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## SKFTA Good—1NC 1/4

### SKFTA is likely to pass now

Hoover, 6/28/11. (Hoover, Kent. Washingon Bureau Chief at [American City Business Journals](http://www.linkedin.com/company/american-city-business-journals?trk=ppro_cprof). 6/28/11. “A Moment of Truth on Trade.” Portfolio.com. http://www.portfolio.com/business-news/2011/06/28/trade-deals-move-forward-obama-administration-national-export-strategy-2011)

President Obama got some good news today regarding his goal to double U.S. exports by 2015: A deal has been reached to advance three long-stalled free trade agreements.

The Obama administration agreed to submit trade deals with South Korea, Colombia and Panama to Congress in return for legislation that would extend assistance to workers who lose their jobs as a result of globalization.

“President Obama has fought for an ambitious trade agenda that doubles exports in five years, levels the playing field for American workers and reflects American values,” said White House Press Secretary Jay Carney. “As part of that agenda, he has fought for Trade Adjustment Assistance for those American workers who lose their jobs due to increased imports or outsourcing. As a result of extensive negotiations, we now have an agreement on the underlying terms for a meaningful renewal of a strengthened TAA.”

“Now it is time to move forward with TAA and with the Korea, Colombia and Panama trade agreements, which will support tens of thousands of jobs.”

Business groups have been urging quick passage of these trade deals, which will reduce tariffs in these countries on imports from the U.S.

“For members of Congress who care about American jobs, this is a moment of truth,” said [Tom Donohue, president and CEO of the U.S. Chamber of Commerce](http://www.uschamber.com/about/management/thomas-j-donohue). “I urge members of both parties to seize a reasonable compromise and move the trade agenda forward. The time to act is now.”

The trade deal with South Korea alone is expected to increase U.S. exports by $11 billion a year. This agreement will produce more economic growth in the U.S. than all of the nation’s last nine trade agreements combined, according to the [U.S. International Trade Commission](http://www.usitc.gov/).

The Colombian trade deal is expected to increase U.S. exports by more than $1 billion a year. Panama, meanwhile, is one of Latin America’s fastest-growing economies.

Some groups, however, contend the trade deals will be bad for American workers.

“For most Americans, what’s newsworthy is not that the administration is pushing Trade Adjustment Assistance, which effectively is a job burial insurance program, but that pushing a deal on TAA is being used as political cover to move more NAFTA-style trade agreements that will kill more American jobs in the first place, especially given our high unemployment rates,” said Lori Wallach, director of [Public Citizen’s Global Trade Watch](http://www.citizen.org/trade/).

The breakthrough on the three trade deals came as the Obama administration released its National Export Strategy for 2011. The trade deals are critical to this effort, but the heart of the effort is to get more U.S. companies, particularly small and medium-sized businesses, to tap markets in the rest of the world. Few businesses are exporting now, and most of those are exporting only to one market.

Interest in export opportunities is increasing, however. [Export.gov](http://www.export.gov/), a one-stop portal for all the assistance the government can provide potential exporters, got 325,000 hits a month in 2010, up from 200,000 in 2009.

U.S. exports jumped 17 percent in 2010, the largest increase in 20 years. This growth rate has continued in 2011. At this pace, the U.S. will achieve Obama’s goal of doubling exports by 2015.

Some of the credit for this increase goes to the Obama administration’s effort to coordinate their trade programs, so that any business that contacts any agency will be referred to the right program or office. Counselors at the Small Business Administration’s network of [Small Business Development Centers](http://www.sba.gov/content/small-business-development-centers-sbdcs) are being trained to advise their clients on how to export. Export financing programs, both through the SBA and the Export-Import Bank, have been beefed up.

SKFTA Good—1NC 2/4

### PC is key and Obama is spending it

Douglas Holtz-Eakin & Matthews 2/9, Merrill Matthews is a resident scholar with the Institute for Policy Innovation. Douglas Holtz-Eakin is president of the American Action Forum and served as a member of the Financial Crisis Inquiry Commission. “Recapturing U.S. leadership on trade” lexis

President Barack Obama has shown a desire to expand trade opportunities. This is a refreshing switch from two years of ignoring pending free trade agreements with important U.S. allies; violating a long-standing agreement with Mexico, and trying to restrict certain imports that unions don't want.

The U.S. has long been a world leader in trade, promoting the value and benefits of free markets. But providing that leadership hasn't always been easy.

President Bill Clinton was willing to buck his own party to pass the North American Free Trade Agreement in 1993. "Al and I had called or seen 200 members of Congress," Clinton explains in his autobiography, "and the Cabinet had made 900 calls."

The result of this intense, hands-on effort? NAFTA passed the House with 240 votes (102 Democratic and 132 Republican), and the Senate by 61-38.

More important, NAFTA was passed by a Democratic-controlled Congress, when the country was in the middle of an acrimonious debate over health care reform. Does that sound familiar? Despite this, the vote was about as bipartisan as you can get.

Things are different today, unfortunately. The U.S. has lost its role as a free trade leader. Free trade agreements with Colombia and Panama have been languishing for years - as had negotiations with South Korea until recently.

Meanwhile, the European Union is aggressively promoting free trade agreements, opening up the world to more European products.

Obama has set a national goal of doubling exports, expressed his support for expanding trade as a way to create U.S. jobs and forged a new free trade agreement with South Korea. These are steps in the right direction, but progress is not likely to come easily**.**

While Republicans tend to be more supportive of free trade agreements than Democrats, there are vociferous naysayers in both parties. Doubts about trade have also escalated during a long and deep recession. Obama, like Clinton, must be willing to commit the time, effort and political capital to get the job done.

To be successful, Obama will first have to make the case that free trade agreements are good for the U.S. and U.S. workers. Ninety-five percent of consumers are in other countries. If we want more people buying U.S. products, we will have to tap foreign markets.

So we have to ensure that U.S. products are available at the lowest possible price - which means little or no tariffs on U.S. goods and services. The best way to achieve that goal is with a free trade agreement.

Yes, free trade agreements help other countries, too. But trade is a two-way shipping lane. Getting other countries to open their doors to more U.S. goods and services means opening our doors wider to them.

Second, the president should highlight that trade creates allies, while protectionism creates bitterness - a bitterness that is often emerges in other foreign policy issues. Obama has repeatedly expressed his concern that Washington needs to rebuild relationships not with just allies but by reaching out to other countries. Entering a free trade agreement is one of the first, and most important, steps that Washington can take in bolstering old allies and in developing new ones.

Third, trade has always been a powerful force for innovation, productivity and creating a higher standard of living. The president conceded as much in his State of the Union address. "The first step in winning the future," Obama said, "is encouraging American innovation."

But innovation is spurred by competition - as businesses strive to create new products, or find new ways to create old products more efficiently and inexpensively. Hiding behind trade barriers helps no one.

The president wants us to win. But to win we have to compete. The best way to do that is to drop the tariffs we impose on imports in exchange for other countries dropping theirs.

The agreement with South Korea was a solid achievement. Now Congress should quickly approve it - as well as those with Colombia and Panama.

SKFTA Good—1NC 3/4

### SKFTA is key to the economy and global trade/cooperation

Daniel Twining 9 is Senior Fellow for Asia at the German Marshall Fund of the United States (GMF). He is also a consultant to the U.S. government on international security affairs “The U.S.-ROK Alliance in the 21st Century,” Strengthening the U.S.-Korea Alliance for the 21st Century - The Role of Korean-American Partnership in Shaping Asia’s Emerging Order” www.kinu.or.kr/upload/neoboard/DATA05/korus09.pdf

Expanding U.S.-ROK economic ties is important to provide ballast to a relationship heavily tilted toward security—and because in today’s Asia, economic agreements are a strategic tool of statecraft. The pure economic logic of bilateral trade liberalization is also undeniable: South Korea is already America’s seventh-largest trading partner, and a free trade agreement is forecast to increase trade between them by as much as 20 percent. The United States Congress should expeditiously pass the Korea-U.S. Free Trade Agreement (KORUS), in what would be the most consequential U.S. trade initiative since NAFTA. Contrary to what appears to be the thinking of the Obama administration and the Democratic-led U.S. Congress, trade liberalization takes on even more urgency in the context of slow growth at home, particularly given the success of the dynamic South Korean economy in bouncing back from the global financial crisis to achieve striking rates of economic growth. For South Korea, KORUS provides important economic and strategic diversification from an overdependence on the Chinese market, and by further binding the U.S. to East Asia economically contributes to an open regionalism conducive to Seoul’s broader interests. Another possibility the United States and South Korea could consider, following the successful implementation of KORUS, would be the establishment of an APEC-wide free trade area, which extra-regional powers like the European Union that have signed free trade agreements with South Korea and other leading Asian economies would be free to join. Less ambitiously, Washington and Seoul could jointly pursue sectoral liberalization in specific sectors like energy and green technologies. U.S.-South Korea economic ties would also be strengthened and diversified if Seoul, once KORUS is enacted, were to accede to the TransPacific Partnership (TransPac), launched at the 2008 APEC meeting. TransPac would link countries with which Washington enjoys bilateral free trade agreements, multilateralizing the dividends of trade liberalization and keeping the United States active in Pacific economic diplomacy as regional forums excluding the United States proliferate. Taking the Korean-American partnership global A fourth dimension of an agenda for a more vibrant and comprehensive U.S.-ROK partnership is more systematic cooperation on global issues. A ratified KORUS agreement would strengthen Washington’s hand in pushing forcompletion of the Doha Round of global trade liberalization. Korea’s ascension to the ranks of the G-20, with strong U.S. support, vests a new level of leadership and responsibility in Seoul for constructive cooperation on international financial regulation and tackling global climate change, to which South Korea has already contributed in the Asia Pacific Partnership on Clean Development and Climate. Washington and Seoul would be well advised to enhance their bilateral planning and caucus with like-minded states before G-20 meetings, a prospect that will of necessity deepen U.S.-Korea cooperation in a subset of issues not traditionally related to alliance management. One such area has been Korean-American cooperation to promote democracy and human rights. The two countries have worked closely to lead the Community of Democracies: South Korea hosted its second ministerial meeting in Seoul in 2002. America and the ROK were founding members of the Partnership for Democratic Governance, a global initiative to strengthen the institutional foundations of free societies. In 2007-8, the ROK and the United States cooperated closely to launch the Asia-Pacific Democracy Partnership (APDP), a grouping uniting them with Canada, Australia, New Zealand, Japan, Mongolia, the Philippines, Thailand, India, Indonesia, and East Timor to promote free elections and good governance in Asia. South Korea hosted the first APDP Senior Officials’ Meeting in 2008, and its government has been outspoken about strengthening good governance and human dignity as sources of international stability and security. By supporting South Korea’s constructive leadership as an Asian democracy and economic success story, America can help position the ROK to be a key player and thought leader for Asia in strengthening democratic security and tackling threats to the global commons that defy regional boundaries. CONCLUSION President Lee Myung-Bak is eager for a closer strategic and economic relationship with the United States. The shared challenge is to strengthen the economic foundations of U.S.-South Korean relations; cooperate more closely in regional diplomacy, including in the realm of promoting good governance and human rights; and shift the military alliance from its focus on defending against North Korean aggression—which remains a necessary but not sufficient ambition—to conducting regional and global operations. An enhanced U.S.-ROK alliance would advance U.S. interests across Asia by ensuring that the United States remains integrated in the pivotal region where four great Pacific powers—South Korea, Japan, China, and Russia—meet.

SKFTA Good—1NC 4/4

### Trade and growth solve global nuclear war

Michael, Panzner 2008 faculty at the New York Institute of Finance, 25-year veteran of the global stock, bond, and currency markets who has worked in New York and London for HSBC, Soros Funds, ABN Amro, Dresdner Bank, and JPMorgan Chase Financial Armageddon: Protect Your Future from Economic Collapse, Revised and Updated Edition, p. 136-138, googlebooks

Continuing calls for curbs on the flow of finance and trade will inspire the United States and other nations to spew forth protectionist legislation like the notorious Smoot-Hawley bill. Introduced at the start of the Great Depression, it triggered a series of tit-for-tat economic responses, which many commentators believe helped turn a serious economic downturn into a prolonged and devastating global disaster, But if history is any guide, those lessons will have been long forgotten during the next collapse. Eventually, fed by a mood of desperation and growing public anger, restrictions on trade, finance, investment, and immigration will almost certainly intensify. Authorities and ordinary citizens will likely scrutinize the cross-border movement of Americans and outsiders alike, and lawmakers may even call for a general crackdown on nonessential travel. Meanwhile, many nations will make transporting or sending funds to other countries exceedingly difficult. As desperate officials try to limit the fallout from decades of ill-conceived, corrupt, and reckless policies, they will introduce controls on foreign exchange, foreign individuals and companies seeking to acquire certain American infrastructure assets, or trying to buy property and other assets on the (heap thanks to a rapidly depreciating dollar, will be stymied by limits on investment by noncitizens. Those efforts will cause spasms to ripple across economies and markets, disrupting global payment, settlement, and clearing mechanisms. All of this will, of course, continue to undermine business confidence and consumer spending. In a world of lockouts and lockdowns, any link that transmits systemic financial pressures across markets through arbitrage or portfolio-based risk management, or that allows diseases to be easily spread from one country to the next by tourists and wildlife, or that otherwise facilitates unwelcome exchanges of any kind will be viewed with suspicion and dealt with accordingly. The rise in isolationism and protectionism will bring about ever more heated arguments and dangerous confrontations over shared sources of oil, gas, and other key commodities as well as factors of production that must, out of necessity, be acquired from less-than-friendly nations. Whether involving raw materials used in strategic industries or basic necessities such as food, water, and energy, efforts to secure adequate supplies will take increasing precedence in a world where demand seems constantly out of kilter with supply. Disputes over the misuse, overuse, and pollution of the environment and natural resources will become more commonplace. Around the world, such tensions will give rise to full-scale military encounters, often with minimal provocation. In some instances, economic conditions will serve as a convenient pretext for conflicts that stem from cultural and religious differences. Alternatively, nations may look to divert attention away from domestic problems by channeling frustration and populist sentiment toward other countries and cultures. Enabled by cheap technology and the waning threat of American retribution, terrorist groups will likely boost the frequency and scale of their horrifying attacks, bringing the threat of random violence to a whole new level. Turbulent conditions will encourage aggressive saber rattling and interdictions by rogue nations running amok. Age-old clashes will also take on a new, more healed sense of urgency. China will likely assume an increasingly belligerent posture toward Taiwan, while Iran may embark on overt colonization of its neighbors in the Mideast. Israel, for its part, may look to draw a dwindling list of allies from around the world into a growing number of conflicts. Some observers, like John Mearsheimer, a political scientist at the University of Chicago, have even speculated that an "intense confrontation" between the United States and China is "inevitable" at some point. More than a few disputes will turn out to be almost wholly ideological. Growing cultural and religious differences will be transformed from wars of words to battles soaked in blood. Long-simmering resentments could also degenerate quickly, spurring the basest of human instincts and triggering genocidal acts. Terrorists employing biological or nuclear weapons will vie with conventional forces using jets, cruise missiles, and bunker-busting bombs to cause widespread destruction. Many will interpret stepped-up conflicts between Muslims and Western societies as the beginnings of a new world war.

