 28.3 percent for January 2009 compared to January 2008 year-over-year. Small airports are operating ‘in the red' There are more than 5,000 public use airports located in communities across the country. Approximately 470 of these airports have commercial airline service – making general aviation a critical lifeline for smaller communities. Many of these smaller airports are seeing their revenues plummet as general aviation flight hours decrease. For example, Aviation International News recently reported that: "A decline of nearly 20 percent in jet fuel sales has helped drag the Salina Airport Authority's 2008 budget into the red. The airport authority gets 6.6 cents from every gallon of jet fuel sold at the airport. That surcharge provides almost an eighth of the authority's operating revenue. ‘It confirms that business jet use and travel is down,' said Tim Rogers, executive director." The bottom line is that the people and businesses in general aviation are subject to the sluggish economy just like everyone else. And all the information available confirms that when a recession hits general aviation, the impact is felt all across America's economy.

### Privatization CP—Shell [Also AT: Solvency mechanism]

#### Text – The United States Federal Government should organizationally reform air traffic control, making it self-supporting and managed by commercial operators.

Privatization solves safety and efficiency

Poole and Edwards 10 (Robert W., Dir. of transportation policy and Searle Freedom Trust Transportation Fellow at Reason Foundation, Chris, dir. of tax policy studies at Cato. “Airports and Air Traffic Control,” http://www.downsizinggovernment.org

/transportation/airports-atc) KGH

Commercializing Air Traffic Control

The way to address all three of these organizational problems is to take the ATC system out of the federal budget process and make it a self-supporting entity, funded directly by its customers. Variants of this commercialization approach have been recommended by a series of federal studies and commissions over the past 15 years.

As part of Vice President Al Gore's efforts at "reinventing government" in the 1990s, for example, the Clinton administration proposed turning the ATC system into a separate, self-funded, nonprofit government corporation within the Department of Transportation. The 1997 National Civil Aviation Review Commission, which was chaired by Norman Mineta, similarly proposed moving toward a self-supporting air traffic control organization.29

Commercialization would entail shifting from aviation-related taxes paid to the U.S. Treasury to fees for ATC services paid directly by customers to a new self-supporting Air Traffic Organization. This change would allow fees to grow in proportion to the growth of flight activity, rather than being tied to a less-stable variable, such as fuel prices or airline ticket prices. Moreover, a predictable revenue stream that was not subject to the federal budget process would provide the basis for the ATO to issue long-term bonds for funding capital investments.

Commercialization would also address the management problems that have plagued the FAA's efforts to modernize. A non-civil-service ATO could attract the best private-sector managers and engineers skilled at implementing complex technology projects. Such an ATO could hire, fire, and compensate its employees as other high-tech businesses do. Private sector managers would have an incentive to ask tough questions about whether new investments offered real value for the money, a process that often doesn't occur at the FAA or in Congress.

In addition, a separate, self-supporting ATO—no longer part of the FAA—would be overseen at arm's length for aviation safety by the remaining FAA. Numerous studies have pointed out that the FAA's air-safety role is compromised when it comes to the ATC system, since that system is operated "in-house" by a different branch of the same FAA. All other players in aviation—pilots, mechanics, aircraft manufacturers, airlines, and so forth—are regulated at arm's length for safety by the FAA. This separation of ATC operations from safety regulation is especially critical given the major changes entailed by shifting to the semi-automated NextGen, where numerous safety versus capacity questions will need to be addressed in a rigorous and transparent manner.

Finally, a self-supporting ATO would address the political obstacles to improving system efficiency, such as making decisions to close facilities. By passing the enabling legislation for ATC reform, Congress would delegate such contentious issues to the customer-oriented ATO organization.

During the past two decades, nearly 50 governments have commercialized their air traffic control systems. That means they have separated their ATC activities from their transport ministries, removed them from the civil service, and made them self-supporting from fees charged to aircraft operators. These new air navigation service providers (ANSPs) are usually regulated at arm's length by their government's aviation safety agency.

Britain's ATC system has been commercialized by means of a "public-private partnership." National Air Traffic Services is a jointly owned company, with British airlines owning 42 percent, airport company BAA owning 4 percent, employees owning 5 percent, and the government owning the remaining minority stake. NATS is operated on a not-for-profit basis.

Canada's ATC system has been fully commercialized.30 In 1996, Canada set up a private, nonprofit ATC corporation, Nav Canada, which is self-supporting from charges on aviation users. The Canadian system has been widely praised for its sound finances, solid management, and its investment in new technologies.31 The Canadian system is a very good reform model for the United States to consider.

Nav Canada's corporate board is composed largely of aviation stakeholders.32 It has 4 seats for the airlines, 3 for the government, 2 for employees, and 1 for the non-commercial aviation industry. Those 10 stakeholders select 4 directors from outside aviation, and then those 14 select the company president, who becomes the 15th board member. To further strengthen governance, neither elected officials nor anyone connected with suppliers to Nav Canada can serve on the board. Nav Canada also has a 20-member outside Advisory Committee.

A number of studies have found that ATC commercialization has generally resulted in improvements to service quality, better management, and reduced costs.33 At the same time, air safety has remained the same or improved in the countries that have pursued reforms to set up independent ANSP organizations.

A thorough 2009 report by Glen McDougall and Alasdair Roberts compared the performance of 10 commercialized ATC systems and the FAA during the 1997 to 2004 period.34 They looked at large amounts of performance and safety data from the systems in the various countries and conducted over 200 interviews with managers, workers, and users of the different systems. The researchers found:

ANSP commercialization has generally achieved its objectives. Service quality has improved in most cases. Several ANSPs have successfully modernized workplace technologies. The safety records of ANSPs are not adversely affected by commercialization, and in some cases safety is improved. Costs are generally reduced, sometimes significantly. Other risks of commercialization—such as erosion of accountability to government, deterioration of labor relations, or worsened relationships between civil and military air traffic controllers—have not materialized.35

For the United States, a commercialized ATC organization would be more likely than the FAA to efficiently implement the major aviation infrastructure advances that the nation desperately needs. Air traffic control is more complex and dynamic than ever, and it needs to be managed in the sort of efficient and flexible manner that only a commercialized environment can offer. Countries like Canada have shown the way forward for air traffic control, and U.S. policymakers should adopt the proven organizational reforms that have been implemented abroad.

### Ext- Solvency

#### NextGen needs privatization

Barkowski 10 (Justin T., J.D. Candidate – Pepperdine University, B.A. in Economics – University of California, Berkeley and Instrument-Rated Private Pilot Certificate, “Managing Air Traffic Congestion Through the Next Generation Air Transportation System: Satellite-Based Technology, Trajectories, and - Privatization?”) KGH

[\*250] The fundamental goal of NextGen is to "establish an agile air traffic system that accommodates future requirements and readily responds to shifts in demand from all users." 8 As such, the system will be designed specifically to "respond to market elasticity, having the flexibility to deliver capacity and efficiency improvements, and ensuring that equipment and personnel are able to support a wide range and number of operations tailored to customer needs." 9 Undoubtedly the technology needed to incorporate such a system is currently available. 10 But NextGen leaves one significant issue unaddressed, namely, the lack of governmental accountability needed to keep pace with rapidly changing technology. 11 As one author noted, the [\*251] FAA "develops capacity in terms of a 10-year time frame," while the airlines and consumers generating the demand "are changing decisions every three months." 12 Forming an increasingly accountable FAA to engineer a successful transition to NextGen, however, would only address part of the air traffic congestion issue, leaving government-operated airports to continue mismanaging access to the national airspace system.

Given the relatively fixed amount of airport facilities available, 13 the fact that the demand from air carriers has continuously outpaced supply has resulted in significant flight delays that have rippled throughout the country. 14 Yet Congress continues to impose regulatory control over municipally-owned airports across the country, forcing them to provide non-discriminatory access to the airfield. 15 With the non-discriminatory access [\*252] requirement, airports are not allowed to use pricing as a method of allocating ground facilities, which, in turn, renders them unable to control access to the national airspace system. 16 Solely focusing on NextGen and expanding airspace capacity without corresponding corrections in these demand-management policies will only provide greater incentive for airlines to over-schedule in order to fill in the marginal increases in capacity. To avoid this escalation of congestion, the socially efficient solution is for local governments to transfer these "high-density airports" to the private sector on the condition that private owners focus on eliminating congestion. 17 The societal gains from eliminating congestion would outweigh any societal costs incurred from potential airport discrimination against airlines. 18 As a result, airport privatization may be the proper catalyst for exploiting the full potential of NextGen.

This Comment explores the advantages of NextGen in expanding airspace capacity and the potential problems that may arise without a reform in FAA accountability. Recognizing NextGen as merely part of the solution, the Comment argues that airport privatization is a critical supplement to avoid the federal regulatory policies that dampen efforts to control airport resource demand. Part II breaks down the transformation of the air transportation system since its inception and constructs the landscape for existing air traffic congestion. 19 Part III examines Congress's attempts to expand capacity through NextGen, identifies and suggests solutions to the accountability obstacles, and argues that NextGen's efficient routing structures and added capacity are overrun by the inability to manage competition and congestion at the country's high-density airports. 20 Parts IV.A and IV.B criticize the current approach to regulation of the nation's airports by illustrating the damaging effects it has on efforts to manage demand for critical ground facilities. 21 Part IV.C demonstrates the problems mounting with the FAA's policies on regulating access to congested airports while IV.D provides critical [\*253] insight to the future outlook under Secretary of Transportation, Ray LaHood. 22 Part V presents an argument that privatization of high-density airports may lead to a more socially efficient solution and provides suggestions for reforming current privatization laws. 23 Finally, Part VI concludes this Comment.

#### Privatization more flexible

Poole and Edwards 10 (Robert W., Dir. of transportation policy and Searle Freedom Trust Transportation Fellow at Reason Foundation, Chris, dir. of tax policy studies at Cato. “Airports and Air Traffic Control,” http://www.downsizinggovernment.org

/transportation/airports-atc) KGH

The U.S. economy depends on safe, reliable, and affordable air transportation. Beginning in 1978, airline deregulation transformed commercial aviation from a luxury for the few to a service available to essentially all Americans. Air transportation is a hugely important part of the economy for business travel, tourism, and domestic and international trade.

The quality and cost efficiency of air travel relies critically on the nation's aviation infrastructure. That infrastructure includes commercial airports, which are virtually all owned and operated by state and local governments in the United States, and the air traffic control (ATC) system, which is operated by the Federal Aviation Administration (FAA).

In fiscal 2011, the FAA budget will be about $16.4 billion.1 Of the total, $9.7 billion will go toward "operations," which includes $7.6 billion for air traffic control operations, $1.3 billion for safety regulation and certification, and $0.8 billion for other functions. In addition, the FAA will spend $3.3 billion in 2011 on capital investments in ATC facilities, equipment, and research. Most of the rest of FAA's budget, about $3.4 billion, will go toward grants to state and local governments for airport investments.

Many experts are predicting major problems with U.S. aviation infrastructure in coming years as large demand growth outstrips the capacity of available facilities. In addition to a rising number of airline passengers, the average size of planes has fallen, which increases the number of planes in the sky that the ATC system needs to handle. On the supply side of the aviation equation, the FAA has long had problems with capital funding, high labor costs, and an inability to efficiently implement new technologies. Major changes are needed because the increased air traffic will soon bump up against the limits of the current air traffic control system.

