# Port Maintenance Aff – Classic BT

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#### Some important FYI’s to understand background on this file.

#### List of ports

Los Angeles, CA

Long Beach, CA

Newark/New York, NY

Baltimore, MD

San Juan, PR

Wilmington, DE

Gupport, MS

Boston, MA

Savannah, GA\*

Oakland, CA\*

Charleston, SC\*

Houston, TX\*

Tacoma, WA\*

Port Everglades, FL\*

Philadelphia, PA\*

Jacksonville, FL\*

New Orleans, LA\*

\*Indicates ports that need to be dredged to accommodate Panamax ships.

#### List of acts that regulate dredging

(these acts can create bureaucratic obstacles to implementing plan):

 Rivers & Harbor Act of 1899

 National Environmental Policy Act

 Clean Water Act

 Ocean Dumping Act

 Coastal Zone Management Act

 Endangered Species Act

 Magnuson-Stevens Fishery Conservation & Management Act

 Fish & Wildlife Coordination Act Page 6 of 20

# 1AC

### Contention One: The Status Quo is Lacking

#### U.S. ports are not ready to handle super-sized tankers coming as a result of Panama canal expansion completion in 2014.

Abbott, 11 -- Editor, AAPA Seaports Magazine (Paul, "Special Feature on Port-Related Infrastructure", Summer, [www.aapa-ports.org/Publications/SeaportsDetail.cfm?itemnumber=18152#seaportsarticle4](http://www.aapa-ports.org/Publications/SeaportsDetail.cfm?itemnumber=18152" \l "seaportsarticle4" \t "_blank)//DG

Some countries clearly have taken the proverbial bull by the horns, perhaps most notably Panama, whose citizens resoundingly endorsed the multi-billion dollar program that is expanding the capacity of the Panama Canal – a project that is anticipated to reap several times its costs in benefits to the people of Panama. Somewhat paradoxically, the $5.25 billion Panama Canal expansion project, on schedule for completion in 2014, is a key factor putting further time pressure on infrastructure improvements, including channel deepening, at ports on U.S. East and Gulf coasts hoping to handle the super-sized containerships that will be able to transit the enhanced water passageway directly from Asia. Richard A.Wainio, port director and chief executive of the Tampa Port Authority, offered a note of caution at the fourth annual Shifting International Trade RoutesWorkshop, co-sponsored by the American Association of Port Authorities and U.S. Maritime Administration, hosted Feb. 1-2 by the Tampa Port Authority. “America’s ports are not ready,” said Mr. Wainio, who was born in Panama and worked 23 years in executive positions at the Panama Canal. “If we don’t modernize our facilities soon, we will not lead in the 21st century, we will follow. We’re 20 years behind the curve. Workshop speaker Dr.Walter Kemmsies, chief economist in the New York office of Moffatt & Nichol, put it simply: “We need a lot of investment in capacity and infrastructure.”

### Advantage 1: Economic Competitiveness

#### Panama Canal expansion will disrupt American trade routes - Other nations are investing in port deepening to accommodate tankers, but the United States is not increasing its investment in its ports.

**Bridges, 11 –** Chairman of the Board of the American Association of Port Authorities and Executive Director of Virginia Port Authority (Jerry A., “Testimony of Jerry A. Bridges Chairman of the Board of the American Association of Port Authorities and Executive Director of Virginia Port Authority before the United States House of Representatives Transportation and Infrastructure Committee Water Resources and Environment Subcommittee Hearing: the Economic importance of Seaports: Is the United States Prepared for 21st Century Trade Realities?” , 10/26/11, 2011, [http://republicans.transportation.house.gov/Media/file/TestimonyWater/2011-10-26%20Bridges.pdf)](http://republicans.transportation.house.gov/Media/file/TestimonyWater/2011-10-26%20Darcy.pdf%29//MM)

Since the birth of our nation, U.S. seaports and waterways that connect them have served as a vital economic lifeline by bringing goods and services to people around the world and by delivering prosperity to our nation. U.S. seaports are responsible for moving more than 99 percent of our country’s overseas cargo. Today, international trade accounts for more than a quarter of Americas Gross Domestic Product.

America’s seaports support the employment of 13.3 million U.S. workers, and seaport- related jobs account for $649 billion in annual personal income. For every $1 billion in exports shipped through seaports, 15,000 U.S. jobs are created. Seaports facilitate trade and commerce, create jobs, help secure our borders, support our military, and serve as stewards of valuable coastal environmental resources.