# \*\*Uniqueness\*\*

## 2NC Uniqueness Wall

### Obama’s top priority is trade—congressional approval is likely

Pace, 6/28/11 (Pace, Julie. Senior Aerospace Analyst at Vision Analytics, Inc., Business Manager at Vision Analytics, Inc., 6/28/11. Forbes.com, http://www.forbes.com/feeds/ap/2011/06/28/general-us-us-trade\_8539735.html)

WASHINGTON -- The White House and congressional lawmakers neared a breakthrough in the long-stalled effort to finalize coveted free trade agreements with South Korea, Colombia and Panama - pacts President Barack Obama has hailed as a boon for the U.S. economy.

Key lawmakers from both parties agreed Tuesday to work on an agreement to extend aid for American workers displaced by foreign trade. The White House, acknowledging concerns from labor unions, had threatened to hold up passage of the pacts unless the Trade Adjustment Assistance program, or TAA, was renewed.

The Senate Finance Committee will begin considering the trade agreements and the assistance program on Thursday. Committee Chairman Max Baucus, D-Mont., plans to include TAA in the legislation on the Korea deal, the largest and most sought after of the three agreements.

But some top Republicans balked at that move. Sen. Orrin Hatch of Utah, the top Republican on the Finance Committee, said it was a "highly partisan decision" that "risks support for this critical job-creating trade pact in the name of a welfare program of questionable benefit at a time when our nation is broke."

Senate Republican leader Mitch McConnell said he would oppose any trade deal in which the worker assistance program was embedded.

The White House has long called for the worker assistance program to be passed alongside the trade deals. The program was expanded two years ago as part of Obama's stimulus package to include aid for more displaced workers, but the expansion expired in February.

Baucus said his proposal - which makes TAA benefits available to service as well as manufacturing industries, provides money for retraining and makes affordable health care available - would be extended through the end of 2013.

Obama frequently cites passage of the three trade deals as an economic imperative for the U.S. He has touted the pacts as an opportunity to open up overseas markets to U.S. companies and make American products more attractive in the global marketplace.

White House press secretary Jay Carney said Tuesday: "Now is the time to move forward with TAA and with the Korea, Colombia and Panama trade agreements."

The pro-business U.S. Chamber of Commerce also urged lawmakers to move quickly to pass the pacts.

"I urge members of both parties to seize a reasonable compromise and move the trade agenda forward. The time to act is now," Chamber president Tom Donohue said in a statement.

The U.S. signed the trade pacts with South Korea, Panama and Colombia in 2007 under President George W. Bush. But the then-Democratic-led Congress never brought the agreements up for vote, giving the Obama administration time to renegotiate areas it found objectionable.

U.S. trade officials spent months negotiating outstanding issues on the pacts, reaching an agreement with South Korea in December. The pact would support up to 70,000 U.S. jobs, according to the administration.

Deals were struck this spring with Panama and Colombia, though all three agreements need congressional approval before they can be implemented.

## AT TAA

### TAA agreement in the squo paves the way for a South Korea deal

Scott, 6/28/11. (Scott, Heather. 6/28/11. White House Announces Deal on Trade Adjustment Aid for Workers. Imarketnews.com, http://imarketnews.com/node/32907)

WASHINGTON (MNI) - The White House said Tuesday it has reached an agreement with Congress on the lapsed worker aid program that helps those displaced by trade, a deal that will pave the way for approval of three free trade agreements that have languished for years.

The Trade Adjustment Assistance program lapsed in February, and the Obama administration made it clear that while it was committed to getting the FTAs with Colombia, Korea and Panama enacted, it would not happen without renewal of the aid for workers who have lost a job due to trade competition.

"As a result of extensive negotiations, we now have an agreement on the underlying terms for a meaningful renewal of a strengthened TAA," White House Press Secretary Jay Carney said in a statement.

"Now it is time to move forward with TAA and with the Korea, Colombia, and Panama trade agreements, which will support tens of thousands of jobs," Carney said.

The Colombia agreement was signed in 2006, and the Korea and Panama deals were signed in 2007, but they were never submitted to Congress for approval due to concerns over some of the terms, notably labor rights issues in Colombia and Panama, and access to the auto market in Korea.

The Obama administration announced in early May that it had resolved the issues of concern in the agreements, and began talks with Congress to win final approval.

U.S. Trade Representative Ron Kirk welcomed the move by Senate Finance Committee Chairman Max Baucus (D-Montana) to schedule informal or "mock" markups for three separate implementing bills for the FTAs, including the Korea FTA which will include the renewed TAA.

"This is what we've been working toward. President Obama has made sure that these deals with South Korea, Colombia, and Panama are fairer for American workers and businesses, hold our partners accountable to keep their promises, and also reflect core American values on key issues like worker rights and protections," Kirk said in a statement.

"These agreements will help to boost U.S. exports and support tens of thousands of American jobs, and we are committed to their passage," Kirk said.

## AT Bundling/TAA

### Even if they are bundled, they will all pass

Rubenstein, 6/28/11. (Rubenstein, Abigail. Law Clerk at [Superior Court of New Jersey](http://www.linkedin.com/company/superior-court-of-new-jersey?trk=ppro_cprof). 6/28/11. Senate Panel Moves Ahead On Stalled Trade Deals. Law360. http://www.law360.com/topnews/articles/254506/senate-panel-moves-ahead-on-stalled-trade-deals)

Law360, New York (June 28, 2011) -- The Senate Finance Committee said Tuesday that it would move forward on three stalled free trade agreements between the U.S. and South Korea, Colombia and Panama, and that the deals will include a renewal of the Trade Adjustment Assistance program.

The three trade pacts have been on hold since May, when President Barack Obama insisted that lawmakers renew the expired TAA program — a multibillion-dollar program designed to help U.S. workers whose jobs disappeared as companies moved their operations overseas — before he would submit the trade agreements for legislative approval.

Senate Finance Committee Chairman Max Baucus, D-Mont., announced Tuesday that his committee planned to hold a so-called mock markup Thursday of the draft implementing bills for the three trade deals.

A mock markup is an informal step traditionally taken by congressional committees with jurisdiction over trade policy before formally considering legislation to implement a pending trade agreement. Because Congress cannot offer amendments to the final implementing bills submitted by the Obama administration, the mock markups offer the only opportunities for lawmakers to propose amendments to the bills before they are submitted for an up-or-down vote.

“These free trade agreements, together with Trade Adjustment Assistance, will boost our economy by billions of dollars and create new jobs and opportunities here at home,” Baucus said.

“We think this package can get the support needed to become law,” he said. “American workers and our economy can’t afford for us to wait any longer to move forward.”

The senator said the TAA provisions in the legislation unveiled Tuesday reflected a bipartisan, bicameral agreement reached in discussions that included House Ways and Means Committee Chairman Dave Camp, R-Mich., and the White House.

The proposal would extend the TAA through Dec. 31, 2013, according to Baucus. It also restores measures put into effect when the program was expanded in 2009, which expired in February, he said.

U.S. Trade Representative Ron Kirk praised the progress on the trade deals in a statement Tuesday.

“This is what we’ve been working toward,” Kirk said. “President Obama has made sure that these deals with South Korea, Colombia and Panama are fairer for American workers and businesses, hold our partners accountable to keep their promises, and also reflect core American values on key issues like worker rights and protections.”

“Advancing Trade Adjustment Assistance with these pending pacts is the right thing to do — because a balanced trade agenda recognizes the tough realities of trade for some Americans, even as we seize trade’s opportunities to create jobs here at home,” he said.

# \*\*Internal Link\*\*

## PC Key 1/5

### Political capital is needed to pass SKFTA

Heather Berkman and Sean West, February 11, 2011. (Heather Berkman is an analyst in Eurasia Group's Latin America practice. Sean West is a U.S. political risk analyst with the firm. Foreign Policy: “Obama bets on free trade: Inside the deals behind the deals.” <http://eurasia.foreignpolicy.com/posts/2011/02/11/obamas_bets_on_free_trade_what_are_the_deals_behind_the_deals>)

U.S. Trade Representative Ron Kirk told the House Ways and Means Committee on Feb. 9 that the Obama administration is serious about progress on the South Korea, Panama, and Colombia free trade agreements. He wouldn't commit to a timeline, but we think Congress will pass all three deals this year -- though not without a round of serious political deal making. Obama campaigned on the need to extract additional concessions from South Korea, Colombia and Panama before any of these deals, all of which were negotiated and signed by President George W. Bush, deserved ratification. For example, automakers and the United Auto Workers complained that the South Korea deal opened the U.S. auto market to Korean imports without securing reciprocal liberalization. The United States took two years to tell South Korea exactly what it wanted changed, but the two sides have finally negotiated aside dealin which the Koreans made additional concessions. With the new agreement providing political cover, Obama now officially endorses the deal and will send it to Capitol Hill for ratification soon. The path forward for the Panama and Colombia FTAs is a bit murkier. The Panama deal -- which, frankly, will have negligible economic impact on either country -- was first held up because Pedro Miguel Gonzalez, who later became leader of the Panamanian National Assembly, was indicted by a U.S. grand jury on charges he shot and killed a U.S. serviceman in 1992. When Gonzalez left government in 2009, U.S. trade skeptics shifted their criticism to Panama's alleged role as a tax haven, forcing the Ricardo Martinelli administration to reluctantly sign a Tax Information Exchange Agreement with the Treasury Department. The Colombia deal faces a more difficult battle. U.S. labor unions loudly oppose the pact because so many Colombian trade unionists and labor leaders have been murdered by paramilitary organizations. The number of murders has fallen in recent years, and though Colombia probably still has the highest murder rate of union members in the western hemisphere, it probably also has the highest rate of murders of priests, schoolchildren, and bus drivers. In short, despite significant government progress in cracking down on armed groups and reducing the homicide rate, Colombia remains an intensely violent place -- for labor leaders and many others. There's no way to solve that problem in the context of a trade negotiation. By pushing these trade deals forward, the Obama administration is making a political bet. The White House knows the left has a long list of gripes with the president, and that pushing hard on trade deals will add fuel to the fire. But presidents benefit from the economic boosts provided by trade -- and Obama views the deals as a way to reach out to the independent and moderate voters he'll need in 2012. Aware that Washington can't expect much more from these countries, the Obama administration will court reluctant Democratic lawmakers by extracting relatively minor concessions -- like a pledge from the Panamanian government to ratify a tax treaty or from the Colombian government to put more of those who kill union leaders on trial. What will Democratic lawmakers want in return? They may well call on the White House to work much harder to enforce existing agreements before moving forward with new ones. That means moving forward with antidumping and countervailing duty cases against China -- both at the World Trade Organization and through domestic remedy.  With so little expected from a divided Congress, the White House will trumpet these deals as important accomplishments. But it will have been the U.S. political context that changed -- not the content of the deals.