The United States should embrace the types of reforms adopted around the world to privatize airports and commercialize air traffic control services. Investor-owned airports and commercialized ATC companies can better respond to changing market conditions, and they can freely tap debt and equity markets for capital expansion to meet rising demand. Such enterprises also have greater management flexibility to deal with workforce issues and complex technology implementation.

There is vast foreign experience that can be drawn on in pursuing U.S. reforms, such as European airport privatization and Canadian air traffic control commercialization. The next section provides a brief history of federal involvement in airport funding and air traffic control. The subsequent sections describe the global trend toward airport privatization, the brewing crisis in air traffic control, and ways to reform the ATC system.

#### Private companies solve better than USFG

Barkowski 10 (Justin T., J.D. Candidate – Pepperdine University, B.A. in Economics – University of California, Berkeley and Instrument-Rated Private Pilot Certificate, “Managing Air Traffic Congestion Through the Next Generation Air Transportation System: Satellite-Based Technology, Trajectories, and - Privatization?”) KGH

VI. Conclusion

The nation's air transportation system is nearing insolvency, and with air traffic expected to double or triple in the next fifteen years, the government's attempts to create a more efficient system will have increasing impact. The FAA and local governments' bifurcated approaches in managing airport congestion and fueling competition in the aviation industry have had minimal effect. Congress's ambitious efforts to assist through the implementation of NextGen will promulgate much-needed capacity in many of the nation's airports. However, the FAA's liability-escape maneuvers - throwing the "discretionary function" flag - do not maximize the potential [\*335] safety and flexibility needed throughout the airspace system. Without accountability reform within the FAA and ATO, the revolutionary system will fall behind immediately after it clears the starting gates.

Even with the proper adjustments to NextGen, a system with the cost of nearly twenty billion dollars in the end still misses the mark in dealing with the core problem: congestion at high-density airports. If the current airport policies are not addressed, the multi-billion dollar taxpayer investment will fail to solve those costly and irritating flight delays. As the social costs proliferate from misallocating valuable airport facilities, a relatively unknown and underutilized privatization pilot program becomes more appealing - and against much opposition, necessary.

#### Long term funds key

Poole and Edwards 10 (Robert W., Dir. of transportation policy and Searle Freedom Trust Transportation Fellow at Reason Foundation, Chris, dir. of tax policy studies at Cato. “Airports and Air Traffic Control,” http://www.downsizinggovernment.org

/transportation/airports-atc) KGH

Privatizing Airports

Virtually all commercial airports in the United States are owned by state and local governments.12 But around the world, airports are becoming viewed more as business enterprises, and less as monopoly public services. Governments in both developed and developing countries are turning to the private sector for airport management and development.

The benefits of a more entrepreneurial approach to running airports include increased operating efficiency, improved amenities, and more rapid and efficient expansion in capacity to reduce congestion. Airlines, passengers, private-plane owners, and taxpayers can all benefit from this new commercial approach to airport management.

For existing state and local airports, the simplest form of privatization is to contract out management of the airport on a short-term basis. But long-term leases can shift much greater responsibility and entrepreneurial incentive to the airport company, while liberating much of the city's previous investment in the airport. To create new airport facilities, the private sector can be brought in as a partner and granted either a long-term or perpetual franchise to finance, design, own, and operate the new facility. Full private ownership and management of airports is also possible and is becoming fairly common in Europe.

Airports have been fully or partly privatized in many foreign cities, including Amsterdam, Athens, Auckland, Brussels, Copenhagen, Frankfurt, London, Melbourne, Naples, Rome, Sydney, and Vienna. Britain led the way with the 1987 privatization of British Airports Authority, which owns Heathrow and other airports. Other countries followed with a wide range of commercialization reforms under which private firms own or operate various aspects of airport facilities.

Since 1987, more than 100 airports have been partly or fully privatized worldwide. A recent survey found that there are about 100 companies around the world that own and operate airports, finance airport privatization, or participate in projects to finance, design, build and operate new airports or airport terminals.13

Here are some examples of airport privatization reforms in recent years:

France's Aeroports de Paris, which owns Charles de Gaulle and Orly airports, was partially privatized in 2006.

Most of Italy's larger airports have been privatized, including those in Rome, Florence, Naples, Parma, Pisa, and Venice.

Greece plans to sell part of the remaining share of the Athens airport that it retains, and it may privatize some of its larger regional airports.

Spain's government announced in 2008 that it will sell major stakes in the 47 airports operated by state agency AENA.

Mexico has privatized numerous airports, and the country boosts three successful airport operators that plan to expand abroad.

Brazil is planning to privatize Galeao International Airport in Rio de Janeiro.

Most of Australia's major airports have been either privatized or contracted out to private operators under long-term leases.14

#### Federal government ruled by bureaucracy- privatization key

Poole and Edwards 10 (Robert W., Dir. of transportation policy and Searle Freedom Trust Transportation Fellow at Reason Foundation, Chris, dir. of tax policy studies at Cato. “Airports and Air Traffic Control,” http://www.downsizinggovernment.org

/transportation/airports-atc) KGH

All too many U.S. airports are still run in an old-fashioned and bureaucratic manner typical of the pre-deregulation era. Their management style is more passive and risk-averse than that of the world's privatized airports. Investor-owned airports are run as businesses, trying to make profits by tailoring their services to meet the needs of different groups of customers, not just airlines. Detailed research by scholars at Oxford University has shown that the management approach of privatized airports is significantly more "passenger friendly" than that of traditional airports.21

Private airport managers are also more willing to take on the risks of new investments, such as the creation of new terminal space to provide gates for new airlines. By contrast, under typical U.S. airport management practice, the major incumbent airlines have signed long-term exclusive-use gate-lease agreements. From the standpoint of risk-averse airport managers, these long-term agreements give them a guaranteed revenue stream. In exchange for this security, they give up substantial control to the major airlines. Usually, the long-term agreements give airlines what amounts to veto power over terminal expansions. That means that when new-entrant airlines want to start service to such an airport, there are often no gates available, which reduces competition.

By contrast, experience has shown that privatized airports generally do not cede de-facto control over their facilities to the large airlines. At most such airports, the gates remain under the control of the airport company, and they are allocated hour by hour to individual airlines, as needed. That is why at many European airports, and the more commercially run airports in Canada, you will observe that the airline signage at each gate is electronic, so that it can be changed in moments from one airline's name to another's.

In sum, airline competition would be expanded and consumers would benefit if we reformed the outmoded ownership and management structures of U.S. airports. Much of the world is moving to a new paradigm—the airport as a for-profit enterprise—that is more consistent with a dynamic, competitive airline market. In the end, all groups—airlines, passengers, and cities—would benefit from airports that were self-funded, more efficient, and more innovative than current U.S. airports following an old-fashioned bureaucratic approach.

### Demand Management

#### Demand management solves

Barkowski 10 (Justin T., J.D. Candidate – Pepperdine University, B.A. in Economics – University of California, Berkeley and Instrument-Rated Private Pilot Certificate, “Managing Air Traffic Congestion Through the Next Generation Air Transportation System: Satellite-Based Technology, Trajectories, and - Privatization?”) KGH

D. Unresolved Demand-Management Policies

With or without an ATC commercialization debate, the airlines and the new Secretary of Transportation, Ray LaHood, strongly believe that NextGen is the key to solving congestion. 223 One author even argues that "airside capacity shortages and suboptimal usage/management of airspace" is the underlying cause of air traffic congestion. 224 While these concerns undoubtedly need to be addressed through NextGen, there is a severe problem when airspace capacity increases but corresponding airport resources and infrastructure do not. This will be the case in high-density areas where any room for expansion is nearly impossible. 225 Even the JPDO is skeptical that NextGen is a "cure-for-all," stating that where "airport infrastructure [development] cannot be accomplished using existing resources," the airports will have to implement "market-based mechanisms such as peak period pricing to ease congestion" in times of high demand. 226

Merely increasing the availability of landing and takeoffs at a high-density airport may not have the desired cure-for-all effect that industry participants might expect. For example, in 2004 American and United Airlines agreed with the FAA to voluntarily reduce the number of scheduled flights out of Chicago O'Hare by 12.5% in order to help fight congestion. 227 In effect, this increased the number of potential flights out of that airport during the agreed upon times through its voluntary reduction, just as NextGen [\*296] would do. However, the opening up of more space simply resulted in other airlines adding "flights while the hub carriers cut their schedules," providing no relief to the airport congestion problem. 228 NextGen essentially creates this increased capacity without any supplemental FAA policies to address how this extra space in the system will be allocated to air carriers that are continuously demanding more flights than the system can handle. 229 To prevent air traffic congestion from resulting after the implementation of NextGen, like it had in Chicago, effective demand-management policies are therefore critically in need. Given the historical struggles, 230 this may be difficult to accomplish.

### FAA Fails

FAA inefficient and expensive

Poole and Edwards 10 (Robert W., Dir. of transportation policy and Searle Freedom Trust Transportation Fellow at Reason Foundation, Chris, dir. of tax policy studies at Cato. “Airports and Air Traffic Control,” http://www.downsizinggovernment.org

/transportation/airports-atc) KGH

Technology Implementation Risks. The FAA has been attempting to modernize its system, expand capacity, and increase its productivity for decades. But dozens of reports over the years from the Government Accountability Office and the Office of Inspector General in the Department of Transportation have faulted the FAA for poor management of major projects, which are often delayed and over budget.24 The Advanced Automation System, Wide Area Augmentation System, and other major projects have had large cost overruns and been years behind schedule or cancelled, as discussed above. In 2005 two OIG researchers presented an overview of the FAA's failed efforts over the years to modernization the National Airspace System.25 In reviewing what went wrong, they concluded that FAA modernization efforts had neither reduced costs nor increased productivity: NAS modernization plans have been consistently subverted by requirements growth, development delays, cost escalations, and inadequate benefits management. All these things were symptomatic of the fact that FAA didn't think it needed to reduce operating costs.26 Many experts are greatly concerned that the FAA's institutional culture is poorly suited to implementing anything as dramatic as NextGen. In 2004, the National Academy of Sciences convened an expert panel to assist the GAO in understanding the cultural and technical factors that have impeded previous ATC modernization efforts. It found that "the key cultural factor impeding modernization has been resistance to change... [which is] characteristic of FAA personnel at all levels" and that "the key technical factor affecting modernization... has been a shortfall in the technical expertise needed to design, develop, or manage complex air traffic systems."27 As a government agency, the FAA is not designed to judge risks, aim at the most efficient investments, manage people to produce results, reward excellence, or punish incompetence. It is therefore not equipped to fundamentally reform the ATC system. Thus, major institutional change is probably a prerequisite for implementing the advanced ATC system the nation needs to meet rising aviation demand.

#### FAA unable to adapt

Poole 7 (Robert is the dir. of transportation policy and Searle Freedom Trust Transportation Fellow at Reason Foundation. “The Urgent Need To Reform The FAA’s Air Traffic Control System.” http://reason.org/files/7e27c68e76

75e8a599716bab220978f5.pdf) KGH

Thus, many observers are greatly concerned that the FAA’s institutional culture is poorly suited to implementing anything as dramatic as the shift from human-centric ATC to network-centric ATM. In late 2004, the National Academy of Sciences convened an expert panel to assist the GAO in understanding the cultural and technical factors that have impeded previous ATC modernization efforts.10 It found that “the key cultural factor impeding modernization has been resistance to change...[which is] characteristic of FAA personnel at all levels” and that “the key technical factor affecting modernization...has been a shortfall in the technical expertise needed to design, develop, or manage complex air traffic systems.”11 The FAA is not designed to take risks, make investments, manage people to produce results, reward excellence, or punish incompetence. It is therefore not equipped to effect fundamental reform of the ATC system. Thus, major institutional change is probably a prerequisite for implementing the proposed network-centric ATM system.