Ports are dynamic, vibrant centers of trade and commerce, but what is most important to understand is that seaports rely on partnerships. Seaports invest more than $2.5 billion every year to maintain and improve their infrastructure. In recent years**,** however, this commitment has not been adequately matched by the federal government**.** Federal funding for dredging federal navigation channels has slowed and decreased, especially for new construction. Further, maintenance dredging is sorely underfunded, despite a more than $6 billion and growing surplus in the Harbor Maintenance Trust Fund. Landside improvements have also been too low a priority, with little of the highway funds going to freight transportation projects. The only bright light has been the newly created TIGER grants, although not enough of this funding benefited ports. Virginia Port Authority received a TIGER grant for its heartland project.

As we look to the future, we do know that there are challenges and opportunities. As we recover from this economic downturn, we must make investments today to address the trade realities of the future. Here are some the challenges and we have to ask: are we ready?

* The Panama Canal expansion is due to be completed in 2014 and is expected to influence trade patterns. VPA and other ports have been making investments, but federal funding has been slow to match these investments**.** Ship sizes continue to get larger, requiring on-going modernization of ports and federal navigation channels, even for ports that will not require 50 feet of depth.
* Canada and Mexico are making investments which could result in losses of maritime jobs in the U.S. as cargo enters the U.S. through these countries. We have already seen this job loss on the West Coast.
* The U.S. seeks to double exports; however countries like Brazil and Chile, who we compete against the U.S. in terms of agricultural exports, are making investments that could make their exports more competitive**.**
* New trade agreements with Korea, Panama and Colombia have been approved, with other trade agreements under negotiations which should result in increased exports and imports through ports.
* In addition to these near-term challenges, we know that the U.S. population is forecast to grow by 100 million - a 30 percent increase - before the middle of the 2lst century. And many of the goods used by this population will flow through seaports.

So are we ready? While ports are planning for the future, the federal government has not kept pace with the industry or our international competitors**.** The federal government has a unique Constitutional responsibility to maintain and improve the infrastructure that enables the flow of commerce, and much of that infrastructure in and around seaports have been neglected for too long. Many of our land and water connections are insufficient and outdated, affecting the ports' ability to move cargo efficiently into and out of the U.S. This hurts U.S. business, hurts U.S. workers and hurts our national economy.

Port projects take decades to plan and build and we cannot wait. Federal investments in seaports are an essential and effective utilization of limited resources, paying dividends through increased trade and commerce, long-term job creation, secure borders, military support, environmental stewardship, and more than $200 billion in federal, state and local tax revenue. Earlier this month, the President’s Council on Jobs and Competitiveness made an urgent plea for improvements in the nation's transportation infrastructure, including landside and waterside access to seaports. We cannot wait.

So what must we do? First, attached to this Testimony, you will find AAPA’s letter to the Join Select Committee on Deficit Reduction, which outlines AAPA’s recommendations. The federal government must make funding for dredging a higher priority; Congress must pass a Surface Transportation bill that results in more funding for port, freight and landslide infrastructure, including the TIGER program; and Congress must not cut or eliminate the Port Security Grant Program or environmental programs that benefit ports.

#### Lack of U.S. adaptation will devastate trade and the economic competitiveness

**Weakley, 8** – Realize America’s Maritime promise, Harbor Maintenance Trust Fund Fairness Coalition, testimony of James Weakley the president of the Lake Carriers’ Association (James, “Realize America’s Maritime Promise”, Harbor Maintenance Trust Fund Fairness Coalition, 4/30/08, <http://www.ramphmtf.org/speeches_043008.html>) // EK

Introduction/ Summary of Testimony

My name is Jim Weakley. I am President of Lake Carriers’ Association, an organization of U.S.-Flag vessel operators on the Great Lakes, and an officer of the Great Lakes Maritime Task Force, a coalition of ship operators, labor, shipyards, ports and others on the Great Lakes. Today, however, I am here testifying on behalf of a national coalition ("the Coalition") that is very concerned about the impacts on Federal ports and harbors that cannot be fully maintained with existing U.S. Army Corps of Engineers funding levels and advocates an initiative to seek full access to the annual revenues generated by the Harbor Maintenance Trust Fund (HMTF) ad valorem tax for the purpose of operations and maintenance dredging in the United States. In 2007, the HMTF taxes collected from shippers for the purpose of funding dredging projects in our nation amounted to more than $1.4 billion, yet only $751 million of dredging and related maintenance costs was reimbursed from the fund, while ports and harbors were not able to be dredged to their authorized project dimensions.