PC Key 2/5

### political capital needed to maintain bipart support

Meredith Broadbent, February 2, 2011. (Meredith Broadbent is a senior adviser and holds the William M. Scholl Chair in International Business at CSIS [Center for Strategic and International Studies], “Status of the Free trade Agreements with Korea, Columbia, and Panama,” <http://csis.org/publication/status-free-trade-agreements-korea-colombia-and-panama>)

Right now, prospects for three trade agreements are being hampered by partisan political differences. Lack of a bipartisan consensus on how to proceed is exacerbating procedural problems facing implementation of these agreements by Congress. This breakdown in cooperation threatens the president’s goal of doubling exports by 2015, as outlined in the National Export Initiative, and continues to erode U.S. influence and credibility with key trading partners. Q1: In light of President Obama’s December 4 announcement that he had reached “successful resolution to outstanding issues” on the U.S.-Korea Free Trade Agreement, what is the status of this agreement and the other two pending free trade agreements (with Panama and Colombia)? A1: Of the 15 free trade agreements (FTAs) signed by the United States since 1985, 12 are in force and fully operational. Three FTAs have been concluded but not yet implemented by Congress: the Colombia FTA, signed on November 22, 2006; the Panama FTA, signed on June 28, 2007; and the Korea FTA, originally signed on June 30, 2007. All three agreements were negotiated pursuant to negotiating objectives and legal authority delegated to the president by Congress in the Trade Act of 2002. That law, called trade promotion authority (TPA) or “fast track,” expired on July 1, 2007, but it remains in force for agreements signed by that date. Trade agreements negotiated according to TPA requirements are entitled to receive up-or-down votes in the House and Senate under somewhat expedited procedures. Passage is not guaranteed, but the drafters of TPA intended that signed trade pacts should be considered on their merits and not held up. Nonetheless, because of shared authorities on trade and differences of views between successive Congresses and presidents, each of these FTAs, struck with countries that the United States counts as friends and allies, has languished. All three have been signed but not implemented, stuck in a procedural no-man’s land between the White House and Congress. Let me summarize the unique status of each.   President Bush submitted legislation to implement the Colombia Free Trade Agreement to Congress on April 8, 2008, only to have the Democrat-controlled House pass a rule suspending the application of TPA procedural protections to the Colombia agreement. As a result, congressional consideration of this implementing bill has been postponed indefinitely. The U.S.-Panama Free Trade Agreement was signed but never transmitted to Congress, due to the general controversy over trade and the impasse between the House leadership and President Bush on the Colombia agreement. President Obama announced on December 4, 2010, that he had obtained supplemental concessions from the South Korean government on autos significant enough to justify his decision to transmit an implementing bill to Congress. This gives the U.S.-Korea Free Trade Agreement renewed political life. Q2: What are members of Congress and the president saying about these FTAs? A2: As the 112th Congress begins, the new Speaker, John Boehner, has said that the House intends to move on all three trade pacts. On January 25, the House Ways and Means Committee held a hearing to consider all three FTAs. The president, on the other hand, currently appears focused on implementing only the Korea agreement. In response to the president’s comments on the FTAs in the State of the Union address, Max Baucus (D-MT) of the Senate Finance Committee commented “Our free trade agreements with Colombia and Panama were signed more than three and a half years ago, so it’s extremely disappointing the president did not lay out a timeline for submitting them to Congress… It is time to quickly resolve any outstanding issues and send these agreements to Congress as soon as possible.”

PC Key 3/5

### political capital is vital to successful SKFTA Passage.

Teresa Galli, March 8, 2010. (Teresa Galli is a Global Market Research Analyst at Global Marketing Associates [GMA]. GMA is an international business and marketing consulting firm that helps businesses to expand globally from preparation to implementation through global online management. “The South Korea- US Free Trade Agreement,” <http://ezinearticles.com/?The-South-Korea---US-Free-Trade-Agreement&id=4520289>)

Given the potential economic benefits of the KORUS FTA, presidential wariness of seeking congressional approval seems unfounded. However, the agreement does not have unwavering support in the American Congress because of a number of powerful interest groups who oppose the FTA. Most significantly, the American automobile and beef industries along with influential US labor unions staunchly oppose the agreement. US automakers argue that while the American market will open to Korean vehicles, South Korean regulations discriminate against imports of US autos. US automakers sold fewer than 7000 vehicles in South Korea in 2008, a figure that represents less than 1% of the available market. In comparison, South Korean carmakers sold more than 53,000 vehicles in the US in October 2009 alone. According to the AFL-CIO, more than three quarters of the $13.4 billion US trade deficit with South Korea is in autos. This discrepancy has caused figures such as the US Trade Representative Ron Kirk to urge South Korea to "level the playing field" by eliminating tariffs on US automobiles before the agreement will be considered (Bloomberg). American beef exporters, who face similarly damaging tariffs while entering the Korean market, share the grievances of American automakers and US labor unions fear that opening US markets without Korean reciprocation will lead to large job losses in these two industries. Despite opposition by these powerful groups, many republicans along with certain democrats in Congress are urging the president to resolve existing concerns and quickly approve the KORUS FTA. These men and their supporters insist that the agreement will create thousands of well-paying jobs for Americans and will open the majority of US exporters to a substantial new market (Reuters). They argue that the opportunity presented to US exporters is too great to be ignored and, more recently, that time may be running out. In October 2009, South Korea signed a free-trade pact with the European Union that awaits ratification and the Korean government is currently engaging in negotiations of another free trade agreement with Japan and China. Companies such as Citigroup Inc. and ACE Ltd. fear that the recently signed EU-Korea trade accord may give their competitors the advantage in cracking Korean markets (Bloomberg). Although riddled with the imperfections inherent to free trade agreements, the KORUS FTA represents an significant opportunity for American exporters. Furthermore, the KORUS FTA is seen as an important way to strengthen American ties to the Asian market, counterbalance South Korea's growing trade ties with China, and possibly even restore the American position as Korea's preeminent trade partner. Finally, the agreement will not only boost economic ties between the two nations, but is also strategically important for the US in shaping future Asian policies. Failure could mean a devastating blow to a key American alliance in an increasingly important region. (The Heritage Foundation). If President Obama is able to garner the political capital necessary to push the KORUS FTA through Congress, it has the potential to send American exports to new heights. However, doing so will require strength, persistence, and much compromise.

PC Key 4/5

### Political capital from Obama is key to pass SKFTA

Knowledge @ Wharton, January 12, 2011. (“U.S.-South Korea Trade Impact: A Turning Point For American Exports?” <http://knowledge.wharton.upenn.edu/article.cfm?articleid=2671>)

Last March, when President Obama announced his National Export Initiative, aimed at doubling U.S. exports by 2014, critics argued that this ambitious goal was unrealistic. The President wasn't really serious about trade, they said; he was just trying to appease the business community. After all, since taking office the previous year, he had turned his back, the critics maintained, on opportunities to push through Congress the Bush-era trade pacts that the United States had earlier signed with Colombia, Panama and South Korea.   Those deals were simply too unpopular with Congressional Democrats, according to the naysayers, and Obama wasn't going to risk his political capital pursuing an agenda fostered by his predecessor. The critics remained unimpressed after the United States posted a 22% growth rate for exports for January through September 2010. Sure, those numbers looked good, they said, but only in comparison with the dismal results of 2009. In November, the criticism seemed to be confirmed at the G20 Summit in Seoul, when the United States and South Korea failed to announce a revised, politically acceptable version of their 2007 pact. Now it seems as if the pessimists may have been wrong all along. Much to the surprise of many who had given up on the issue, the U.S. and South Korea finally reached agreement on a revised pact early in December. If, as many anticipate, the deal is approved by the new Congress next spring, it will be by far the largest U.S. trade pact since NAFTA went into effect in 1994. No longer a small, struggling market, South Korea imports $250 billion in manufactured goods from the rest of the world each year. Its industrial market is much larger and more sophisticated than that of other partners in recent U.S. free-trade pacts. For U.S. exporters, the deal is "huge news," says Charles Dittrich, vice president for regional trade initiatives at the Washington-based National Foreign Trade Council (NFTC). "We have turned a corner -- it means another $11 billion in U.S. exports annually," he notes, citing an analysis by the U.S. International Trade Commission. "The Obama administration has seized the moment and the opportunity." Calling the deal "a win-win for both sides," Laura Baughman, president of Trade Partnership Worldwide, a Washington consultancy, notes that the pact will go beyond merchandise exports and spark demand for a significant volume of U.S. services in such areas as banking, software and tourism. "In economic terms, this is by far the most important [bilateral] free-trade agreement" to date, she says. A great deal is at stake beyond Korea. Approval of the pact could open the door wide to approval of the two other long-delayed U.S. bilateral free-trade deals -- with Colombia (signed by both governments in 2006) and Panama (2007). It could also fuel support for even more ambitious U.S. trade initiatives, such as the Trans-Pacific Partnership, which would add Malaysia, New Zealand and Vietnam to an Asian Rim free-trade area of U.S. partners that already encompasses Australia and Chile. While the Obama administration failed to act on the three pending agreements from the Bush years, some of the country's largest trading partners were aggressively moving forward with their own pacts, threatening the long-term competitiveness of U.S. exporters in many key markets. For example, the European Union signed its own pact with South Korea, and the EU is currently negotiating deals with Argentina, Brazil, Canada and India, among others. Meanwhile, China is negotiating or planning to negotiate bilateral agreements with the Association of Southeast Asian Nations (ASEAN), Australia, Costa Rica and India -- but not with the United States. And Japan is negotiating with Australia, the Gulf Cooperation Council, India and New Zealand. The list goes on. The potential reverberations of those free-trade agreements could be very harmful for U.S. exporters if the U.S.-Korea deal doesn't go through, says Rob Mulligan, who heads the Washington office of the U.S. Council for International Business (USCIB), which represents U.S. companies at the International Chamber of Commerce.  Even the timing for approval is of the essence, says William Reinsch, president of the NFTC. The pact needs to go into effect before July 1, when the EU-South Korea deal becomes effective, or the latter pact will set key technical standards for trade between the United States and South Korea. What's more, the fate of the pact has national security implications, says Brian Pomper, a partner at the Akin Gump law firm in Washington, D.C. and a former trade counsel for Sen. Max Baucus, a Montana Democrat who heads the Senate Finance Committee. With a nuclear-armed North Korea once more threatening military conflict, "some may wonder how can the United States give South Korea a stiff arm" by rejecting the deal? South Korean President Lee Myung-Bak has been widely criticized at home for his weak and indecisive response to a recent artillery attack by North Korea. If Congress rejects the deal, it will be a slap in Lee's face. So beyond economic considerations, Pomper says, "this [deal] is the sort of symbol of U.S. leadership in Asia that many other countries -- who are looking at China with a nervous eye -- have been [seeking]. It is reasserting American interests in Asia. The President has put his reputation on the line." What People Tell the Pollsters But is there, in fact, sufficient political support for such a pact in the United States? Will Democrats, independents and Tea Party followers suspicious of globalization oppose the pact because of their ideological objections, or fears that their constituents will hold it against them in the 2012 elections? Although the new text of the Korea pact won quick approval from the United Auto Workers union -- because it eliminates tariff and non-tariff barriers to U.S. auto exports to South Korea -- it was quickly rejected by Richard Trumka, president of the AFL-CIO. Trumka argues that the agreement's provisions for investment and government procurement "will encourage off-shoring" by multinationals rather than maximize opportunities for U.S. job growth. Even under the revised treaty, both U.S. and South Korean workers would "continue to face repeated challenges to their exercise of fundamental human rights on the job -- especially freedom of association and the right to organize and bargain collectively," he adds. Pomper says many Americans tell pollsters they support stronger exports, but they don't necessarily link such a desire to bilateral or multilateral agreements that improve access to foreign markets. In other words, exports are not automatically linked with job growth in the U.S. mindset. Lately, the tide of public opinion has been turning even further against free-trade pacts among many independents and conservatives who traditionally back other kinds of initiatives -- such as lower corporate and individual tax rates -- that expand opportunities for businesses. Free traders have reportedly done a poor job of explaining how these pacts can promote U.S. jobs by opening up markets. That's the key connection that supporters are promising to make this time around. One such supporter is Frank Vargo, vice president for international economic affairs at the National Association of Manufacturers (NAM), who notes that manufacturing exports to South Korea supported 230,000 American jobs in 2008, the last year for which statistics are available. And that's, of course, before the new pact adds to the export flow. Vargo and other supporters have a lot of work to do. For one thing, not everyone believes in such numbers. In a recent Pew Research Center poll, "two-thirds of Tea Party people say that free-trade agreements lead to job losses, and this belief is starting to affect the Republican Party," says Pomper. "The Tea Party is a form of populism, and I am nervous that this view will start to filter up." More broadly, most Americans tell pollsters that trade is fine when it is with countries that are widely viewed as friendly, but not necessarily with others. In the Pew poll, 76% of the respondents said they favored trade with Canada and rated that country highest as a trading partner. More than 50% of respondents were also positive about the benefits of trading with Brazil, the European Union and Japan. But fewer than half of the respondents -- only 45% -- had a positive view of trade with China and South Korea. Why were so few Americans positive about South Korea, a longtime military ally of the United States? Pomper says pollsters believe the explanation is that "many Americans are geographically challenged," confusing South Korea with North Korea, which attracts a lot more attention in the mainstream media.  Overall, only 33% of the respondents said that trade agreements have been "good for the U.S." Some 44% were opposed to them, and 46% said that they had been hurt personally by the agreements. In the October Wall Street Journal/NBC News Poll, 53% of respondents said that free-trade agreements have hurt the country, up from 46% in 2007 and only 32% in 1999. Even very-well-educated, upper-income people are now more likely to oppose free trade, according to the poll. Among those earning $75,000 or more, 50% said that free-trade pacts have hurt the United States, up from 24% in 1999. The Tea Party Factor During the fall election season, some Democratic and Republican candidates sought to leverage widespread xenophobia and fear of globalization by suggesting that their opponents had supported free-trade measures that wound up "exporting jobs" to China. David Spooner, a former U.S. trade negotiator who is now an attorney at Squire, Sanders & Dempsey in Washington, D.C., believes, however, that both parties had only limited success with such appeals. Spooner, a Republican, notes that Republican Rob Portman, the U.S. Trade Representative under President Bush, won his race for an Ohio Senate seat by a wide margin despite the fact that his opponent hammered away that Portman, during his tenure as Trade Representative, had supposedly sold out U.S. manufacturing jobs to China. With Portman now in the Senate and other pro-trade Republicans in key positions -- such as new Speaker John Boehner of Ohio and Majority Whip Eric Cantor of Virginia -- it is tempting to believe that both the House and the Senate will quickly push through the Korea agreement and then move on to Colombia, Panama and other trade pacts. But everything hinges on the ability of the President to assert his leadership on the Korea deal. "The President has demonstrated leadership," says Dittrich, "and we have no reason to think that he won't continue to do so." The battle over the Korea agreement seems likely to pit Obama on one side -- along with pro-trade Republicans. On the other side will be anti-trade Democrats and Tea Party Republicans. Many leaders of the business community fear that the Tea Party will undermine their efforts to promote pro-trade initiatives by shooting down this deal and others. "You can't assume, as in the past, that a Republican Congress is entirely pro-trade," says USCIB's Mulligan. "The Republicans have developed this populist tinge, and they are focusing on the China trade" as a key target. Although they are Republicans, Tea Party supporters voiced views in that recent Pew poll about trade that were "by a wide margin" more hostile than that of the average American, notes Pomper. Only 24% of Tea Party supporters said trade agreements were good, and 63% said they were bad, reflecting their widespread fears that the United States signs away its sovereignty whenever it joins such pacts. And, as noted earlier, two-thirds blame the pacts for job losses. If that poll is accurate, the Tea Party faithful could wind up being less supportive of free trade than the general public. Spooner, the Republican trade negotiator, is somewhat optimistic that the Tea Party people will ultimately bend in support of pro-trade initiatives, provided that more pro-trade Republican leaders like Boehner and Cantor pressure them firmly. "The Tea Party is a bit all over the place," notes Gerald McDermott, a professor of international business at the University of South Carolina's Darla Moore School of Business and a former Wharton professor. "On the one hand, it has a very libertarian feel to it," supporting free markets and small government, and arguing for an investigation into the powers of the Federal Reserve Bank. On the other hand, "they have an 'us-them' mentality that doesn't fit well with trying to do trade." The key question, notes McDermott, is "at what point does their populism run up against their libertarianism? Their reaction to government has been induced by the domestic economic crisis. The notion that elites and the federal government have signed free-trade agreements with other elites [from other countries] could run up against the ideology of free trade" that has been a foundation of Republican economic and foreign policy for decades. For his part, NAM's Vargo is optimistic about the Korea trade pact, but reluctant to view it as a panacea. "To double exports from 2009 over a five-year period, we would need average annual growth of 15%. I don't see why we can't hit the 15% growth rate." Free-trade deals like the new one with Korea --- and others to follow -- will help, he notes, but trade pacts alone won't be enough to achieve more ambitious long-term goals for U.S. exports, such as narrowing the trade deficit with China and restoring U.S. competitiveness in many high-value manufacturing sectors. Says Vargo: "We also need more export promotion, more export financing and a better way of managing our export controls."