#### Privates solve better

Poole and Edwards 10 (Robert dir. of transportation policy and Searle Freedom Trust Transportation Fellow at Reason Foundation. Chris, dir. of tax policy studies at Cato. Before joining Cato, Edwards was a senior economist on the congressional Joint Economic Committee. “Airports and Air Traffic Control.”

http://www.downsizinggovernment.org/transportation/airports-atc) KGH

While organized labor has created management challenges for the FAA, so has the implementation of new technologies. Delays and cost overruns on major technology projects have been common. For example, the Advanced Automation System project was launched in the early 1980s and was originally expected to cost $2.5 billion and be completed by 1996. But by 1994, estimated project costs had soared to $7.6 billion and the project was seven years behind schedule.7 The FAA terminated some parts of the AAS program and restructured others, but $1.5 billion of spending ended up being completely wasted. More recently, a 2005 study by the Department of Transportation's Office of Inspector General looked at 16 major air traffic control upgrade projects and found that the combined costs had risen from $8.9 billion to $14.5 billion.8 The cost of the Standard Terminal Automation Replacement System project had jumped 194 percent to $2.7 billion and was seven years behind schedule. The OIG said that the STARS project was "facing obsolescence" even before it was completed.9 Meanwhile, the cost of the Wide Area Augmentation System project had jumped 274 percent to $3.3 billion and was 12 years behind schedule. A Government Accountability Office analysis in 2005 found similar cost overruns and delays in these projects.10 Delays and cost overruns have not been uncommon in federally subsidized airport projects either. For example, Denver's new international airport finally opened in 1995 after many delays and huge cost overruns. The project was originally supposed to cost $1.7 billion but ended up costing almost three times as much at $4.9 billion, with $685 million coming from federal taxpayers.11 In sum, federal funding of airports and the operation of the nation's ATC system have not been models of efficiency over the decades. There is large room for improvement in the management of the nation's aviation infrastructure, and the following sections consider some major structural reforms.

#### FAA lacks monies

Poole and Edwards 10 (Robert, dir. of transportation policy and Searle Freedom Trust Transportation Fellow at Reason Foundation. Chris, is the director of tax policy studies at Cato. Before joining Cato, Edwards was a senior economist on the congressional Joint Economic Committee. “Airports and Air Traffic Control.” http://www.

downsizinggovernment.org/transportation/airports-atc) KGH

Inflexible Funding. Government funding sources tend to be static and subject to political considerations, and they are decoupled from changing market demands. Changes in aviation over the past decade have hurt the FAA's funding base. A large part of the FAA budget comes from aviation excise taxes, especially the 7.5 percent tax on airline tickets. As average ticket prices have fallen over time, ATC funding has been squeezed. Payroll costs of the current labor-intensive ATC system consume most of the available budget, leaving less funding for capital investment. Making the transition to NextGen will require billions of dollars of new investments in advanced technologies. The FAA's capital budget is still focused mostly on patching up the existing system, such as replacing antiquated display consoles. Such investments are needed in the short-term, but won't add very much capacity to the system. But that is nearly all the FAA can afford under the current funding structure.

#### FAA is too poor

Poole 07 (Robert, dir. of transportation policy and Searle Freedom Trust Transportation Fellow at Reason Foundation. “The Urgent Need To Reform The FAA’s Air Traffic Control System.” http://reason.org/files/7e27c68e7675e8a599716bab220978f5.pdf) KGH

Lack of Funding. As FAA Administrator Marion Blakey and then-Transportation Secretary Norman Mineta said repeatedly in 2005 and 2006, the changes in aviation over the past decade have devastated the FAA’s funding base. A large majority of the FAA budget—the ATC system accounts for nearly two-thirds—comes from aviation excise taxes, and the lion’s share of the tax revenue comes from the 7.5 percent tax on the price of airline tickets. The long-term trends of declining ticket prices due to increased market share for low-cost carriers and increasing air traffic due to increased use of smaller planes have put a serious squeeze on ATC funding. Payroll costs of the labor-intensive human-centric ATC system consume most of the available budget, leaving little for capital investment. In fiscal year (FY) 2005 and FY 2006, the FAA budget for facilities and equipment was reduced by 20 percent ($500 million) below the authorized levels. Making the transition to NextGen will require major capital investments over the next two decades to install new technologies and to replace numerous obsolescent facilities with a much smaller number of new ones. The cost estimate produced by the FAA’s Research, Engineering, and Development Advisory Committee—the only estimate available so far—is an extra $1 billion per year over the next 20 years.6 The FAA’s current capital spending budget is focused on patching up the existing system, replacing antiquated display consoles with newer ones, and replacing the host computer system. While necessary in the short term, these investments will add little capacity to the system, but they are all that the FAA can afford under the current funding system.

#### NextGen too expensive for FAA

Poole and Edwards 10 (Robert, dir. of transportation policy and Searle Freedom Trust Transportation Fellow at Reason Foundation. Chris, is the director of tax policy studies at Cato. Before joining Cato, Edwards was a senior economist on the congressional Joint Economic Committee. “Airports and Air Traffic Control.” http://www.

downsizinggovernment.org/transportation/airports-atc) KGH

One problem is the mismatch between the growth in air traffic and the projected growth in FAA revenue. The FAA will need about $1 billion more per year over the next 20 years just to implement NextGen. In 2007 the FAA proposed a user-fee-based funding reform that could provide a more efficient and growing revenue source. The idea was to make each air transportation user's burden on the ATC system more closely match that entity's cost for using the system. That approach has thus far been ignored by Congress.

#### NextGen too complex for FAA

Poole and Edwards 10 (Robert, dir. of transportation policy and Searle Freedom Trust Transportation Fellow at Reason Foundation. Chris, is the director of tax policy studies at Cato. Before joining Cato, Edwards was a senior economist on the congressional Joint Economic Committee. “Airports and Air Traffic Control.” http://www.

downsizinggovernment.org/transportation/airports-atc) KGH

However, the challenge ahead for the ATC system is more complex than just financial. NextGen will be a major paradigm shift—from 20th-century (manual) air traffic control to 21st-century (semi-automated) air traffic management—and it will be more complex and riskier than any other challenge the FAA has previously attempted. Given the FAA's management and cost overrun problems in the past, simply fixing the funding problem for the ATC system without dramatically reforming its governance poses risks of larger and more dramatic failures and greater congestion down the road.

#### Labor unions complicate FAA solvency

Poole and Edwards 10 (Robert, dir. of transportation policy and Searle Freedom Trust Transportation Fellow at Reason Foundation. Chris, is the director of tax policy studies at Cato. Before joining Cato, Edwards was a senior economist on the congressional Joint Economic Committee. “Airports and Air Traffic Control.” http://www.

downsizinggovernment.org/transportation/airports-atc) KGH

While air traffic control is an increasingly technology-intensive industry, labor union issues have long played an important role in the ATC system. A period of labor unrest began in the late 1960s as FAA controllers pushed for job improvements and official status as an employee union. In 1969, about 500 members of the Professional Air Traffic Controllers Organization stayed home "sick" causing air service interruptions. The following year, 3,000 PATCO members took part in another "sickout" or illegal strike, which caused chaos for the nation's air traffic.3 Labor problems continued during the 1970s, with various work slowdowns and union protests over contract issues. Then in 1981, PATCO declared a major system-wide illegal strike after negotiations on a new contract broke down. That prompted President Ronald Reagan to order controllers to return to work within 48 hours or else face termination. More than 11,000 controllers refused to return to work and were fired by Reagan and initially banned from federal service. PATCO was dissolved and a new controllers union was created in 1987, the National Air Traffic Controllers Association. Today, an important aspect of the federal ATC system is the high labor costs. In 2010, the operations portion of FAA had about 43,000 workers who earned a total of $6.5 billion in wages and benefits, or about $151,000 per worker.4 Just looking at controllers, a 2005 FAA study found that compensation packages averaged $166,000 annually.5 Labor costs account for two-thirds of the cost of FAA operations.6

#### FAA is politically constrained

Poole 07 (Robert dir. of transportation policy and Searle Freedom Trust Transportation Fellow at Reason Foundation. “The Urgent Need To Reform The FAA’s Air Traffic Control System,” http://reason.org/files/7e27c68e7675e8a599716bab220978f5.pdf) KGH

Political Constraints. The third impediment to implementing a fundamentally different approach is political. The network-centric model can deliver major cost savings, ultimately providing two to three times the ATC capacity with the same number of—or even fewer—people because the changed paradigm makes the operations dramatically less labor-intensive. However, realizing these gains requires relatively swift retirement of huge numbers of costly radars and other ground-based navaids and consolidation of numerous ATC facilities. One current proposal would replace 21 en route centers and 171 TRACONs with 35 air traffic service hubs while redesigning all U.S. airspace.12 Physical control towers located at each airport would gradually be phased out as “virtual tower” functions are built into the new super-hubs. As with the closing of military bases, Congress has a history of resisting the closure and consolidation of ATC facilities. The original 1982 NAS Plan included plans for facility consolidation, which were quietly dropped after it became clear that getting them through Congress would be very difficult. Congress came extremely close to forbidding the FAA’s recent success in outsourcing its Flight Service Station system, which involved consolidating from 58 facilities to 20 facilities. The prohibition was ultimately defeated due to a credible veto threat from the White House. Many observers expect that, if left to the annual appropriations process, a facility consolidation of the magnitude being considered for the next-generation system would suffer the same fate as the consolidations proposed in the NAS Plan.

#### FAA empirically fails

Poole 07 (Robert dir. of transportation policy and Searle Freedom Trust Transportation Fellow at Reason Foundation. “The Urgent Need To Reform The FAA’s Air Traffic Control System,” http://reason.org/files/7e27c68e7675e8a599716bab220978f5.pdf) KGH

Technology Implementation Risks. The FAA has been attempting to modernize the National Airspace System (NAS), expanding its capacity and increasing its productivity, since it launched the NAS Plan in 1982. During the next 25 years, scores (if not hundreds) of reports from the Government Accountability Office (GAO)7 and the Office of Inspector General (OIG) in the U.S. Department of Transportation (DOT) faulted the agency for bad management that had led to projects that were chronically late and seriously over budget. In 2005, two OIG researchers presented an overview of this failed modernization experience, trying to assess what went wrong.8 They concluded that FAA modernization efforts had neither reduced costs nor increased productivity: NAS modernization architecture and project designs have been consistently subverted by requirements growth, development delays, cost escalations, and inadequate benefits management. But all these things were symptomatic of the fact that FAA didn’t think it needed to reduce operating costs.9

### Solvency

#### Private solves ATC without commercialization risks

Poole and Edwards 10 (Robert, dir. of transportation policy and Searle Freedom Trust Transportation Fellow at Reason Foundation. Chris, is the director of tax policy studies at Cato. Before joining Cato, Edwards was a senior economist on the congressional Joint Economic Committee. “Airports and Air Traffic Control.” http://www.

downsizinggovernment.org/transportation/airports-atc) KGH

A number of studies have found that ATC commercialization has generally resulted in improvements to service quality, better management, and reduced costs.33 At the same time, air safety has remained the same or improved in the countries that have pursued reforms to set up independent ANSP organizations. A thorough 2009 report by Glen McDougall and Alasdair Roberts compared the performance of 10 commercialized ATC systems and the FAA during the 1997 to 2004 period.34 They looked at large amounts of performance and safety data from the systems in the various countries and conducted over 200 interviews with managers, workers, and users of the different systems. The researchers found: ANSP commercialization has generally achieved its objectives. Service quality has improved in most cases. Several ANSPs have successfully modernized workplace technologies. The safety records of ANSPs are not adversely affected by commercialization, and in some cases safety is improved. Costs are generally reduced, sometimes significantly. Other risks of commercialization—such as erosion of accountability to government, deterioration of labor relations, or worsened relationships between civil and military air traffic controllers—have not materialized.35 For the United States, a commercialized ATC organization would be more likely than the FAA to efficiently implement the major aviation infrastructure advances that the nation desperately needs. Air traffic control is more complex and dynamic than ever, and it needs to be managed in the sort of efficient and flexible manner that only a commercialized environment can offer. Countries like Canada have shown the way forward for air traffic control, and U.S. policymakers should adopt the proven organizational reforms that have been implemented abroad.