## SKFTA Good—Economy

### SKFTA benefits the economy creating jobs, increasing U.S. exports, strengthening partnership with South Korea, and improve market access

**Bruce Klingner ‘10(Bruce Klingner is the Senior Research Fellow for Northeast Asia at The Heritage Foundation's Asian Studies Center “Obama Should Approve Korea Trade Agreement” Novemember ’10 http://www.heritage.org/Research/Reports/ 2010/11/Obama-Should-Approve-Korea-Trade-Agreement)**

The trade agreement would reduce trade barriers by eliminating tariffs, establish rules for foreign investment—including intellectual property rights—and improve market access. As a result, implementing the FTA would increase U.S. exports, create new American jobs and economic growth, level the playing field for U.S. businesses, and strengthen Washington’s partnership with South Korea. No wonder that during the period of U.S. public comment on the KORUS, 91 percent of the comments favored KORUS ratification.[1] The U.S. International Trade Commission estimated that U.S. exports would increase $10–11 billion annually, while imports would increase $6 billion as a result of the agreement. And those estimates do not include the benefits arising from the reduction of tariffs in the services industries. The U.S. Chamber of Commerce estimated that approving the KORUS FTA would lead to an increase of 250,000 jobs, while a failure to enact the agreement would lead to a loss of $35 billion in exports and 345,000 jobs. The Korean market is now the fifth largest for U.S. agricultural exports, valued at $3.9 billion in 2009. The American Farm Bureau Federation estimated that the FTA would create $1.8 billion in additional U.S. agricultural sales—a 46 percent increase.[2]

## SKFTA Good—Trade

### SKFTA good. By reducing 95 % of trade barriers, US economy will drastically improve

**Bryan Riley ’10 (Bryan Riley is a full-time advocate for free trade through his research and writing for The Heritage Foundation. He brings years of experience in trade and economic issues to his role as Jay Van Andel senior analyst in trade policy “South Korea–U.S. Trade Deal: Better Late Than Never” December 2010 http://blog.heritage.org/2010/12/06/south-korea–u-s-trade-deal-better-late-than-never/)**

KORUS would also strengthen the U.S. economy by reducing domestic trade barriers that act like a tax on American consumers and businesses, such as the “temporary” 25 percent tariff on imported pickup trucks that has been driving up prices ever since the U.S. government imposed it in 1963. As economic [theory](http://www.hoover.org/publications/hoover-digest/article/7125) and [facts](http://www.heritage.org/research/reports/2010/09/trade-freedom-continues-to-advance-barely) reported in The Heritage Foundation’s [Index of Economic Freedom](http://www.heritage.org/index/) demonstrate, reducing trade barriers—including those we place on ourselves—increases our economic growth. Exports are good, but imports create jobs for Americans, too. Just ask the longshoremen, truck drivers, lawyers, accountants, marketers, and sales clerks whose livelihoods depend on the streams of imported goods that increase our standard of living. Although KORUS was completed over three-and-a-half years ago, President Obama refused to submit it to Congress until he put his Administration’s mark on it. His changes include charging American consumers a 2.5 percent tax on cars made in South Korea for five more years instead of eliminating it immediately, as originally agreed to, maintaining the 25 percent tariff on imported pickup trucks for eight more years, and forcing South Koreans to pay taxes on U.S. pork until 2016 instead of 2014. Although the final document has yet to be released to the public, it appears that despite such backtracking, KORUS will eliminate [95 percent](http://www.whitehouse.gov/sites/default/files/fact_sheet_overview_us_korea_free_trade_agreement.pdf) of barriers to trade in consumer and industrial goods between people living in the United States and those living in South Korea within the next five years. If so, this trade agreement will represent a welcome deviation from the Obama Administration’s other [job-killing initiatives](http://blog.heritage.org/2010/12/06/?p=29274). Given the highest unemployment rates and weakest economy in a generation, it is just unfortunate that Americans had to wait for it for so long.

## SKFTA Good—Relations/Economy

### SKFTA key to US economy and relations with South Korea

**Mark E. Manyin ‘05 (Analyst in Asian Affairs Foreign Affairs, Defense, and Trade Division “South Korea-U.S. Economic Relations: Cooperation, Friction, and Prospects for a Free Trade Agreement (FTA)” September 2005 http://www.aei.org/docLib/20060201\_CRSREportforCongress.pdf)**

A U.S.-ROK FTA is championed by the American business community in Korea, and many Korean businesses operating in the United States. The National Association of Manufacturers has identified South Korea as a one of the “top five candidate countries” for a future trade agreement. In previous Congresses, Senator Max Baucus introduced legislation (S. 944 in the 107th Congress and S. 1869 in 106th Congress) authorizing FTA negotiations with Seoul. No legislative action was taken on either attempt. On September 8, 2005, following a meeting of the Congressional Oversight Group that consults with USTR, House Ways and Means Chairman Bill Thomas reportedly said that the possibility of an FTA with Korea is “exciting,” and noted many of the economic reforms Seoul has carried out in recent years.38 On the economic front, the biggest beneficiaries of an FTA likely would be those export industries in both countries that currently face relatively high initial trade barriers to their products. In a 2001 study undertaken at the request of the Senate Finance Committee, the International Trade Commission (ITC) estimated that within four years after implementation of a hypothetical FTA, U.S. bilateral agricultural exports would increase by more than 200%. For Korea, the ITC projected that textiles and apparel exporters would see their shipments to the U.S. rise by 125%.39. Thus, the report implied that the FTA’s potential benefits would be greatly diluted if these politically sensitive sectors were excluded. 40 After fouryears, U.S. exports to Korea were estimated to increase by 54% while South Korean exports to the U.S. would rise by 21%. Overall, an FTA would raise U.S. GDP by a projected 0.2%, while Korean GDP would rise by 0.7%.41 An earlier study by the Institute for International Economics (IIE), found similar effects for the U.S. economy, but had a wider band for the increase on Korean GDP , which was projected in the 0.4%-2.0% range. As in the ITC study, the IIE report found that most of the benefits to U.S. firms would derive from increased access to Korea’s market. In contrast, the IIE projected that most of Korea’s gains from an FTA would stem not from preferential access to the U.S. market but from improvements in the allocative efficiency of the Korean economy brought about by the trade reforms required by an FTA.42 Thus, one of the major long-term benefits from an FTA may be less the rise in bilateral trade itself, and more the gains realized from further accelerating and cementing South Korea’s market-oriented reform process. Many proponents of a U.S.-ROK FTA contend that an agreement will boost U.S. strategic interests. Some have called for an FT A as a way to reinforce the U.S.- South Korea alliance, which many believe to be under significant stress due to differences over how to deal with North Korea and the size and role of the U.S. troop presence in South Korea.43 A related argument is that an FTA with South Korea will help counter China’s growing economic and political influence in South Korea particularly, and in East Asia generally, developments which some believe are hampering U.S. interests. Some — including Senator Baucus — have coupled this contention with criticism of the Bush Administration’s trade policy of negotiating FTAs with politically important but relatively economically insignificant countries and of neglecting U.S. economic relations with Asia.44

## SKFTA Good—Trade/Economy

### SKFTA key to the economy and creates possibilities of other trade agreements

**Office of the United States Trade Representative 6/28/11(last updated)**

**(Executive Office of the President : “Korea- U.S. Free Trade Agreement” http://www.ustr.gov/trade-agreements/free-trade-agreements/korus-fta)**

The United States and the Republic of Korea signed the United States-Korea Free Trade Agreement (KORUS FTA) on June 30, 2007. If approved, the Agreement would be the United States' most commercially significant free trade agreement in more than 16 years. The U.S. International Trade Commission estimates that the reduction of Korean tariffs and tariff-rate quotas on goods alone would add $10 billion to $12 billion to annual U.S. Gross Domestic Product and around $10 billion to annual merchandise exports to Korea. Under the FTA, nearly 95 percent of bilateral trade in consumer and industrial products would become duty free within three years of the date the FTA enters into force, and most remaining tariffs would be eliminated within 10 years. For agricultural products, the FTA would immediately eliminate or phase out tariffs and quotas on a broad range of products, with almost two-thirds (by value) of Korea's agriculture imports from the United States becoming duty free upon entry into force. For services, the FTA would provide meaningful market access commitments that extend across virtually all major service sectors, including greater and more secure access for international delivery services and the opening up of the Korean market for foreign legal consulting services. In the area of financial services, the FTA would increase access to the Korean market and ensure greater transparency and fair treatment for U.S. suppliers of financial services. The FTA would address nontariff barriers in a wide range of sectors and includes strong provisions on competition policy, labor and environment, and transparency and regulatory due process. The KORUS FTA would also provide U.S. suppliers with greater access to the Korean government procurement market. In addition to strengthening our economic partnership, the KORUS FTA would help to solidify the two countries' long-standing geostrategic alliance. As the first U.S. FTA with a North Asian partner, the KORUS FTA could be a model for trade agreements for the rest of the region, and underscore the U.S. commitment to, and engagement in, the Asia-Pacific region. The Obama Administration will seek to promptly and effectively address the issues surrounding the KORUS FTA, including concerns that have been expressed regarding automotive trade.

## SKFTA Good—Jobs 1/2

### SKFTA creates U.S. jobs

**David Jackson ’10 (Research fellow for USA Today “Obama: South Korea free-trade deal will create U.S. jobs” http://content.usatoday.com/communities/theoval /post/2010/12/obama-south-korea-free-trade-deal-will-create-us-jobs/1)**

President Obama touted a proposed free-trade agreement with South Korea today by saying it would help create jobs in the USA, a day after the U.S. government announced that the unemployment rate had jumped to 9.8%. "We have to do more to accelerate the economic recovery and create jobs for the millions of Americans who are still looking for work," Obama said as he urged congressional approval of the "landmark trade deal" with South Korea. The proposal will support "at least" 70,000 new U.S. jobs and "is a win for American workers," Obama said, particularly automakers, manufacturers and farmers. The Labor Department reported Friday that unemployment had risen from 9.6% in October to 9.8% last month. Obama did not comment on the new jobless numbers Friday because he flew to Afghanistan to deliver holiday greetings to U.S. troops. Obama criticized Senate Republicans for voting down a proposal today to extend George W. Bush-era tax cuts for middle-class Americans, saying he was "very disappointed" that GOP members insisted on extending the cuts for wealthy taxpayers as well. Republicans said taxpayers in the higher brackets -- individuals who make more than $200,000 a year and couples who make more than $250,000 -- include people who hire other people. "These are the folks that create the jobs that every one of us claims is our first priority," said Senate Minority Leader Mitch McConnell, R-Ky. "Why in the cworld would we do something that makes them less likely to create those jobs?" Obama and many Democrats said extending the Bush tax cuts for the wealthy would add billions to bulging budget deficits. The president did say he would negotiate with Republicans to try to resolve the dispute over the Bush tax cuts, which expire at the end of the year. McConnell, the Senate Republican leader, did endorse the proposed free-trade agreement with South Korea, saying, "The goal of improving market access for American farmers, entrepreneurs and manufacturers is one that the president and I share." It's the largest such deal since the North American Free Trade Agreement with Mexico and Canada, ratified by Congress in 1993. Liberal groups that have long opposed free-trade deals criticized the South Korea proposal, saying it would ship more U.S. jobs overseas. Lori Wallach, director of Public Citizen's Global Trade Watch, said the deal must please the U.S. Chamber of Commerce and congressional Republicans, because it would "simultaneously favor their job offshoring agenda and put Obama's re-election in peril." Obama hoped to sign the agreement last month during a visit to Seoul, but negotiators did not nail down all the details. In promoting the free-trade deal, Obama described it as another example of American support for South Korea in the face of aggression from North Korea. "Today is also a win for the strong alliance between the United States and South Korea, which for decades has ensured that the security that has maintained stability on the peninsula continues," Obama said. "And it's also allowed South Korea its extraordinary rise from poverty to prosperity."

### Increasing our trade helps create jobs

Richard E. Cohen, Senior Congressional Reporter, 2011. (June 28, 2011. POLITICO. Senate panel sees trade breakthrough. http://www.politico.com/news/stories/0611/57965.html)

Senate Finance Committee Chairman Max Baucus (D-Mont.) announced a breakthrough Tuesday on long-delayed trade agreements with South Korea, Colombia and Panama, scheduling a key Thursday committee markup on a major trade package. The trade bill will also include an extension of the trade adjustment assistance program for unemployed workers, which the Obama Administration negotiated with Baucus and House Republicans. Key House Democrats have rejected those benefits as inadequate and continue to oppose the agreement with Colombia. “These free trade agreements, together with Trade Adjustment Assistance, will boost our economy by billions of dollars and create new jobs and opportunities here at home. This proposal opens lucrative new markets to American ranchers, farmers and small businesses while ensuring U.S. workers have all the help they need to adapt and thrive in the 21st century global economy,” Baucus said in a statement. Senate Foreign Relations Committee chairman John Kerry (D-Mass.) hailed Baucus’s agreement on the labor deals for paving “the way to open markets to American products and help American workers adjust to an increasingly competitive world.” Kerry criticized Republicans who move “reflexively against the basic bargain of trade adjustment assistance out of their rigid opposition to unions,” which complicated movement on the trade deals. But Senate Minority Leader Mitch McConnell (R-Ky.) raised questions about whether the compromise will get enough GOP support to pass—especially in the House. By including trade adjustment “poison pills” with the three trade deals, he said, “the administration risks losing Republican support for something we have long been calling for…. TAA should be considered separate from any trade agreement under regular order in the Senate and senators should be given the chance to amend this controversial spending program.” Lori Wallach, director of Public Citizen’s Global Trade Watch, harshly criticized the latest developments. “For most Americans, what’s newsworthy is not that the administration is pushing Trade Adjustment Assistance (TAA), which effectively is a job burial insurance program, but that pushing a deal on TAA is being used as political cover to move more NAFTA-style trade agreements that will kill more American jobs in the first place, especially given our high unemployment rates.” Wallach added. “The point that’s gotten lost in all this wrangling over TAA is that the three leftover Bush trade deals are bad in and of themselves.” And Rep. Jim McDermott (D-Wash.), the top Democrat on the Ways and Means Trade Subcommittee, voiced his “deep concerns” with the Colombia agreement and criticized Republicans for having “squandered a real opportunity to build a more broadly supported approach to trade.” In a sign of the unusual alliances that often can result with trade legislation, the Chamber of Commerce locked arms with Obama and Baucus. “With our economic recovery stalling, the time is now for Congress to act on these deals,” said Chamber president Tom Donohue. “We simply cannot afford to put American jobs at risk any longer.”

## SKFTA Good—Asian Stability

### SKFTA benefits the economy, promotes stability in Asia, and enhances our economic and national security

**Charles Riley ’10 (Staff Reporter for CNN Politics January ’10 “U.S., South Korea reach free trade agreement” http://money.cnn.com/2010/12/03/news/ international/south\_korea\_free\_trade/index.htm**

NEW YORK (CNNMoney.com) -- The United States has reached a tentative free trade agreement with South Korea, the White House said Friday. The agreement, which must be ratified by Congress, strengthens economic ties between Washington and Seoul at a time when the longtime U.S. ally faces an increasingly hostile northern neighbor. If ratified, the agreement would eliminate tariffs on over 95% of industrial and consumer goods within five years. "It is a strong, balanced package," a senior administration official said during a conference call with reporters. "It is a win-win both for Koreans and for Americans." The U.S. International Trade Commission has estimated that the tariff cuts alone in the U.S.-Korea trade agreement will increase exports of American goods by $10 billion to $11 billion, and the White House touted the agreement's job-supporting potential. "This is an important step forward to expand the reach of American exports, which will help create more American jobs," said House Majority Leader Steny Hoyer, D-Md. as part of a statement issued by the White House. "It also helps strengthen our ties to a dependable democratic ally that fosters prosperity and stability in Asia and enhances our economic and national security." The first version of the agreement was negotiated in 2007 by the Bush administration, but foundered in Congress. The accord comes just weeks after negotiators failed to reach a deal at the G-20 summit, forcing President Obama to walk away from the conference without a landmark agreement. A long-running dispute over U.S. access to Korea's auto and beef markets was largely responsible for the failure. But those issues have since been resolved.

## SKFTA Good—Auto Industry

### SKFTA generates jobs and boost the automobile industry

**The Week ‘10(News Reporting Company and Website “The U.S.-South Korea free trade agreement: A good deal?” December 2010 http://theweek.com/article/index/210069/the-us-south-korea-free-trade-agreement-a-good-deal)**

This weekend, the U.S. and South Korea [agreed on a long-delayed free trade agreement](http://www.reuters.com/article/idUSTRE6B31D220101205) which President Obama hopes will boost the U.S. automobile industry and generate 70,000 new jobs. Under the deal, South Korea will be able to import U.S. auto parts and agricultural products more cheaply, potentially reaping $11 billion for U.S. industry. Obama labeled it a "win-win deal" for both countries, but ratification of the treaty requires the support of Congress. Will both Republicans and Democrats support the deal?

## SKFTA Good—East Asian Heg

### SKFTA allow US to constrain Beijing’s ability to extend its influence in East Asia

**Ray Walser and Bruce Klingner ‘11(Walser is a senior policy analyst for the Heritage Foundation, Klingner is the Senior Research Fellow for Northeast Asia at The Heritage Foundation's Asian Studies Center June 2011 “Enhance U.S. Security: Pass Free Trade Agreements with Colombia, Panama, and South Korea” http://www.heritage.org/Research/Reports/2011/06/Enhance-US-Security-Pass-Free-Trade-Agreements-with-Colombia-Panama-and-South-Korea)**

Rising from the rubble of the Korean War, South Korea has built the world’s 14th largest economy and has become a linchpin in America’s Asian security perimeter. To protect this vibrant democracy, the U.S. maintains 28,500 troops in South Korea against the multifaceted North Korean military threat and rising pressure from China. Both Pyongyang and Beijing share a common foreign policy objective to erode U.S. power and influence throughout Asia. Passing the FTA would strengthen U.S. commercial ties and broaden the bilateral relationship with South Korea beyond the existing military alliance. It would also serve as a powerful statement of the U.S. commitment to East Asia at a time when many perceive declining American interest, presence, and influence in the region. South Korea is increasingly concerned about China’s belligerent behavior and willingness to impose its growing military and economic power on smaller Asian nations. Seoul is fearful that Beijing could impose enormous political, military, and economic pressure on South Korea during a future confrontation. Approving the U.S. FTA with South Korea would constrain Beijing’s ability to extend its economic and political influence over the region. Diversifying Korea’s trading base would decrease its economic reliance on China and reduce the vulnerability of a key U.S. ally to pressure by Beijing. The best South Korean defense against Chinese arm-twisting is a strong security and economic relationship with the United States.

## SKFTA Good—US Ag

### SKFTA allow US agriculture to flourish with South Korea granting duty free status to most agricultural explorts.

**Remy Jurenas ‘10( Industrial Policy Specialist “The Proposed U.S.-South Korea Free Trade Agreement: Provisions and Implications” http://webcache.googleusercontent.com/search?q=cache:wQGprjkAWoJ:opencrs.com/document/RL34330/2010-02-12/download/1005/+obama+political+influence +on+south+korea+free+trade+agreement&hl=en&gl=us)**

Under the KORUS FTA’s agricultural provisions, South Korea immediately would grant duty-free status to almost two-thirds of current U.S. agricultural exports. Tariffs and import quotas on most other agricultural goods would be phased out within 10 years, with the remaining commodities and products subject to provisions that phase out such protection by year 23. Exports of seven U.S. products (skim and whole milk powders, evaporated milk, in-season oranges, potatoes for table use, honey, and identity-preserved soybeans for food use) would be subject to Korean import quotas that slowly expand in perpetuity. Much effort went into negotiating provisions covering three agricultural commodities of export interest to the United States. Under the KORUS FTA, South Korea agreed to eliminate its 40% tariff on beef muscle meats imported from the United States over a 15 year period. Also, South Korea would have the right to impose safeguard tariffs on a temporary basis in response to any potential surge in imports of U.S. beef meats above specified levels. However, negotiators had not reached a breakthrough by the end of the talks on the separate but parallel issue of how to resolve differences on the terms of access for all U.S. beef in a way that would address Korea’s human health concerns arising from the 2003 discovery of mad cow disease in the U.S. cattle herd. Though sales of U.S. boneless beef from cattle aged less than 30 months did resume in April 2007 under the terms of a separate agreement reached in early 2006, sales of bone-in beef (e.g., ribs) only began in August 2008 after the conclusion of a difficult series of negotiations—prompted by widespread public protests in Korea—on a more comprehensive agreement. This agreement requires the removal of specified risk materials known to transmit mad cow disease during the processing of cattle less than 30 months old when slaughtered. Both countries view this “voluntary private-sector” arrangement as a transitional step intended to improve Korean consumer confidence in U.S. beef. (See Appendix A for additional information.) The KORUS FTA does not give U.S. rice and rice products any preferential access to South Korea’s market. It only requires South Korea to continue to abide by its multilateral trade commitments to increase rice imports. Access for U.S. citrus products was not settled until just before the talks concluded. With **South** **Korea** protecting its orange sector by a 50% tariff, negotiators compromised on a multi-part solution. A small duty free quota was created for “in- season” U.S. navel oranges that would grow slowly in perpetuity. Sales during this September to February period in excess of this quota would continue to face the high 50% tariff. For “out-of-season” oranges that pose less competition to **South** Korea’s orange producing sector, the tariffwould be phased out by year 7.

## SKFTA Good—Ag

### Passing SKFTA leads to an enormous growth in the agricultural society.

Schuff, 6/28/11. (Schuff, Sally. 6/28/11. FTAs Head for Action in Senate Committee. Feedstuffs http://www.feedstuffs.com/ME2/dirmod.asp?sid=F4D1A9DFCD974EAD8CD5205E15C1CB42&nm=Breaking+News&type=news&mod=News&mid=A3D60400B4204079A76C4B1B129CB433&tier=3&nid=3798C4F835424270B1E2F33107BCF090)

Senate Finance Committee Chairman Max Baucus said Tuesday afternoon (June 28) his committee will markup the pending free trade agreements with South Korea, Colombia, and Panama on Thursday. During remarks made during a Senate Agriculture hearing on the livestock industry, Baucus warned that the FTAs would not be passed unless the Trade Adjustment Act, which helps U.S. workers impacted by trade deal, was reauthorized. Baucus said the FTAs and TAA were a "package...it's all or nothing." With the backing of labor interests, the Obama Administration has insisted it would not move on the FTAs without including TAA as part of its total trade agenda.

 Baucus, who also serves on the Senate Agriculture committee, advised agricultural representatives who were attending the livestock hearing to support TAA in order to help passage of the three, long-awaited trade deals. He noted that the Korean FTA in particular would help increase beef exports, and he pledged to use its passage to help pressure other Asian countries – particularly China -- to open markets for U.S. beef. Noting that it was difficult to get the expanded beef agreement with Korea, he said he would work for additional market access for U.S. beef of "all ages, all cuts."

Kudos come from ag sector as FTAs finally see action

The American Soybean Assn. (ASA) said in a statement Tuesday it is "very pleased that the Senate Finance Committee will hold a "mock" markup of the bills to implement the South Korea, Colombia, and Panama Free Trade Agreements (FTAs).

"This is a critical step in the right direction," said ASA president Alan Kemper. He cited an agreement reached on the Trade Adjustment Assistance as a breakthrough on moving the trade deals.

ASA explained the "mock" markup is because "Congress cannot offer amendments to the final implementing bills submitted by the Administration under the Trade Promotion Authority Act - also known as "fast track" - procedures. Following Administration review of any amendments that the Finance and Ways and Means Committees approve on the draft implementing bills, final versions of the implementing bills will be submitted to Congress for an up-or-down vote.

 National Beef Cattlemen's Assn. (NCBA) vice president Colin Woodall commented, "for nearly five years, trade agreements with Colombia, Panama and South Korea have been collecting dust while U.S. farmers and ranchers lose market-share. Enough is enough. These agreements have been victim of political games at the expense of U.S. cattlemen and women.

“NCBA welcomes the opportunity to move these deals forward and encourages House and Senate leaders to put their differences aside and work together to implement these agreements as quickly as possible,” he said.

### Skfta k2 ag

Randall 2011. (June 28,2011. SoutheastAGNet. “Canada Seals South Korean Trade Deal, US Stalls on FTA”. http://southeastagnet.com/2011/06/28/canada-seals-south-korean-trade-deal-us-stalls-on-fta/)

“If the Obama administration and Congress quit stalling, we have an opportunity to ratify one of the most significant trade agreements in history. This trade pact is long overdue. The inaction on this trade agreement has jeopardized America’s competitive advantage in this very important market and consequently has stymied economic growth and job creation,” said Donald. “If implemented, the U.S. beef industry would see $15 million in new tariff benefits in the first year alone, with about $325 million in tariff reductions annually once fully implemented.”

Donald said stalling on the U.S.-South Korea free trade agreement (KORUS FTA) poses serious consequences for U.S agriculture. He said if the FTA is significantly stalled or not implemented the likelihood of relinquishing U.S. agricultural export sales to other countries, such as Canada, is imminent. Donald said there are 13 trade agreements between South Korea and U.S. competitors in place or in the works involving approximately 50 nations around the world.