Private solves FAA problems

Poole and Edwards 10 (Robert W., Dir. of transportation policy and Searle Freedom Trust Transportation Fellow at Reason Foundation, Chris, dir. of tax policy studies at Cato. “Airports and Air Traffic Control,” http://www.downsizinggovernment.org

/transportation/airports-atc) KGH

The way to address all three of these organizational problems is to take the ATC system out of the federal budget process and make it a self-supporting entity, funded directly by its customers. Variants of this commercialization approach have been recommended by a series of federal studies and commissions over the past 15 years…Commercialization would entail shifting from aviation-related taxes paid to the U.S. Treasury to fees for ATC services paid directly by customers to a new self-supporting Air Traffic Organization. This change would allow fees to grow in proportion to the growth of flight activity, rather than being tied to a less-stable variable, such as fuel prices or airline ticket prices. Moreover, a predictable revenue stream that was not subject to the federal budget process would provide the basis for the ATO to issue long-term bonds for funding capital investments. Commercialization would also address the management problems that have plagued the FAA's efforts to modernize. A non-civil-service ATO could attract the best private-sector managers and engineers skilled at implementing complex technology projects. Such an ATO could hire, fire, and compensate its employees as other high-tech businesses do. Private sector managers would have an incentive to ask tough questions about whether new investments offered real value for the money, a process that often doesn't occur at the FAA or in Congress…Finally, a self-supporting ATO would address the political obstacles to improving system efficiency, such as making decisions to close facilities. By passing the enabling legislation for ATC reform, Congress would delegate such contentious issues to the customer-oriented ATO organization.

### Solvency—General

#### Private companies solve better

Poole and Edwards 10 (Robert W., Dir. of transportation policy and Searle Freedom Trust Transportation Fellow at Reason Foundation, Chris, dir. of tax policy studies at Cato. “Airports and Air Traffic Control,” http://www.downsizinggovernment.org

/transportation/airports-atc) KGH

http://www.downsizinggovernment.org/transportation/airports-atc)

The United States should embrace the types of reforms adopted around the world to privatize airports and commercialize air traffic control services. Investor-owned airports and commercialized ATC companies can better respond to changing market conditions, and they can freely tap debt and equity markets for capital expansion to meet rising demand. Such enterprises also have greater management flexibility to deal with workforce issues and complex technology implementation.

#### More efficient

Poole and Edwards 10 (Robert W., Dir. of transportation policy and Searle Freedom Trust Transportation Fellow at Reason Foundation, Chris, dir. of tax policy studies at Cato. “Airports and Air Traffic Control,” http://www.downsizinggovernment.org

/transportation/airports-atc) KGH

The benefits of a more entrepreneurial approach to running airports include increased operating efficiency, improved amenities, and more rapid and efficient expansion in capacity to reduce congestion. Airlines, passengers, private-plane owners, and taxpayers can all benefit from this new commercial approach to airport management.

#### Private solves FAA problems

COA ’95 (Hearings Before Subcommittees Of The Committee On Appropriations House Of Representatives One Hundred Fourth Congress First Session, “Downsizing government and setting priorities of federal programs” <http://www30.us.archive.org/stream/downsizinggovern03unit/downsizinggovern03unit_djvu.txt>) KGH

Coleman. A key feature of the Department's restructuring proposal concerns transferring the air traffic control operations of the Federal Aviation Administration to a private or government- controlled corporation wholly funded by user fees. Some observers have pointed to the FAA's mismanagement of air traffic control modernization efforts — specifically cost overruns and schedule delays associated with the Advanced Automation System — as making the case for the need to privatize the air traffic control system. The GAO has testified before this subcommittee, however, that in- adequate FAA oversight and technical factors — not inadequate funding or Federal procurement or personnel rules — have caused the problems with the AAS. If that is still true, can you tell us what problems have you identified at the FAA that might be solved with the establishment of an ATC Corporation? [The information follows:] Our past work and testimonies have identified inadequate FAA oversight and technical factors — not inadequate fiinding or federal procurement and personnel laws — as the root causes of cost and schedule delays that have plagued FAA's modernization program. Along those lines, we have recommended ways that FAA's ac- quisition process can be improved substantially and the risk of cost and schedule problems minimized. For example, we have urged FAA to follow the common sense, businesslike principles that are outlined in its acquisition policy. The agency did not adhere to these principles during the early years of modernization. Therefore, our past work has focused on improvements that can be made to FAA's acquisition proc- ess under its current structure rather than the creation of alternative organizational structures. Undoubtedly, the creation of a corporation could provide FAA with greater flexibility in its procurement, personnel, and budgeting practices. However, it is also important to recognize that changing to a corporate structure does not necessarily correlate with success or serve as a panacea for the problems of the predecessor organization.

#### Privatization solves funds

Barkowski 12 (Justin, Ronald Sorenson Award for Best Student Article and served as the literary citation editor for Pepperdine Law Review. “Managing Air Traffic Congestion Through the Next Generation Air Transportation System: SatelliteBased Technology, Trajectories, and - Privatization?” p. 319-320 <http://digitalcommons.pepperdine.edu/cgi/viewcontent.cgi?article=1039&context=plr>) KGH

Airport privatization has numerous potential benefits that cannot be understated. Those most commonly identified include diversified sources of private capital for development, 343 greater efficiency in airport operations, 344 and increased customer satisfaction. 345 However, private operators could also more effectively fight congestion than a government-run airport by conditioning the transfer on the elimination of congestion, measured by monthly or quarterly performance results. 346 This technique has been recognized for various forms of privatization, predicated on the notion that "governments should shift their focus from specifying inputs to specifying some desired outcome, leaving private sector providers with the opportunity of formulating means of realizing that outcome in the most cost-efficient way possible." 347 The transfer of interests in airports from government operations to a private regulated monopoly could provide a solution for demand management if three conditions are met: the operator is given the ability to price discriminate against carriers for ground facilities; 348 transparent, periodic slot auctions are held; 349 and efficient regulation of an airport’s monopoly power exists. 350[1]

#### Privatization key to new tech

Poole and Butler 99 (Robert, dir. of transportation policy and Searle Freedom Trust Transportation Fellow at Reason Foundation, Viggo, chairman of United Airports and former president of Airport Group International, “Airline Deregulation: The Unfinished Revolution,” http://www.cato.org/pubs/regulation/regv22n1/airline.pdf) KGH

After more than 20 years of airline deregulation, air travel is again at the forefront of public policy. Policymakers have been besieged with continued consumer complaints about congestion and delays, along with a variety of other complaints: that business fares are up, that some smaller cities are not receiving the kinds and amounts of air service their residents would like to have, and that small start-up airlines cannot compete effectively. Various solutions have been proposed, including, for the first time since 1978, federal control over some of the prices charged and routes served by major airlines. But any return to a regulatory system that has the government micromanaging routes and services would be misguided. Such a “solution” would do little to improve air travel and would cause significant harm to consumers. Despite the criticisms, airline deregulation has provided—and continues to provide—enormous benefits to the average traveler. Economists from the Brookings Institution and George Mason University have estimated that consumers save some $19.4 billion per year thanks to the lower fares resulting from a competitive airline marketplace. American cities have been offered much greater air travel access, thanks to an aviation marketplace in which airlines are free to provide service when and where demand exists, without having to seek permission from central planners. Millions of Americans began to fly for the first time in their lives. Airline deregulation democratized air travel in America. There are, of course, serious problems remaining. But these problems stem not from too much reliance on market forces, but from too little. In deregulating the airlines in 1978, Congress unleashed market forces on one segment of the air-travel system—but failed to free up the critical infrastructure on which the airlines depend, namely the airports and the air traffic control (atc) system. These essential elements of the air travel system remain not only government-controlled, but government owned. Not surprisingly, problems emerged when a consumer responsive airline industry placed demands on an infrastructure still bureaucratically controlled. The problems typically have been blamed not on the infrastructure managers, largely invisible to the traveling public, but unfortunately on the airlines themselves. Instead of reregulation, today’s real policy challenge should be to remove the remaining government interventions in aviation infrastructure that restrict competition and hinder the growth of new forms of airline service. The benefits of such reform could be substantial. For instance, new technology exists that could produce an increase up to 50 percent in capacity at such congested airports as LaGuardia and Washington’s National (now Reagan National), and which could greatly expand the number of air routes between cities. But these new technologies are likely to come about in a timely fashion only if the structure and funding of today’s obsolescent atc system is dramatically changed. As the National Civil Aviation Review Commission found, the atc system must be turned into a businesslike organization, funded directly by its users. Another key policy reform is for airports to be free to expand their capacity directly, rather than wait for the FAA to make runway grants or to install upgraded landing equipment. Congested airports should be allowed, for instance, to levy market-based access charges during peak hours, with the revenues earmarked for capacity-enhancing investments within the same metro area. Reliever airports in the Chicago, New York, and Washington areas could provide nonstop regional jet service to supplement service offered at the existing congested airports. In short, technology and intelligent policy changes can give us a more competitive airline market with a much greater capacity. Policymakers should resist the temptation to micromanage who flies where. Instead, they must finish the job they started in 1978, by freeing up aviation’s infrastructure to cope with a dynamic, evolving aviation marketplace.