## SKFTA Good—East Asian Heg

### Without SKFTA, Korea will become dependent on China and EU, US will lose its hegemonic power

**Lee Hyo-sik ‘10(Staff Reporter and Senior Research Fellow for Korea Times, Feb 2010 “US Loses Clout on Korean Economy” http://www.koreatimes.co.kr/www/news/biz/2010/02/123\_60075.html)**

South Korea was able to rise from the ashes of the 1950-53 Korean War on the back of international aid, most of which came from the United States. The world's largest economy imported Korea's agricultural products, garments and other manufactured goods from the 1950s through the '70s on favorable terms to help the Asian nation outpace the Communist North Korea. The U.S. also provided Korea with flour and other basic necessities at lower costs to help it feed its people. It was the country's largest trading partner over the past five decades. But its influence in what is now Asia's fourth-largest economy has been diminishing rapidly over the last 10 years, with Korea expanding trade relations with China, Russia and other emerging economies. Analysts here say that the U.S. could lose more of its economic clout in Korea if the administration of President Barack Obama and the U.S. Congress continue to delay the ratification of the Korea-U.S. free trade agreement (FTA). They say the European Union and China, which compete with the U.S. for global hegemony, will establish closer economic ties with Korea if the U.S. heads toward protectionism and places greater priority on domestic populism than trade. According to the Korea Customs Services (KCS) Monday, Korea's trade dependence on the U.S. stood at 9.7 percent in 2009, down from 24.4 percent in 1991. Korea shipped about 10.36 percent of its total outbound shipments to the world's largest economy, down from 25.8 percent over the same period, while taking 9 percent of its total imports from the U.S., down from 23.18 percent. On the other hand, Korea's trade dependence on China has increased at an explosive pace since the two countries began diplomatic relations in 1992. South Korea's exchange of agricultural and industrial goods with the world's fastest-growing economy reached 20.5 percent last year, up from 2.9 percent in 1991. Korea exported 23.9 percent of its outbound shipments to the neighboring country in 2009, up from 1.4 percent, with 16.8 percent of its imports coming from China, up from 4.2 percent. The U.S. has become less important to Korea economically over the years, with the latter increasingly relying on China, the European Union and other economies for growth. "Korea is the sixth-largest trading partner of the U.S. and a key Asian economy strategically located in Northeast Asia. American policymakers and businesses should be alert over their diminishing economic influence over Korea," LG Economic Research Institute managing director Oh Moon-suk said. Oh said if the U.S. continues to remain reluctant to sign the free trade pact with Korea, the Asian nation will continue to move closer toward China and the European Union, adding the EU will likely sign a free trade accord with Korea before the U.S. does. Touching on Korea's growing trade ties with China, he said Beijing has emerged as the country's largest trading partner in just over 10 years after the two opened their borders to each other in 1992. "Korea's growing trade reliance on China was also the result of the nation's efforts to diversify its export destinations, which proved to be quite successful. The country should continue to expand economic ties with China and try to establish an even larger presence there," Oh said. The economist stressed domestic businesses should take advantage of the world's fastest-growing economy to become globally competitive. "But at the same time, they will be affected more severely if something goes wrong in China. To hedge against the growing China risk, Korean firms should continue to explore new foreign markets and establish a presence in countries in the Middle East and South America," he said.

### Heg good. US decline would be historically unprecedented and result in major conflict and global war

**Robert A. Pape, ’09 ( Professor of political science at the University of Chicago. “Empire Falls,” The National Interest, January 2009 - February 2009)**

THE UNITED States has always prided itself on exceptionalism, and the U.S. downfall is indeed extraordinary. Something fundamental has changed. America’s relative decline since 2000 of some 30 percent represents a far greater loss of relative power in a shorter time than any power shift among European great powers from roughly the end of the Napoleonic Wars to World War II. It is one of the largest relative declines in modern history. Indeed, in size, it is clearly surpassed by only one other great-power decline, the unexpected internal collapse of the Soviet Union in 1991. Most disturbing, whenever there are major changes in the balance of power, conflict routinely ensues. Examining the historical record reveals an important pattern: the states facing the largest declines in power compared to other major powers were apt to be the target of opportunistic aggression. And this is surely not the only possible danger from relative decline; states on the power wane also have a history of launching preventive wars to strengthen their positions. All of this suggests that major relative declines are often accompanied by highly dangerous international environments. So, these declines matter not just in terms of economics, but also because of their destabilizing consequences.

# \*\*Link Section\*\*

## Planetary Defense—Unpopular 1/2

### Planetary Defense risks political capital and requires much taxpayer money

**Dynamic Patterns Research ’11(the DPR Journal offers commentary on the latest news and trends in citizen science opportunities, and aims to inspire you to take an active role in scientific learning and discovery “Protecting the Planet Requires Heroes, Money, Citizen Scientists” April 2011 http://research.dynamicpatterns.com/2011/04/12/protecting-the-planet-requires-heroes-money-and-citizen-scientists/)**

Many of us while growing up and listening to our bedtime stories learned to not freak out and run screaming through the streets if we thought that the “[sky is falling](http://www.archive.org/stream/remarkablestoryo00bostiala#page/n0/mode/2up).” As little chickens, we were taught at an early age that it was best to be brave, calm, and rational, else be considered a crazed lunatic. This childhood behavioral bias infiltrated adulthood in the relationship between professional astronomers, policy-makers and national budget-number crunchers. When a scientist expresses probabilistic concerns about the [impending doom](http://www.purdue.edu/impactearth) of our planet from a cataclysmic change of a major impact event, say, in the next 100, 1,000, or 10,000 years, it requires just too much risk of political capital and tax-payer dollars to divert significant budget resources to something that might only be a concern for our uber-great grandchildren.

### Planetary defense is unpopular; juggles with political, financial, and scientific issues

**Dynamic Patterns Research ’11(the DPR Journal offers commentary on the latest news and trends in citizen science opportunities, and aims to inspire you to take an active role in scientific learning and discovery “Protecting the Planet Requires Heroes, Money, Citizen Scientists” April 2011 http://research.dynamicpatterns.com/2011/04/12/protecting-the-planet-requires-heroes-money-and-citizen-scientists/)**

There are many issues that NASA must juggle with here, including political, financial, and scientific. Who is willing to risk one’s political capital to champion the destruction of once-in-an-epoch giant fireballs in the sky, albeit one that can destroy our civilization as we know it? How much of taxpayer dollars can be appropriated to a once-in-an-epoch event, albeit one that can destroy our civilization as we know it? And, with deflection technology really already at hand, how professionally interesting is it to track and monitor orbiting rocks, since a Nobel Prize doesn’t target too many rocks these days? The bottom line is that the political will and the money are not available from the United States federal government, so the financing of advancing technology–well in advance of pending doom–is not really an option right now, and will likely continue to not be an option for some time. Methods of averting potentially impacting objects have already been proposed, and should be reasonable to implement without too much of a technological leap, if any, although the funding factor will always be an application killer. In fact, according the the task force’s minutes, NASA should stay out of the direct defensive activities, and leave that to those who know how to defend, like the Air Force. Of course, the United States is already over-criticized for being the police force of the world, so why should it now have to be the defender of the planet and of all civilization? Research on methods of saving Planet Earth from an asteroid on a collision course has been in consideration for quite some time. It seems, however, that only within the past decade have more serious efforts toward planning for a *global response* been accomplished. Assuming we would have enough warning of a future collision generated from extensive tracking and precise, long-term orbit predictions, the focus has been on *deflection* of asteroids as opposed to all-out destruction. (As suggested above, even if you could blow up an asteroid to some extent, you will likely only fragment it into an unlimited number of additional asteroids, all still right on target.) By 2004, it seemed that a surge of recommendations and proposals came out of the woodwork, probably due in large part to the [invigorated efforts of Mr. Schweickart](http://www.b612foundation.org/about/history.html). The threat is certainly real, but the realities of actually doing anything about it might be even more insurmountable.

Planetary Defense—Unpopular 2/2

### Planetary Defense unpopular; viewed as an excuse to put nuclear weapons in space

**Michael B. Gerrard ’98 (practiced environmental law in New York City since 1978, and is a partner in the law firm of Arnold & Porter, and a member of the adjunct faculties of Columbia Law School and the Yale School of Forestry and Environmental Studies March 1998 “Legal Issues in Defending Against Asteroids” http://members.tripod.com/~Ray\_Martin/RiskAnal/DefAgAst.html#Author)**

There are several possible explanations for this discrepancy: the statistical uncertainties involved (although the uncertainties in CERCLA risk assessments are not much lower); the fact that we tend psychologically to discount lives in future generations; and most important, the risk has an air of unreality about it, since no one is known ever to have been killed by a meteor. Unless the 1997 XF11 incident or the two forthcoming disaster movies on this theme (Paramount's Deep Impact and Disney's Armageddon) influence public opinion, until a big asteroid or comet is found to be heading our way (and the odds that that will happen in our lifetimes continue to be exceedingly small) they will continue to feel like a ridiculously small threat, despite the purely statistical odds of 4,000 deaths per year. (Ironically, the cost of these two films far exceeds that of a full-fledged NEO detection program.) In fact, the biggest threat that asteroids pose to mankind today is probably the excuse they can provide for continuing to deploy nuclear weapons. In 1996 there were two stark examples of this. In April, China refused to sign a treaty with Russia banning nuclear weapons testing, on the stated ground that such weapons might be needed to combat the asteroid threat. In September, a "Space Protection of Earth" conference was held at the Russian Federal Nuclear Center to consider building a system of nuclear-armed missiles that could be readied for launch in 90 minutes if an incoming comet were spotted. It seems obvious that the deployment of a nuclear weapons system in China or Russia (or anywhere else) poses a threat of accidental or malevolent mass destruction that dwarfs the odds that such a system will be suddenly needed to beat back a long-period comet or other atypical threat that arises with too little warning to let us develop a defensive system from scratch. Some U.S. scientists today advocate a testing program for nuclear explosions at remote asteroids to determine the parameters under which defensive measures would best work. The development, fabrication and launch of a device to carry out such an experiment is fraught with risk. A release of dangerous quantities of radioactive material (whether or not through detonation) could occur through manufacturing error, launch failure, terrorist action or several other plausible scenarios. The probabilities of a radioactive release with locally adverse effects, or even of a catastrophic detonation, greatly exceed the chances of a long-period comet sneaking up on us.

## NASA—Unpopular 1/2

### NASA is not popular, will not receive support, and therefore won’t pass.

Space Politics ’11. (June 30, 2011. Space Politics. Archive for Congress. Briefly: Budget turmoil, 2012 lobbying. http://www.spacepolitics.com/category/congress/)

The least surprising headline of the day is from Aerospace Daily: [**“NASA Funding Mired In Budget Politics”**](http://www.aviationweek.com/aw/generic/story_channel.jsp?channel=space&id=news/asd/2011/06/29/02.xml&headline=NASA%20Funding%20Mired%20In%20Budget%20Politics). While politics has always played a major role, the article suggests that the situation this year is even more complicated and uncertain than usual. Sen. Barbara Mikulski (D-MD), who chairs the Senate appropriations subcommittee whose jurisdiction includes NASA, told Aerospace Daily that the Senate has barely started work on the FY2012 appropriations bills, as it sorts through the consequences of the final FY11 continuing resolution as well as the ongoing debate about raising the debt limit. Mikulski and other appropriations subcommittee chairs have yet to receive their budget allocations, which means that they can’t start work on marking up appropriations bills.

The path is a little clearer in the House, at least from a procedural standpoint. According to the schedule published in May by the House Appropriations Committee, the Commerce, Justice, Science, and Related Agencies subcommittee (which includes NASA and NOAA) will mark up its appropriations bill a week from today, July 7 (which by coincidence is the day before the last shuttle launch); the full committee will take up the bill on July 13. But the committee is otherwise keeping its plans close to its vest, beyond a budget allocation that suggests the potential for significant across-the-board budget cuts. “I don’t know what’s going to happen,” Rep. Mo Brooks (R-AL), who does not serve on the appropriations committee, [told the Huntsville Times earlier this week](http://blog.al.com/breaking/2011/06/congressman_mo_brooks_says_nas.html). “Hopefully, NASA can survive. But that’s going to be up to the public to decide what they want… That’s going to be a battle.”

In the same interview, Brooks also addressed [**comments made in a debate earlier this month by Republican presidential candidates**](http://www.spacepolitics.com/2011/06/13/gingrich-and-pawlenty-debate-space-policy-in-new-hampshire/) about funding NASA. Dismissing perceptions by some who watched the debate that the candidates were not supportive of NASA, Brooks said that any of the candidates would back NASA more than President Obama, and that specifically “you’ve got Mitt Romney and you’ve got [Tim] Pawlenty” as “likely” supporters of the agency. Romney, as previously noted here, does have a modest track record on space policy from his 2008 campaign, but Pawlenty, the former governor of Minnesota, does not.

Those Republican presidential candidates may be getting a visit in the coming months from someone who freely speaks his mind on space policy: Buzz Aldrin. “I’m going to be talking to the people” running for the GOP presidential nomination, [he said in a speech this week in Ann Arbor, Michigan](http://www.annarbor.com/business-review/buzz-aldrin-in-ann-arbor-says-space-exploration-needs-kennedy-style-public-goal/). Aldrin, who according to the report “expressed disappointment” that the president made no public speech or other acknowledgement of the 50th anniversary of President Kennedy’s speech calling for a manned lunar landing by the end of the 1960s, said space exploration needs a “specific public objective”.

### NASA does not have Obama’s Support.

Walter CUNNINGHAM. Houston Chronicle. 2010. (February 6, 2010. Chron. Taking a bite out of NASA. http://www.chron.com/disp/story.mpl/editorial/outlook/6854790.html)

President Barack Obama's budget proposal may not be a death knell for NASA, but it certainly would accelerate America's downward spiral toward mediocrity in space exploration. Now it's up to NASA's leaders to put the best face possible on this nail that the administration is trying to hammer into their coffin.

This proposal is not a “bold new course for human spaceflight,” nor is it a “fundamental reinvigoration of NASA.” It is quite the opposite, and I have no doubt the people at NASA will see it for what it is — a rationalization for pursuing mediocrity. It mandates huge changes and offers little hope for the future. My heart goes out to those who have to defend it.