#### Government hinders transportation

Gessing 3 (Paul, Dir. of Gov’t affairs for the National Taxpayers Union, “Air Traffic Control Commercialization: A Window of Opportunity?” <http://www.ntu.org/tax-basics/ntu-vault/pdf/ntuib-144-air-traffic-control.pdf>)

Most Americans are abundantly aware of the recent difficulties that have plagued the airline industry. The current economic slowdown, 9/11, war in Iraq, and volatile fuel prices have all contributed to significant declines in traffic, additional security concerns and expenses for the airlines and their passengers. The financial situation is so dire that Congress recently spent $3 billion bailing the airlines out for the second time in the span of just over 18 months. All told, Congress has authorized $18 billion in government assistance to the airlines since September 11, 2001. Congress should make a serious effort to reduce the inordinate tax and regulatory burdens that hurt the airlines and in turn force taxpayers to bail them out from time to time. In recognizing the need for methods of reforming the industry without reaching further into taxpayers’ pockets, President Bush issued an Executive Order on June 4, 2002 stating that Air Traffic Control (ATC) is “not inherently governmental.”1 This modest step only restored the implicit non-governmental status of ATC prior to an Executive Order signed by President Clinton upon leaving office. Since the FAA and Department of Defense have been contracting out control tower operations for more than a decade, Clinton’s Executive Order in retrospect seems more like a political favor to the aviation unions than an attempt to set policy. Of course Bush’s reversal has opened the door for privatization, which, although it is not predicated on cutting jobs, nonetheless frightens labor. To this end, Democratic allies of big labor in both the House and Senate recently introduced legislation that would further hinder America’s already-ossified aviation infrastructure by mandating that air traffic control systems be federally run. Instead of finding new ways to stymie reform of an aviation system that is clearly broken, inefficient, and wedded to burdensome taxes on the flying public, Congress should consider privatization of Air Traffic Control functions as part of a comprehensive effort to reform the industry. The aviation industry needs a top-to-bottom re-evaluation of the role of government – from the ill-advised federalization of airline security to government management of airports – but ATC reform is an obvious first step

#### Privatization key to long term sustainability

Poole 93 (Robert, dir. of transportation policy and Searle Freedom Trust Transportation Fellow at Reason Foundation, “How to spin off air traffic control,” http://reason.org/files/6c0e8cc3a72058ff0df0025c85285972.pdf) KGH

Air traffic control (ATC) is an integral input to the production of safe and efficient air transportation. Like the operation of airports and airlines, ATC operations have significant safety overtones. Yet no one suggests that the federal government operate airlines or airports in order to make sure they are safe. Rather, the Federal Aviation Administration regulates these entities, on an arms-length basis. Increasingly, FAA operation of the ATC system is being recognized as an impediment to a healthy aviation industry in this country. For more than two decades, a steady stream of reports from the General Accounting Office, the Congressional Budget Office, and other expert bodies have faulted the agency for being poorly structured for the demanding task of operating a hightech, 24-hour-a-day system on which air travelers and private pilots depend for safe, efficient flights. In the early 1990s, additional voices have been added to this chorus. A 1991 special report on the air transport industry since deregulation by the National Research Council's Transportation Research Board (TRB) called for fundamental structural change in the way ATC is provided. In 1992 the Aviation Consumer Action Project (ACAP) issued a highly critical report on airline delays, calling for the spinning off of ATC operations from the Federal Aviation Administration (FAA). And in 1993, the Infrastructure Subcouncil of the Competitiveness Policy Council concluded that there is "an overwhelming consensus in the aviation community that the ATC system requires fundamental change if aviation's positive contribution to trade and tourism is to be maintained." In August 1993 the National Commission to Ensure a Strong Competitive Airline Industry seconded these concerns. Its report recommended the creation of an independent federal corporation to manage and fund ATC, with safety oversight remaining within the federal government. Five principal problems underlie the criticisms in these and other assessments of the ATC system, as discussed in the following paragraphs. A.Budget Constraints Because it is a part of the FAA, a federal agency, the ATC system receives its funding via annual congressional appropriations. Despite the majority of these funds originating as user taxes (whose proceeds are deposited in the Aviation Trust Fund), annual spending is determined via the ordinary federal budget process. Because both Congress and the administration typically seek to increase federal revenues and reduce federal outlays, nearly every year the amount the FAA is allowed to spend on Aviation Trust Fund purposes is less than is collected from users and deposited in the Trust Fund. Besides providing insufficient funding to deploy adequate numbers of fully trained air traffic controllers and to make needed investments in modernizing the ATC system, the federal budget process's unpredictability plays havoc with the need for long-term planning, both for research Reason Foundation Global Warming 3 and development and for major investments in modernizing the ATC system.

### Solvency—Congestion

#### Fed can’t solve congestion

Barkowski 12 (Justin, Ronald Sorenson Award for Best Student Article and served as the literary citation editor for Pepperdine Law Review. “Managing Air Traffic Congestion Through the Next Generation Air Transportation System: SatelliteBased Technology, Trajectories, and - Privatization?” p. 251-252 <http://digitalcommons.pepperdine.edu/cgi/viewcontent.cgi?article=1039&context=plr>) KGH

Given the relatively fixed amount of airport facilities available," the fact that the demand from air carriers has continuously outpaced supply has resulted in significant flight delays that have rippled throughout the country.14 Yet Congress continues to impose regulatory control over municipally owned airports across the country, forcing them to provide nondiscriminatory access to the airfield." With the non-discriminatory access requirement, airports are not allowed to use pricing as a method of allocating ground facilities, which, in turn, renders them unable to control access to the national airspace system.1 6 Solely focusing on NextGen and expanding airspace capacity without corresponding corrections in these demand management policies will only provide greater incentive for airlines to overschedule in order to fill in the marginal increases in capacity. To avoid this escalation of congestion, the socially efficient solution is for local governments to transfer these "high-density airports" to the private sector on the condition that private owners focus on eliminating congestion. 17 The societal gains from eliminating congestion would outweigh any societal costs incurred from potential airport discrimination against airlines.' 8 As a result, airport privatization may be the proper catalyst for exploiting the full potential of NextGen.

### Solvency—Culture

#### Private solves tech

Poole 07 (Robert dir. of transportation policy and Searle Freedom Trust Transportation Fellow at Reason Foundation. “The Urgent Need To Reform The FAA’s Air Traffic Control System,” http://reason.org/files/7e27c68e7675e8a599716bab220978f5.pdf) KGH

Cultural and Technical Obstacles. The commercialization approach would address the cultural and technical obstacles by enabling the ATO to attract and retain private-sector managers and engineers who are skilled at implementing complex technology projects. The ATO, like the TVA, would operate completely outside the federal civil service system and could hire, fire, and compensate its employees as any other high-tech business does. It would be governed by a board of directors largely representing the aviation customers. Under this system, the overall NextGen approach, individual projects, and their implementation schedules would have to pass muster as delivering real value for the investment. That kind of vetting process is largely absent from the FAA.

### Solvency—Economy

#### Sec. of Transportation wants privatization

Barkowski 12 (Justin, Ronald Sorenson Award for Best Student Article and served as the literary citation editor for Pepperdine Law Review. “Managing Air Traffic Congestion Through the Next Generation Air Transportation System: SatelliteBased Technology, Trajectories, and - Privatization?” p. 333-334 <http://digitalcommons.pepperdine.edu/cgi/viewcontent.cgi?article=1039&context=plr>) KGH

<http://digitalcommons.pepperdine.edu/cgi/viewcontent.cgi?article=1039&context=plr>) MJA

Even beyond the potential congestion savings, several other reasons suggest privatization may be the appealing forecast for local governments. First, dozens of local governments are increasingly considering the sale of their airports in order to decrease growing budget deficits. Second, with the federal government about to make a multi-billion dollar investment in 412 NextGen, an airport's economic value to the private sector will rise significantly, making the sale even more lucrative for governments looking for corrective budget solutions. 413 Finally, unlike the FAA's trembling slot debacle, Secretary of Transportation Ray LaHood has urged for "the private sector [to have] a bigger role in rebuilding the nation's aging . . . infrastructure," 414 which could provide help in reprising answers for congestion relief. But without any reforms to the current pilot program, the optimistic outlook could end hollow and ineffective.

#### Privatization solves economy and environment

Murray 7 (Iain, Professor at Edinburgh, “Resist New Burdens on the Transportation Sector,” http://cei.org/sites/default/files/Iain%20Murray%20-%20Resist%20New%20Burdens%20on%20the%20Transportation%20Sector\_0.pdf) KGH

The transportation industries—airline, railroad, shipping, and trucking—are networks involving both a flow and a grid. The flow element relates to what is being transported—such as airplanes and trains—and the grid is the physical infrastructure used to manage the flow— such as airports and air traffic control. Some transportation industries have been freed of extensive federal regulation over both elements, including railroads and trucking. However, air travel had only its flow element—the airlines— economically liberalized under the 1978 Airline Deregulation Act. The Federal Aviation Administration remains a command-and-control government agency that poorly manages air transport infrastructure to the detriment of consumers. Air traffic control services should be privatized, and landing slots and airport space should be allocated using market prices and new technology rather than through administrative fiat. As air travel is a global industry, the U.S. must continue to open up international markets, especially by implementing a genuine “open skies” agreement with the European Union, and remove laws that restrict foreign investment in American airline companies. Encourage private investment in freight rail. Attempts to roll back the successful 1980 Staggers Act and reregulate America’s freight railroads must be resisted. The Staggers Act has enabled a genuine market to operate in which the railroads are finally able to make a sustainable rate of return and invest in badly needed new infrastructure. Re-regulation would suffocate new infrastructure investment and lead to greater highway congestion. Rail also suffers in that its main infrastructural competition— the nation’s highway system— is governmentowned. Congress should consider tax reforms to make it easier to invest in rail infrastructure. Privatize passenger rail. Amtrak is an inefficient waste of taxpayer money. Congress should pursue privatization of Amtrak’s routes and infrastructure, through such preliminary reforms as breaking up the network. Competition in passenger rail choices can only benefit travelers. Liberalize air travel. Congress should reject attempts to tax airlines on environmental grounds, which would be extremely harmful to the industry. Congress should also revise, or repeal, outdated rules that forbid industry consolidation or foreign ownership. Privatization and modernization of the air traffic control system would allow faster flights, reduce delays at airports, save up to 400,000 barrels of oil per day, and reduce greenhouse gas emissions accordingly. There is no need to reinvent the wheel. Canada’s successful air traffic control privatization offers a useful model. 202-331-1010 • www.cei.org • Competitive Enterprise Institute Liberate to Stimulate Move to a risk-based transportation security model. According to experts, the long lines at airports since the increase in general security following 9/11 cost the U.S. economy $8 billion a year, and divert passengers onto the roads, with a significant increase in road traffic deaths as a result. Yet most of this security effort is wasted, aimed at people who could not possibly pose a security risk. To speed up lines and thereby remove this barrier to air travel, policy-makers should allow private firms to compete with the Transportation Security Administration, introduce a risk-based security model that allows low-risk passengers to move more quickly through the system, and permit a Registered Traveler scheme for those willing to subject themselves to extra security clearance in order to allow business travelers expedited travel.

#### Privates key to economy

Cato Institute 7 (“Cato Handbook for Policymakers,” http://www.cato.org/pubs/handbook/hb111/hb111-6.pdf, p. 74) KGH

There remain many federal assets that should be privatized, including businesses such as Amtrak and infrastructure such as the air traffic control system. The government also holds billions of dollars of real estate that should be sold off. The benefits to the federal budget of privatization would be modest, but the benefits to the economy would be large as newly private businesses would improve their performance and innovate. The Office of Management and Budget has calculated that about half of all federal employees perform tasks that are not ‘‘inherently governmental.’’ TheBush administration attempted to contract some of those activities to outside vendors, but such ‘‘competitive sourcing’’ is not privatization. Privatization makes an activity entirely private, with the effect of getting spending completely off the government’s books, allowing for greater innovation, and preventing corruption, which is a serious pitfall of government contracting. Privatization of federal assets makes sense for many reasons. First, sales of federal assets would cut the budget deficit. Second, privatization would reduce the responsibilities of the government so that policymakers could better focus on their core responsibilities, such as national security. Third, there is vast foreign privatization experience that could be drawn on in pursuing U.S. reforms. Fourth, privatization would spur economic growth by opening new markets to entrepreneurs. For example, repeal of the postal monopoly could bring major innovation to the mail industry, just as the 1980s’ breakup of AT&T brought innovation to the telecommunications industry. Some policymakers think that certain activities, such as air traffic control, are ‘‘too important’’ to leave to the private sector. But the reality is just the opposite. The government has shown itself to be a failure at providing efficiency and high quality in services such as air traffic control. Such industries are too important to miss out on the innovations that private entrepreneurs could bring to them.

### Solvency—Terrorism

#### Privatization solves terrorism and economy

Gessing 3 (Paul, Dir. of Gov’t affairs for the National Taxpayers Union, “Air Traffic Control Commercialization: A Window of Opportunity?” <http://www.ntu.org/tax-basics/ntu-vault/pdf/ntuib-144-air-traffic-control.pdf>)

There are several good reasons to go ahead with privatization of our ATC system right away. Most important are the safety improvements that would be provided via privatization. The current system that places the Federal Aviation Administration in charge of both operating the ATC system and regulating aviation safety creates inevitable 4 Air Traffic Control Commercialization: A Window of Opportunity? conflicts of interest.4 Instead, ATC is best placed at arm’s length from safety regulation. Additionally, safety will also be enhanced because a privatized ATC system will be modernized much more rapidly than the FAA, an organization with a long track record of delays, cost overruns, and safety problems.5 Lastly, if ATC restructures in the form of a government or nonprofit corporation, that entity can and should obtain liability insurance, as many of the overseas corporations have done, thereby creating an additional layer of safety oversight.6 Privatized management of America’s aviation system would be more efficient and effective than the federal government operating it through the FAA. Security, particularly post 9/11, is of utmost importance in all facets of aviation. Notably, the 29 other nations that have corporatized their ATC systems have had no security issues relative to privatization. On 9/11, for example, Nav Canada cooperated smoothly with military aviation authorities and the FAA in bringing all planes down safely. The cost savings of privatizing ATC functions could be several hundred million dollars each year, not to mention the economic benefits of more efficient air travel. As indicated in the following charts, Nav Canada has saved Canadian passengers and airlines significant sums of money. Figure 3. National Taxpayers Union 5 Figure 4. Privatization will vastly speed up ATC modernization and stabilize funding because the collection of user fees provides a bondable revenue stream. It will also allow the system to avoid dealing with government procurement regulations that are ill suited to a customer-service organization like ATC. A constant flow of revenue will likewise provide more flexibility to plan and invest for the future free of the constraints

### Solvency—Empirics

#### Canada and Britain empirically prove solvency

Poole and Edwards 10 (Robert W., Dir. of transportation policy and Searle Freedom Trust Transportation Fellow at Reason Foundation, Chris, dir. of tax policy studies at Cato. “Airports and Air Traffic Control,” http://www.downsizinggovernment.org

/transportation/airports-atc) KGH

During the past two decades, nearly 50 governments have commercialized their air traffic control systems. That means they have separated their ATC activities from their transport ministries, removed them from the civil service, and made them self-supporting from fees charged to aircraft operators. These new air navigation service providers (ANSPs) are usually regulated at arm's length by their government's aviation safety agency. Britain's ATC system has been commercialized by means of a "public-private partnership." National Air Traffic Services is a jointly owned company, with British airlines owning 42 percent, airport company BAA owning 4 percent, employees owning 5 percent, and the government owning the remaining minority stake. NATS is operated on a not-for-profit basis. Canada's ATC system has been fully commercialized.30 In 1996, Canada set up a private, nonprofit ATC corporation, Nav Canada, which is self-supporting from charges on aviation users. The Canadian system has been widely praised for its sound finances, solid management, and its investment in new technologies.31 The Canadian system is a very good reform model for the United States to consider.

#### Benefits globally acknowledged

Poole and Edwards 10 (Robert W., Dir. of transportation policy and Searle Freedom Trust Transportation Fellow at Reason Foundation, Chris, dir. of tax policy studies at Cato. “Airports and Air Traffic Control,” http://www.downsizinggovernment.org

/transportation/airports-atc) KGH

Virtually all commercial airports in the United States are owned by state and local governments.12 But around the world, airports are becoming viewed more as business enterprises, and less as monopoly public services. Governments in both developed and developing countries are turning to the private sector for airport management and development… Airports have been fully or partly privatized in many foreign cities, including Amsterdam, Athens, Auckland, Brussels, Copenhagen, Frankfurt, London, Melbourne, Naples, Rome, Sydney, and Vienna. Britain led the way with the 1987 privatization of British Airports Authority, which owns Heathrow and other airports. Other countries followed with a wide range of commercialization reforms under which private firms own or operate various aspects of airport facilities. Since 1987, more than 100 airports have been partly or fully privatized worldwide. A recent survey found that there are about 100 companies around the world that own and operate airports, finance airport privatization, or participate in projects to finance, design, build and operate new airports or airport terminals.13

Global privatization proves

Poole and Edwards 10 (Robert W., Dir. of transportation policy and Searle Freedom Trust Transportation Fellow at Reason Foundation, Chris, dir. of tax policy studies at Cato. “Airports and Air Traffic Control,” http://www.downsizinggovernment.org

/transportation/airports-atc) KGH

Here are some examples of airport privatization reforms in recent years: France's Aeroports de Paris, which owns Charles de Gaulle and Orly airports, was partially privatized in 2006. Most of Italy's larger airports have been privatized, including those in Rome, Florence, Naples, Parma, Pisa, and Venice. Greece plans to sell part of the remaining share of the Athens airport that it retains, and it may privatize some of its larger regional airports. Spain's government announced in 2008 that it will sell major stakes in the 47 airports operated by state agency AENA. Mexico has privatized numerous airports, and the country boosts three successful airport operators that plan to expand abroad. Brazil is planning to privatize Galeao International Airport in Rio de Janeiro. Most of Australia's major airports have been either privatized or contracted out to private operators under long-term leases.14

### Solvency—Funding

#### Privatization funds fed

Poole 07 (Robert dir. of transportation policy and Searle Freedom Trust Transportation Fellow at Reason Foundation. “The Urgent Need To Reform The FAA’s Air Traffic Control System,” http://reason.org/files/7e27c68e7675e8a599716bab220978f5.pdf) KGH

Funding Problem. This approach would address the funding problem by shifting from aviation excise taxes that are paid to the Treasury and appropriated annually by Congress to fees for ATC services that are paid directly by customers to the new self-supporting Air Traffic Organization (ATO). Thus, fees would grow in proportion to the growth of flight activity rather than being tied to something much less relevant, such as airline ticket prices. Moreover, a predictable revenue stream, not subject to the federal budget process, would provide the basis for issuing long-term revenue bonds to fund modernization, in particular the transition to the network-centric system.

#### Fed funding fails

Barkowski 12 (Justin, Ronald Sorenson Award for Best Student Article and served as the literary citation editor for Pepperdine Law Review. “Managing Air Traffic Congestion Through the Next Generation Air Transportation System: SatelliteBased Technology, Trajectories, and - Privatization?” p. 320-324 <http://digitalcommons.pepperdine.edu/cgi/viewcontent.cgi?article=1039&context=plr>) KGH

Several policies with respect to allocating ground facilities at high-density airports are necessary for the private party to eliminate airport congestion. First, eliminating the availability of long-term leases and majority in-interest clauses is a requisite for creating more fluid entry and thus, increased competition. 3 1 ' Forcing airlines into short-term arrangements will produce a more flexible air transportation system that can adjust to rapidly changing demand. 352 Second, Congress needs to loosen the regulations that require airport proprietors to equate revenues with their costs of providing the airfield's resources. 353 The current price controls prevent excessive monopoly profits by forcing airports into reasonable investment returns and uniform cost allocation across all carriers. 354 But while regulation seems to ensure that the monopolists' profits are minimal, it allows for an "unknown extent of productive inefficiency." 355 Price controls create inefficiency losses, which result when "economic resources are directed away from [airlines] where those resources have the largest benefit .. . and toward [airlines] which value those resources less” 356 Because prices are a necessary mechanism to ensure "resources are used in the most economically efficient fashion," 357 " ground facilities should be charged based upon willingness to pay or expected profitability, commonly called "Ramsey pricing."" A private operator will be more capable of determining the carrier's risk of failure, a reflection of each carrier's willingness to pay. 3 For instance, if an airline pays the maximum it is willing to pay for a gate facility, it is forced to extract all of the gate's potential value in order to recover its investment. In essence Ramsey pricing forces the airline to use the gate more efficiently than it had before. The loosening of limitations on discriminatory pricing and prohibiting long-term lease arrangements for ground facilities will enhance a private operator's ability to perfectly price discriminate, which "may be consistent with and even necessary to allocative efficiency" of airport resources. 360 This pricing structure ensures there is limited deadweight loss from the use of scarce airport facilities by forcing unprofitable and wasteful air carriers out of the system. 36 1 Critics against using a different rate structure argue that airlines will raise their rates on passengers, effectively passing the costs of congestion onto consumers. 362 However, because airport costs are roughly five percent of airlines' total costs it would not be disastrous to raise rates on them. One study suggests that for every one percent increase in the price of airline tickets, more than one percent declines to buy tickets. 6 As a result, airlines will arguably internalize the rising costs and force reductions in other areas. 3 Alternatively though, decreased fuel costs from the implementation of NextGen may offset increased facility prices as well. But if for some reason the airline cannot handle the increased costs, any potential increases on passengers' rates would only be temporary because an entrant could come in and undercut them, assuming the barriers to entry are more fluid from privatization and short-term leases. 365 Nonetheless, there are several arguments supporting the notion that consumers would be minimally affected under Ramsey pricing. Any concerns about potential collusion between the airport proprietor and an air carrier will be regulated by antitrust legislation.1 66 Through modest disclosure requirements, the FAA could require that the private airport proprietors disclose their justifications for the charges upon airlines, creating a more transparent environment that would prevent anticompetitive behavior. 36' Ramsey pricing allows the airport proprietor to get the most profitable airlines within the first barrier to entry-ground facilities-and maximizes the economic value of these resources. Subsequently though, the airport proprietor must prevent these air carriers from scheduling amounts of flights exceeding the airport's practical capacity. 368

Privatization solves

Barkowski 12 (Justin, Ronald Sorenson Award for Best Student Article and served as the literary citation editor for Pepperdine Law Review. “Managing Air Traffic Congestion Through the Next Generation Air Transportation System: SatelliteBased Technology, Trajectories, and - Privatization?” p. 324-326 <http://digitalcommons.pepperdine.edu/cgi/viewcontent.cgi?article=1039&context=plr>) KGH

Realizing that slots are seemingly unavoidable, the private operator will be responsible for configuring the optimal level of slots allowed per hour. 369 Assigning control to the proprietors, subject to extensive safety regulations, will allow them to set an efficient cap that helps meet their mandate of eliminating airport congestion. 37 0 The FAA's new role is to collaborate with the private airport operator in looking for ways to expand the number of slots per hour while the airport becomes responsible for administering a slot system. 7 Once the airport finds an optimal number of slots per hour, there must be a form of allocating them efficiently. 372 The FAA's slot auction proposal and the airport proprietor's landing fees are duplicative-creating an ineffective system that is currently plagued by redundant fees and stale airline-airport contracts. Slot and landing fees need to be consolidated into one fee that will be determined through auctions held by the airport proprietor." The new system will consolidate slot and landing fees into one transparent market. For instance, the airport could hold bi-monthly or quarterly auctions for the rights to takeoff or land at a certain time. 374 By requiring slot auction prices to be publicly listed, increased transparency of airport-facility markets will allow potential new entrants to gauge its costs more easily before entering the market. One possible argument against this potential "two-step pricing method" is that the airport extracts the airline's surplus twice instead of through only an initial charge for gate facilities. However, once airlines have obtained a gate/terminal space, the auction prices will simply reflect the remaining economic value an airline has allocated towards the use of all its necessary ground facilities. 37 5 With increased amounts of short-term leases, constructing a more transparent market for airport facilities will increase competition for airport resources, and subsequently award them to the airline that can use them most effectively. 376 Not only does the consolidated pricing system allow a private operator to manage its limited airport facilities efficiently, it is necessary for ensuring a reduction in airport congestion and airline over-scheduling. It does, however, raise the determinative question of monopolistic abuse.