NASA has always been a political football. The agency's lifeblood is federal funding, and it has been losing blood for several decades. The only hope now for a lifesaving transfusion to stop the hemorrhaging is Congress.

It is hard to be optimistic. President Obama has apparently decided the United States should not be in the human spaceflight business. He obviously thinks NASA's historic mission is a waste of time and money. Until just two months before his election, he was proposing to use the $18 billion NASA budget as a piggybank to fund his favored education programs. With this budget proposal, he is taking a step in that direction.

NASA—Unpopular 2/2

### Congress Won’t Pass

**Powell, Staurt. Washington Bureau. ’09 (September 13, 2009. Chron National. Potential Battle for NASA. http://www.chron.com/disp/story.mpl/nation/6615751.html)**

WASHINGTON — NASA supporters are bracing for an uphill battle to get the extra funding needed to take on missions more ambitious than visits to the international space station.

A high-level panel told President Barack Obama last week that the space program needs an infusion of about $3 billion more a year by 2014.

That may be a tough sell, even though the amount could be considered spare change in a fast-spending capital where the White House and Congress are on track to dole out nearly $4 trillion this year to finance federal operations, including bailouts for Wall Street firms, banks and automakers.

“The congressional agenda over the next year is going to be focused on cutting programs, not adding to them,” said Scott Lilly, a scholar at the Center for American Progress. Adding resources to the nation's $18.7 billion-a-year space program would require cuts in other areas, said Lilly, who doesn't think lawmakers are willing to make those trades.

Rep. Pete Olson, R-Sugar Land, the ranking Republican on the House subcommittee that has jurisdiction over NASA, said wrangling the additional $3 billion a year would be “an enormous challenge — but one I am prepared to win.” Added Olson, whose district includes Johnson Space Center: “NASA doesn't require bailout funds — it needs the promised level of investment that previous Congresses have endorsed.”

The 10-member panel of space experts led by retired aerospace executive Norman Augustine suggested extending U.S. participation in the $100 billion space station for five years, extending budgeting for the retiring shuttle fleet by six months, delaying plans for a 2020 return to the moon and extending the timeline for the next generation of manned spacecraft by two years at least until 2017.

But the experts warned in their 12-page preliminary report to Obama on Tuesday that “meaningful human exploration” would be possible only under “a less constrained budget ramping (up) to approximately $3 billion per year” in additional spending by 2014. Former astronaut Sally Ride, a member of the committee, forecast $27.1 billion in additional funds would be needed over the next decade — a 27 percent increase over the $99.1 billion currently planned.

Even before Obama publicly reacts to Augustine's report to map the next steps in the nation's manned space exploration, members of Congress are scrambling.

“The immediate challenge goes beyond money to just getting NASA on the radar screen when everyone is focused on health care reform,” said a key congressional staffer involved in NASA issues.

**Finding support**

NASA supporters initially are targeting the Democratic leadership of appropriations subcommittees in the House and Senate with jurisdiction over NASA. Space advocates have an ally in Sen. Barbara Mikulski, D-Md., chairwoman of the Senate Appropriations Committee panel that handles space agency spending.

But in the House, pro-NASA lawmakers expect a fight with Rep. Alan Mollohan, D-W.Va., chairman of the House Appropriations Committee panel that cut next year's NASA spending nearly $500 million below what Obama requested. Lawmakers are looking for a House-Senate conference committee to restore the funds that Mollohan cut before the Augustine panel completed its work.

## ISS—Unpopular

### ISS seen as wasteful and inefficient

Flight International 5/2/02, “ISS is 'inefficent and wasteful”, (<http://www.flightglobal.com/articles/2002/02/05/142289/iss-is-inefficent-and-wasteful.html>)

Despite its promise as a research platform, the ISS will be highlighted in the Bush Administration's 2003 budget programme as an example of one of the "biggest overruns ever in the federal government", says Daniels, calling for the introduction of "firm accountability". Daniels' former deputy is Sean O'Keefe, recently appointed NASA administrator.

In an Institute of Electrical and Electronics Engineers publication, Kraft questions whether O'Keefe would be willing to sign off more risk-taking changes to the ISS that would save money. He suggests, for example, that the risk of needing to evacuate the ISS quickly is small enough to negate the need for a Crew Return Vehicle. He also suggests that instead of spending $4 billion on the Space Launch Initiative, NASA should put the money into upgrading the Space Shuttle.

## SPS

### Space Based Solar Power would face an uphill battle

Day, ’08. (Day, Dwayne. American space historian and policy analyst. 6/9/2008. Knights in Shining Armor. http://www.thespacereview.com/article/1147/1)

You may not have noticed, but the space activist community is all worked up about space solar power (see [“A renaissance for space solar power?”](http://www.thespacereview.com/article/931/1), The Space Review, August 13, 2007). It is now the topic of much conversation whenever a group of space enthusiasts get together. It was recently on the cover of the National Space Society’s magazine *Ad Astra*. The upcoming NewSpace 2008 conference will feature a panel on it. The International Space Development Conference in Washington, DC featured no less than three—yes, three—sessions on space solar power, or SSP**,** to use the shorthand term, plus a dinner speaker who addressed the same subject. With all of this attention, one would suspect that there has been a fundamental technological breakthrough that now makes SSP possible, or a major private or government initiative to begin at least preliminary work on a demonstration project. But there has been none of this. In fact, from a technological standpoint, we are not much closer to space solar power today than we were when NASA conducted a big study of it in the 1970s.

The reason that SSP has gained nearly religious fervor in the activist community can be attributed to two things, neither having to do with technical viability. The first reason is increased public and media attention on environmentalism and energy coupled with the high price of gasoline. When even Reese’s Peanut Butter Cups are advertised with a global warming message, it’s clear that the issue has reached the saturation point and everybody wants to link their pet project to the global warming discussion. SSP, its advocates point out, is “green” energy, with no emissions—other than the hundreds, or probably thousands, of rocket launches needed to build solar power satellites. The second reason is [**a 2007 study produced by the National Security Space Office (NSSO) on SSP**](http://www.acq.osd.mil/nsso/solar/SBSPInterimAssesment0.1.pdf). The space activist community has determined that the Department of Defense is the knight in shining armor that will deliver them to their shining castles in the sky.

Space activists, who are motivated by the desire to personally live and work in space, do not care about SSP per se. Although all of them are impacted by high gasoline prices, many of them do not believe that global climate change is occurring; or if they do believe it, they doubt that humans contribute to it. Instead, they have latched on to SSP because it is expedient. Environmental and energy issues provide the general backdrop to their new enthusiasm, and the NSSO study serves as their focal point. Many people now claim that “the Department of Defense is interested in space solar power.”

But it is not true.

The NSSO study is remarkably sensible and even-handed and states that we are nowhere near developing practical SSP and that it is not a viable solution for even the military’s limited requirements. It states that the technology to implement space solar power does not currently exist… and is unlikely to exist for the next forty years. Substantial technology development must occur before it is even feasible. Furthermore, the report makes clear that the key technology requirement is cheap access to space, which no longer seems as achievable as it did three decades ago (perhaps why SSP advocates tend to skip this part of the discussion and hope others solve it for them). The activists have ignored the message and fallen in love with the messenger.

## SPS—PC 1/2

### SBSP wastes necessary political capitol.

National Security Space Office ‘7. (The DoD Executive Agent for Space, a group of scientific and technological experts from around the world. 2007. http://www.nss.org/settlement/ssp/library/final-sbsp-interim-assessment-release-01.pdf)

Space**‐**Based Solar Power is not a small project, but might be considered comparable in scale to the national railroads, highway system, or electrification project than the Manhattan or Apollo endeavors. However, unlike such purely national projects, this project also has components that are analogous to the development of the high**‐**volume international civil aviation system. Such a large endeavor carries with it significant international and environmental implications and so would require a corresponding amount of political will to realize its benefits.

SPS—PC 2/2

### Financial considerations means huge potential capital loss

Hickman, 1999. (Hickman, John. Associate Professor of Government Department of Government and International Relations. Nov. 1999. “The political economy of very large space projects” Journal of Evolution and Technology. Volume 4. <http://www.transhumanist.com/volume4/space.htm>)

Attempting to persuade investors to risk enough capital to finance the construction of a very large space development project would run up against the same capitalization problems now faced by entrepreneurs seeking capital for ordinary space development projects such as launching communication satellites. Investors and lenders seek to maximize economic returns from capital while avoiding risk. The cost of capital is higher for riskier investments. Persuading investors and lenders to part with their capital requires making credible promises that they will receive better returns than they would have received from making alternative investments during the same time period commensurate with risk. While investors often accept higher levels of risk than do lenders, they do so in the expectation of even better returns. Ordinary space development projects confront not only the risks that their businesses might not make money and that the technology might fail to work as projected, but also that they might not attract enough investment because the necessary capital investment is too “chunky.” In other words, the “up-front” capital investment necessary to proceed with even an ordinary space development project tends to be relatively large and to take a relatively long time period before generating cash flows or profits (Simonoff 1997: 73-74; U.S. Department of Commerce 1990: 55-60; McLucas 1991). It is important for the subsequent discussion that the reader note that many investors typically understand the phrase “long time period” to mean “5 years” (Marshall and Bansal 1992: 99-100). If attracting capital for projects using proven technologies like communications satellites remains difficult, imagine the difficulty of attracting sufficient capital to construct a mining facility on the Moon or terraforming Mars or Venus. Such projects are extraordinarily “chunky” in that they would require massive amounts of capital to be invested “up front” and would take long or very long time periods before generating economic returns. The total amount of capital available for investment in anything is finite and the private investors and lenders who control most of it normally enjoy multiple investment opportunities. Investors and lenders are typically reluctant to concentrate their risks on a single project. Investors and lenders are also reluctant to lock up their capital in very long time investments or loans because this increases their opportunity costs. Consider the proposal for terraforming Mars by manufacturing halocarbon gases to cause a greenhouse warming of the planet (Zubrin and Wagner 1996: 260-268). Perfluorocarbons and sulfur hexafluoride are popular candidate gases because they dissociate slowly under ultraviolet radiation (Fogg 1995: 237). Warming would cause the Martian regolith to release its carbon dioxide and genetically engineered plants would release oxygen from carbon dioxide. After 900 years of greenhouse warming, atmospheric pressure would increase to 600 millibars, which is slightly less than the average atmospheric pressure in Denver or the normal cabin pressure in international carriers. Humans who are acclimated to low atmospheric pressure might take up residence on Mars within 700 years (Fogg 1995: 106; Zubrin and Wagner 1997: 262). The price for this proposal is described as “several hundred billion dollars” (Zubrin and Wagner 1997: 265). A “back of the envelope” calculation involving six assumptions drawn from the proposal outlined above will illustrate the capitalization problem. Assume the “up front” capital investment needed for the project is $200 billion and that this sum could be borrowed from private lenders at 5% interest compounded annually for 700 years. Assume there would be no inflation and no deflation during this 700 years. Assume the project would produce a breathable atmosphere in 700 years. Finally, assume the project would generate all of its cash flows from the sale of Martian real estate and lenders would be willing to wait 700 years for payment. Before any profit would be realized, real estate sales would have to produce a staggering 1.36 x 10 15 billion dollars to pay off the debt accumulated over 700 years. Assuming further that seas cover only 10% of the surface of Mars, the dry remaining 90% of Martian surface area which might be sold would total 1.3 x 10 13 meters 2 (Carr 1996: 6; Fogg 1995: 310). Thus an average square meter of Martian real estate would have to fetch 1,046 billion dollars to pay off the creditors. While we may hope for a vast, general increase in wealth over the next 700 years, this would still appear to make Martian real estate awfully pricey. Rather than accumulate this mind boggling burden of debt to finance its halocarbon plants, promoters might export goods and services from Mars to Earth worth the 30 billion dollars in annual interest payments. That, however, would require additional large capital investments to for industries to produce the goods and services to be exported. Certainly extreme caution is in order whenever the proposed solution to a debt problem involves taking on more debt. Nor could there be any guarantee that these additional large capital investments would result in profitable business ventures. To make matters worse, the number and size of business ventures which might be operated more profitably from Mars than from anywhere on Earth may be very small. If the idea of borrowing massive amounts of capital from commercial banks for 700 years beggars the imagination, then consider the chances of attracting enough capital for the same project by offering equity to venture capitalists or the managers of major public corporations. The time period between the initial investment and the economic payoff is far longer than that contemplated in any business plan. Indeed, it is telling that the short list of formal organizations which have operated continuously for the last 700 years or more does not include a single business enterprise. Instead, all of the organizations are either governmental or religious bodies. If “operated continuously” is taken to mean absolutely no interruptions in operation, then the governmental bodies fall out and the list narrows to include a surprisingly small number of religious bodies. The lesson is that, *ceteris paribus*, very large space development projects are probably too unattractive as investments for private investors and lenders. For the current generation of space development enthusiasts, indoctrinated in the principles of neo-classical or free market economics popularized in the Reagan years, this is a very disquieting conclusion. Many exhibit a fierce libertarianism. They share an ideological conviction that private enterprise and unfettered markets are capable of overcoming almost any technological or economic obstacle. Government appears less as the driving force for space exploration than as the political and bureaucratic obstacle to technological innovation and the commercial development of space. Given the disappointing performance of NASA in the 1970's and 1980's, convictions such as these are hardly surprising (Kay 1995:161-171). Space development enthusiasts watched as government funding for NASA programs declined steadily while important opportunities for commercial launch capability and space industrialization in near Earth space were lost. Yet the “lessons” drawn about from the disappointments of the 1970's and 1980's are probably the wrong lessons for space development. Government participation in the economic development of space is essential.  Why else would promoters combine libertarian denunciations of the government’s role in space development with political demands for indirect subsidies in the form of tax credits for space commerce and the privatization of public assets in the form of the International Space Station (Lehrer 1999). Complaints about the role of government in space development would be more convincing if private sector efforts in space had produced comparable results.  Government space programs can point to records of successfully launching interplanetary probes and spacecraft with human crews. Even after all the excuses have been made, the record of private sector accomplishments in space is unimpressive.  Of course, identifying space sector efforts as “private” is somewhat problematic because many employ technology developed with government funds, or employ castoff parts and borrowed facilities from government programs, or anticipate that the government will be their primary buyer.