### AT: Monopoly Bad

#### **Government holds monopoly**

Barkowski 12 (Justin, Ronald Sorenson Award for Best Student Article and served as the literary citation editor for Pepperdine Law Review. “Managing Air Traffic Congestion Through the Next Generation Air Transportation System: SatelliteBased Technology, Trajectories, and - Privatization?” p. 326-329 <http://digitalcommons.pepperdine.edu/cgi/viewcontent.cgi?article=1039&context=plr>) KGH

<http://digitalcommons.pepperdine.edu/cgi/viewcontent.cgi?article=1039&context=plr>) MJA

The main criticism against a "two-step pricing method" or similar pricing structure for ground facilities is that "allowing the unilateral imposition of congestion pricing would end the airlines' regulatory protection against the exercise of monopoly power by airport proprietors and would transfer revenue from airlines and their customers to airport proprietors." 7 The monopolist's potential for ignoring cost-reducing measures and enjoying the advantages of a "two-step pricing method" is the biggest legal issue facing airport privatization in the present time. 378 In any shift towards privatization of airport monopolies, there will always be some economic rents or monopoly profits. 379 Given these realities, the government needs to ensure monopolistic abuse is mitigated enough for the gains from eliminating airport congestion to outweigh any potential costs of monopoly behavior. a. Modeling Privatization Welfare Effects Modeling each actor's welfare effects can illustrate the government's trouble of eliminating airport congestion through privatization, and provides clearer guidance for dealing with the risk of monopolistic abuse. Suppose the private operator obtains the monopoly profits from the airlines, X, 380 through its "two-step pricing method," and eliminates the social costs of airport congestion, Z, 38 ' in accordance with its mandate. The result is a transfer of X from the airlines to the airports and an overall net societal benefit of Z and X 382 Because every actor gains, social efficiency is clearly achieved by the transfer of the airport to the monopolist. 383 But one may perceive this transfer as unfair because "society"-including everyone except for the monopolist-must pay the value of monopoly profits, X, to the airport proprietor (through the airlines) in order to obtain gains from congestion relief, Z. 384 Therefore, public policy must encourage "fairness" by ensuring that society's gain, Z, outweighs its "fee," X, thereby making privatization the socially efficient outcome from congestion-dominated airports. With the added potential for abuse of monopoly power that could ultimately reduce society's gains, however, what policies could maximize Z by ensuring an airport proprietor's competitive-type behavior? 385 b. Maximizing the Return on Privatization Several policies are available for society in ensuring that its investment, X, will yield a far greater return in Z.316 First, a tax on the profits of the monopolist in the form of a "surtax," at a rate of sixty or seventy percent for instance, could ensure that any monopoly profits would at least be limited by that respective amount. 8 Another possibility, and potentially the best solution, is for the state or local subdivision managing the airport to hold an auction, accepting bids for the airport's monopolizing capabilities. That way, for example, if the government finds the monopoly profits are worth the value of X, the company pays the government a fee, Y, for rights to collect the monopoly profits in its most efficient manner. The fee, Y, paid to the government would likely be high, such as sixty or seventy percent of X, acting in essence as another form of a tax. Alternatively, the government could incorporate the airport and issue stock as a publicly-held company, subjecting it to numerous requirements and scrutiny that would allow it to be more transparent. 388 By allowing the local government to retain a minority stake in the airport and have individuals on the board of directors, both the cities' and passengers' interests in ensuring fairness may be heard. 8 Similar to the example above, the government could tax, through a surtax, the dividends of the corporation, in effect acting as a redistributive income mechanism. 390 Lastly, there has been a rise of secondary airports in the main regions where high-density congestion is occurring. 39 ' This competition could lead to a decrease in the amount of monopoly profits the airport can obtain. 392 Altogether, the prescribed policies create two benefits from the monopoly abuse problem. First, they act as a redistributive measure of the monopolist's eventual profits-which were discriminatorily taken from airlines-in order to restore fairness to the two-step pricing method. Second, it would force private operators to act more efficiently and implement cost-reducing measures in order to profit-maximize and recoup the windfall they lost to the government. By minimizing the potential for monopolistic abuse, transferring interests in high-density airports to the private sector will provide aggregate benefits to society in terms of social efficiency. However, Congress must first address the current federal laws governing airport privatization that are insufficient to yield the potential benefits described.

### AT: We Fiat Funding

#### **Bonds key to relationships**

Poole 07 (Robert dir. of transportation policy and Searle Freedom Trust Transportation Fellow at Reason Foundation. “The Urgent Need To Reform The FAA’s Air Traffic Control System,” http://reason.org/files/7e27c68e7675e8a599716bab220978f5.pdf) KGH

First, in the context of large federal deficits as far as the eye can see, increasing general-fund support for any federal program is highly unlikely, especially if that program has identifiable users who could be charged for its services. Second, even if this were possible, it would do nothing to enable the ATO to issue revenue bonds to finance the long-term capital expenditures for the next-generation ATC system. Issuing bonds requires a reliable revenue stream that is not subject to the risks and uncertainties of annual appropriations. Third, creating a customer–provider relationship is the key to reforming the ATC governance system so that cost control and a clear business case for each new investment become standard practice. The general fund should continue to support the FAA’s vital air-safety functions, including the operations of the Flight Service Stations that assist general aviation pilots.

### AT: Why No Privatization Now

#### **USFG killed incentives**

Poole and Edwards 10 (Robert W., Dir. of transportation policy and Searle Freedom Trust Transportation Fellow at Reason Foundation, Chris, dir. of tax policy studies at Cato. “Airports and Air Traffic Control,” http://www.downsizinggovernment.org

/transportation/airports-atc) KGH

Why has the United States resisted these types of airport reforms occurring around the world?15 One reason is that U.S. state and local airports have for decades received federal aid for development and construction. Federal law generally provides that governments that have received federal aid for an infrastructure facility have to repay previous federal grants if the facility is privatized. Moreover, the FAA has interpreted a legal provision requiring that all "airport revenues" be used solely for airport purposes to apply to any lease or sale proceeds, which prevents a city from selling its airport and using the proceeds for its general fund. Another important factor is that state and local governments can issue tax-exempt bonds to finance airports because they are government-owned facilities. Thus, borrowing can be done at a lower cost than borrowing by private airport owners issuing taxable debt. However, this bias against private ownership can be overcome. The federal government could pursue tax reforms to reduce or eliminate the tax exemption on municipal bond interest. Alternatively, the government could permit private airport operators to make use of tax-exempt revenue bonds ("private activity bonds"), as it has done for companies involved in the toll road business.

#### Airlines fear privatization

Poole and Edwards 10 (Robert W., Dir. of transportation policy and Searle Freedom Trust Transportation Fellow at Reason Foundation, Chris, dir. of tax policy studies at Cato. “Airports and Air Traffic Control,” http://www.downsizinggovernment.org

/transportation/airports-atc) KGH

A final hurdle to airport privatization in the United States has often been the airlines. For various structural reasons, they worry that their costs may be higher or they may face more airline competition if airports were privatized. Typically, major airlines are like an anchor tenant in a shopping mall. At U.S. airports, major airlines generally have long-term lease-and-use agreements, which often give them control over terminals or concourses and the right to approve or veto capital spending plans. That gives them the power to oppose airport expansion if it would mean more airline competition in that location.

### Solvency

#### Privatization solves best

Poole and Edwards 10 (Robert W., Dir. of transportation policy and Searle Freedom Trust Transportation Fellow at Reason Foundation, Chris, dir. of tax policy studies at Cato. “Airports and Air Traffic Control,” http://www.downsizinggovernment.org

/transportation/airports-atc) KGH

For existing state and local airports, the simplest form of privatization is to contract out management of the airport on a short-term basis. But long-term leases can shift much greater responsibility and entrepreneurial incentive to the airport company, while liberating much of the city's previous investment in the airport. To create new airport facilities, the private sector can be brought in as a partner and granted either a long-term or perpetual franchise to finance, design, own, and operate the new facility. Full private ownership and management of airports is also possible and is becoming fairly common in Europe.

### Congress won’t give funding

#### Congress won’t fund

Poole 07 (Robert dir. of transportation policy and Searle Freedom Trust Transportation Fellow at Reason Foundation. “The Urgent Need To Reform The FAA’s Air Traffic Control System,” http://reason.org/files/7e27c68e7675e8a599716bab220978f5.pdf) KGH

Some, especially in the general aviation community, argue that Congress could solve the problem by appropriating a larger amount of general federal revenue each year, such as 25 percent to 30 percent of the FAA’s budget instead of the recent level of about 18 percent to 21 percent. Yet given the federal budget deficit and numerous other claims on general-fund monies, this alternative appears extremely unlikely, especially for a program that has the potential to raise revenue from its users. This is why Blakey and Mineta have called funding reform essential for ATC modernization.

### States CP—Solvency

#### States should fund the plan—federal government increases costs and decreases effectiveness

Poole 96 (Robert W., Dir. of transportation policy and Searle Freedom Trust Transportation Fellow at Reason Foundation, *Defederalizing* *Transportation Funding*, http://reason.org/files/4883e8bd01480c4d96ce788feb1f2e05.pdf) LA

Airports, highways, and mass transit systems are primarily state and local responsibilities. They are developed and operated by state and local governments (with increasing private-sector involvement) and funded primarily from state and local sources. Yet the federal government, by collecting transportation user taxes and using them to make grants for these systems, both raises the costs and exerts significant control over these state and local activities. Congress should devolve transportation infrastructure funding and responsibilities to cities and states, ending federal grant programs and their accompanying restrictions. Cities and states have been open to privatization, and most would welcome the flexibility and freedom from costly federal regulations which devolution would give them. Devolving transportation funding would lead to more-productive investment, greater intermodalism, more innovation, and new capital from the private sector.