# \*\*AFF\*\*

## SKFTA No Pass 1/2

### SKFTA fails-South Korea faces issues with SKFTA

People’s Daily Online, June 27, 2011 (“S Korea's Lee, opposition leader fail to close gap over U.S. FTA,” <http://english.peopledaily.com.cn/90001/90777/90851/7421835.html>)

South Korean President Lee Myung-bak and the opposition leader failed to settle their differences Monday over a free trade agreement with the United States and other pending issues. Lee held the meeting, the first of its kind in nearly three years, with Sohn Hak-kyu, leader of the main opposition Democratic Party, an apparent shot at bridging the yawning gap between the government and the opposition camp on six pressing national issues. The presidential office Choeng Wa Dae said Lee called for "active support" of the opposition for ratifying the two-way free trade pact with Washington, while Sohn, considered the strongest opposition presidential aspirant, insisted on renegotiation of what he sees as a lopsided deal favoring Washington. The trade accord, originally signed in 2007, has been awaiting legislative approval both in Seoul and Washington due to differences over auto trade imbalances and U.S. beef imports. The two countries reached supplementary agreements last December, but opposition lawmakers here believe Seoul made too much concession in negotiations. Lee and Sohn also discussed lowering college tuition fees amid ongoing student protests, but they only agreed in principle that tuition should be cut and colleges need reforms, according to Cheong Wa Dae. Also on the table were household debts, job creation, a scandal involving local savings bank and a supplementary budget. Lee refused to draw up an extra budget the opposition demands.

### SKFTA will not pass

Felicia Sonmez, June 30, 2011. (Felicia Sonmez is a congressional reporter for the Washington Post, The Washington Post Company, “Hatch: Congress may not pass trade deals,” <http://www.washingtonpost.com/blogs/2chambers/post/hatch-congress-may-not-pass-trade-deals/2011/06/30/AGf0AFsH_blog.html>)

Ahead of the Senate Finance Committee’s first hearing o[**n three pending trade deals,**](http://www.washingtonpost.com/blogs/2chambers/post/report-congressional-negotiators-strike-deal-on-trade-pacts/2011/06/28/AGk2EHpH_blog.html) all 11 Republicans on the panel issued a letter to President Obama Thursday outlining their opposition to the administration’s inclusion of a program aimed at aiding workers who have lost their jobs due to outsourcing. “We are concerned about last minute attempts to include provisions expanding Trade Adjustment Assistance in the South Korea FTA implementing bill,” the 11 Republicans [**wrote in the letter**](http://finance.senate.gov/newsroom/ranking/release/?id=3a2e56a0-7a3d-4242-984e-8f05e1b51764). “We believe such actions are beyond the scope of TPA authority and unduly infringe on the rights of Members of the Senate to carefully weigh and debate the merits of TAA.” The letter follows a warning Thursday morning from the panel’s leading Republican, Sen. Orrin Hatch (R-Utah), that the inclusion of the Trade Adjustment Assistance program in the South Korea deal could imperil passage of the trade pacts. “This action abuses long-standing rules, procedures and precedents governing the delegation of trade negotiating authority from the Congress to the President and puts a successful vote on the South Korean FTA — the largest trade pact negotiated in more than a decade — at risk,” Hatch’s office said in the memo. The statements are the strongest warning to date that the deal announced Tuesday by the White House and congressional negotiators on the Colombia, Panama and South Korea trade deals may face a bumpy road to congressional approval. The Senate Finance Committee is slated to meet at 3 p.m. Thursday to begin working its way through the dozens of amendments to the deals submitted my members of both parties. The House Ways and Means Committee will likely hold a meeting on the trade pacts next week at the earliest, after the House returns from recess. Republicans in both chambers had been urging Obama to submit the deals to Congress, but after Tuesday’s announcement, GOP leaders charged that the attachment of a three-year renewal of the Trade Adjustment Assistance program to the South Korea deal was a “highly partisan” move**. “**Including unrelated and highly controversial provisions, like the TAA spending program, into the Korean trade agreement violates the letter and spirit of this law,” Hatch’s office said Thursday. The White House and Democrats have defended the deals. “The addition of Trade Adjustment Assistance to the Korea Free Trade Agreement is entirely consistent with precedent,” a Senate Finance Committee Democratic aide said Thursday. “As you may recall, Trade Adjustment Assistance was added to the implementing language of the NAFTA agreement — a trade agreement many of the current members of the Senate supported in the past.” Meanwhile, some Democrats are also expressing opposition to the deals. House Democratic Conference Chairman John Larson (Conn.) on Thursday announced that he would not back the Colombia deal over concerns on labor rights.

SKFTA No Pass 2/2

### Boycott delays SKFTA passage

New York Times, June 30, 2011. (“Republicans Boycott a Hearing on Trade,” <http://www.nytimes.com/2011/07/01/business/01trade.html?_r=1> )

WASHINGTON — Senate Republicans boycotted a preliminary hearing Thursday on free trade agreements with South Korea, Colombia and Panama, instead staging a simultaneous press conference and bringing the stop-and-go process to yet another halt. In an upside-down pair of performances, Democratic senators filled half a hearing room to declare their support for trade deals opposed by much of their party’s political base, while Republican senators stood before television cameras to declare that they would not allow a hearing on legislation that much of their own base strongly supports. Senator Orrin Hatch, the ranking Republican on the Finance Committee, said Republicans were responding to a decision by the White House to include in the free trade legislation the expansion of a benefits program for workers who lose jobs to foreign competition. “We made it clear time and time and time again that we would not stomach attaching a big government spending program onto these agreements,” Mr. Hatch said. “The president knew where we stood, and he decided to ignore those who don’t agree with him.” Democrats, in turn, said Republicans were blocking legislation that would help the economy. “They want the country to be in as bad shape as possible because that might help them electorally,” said Senator Charles E. Schumer, Democrat of New York. The breakdown came less than 48 hours after the Obama administration announced a deal with House Republicans and Senate Democrats over the terms of the benefits program. An expansion passed by Democrats in 2009 lapsed at the beginning of this year. The agreement would reinstate about 60 percent of the lapsed financing for an additional two years. Democrats had demanded the deal as a condition of their support for the trade agreements. House Republicans agreed reluctantly, after several weeks of negotiations. The agreement, however, did not include Senate Republicans. Mere minutes before the Senate Finance Committee convened Thursday afternoon to consider the legislative package, the Republican members invoked Senate rules to prevent the meeting. “That’s it,” said a frustrated Senator Max Baucus, the committee’s chairman. “We’re waiting.” Then, after all the Democrats spoke, they got up and left. The three free trade agreements, which would eliminate tariffs on cross-border transactions, would expand annual exports of American goods by about $12 billion, according to estimates by the United States International Trade Commission. It would also create new opportunities for American service providers to compete in the three countries. The pacts were negotiated by the Bush administration and are strongly backed by the United States Chamber of Commerce and other business trade groups. For most of the intervening years, Republicans pressed for a vote on the pacts while Democrats resisted. The Obama administration, which is focused on expanding trade to invigorate growth, changed that dynamic. It has sought to win Democratic support for the deals through measures to protect American workers from negative consequences. The compromise reached this week would provide $964 million in additional financing for the benefits program, almost all of which would be spent by 2013. The Obama administration plans to submit that deal as part of the pact with South Korea, to give Democrats the assurance that it will rise or fall with the pacts. House Republicans say they will hold separate votes on the trade pact and the benefits program. Senate Republicans, many of whom oppose any additional financing for the benefits program, and who lack the power to set the terms of debate, said that their actions Thursday were an assertion of the rights of the minority party to be heard and respected. “We tried everything in our power to work with the majority to find a resolution,” Mr. Hatch said. Republicans cannot prevent the legislation from leaving the committee, but they can delay it. Democrats said that continuing to do so would hurt the economy. “This boycott means the opportunity to pass important job-creation legislation is now delayed,” Mr. Baucus said. “American workers — and our economy — simply can’t afford to wait any longer.”

## Trade Bad 1/2

### Free Trade is contributing to the struggle of the American Economy.

Fletcher, 5/12/11. (Fletcher, Ian. Senior Economist of the [Coalition for a Prosperous America](http://www.prosperousamerica.org/), a nationwide grass-roots organization dedicated to fixing America’s trade policies and comprising representatives from business, agriculture, and labor. 5/12/11. “The Crumbling Of Free Trade – And Why It’s a Good Thing.” Tikkun Daily. http://www.tikkun.org/nextgen/the-crumbling-of-free-trade-and-why-its-a-good-thing)

One thing is for certain already: the present international trading order will not be here in ten years, and quite likely not in five. The unsustainable American trade deficit alone makes this a certainty.

Since the end of the Cold War, and accelerating after NAFTA in 1994, that order has consisted in ever-expanding “free” trade worldwide — which in reality is a curious mixture of genuinely free trade practiced by the United States and a few others with the technocratic mercantilism of surging East Asia and Germanic-Scandinavian Europe.

From America’s point of view, this order is free trade, at least on the import side of the equation, so it is as free trade that we must criticize it, prepare to celebrate its passing, and investigate what should replace it.

Our free trade policy is the answer to a question that currently has most mainstream economists scratching their heads: what killed the great American job machine? This policy has been partly responsible for increasing inequality in the United States and the gradual repudiation of our 200-year tradition of broadly shared middle-class prosperity. It is a major player in our rising indebtedness, community abandonment, and a weakening of the industrial sinews of our national security.

America’s economy today continues to struggle to emerge from recession because our trade deficit — fluctuating around $500 billion a year for a decade now — acts as a giant “reverse stimulus” to our economy. It causes a huge slice of domestic demand to flow not into domestic jobs, thus domestic wages and thus more demand, but into imports, therefore foreign wages, and therefore a boom in Guangdong, China; Seoul, South Korea; Yokohama, Japan; and even Munich — not Gary, Indiana; Fontana, California; and the other badlands of America’s industrial decline. Our response? Yet more stimulus, leading to an ever-increasing overhang of debt, both foreign and domestic, the cost of whose servicing then exerts its own drag on recovery.

Trade Bad 2/2

### Free trade has more hidden problems then it does proven benefits.

Fletcher, 5/12/11. (Fletcher, Ian. Senior Economist of the [Coalition for a Prosperous America](http://www.prosperousamerica.org/), a nationwide grass-roots organization dedicated to fixing America’s trade policies and comprising representatives from business, agriculture, and labor. 5/12/11. “The Crumbling Of Free Trade – And Why It’s a Good Thing.” Tikkun Daily. http://www.tikkun.org/nextgen/the-crumbling-of-free-trade-and-why-its-a-good-thing)

What’s wrong with free trade? A whole host of problems, many of them long known to economists but assumed in recent decades to be unimportant.

The technical plot thickens here fast, but we can begin by noting that any serious discussion of free trade must confront David Ricardo’s celebrated 1817 theory of comparative advantage, whose tale of English cloth and Portuguese wine is familiar to generations of economics students. According to a myth accepted by both laypeople and far too many professional economists, this theory proves that free trade is best, always and everywhere, regardless of whether a nation’s trading partners reciprocate.

Unfortunately for free traders, this theory is riddled with dubious assumptions, some of which even Ricardo acknowledged. If they held true, the hypothesis would hold water. But because they often don’t, it is largely inapplicable in the real world. Here’s why:

Ricardo’s first dubious assumption is that trade is sustainable. But when a nation imports so much that it runs a trade deficit, this means it is either selling assets to foreign nations or going into debt to them. These processes, while elastic, aren’t infinitely so. This is precisely the situation the United States is in today: not only does it risk an eventual crash, but in the meantime, every dollar of assets it sells and every dollar of debt it assumes reduces the nation’s net worth.

Ricardo’s second dubious assumption is that the productive assets used to generate goods and services can easily be shifted from declining to rising industries. But laid-off autoworkers and abandoned automobile plants don’t generally transition easily to making helicopters. Assistance payments can blunt the pain, but these costs must be counted against the purported benefits of free trade, and they make free trade an enlarger of big government.

The third dubious assumption is that free trade doesn’t worsen income inequality. But, in reality, it squeezes the wages of ordinary Americans because it expands the world’s effective supply of labor, which can move from rice paddy to factory overnight, faster than its supply of capital, which takes decades to accumulate at prevailing savings rates. As a result, free trade strengthens the bargaining position of capital relative to labor. And there is no guarantee that ordinary people’s gains from cheaper imports will outweigh their losses from lowered wages.

The fourth dubious assumption is that capital isn’t internationally mobile. If it can’t move between nations, then free trade will (if the other assumptions hold true) steer it to the most productive use in our own economy. But if capital can move between nations, then free trade may reveal that it can be used better somewhere else. This will benefit the nation that the capital migrates to, and the world economy as a whole, but it won’t always benefit us.

The fifth dubious assumption is that free trade won’t turn benign trading partners into dangerous trading rivals. But free trade often does do this, as we see today in China, whose growth is massively dependent upon exports. This is especially likely when trading partners practice mercantilism, the 400-year-old strategy of deliberately gaming the world trading system by methods like currency manipulation and hidden tariffs.

The sixth dubious assumption is that short-term efficiency leads to long-term growth. But such growth has more to do with creative destruction, innovation, and capital accumulation than it does with short-term efficiency. All developed nations, including the United States, industrialized by means of protectionist policies that were inefficient in the short run.

What is the implication of all these loopholes in Ricardo’s theory? That trade is good for America, but free trade, which is not the same thing at all, is a very dicey proposition.