#### The federal government grossly mismanages ATC

Edwards 9 (Chris, CATO Institute, *Privitization*, http://www.downsizinggovernment.org/privatization) LA

Before the 20th century, transportation infrastructure was often financed and built by the private sector. For example, there were more than 2,000 companies that built private toll roads in America in the 18th and 19th centuries.1 Most of those roads were put out of business by the spread of the railroads. Then, during the 20th century, roads and other infrastructure came to be thought of as government activities. By the 1980s, that started to change, and governments around the world began selling off airports, highways, bridges, and other facilities. Any service that can be supported by consumer fees can be privatized. A big advantage of privatized airports, air traffic control, highways, and other activities is that private companies can freely tap debt and equity markets for capital expansion to meet rising demand. By contrast, modernization of government infrastructure is subject to the politics and uncertainties of government budgeting processes. As a consequence, government infrastructure is often old, congested, and poorly maintained. Air Traffic Control. The Federal Aviation Administration has been mismanaged for decades and provides Americans with second-rate air traffic control. The FAA has struggled to expand capacity and modernize its technology, and its upgrade efforts have often fallen behind schedule and gone over budget. For example, the Government Accountability Office found one FAA technology upgrade project that was started in 1983 and was to be completed by 1996 for $2.5 billion, but the project was years late and ended up costing $7.6 billion.2 The GAO has had the FAA on its watch list of wasteful "high-risk" agencies for years.3 Air traffic control (ATC) is far too important for such government mismanagement and should be privatized. The good news is that a number of countries have privatized their ATC and provide good models for U.S. reforms. Canada privatized its ATC system in 1996. It set up a private, nonprofit ATC corporation, Nav Canada, which is self-supporting from charges on aviation users. The Canadian system has received high marks for sound finances, solid management, and investment in new technologies.4

#### Devolution key to solve

Poole 11 (Robert dir. of transportation policy and Searle Freedom Trust Transportation Fellow at Reason Foundation, “Rethinking the FAA budget,” http://thehill.com/blogs/congress-blog/economy-a-budget/142507-rethinking-the-faa-budget) KGH

The House and Senate are both making the long-overdue reauthorization of the Federal Aviation Administration a high priority. Unfortunately, the bills they are writing seem blissfully ignorant of the fiscal crisis facing the federal government—a climate in which discretionary general fund spending is in for serious cutbacks. Like most other federal transportation programs, aviation has traditionally been funded largely by user taxes, including the passenger ticket tax, fuel taxes on private planes, and a variety of other aviation excise taxes. These monies are accounted for in the Aviation Trust Fund, which is the source of capital spending on airports and air traffic control, as well as a large portion of the FAA’s operating budget (roughly corresponding to its air traffic control workforce). Traditionally, aviation user taxes brought in more than 80 percent of the FAA’s budget. But the last five year have seen an alarming increase in general fund support of FAA. For FY 2011, bills enacted in the last Congress but never reconciled would have required 37 percent (S 223) or 41 percent (HR 915) of the FAA’s total to come from the general fund. Both houses now seem to be on course to pass very similar bills, from a budgetary standpoint. With our current debt and deficits, making the FAA even more dependent on discretionary general fund spending is not sustainable. An alternative path forward was laid out by former FAA Administrator Marion Blakey back in 2007. After detailed analysis by PriceWaterhouseCoopers and GRA, Inc., the FAA parsed its budget into its three major components: the Air Traffic Organization (about 60 percent), airport grants (about 25 percent), and air safety regulation and miscellaneous (15 percent). Ideally, then, users of air traffic control services should pay that 60 percent via user taxes and/or fees, and airport users should pay for the airport grants program. That would leave only about 15 percent from the general fund to pay for FAA’s important aviation safety functions. The FAA budget has ballooned in recent years for three reasons: increased payroll costs due to the settlement with air traffic controllers, investment in early phases of the NextGen air traffic control system, and expansion of the airport grants program. The first of these is baked into the contract, and the second is vitally important for the future of aviation. Only the third offers a realistic opportunity for cutbacks—and Congress could do this in a way that does not harm airports. The key is to accelerate the ongoing shift from federal airport grants to local self-help. Ever since 1990 when Congress began allowing airports to levy their own per-passenger charge to fund FAA-approved capital improvement projects, airports have taken advantage of the opportunity. Nearly all airports with scheduled passenger service now levy a passenger facility charge (PFC), many of them at the current ceiling of $4.50 per enplaned passenger. PFC revenues in many cases support airport revenue bonds that are financing needed runway and terminal additions. Unfortunately, the federal cap of $4.50 has been in place since 2000 and has not been adjusted for the large increase in construction costs during the past decade. The previous House bill would have increased the cap to $7.00, while the Senate bill failed to offer any increase. An increase to $7 or $8 per passenger would allow airports to continue local self-help funding of needed improvements. And because current law requires airports implementing increased PFCs to turn back to the federal government 50 to 75 percent of their airport entitlement grants (money which then gets redistributed to small airports), this would permit a significant scaling back of the Airport Improvement Program (AIP). Cutting AIP in half, from $4 billion to $2 billion, would reduce the FAA budget to around $16 billion, down from $18 billion. With the projected aviation user tax revenue of $11 billion, that $16 billion budget would need 31 percent general fund support, as opposed to closer to 40 percent. For a two-year bill, that would be a good start towards eventually getting to the target level of about 15 percent general fund support. The passenger facility charge is a great example of devolving a federal function to state and local government. It is just the kind of thing Congress’s new fiscal conservatives should be embracing. The FAA budget debate offers them an early opportunity to do just that.

#### Devolution makes airports pay for themselves—Canada proves

CAC 3 (Canadian Airports Council, *It’s Time for Federal Rent Relief*, http://www.yyc.com/data//1/rec\_docs/45\_Airports\_-\_A\_Decade\_of\_Achievement\_at\_Risk.pdf) LA

Devolution wisely transferred responsibility for Canada’s airports from the federal government to locally-based, not-for-profit Airport Authorities. These organizations operate under the oversight of locally appointed boards of directors who are direct- ly accountable to the communities they serve. By any measure, the devolution of over 100 airports across Canada has achieved fantastic results. "Over the past decade, Canada’s airport policy has been an unrivalled success – delivering dramatic improvements in service, enabling communities to ensure local needs are addressed and attracting bil- lions in new capital investment," says Larry Berg, Chairman of the Canadian Airports Council (CAC), an organization which represents over 120 airports serving 97% of Canadian air travellers. Financially, airports that ten years ago cost $135 mil- lion annually, now pay over $250 million in rent to the federal government. Capital investments have risen from $50 million in 1992, to total over $1.7 billion by 2001, at no cost to taxpayers. These investments are critical to expand- ing airport capacity to meet demand and to improv- ing accessibility, convenience and security for the travelling public. These improvements have allowed airports to keep pace with the growing volume of pas- sengers, which rose from just over 60 million a year in 1991, to over 85 million by the turn of the millennium. These benefits would not have been realised had air- ports remained under federal control. Reporting on devolution in 2000, the Auditor General said, "Since the transfer process began in 1992, most of Canada’s airports have undergone major physical improve- ments [and] these projects have benefited the regions and communities that the airports serve." He added that Transport Canada "...noted that the tim- ing and nature of the projects would have been sig- nificantly different had it continued to operate the airports." Local control has also allowed airports to become much more responsive to the needs of their commu- nities, aligning their business plans with the strate- gies of local economic development organizations like chambers of commerce, boards of trade and local governments. This has allowed airports to become important drivers of the economy, both locally and nationally, supporting over 300,000 jobs and generating $34 billion in economic output in 2001, as well as contributing almost $4 billion in fed- eral tax revenue.

#### State loan guarantees solve – food processing funds prove

Alexander 12 (Dave, writer for Michigan Live, “Marcia Hovey-Wright and Holly Hughes work on food processing, veterans' services in Lansing”, <http://www.mlive.com/news/muskegon/index.ssf/2012/01/marcia_hovey-wright_and_holly.html>) KA

Further efforts this year will be made in finding jobs for returning Middle East veterans and setting up a “Veterans Court” that would provide intervention services for vets facing criminal charges, Hughes said. Hovey-Wright has a whole different legislative challenge when trying to get something accomplished. As a Democrat in a Republican-controlled House, she must have a bipartisan strategy. Her focus is to bolster food processing in the Muskegon area and statewide. “Food processing is very big for the Muskegon area, which has plenty of assets to offer that industry,” Hovey-Wright told The Chronicle Editorial Board. “There is a real potential for growth in that industry.” Specifically, Hovey-Wright has sought GOP support of a bill to provide state loan guarantees for food processors to help companies secure loans from traditional banks. She also has legislation proposing $2 million a year for five years be appropriated as grants supporting food processors. Muskegon County has the roads, railroads, wastewater treatment capacity, port facilities and the nearby farmers to make food processing a key industry, Hovey-Wright said. Both Muskegon County and Muskegon Area First — the economic development agency — have made attracting and expanding food processing a key priority. In the upcoming legislative year, Hovey-Wright will be proposing an increase in the state's renewable energy portfolio demanding 20 percent of all energy coming from renewable sources by 2020. The current standard is 10 percent by 2015. “We need to move the bar higher for environmental and economic development of wind and solar,” Hovey-Wright said. “It will create jobs.”

#### State loan guarantees work – Florida

AIF 10 (Associated Industries of Florida, “FROM PINK SLIPS TO PAY CHECKS: Putting Floridians to Work Now”, <http://aif.com/other/2010/AIF-JOBS.pdf>) KA

The Sunshine State is facing historic, record-breaking unemployment claims, and Florida is in the top three states nationally in mortgage foreclosures. Unfortunately, many economic indicators have signaled that this is not the end to Florida’s fiscal woes and we have yet to hit the bottom. Our citizens need help now — today and tomorrow — not in the distant future. In these challenging times, it is imperative that our elected leaders take this opportunity to explore every avenue possible to put our citizens back to work. To that end, AIF recommends legislative action in the following five areas: 1. Small and Medium-Sized Business: Increase access to capital through the creation of state loan guarantees and emergency “bridge” or revolving loan programs for small and medium-sized businesses. Ensuring access to capital will help small businesses expand their operations; therefore, leading to job creation.

#### Devolution and local control are key to airport infrastructure providing benefits

Legge 3 [Peter, Chairman and Chief Elected Officer, House of Commons Standing Committee on Transport should hold regional hearings on Bill C-27, <http://www.boardoftrade.com/policyissues/current-issues/transportation/filter/03-03-28/House_of_Commons_Standing_Committee_on_Transport_should_hold_regional_hearings_on_Bill_C-27.aspx>] ATP

This legislation has far-reaching consequences for all parts of Canada, and for all Canadian citizens. For communities directly affected by legislative changes to the governance of their airports, the impact will be of great concern. The substantial progress achieved by numerous airports over the past decade flowing from the devolution of airport control to communities must not be adversely affected.

#### Devolution of airports is key to economic benefits

Aberdeen Airport 11 [Scottish Airport’s media centre, Further calls for APD devolution, <http://www.aberdeenairport.com/about-us/media-centre/press-releases/further-calls-for-apd-devolution>] ATP

Derek Provan, Airport Managing Director said “Earlier this year, we as a group asked the Chancellor to consider devolving APD to the Scottish Government. Ministers in Scotland have been supportive of this proposal, and we have sought confirmation from them that should it be devolved the monies raised would be used for the long-term good of the aviation industry in Scotland. This announcement about changes to the system in Northern Ireland make it increasingly difficult to ignore our argument.” Derick Murray, director of North east transport body NESTRANS said: “An economic impact study, carried out for the Scottish Airports, into Air Passenger Duty clearly shows the relationship between this tax and passenger numbers. For the North East, because of our geography and global economy a very high proportion of passengers are businesses and this tax effectively taxes our businesses disproportionately. Devolution to the Scottish Parliament, as proposed for Northern Ireland would permit taxes to be set that don’t penalise our companies.”

#### Other nations devolution of airports have worked.

Brooks & Prentice 1 [Mary and Barry, Dalhousie University & University of Manitoba, AIRPORT DEVOLUTION:

THE CANADIAN EXPERIENCE, <http://citt.management.dal.ca/Files/pdf's/DP-183.pdf>] ATP

Internationally, governments have devolved responsibility for transport support industries from the public sector to the private sector. In Canada, this happened to airports under the Mulroney Conservative government through the creation of Local Airport Authorities (LAAs), and latterly through the implementation of the 1994 National Airports Policy (NAP) of the Chrétien Liberal government. Sufficient time has passed to consider the progress of this policy experiment. Over 1999-2000, the Federal Government reviewed its airports policy (with respect to the first set of LAA transfers) and the Auditor General devoted one chapter in his annual report to airport transfers under the NAP. The airport devolution process in Canada has been a success in many respects, but airport systems are complicated, capital intensive and long-lived. The success of airport commercialization in the longer term is yet to be determined.