The Importance of Dredging

Our ports and harbors are gateways to domestic and international trade, connecting the United States to the world. Because of the Nation’s port system, food grown by Iowa farmers reaches tables in Japan and Russia. Manufacturers in Texas can sell goods and services profitably to foreign countries and supply food for peace. Appalachian and Midwest coal moves through coastal ports to power plants domestically and around the world, providing the fuel to heat and light homes, businesses, and cities.

Whether products are arriving at our shores or departing for foreign sale, trade relies on an efficiently operating U.S. port system. Without exception, ports are critical to every State in the Nation. On average, each of our 50 States relies on 13 to 15 ports to handle its imports and exports, which add up to more than $5.5 billion worth of goods moving in and out of U.S. ports every day. Responsible for moving more than 99 percent of the country’s overseas cargo, U.S. ports and waterways handle more than 2.5 billion tons of domestic and international trade annually, and that volume is projected to double within the next 15 years - particularly after the expansion of the Panama Canal. International trade is responsible for 25 percent of the U.S. Gross Domestic Product (GDP). Along with meeting the demands of international trade, ports are busy with a sustained surge in cruise travel. Cruises depart from 43 ports in North America with a positive economic impact in all 50 States, since over 79 percent of cruise industry expenditures are made with U.S. businesses, including airlines, travel agents, food and beverage, and ship maintenance and refurbishing. On the Great Lakes, enormous quantities of raw materials that move by vessel are used to power major cities, make steel, and build roads.

Equally, or more important is the National Defense support that our Nation’s ports provide. The U.S. military depends on numerous ports that have agreements with the Federal Government to serve as bases of operation and to deploy troops and equipment during national emergencies. Today this role is more evident than ever and more important than ever, given the current climate of persistent threats around the globe coupled with the closure in recent years of U.S. military ports.

Port-related jobs are critical to augment our economy. Direct and indirect jobs generated by ports result in the employment of more than 8 million Americans who earned and spent $314.5 billion in 2006. Every $1 billion in exports alone creates an estimated 15,000 new jobs. In Texas alone one in every four jobs is linked to trade.

America’s deep-draft navigation system is at a crossroads, with a future that can be bright or bleak. Our waterways’ ability to support the Nation’s continuing growth in trade and in the defense of our Nation, hinges on much-needed Federal attention to unresolved funding needs that are derailing critical channel maintenance and deep-draft construction projects of the water highways to our ports. Because most ports do not have naturally deep harbors, they must be regularly dredged to allow ships to move safely through Federal navigation channels. Also, as modern vessels increase in size, navigation channel depths must increase accordingly, if we are to continue to be a player on the international marketplace. A recent U.S. Army Corps of Engineers study reports that almost 30 percent of the 95,550 vessel calls at U.S. ports are constrained due to inadequate channel depths. Ladies and gentlemen, these are the things that cause port directors nightmares.

Without a channel dredged to its authorized depth, nothing else comes into play. Attracting new customers, dealing with labor issues, environmental concerns, and the public - all go away - because without a properly-dredged channel, business goes away. Public ports are at a critical state in keeping their channels open for business. We are losing existing business and potential new business to ports outside of the United States ? and once lost, it is rarely regained.

Dredging can literally make or break our industry, and a lack of dredging is an issue throughout the United States. In fact, it is not an overstatement to say that in many parts of the United States, we face a dredging crisis. On the Great Lakes, as Chairman James L. Oberstar of this Committee and Chairman David R. Obey of the Appropriations Committee well know, decades of inadequate funding for dredging have left a backlog of 18 million cubic yards of sediment. The U.S. Army Corps of Engineers estimates removing the backlog will cost more than $230 million on the Great Lakes alone. In some cases, ports on the Great Lakes have actually shutdown due to inadequate dredging. There are similar examples of dredging problems in ports and harbors on all coasts of our Nation.

In many cases, vessels must ?load light? because of dredging shortfalls. The economic implications of light loading are enormous. On the Great Lakes, for example, vessels lose between 50 to 270 tons of cargo for each inch they must reduce their draft and, in some areas, the lost draft is measured in feet, not inches. Light loading because of inadequate dredging impacts everyone. A ship that is light-loaded reduces its efficiencies in the same way that a commercial airplane that is required to set aside seats with no passengers would quickly lose its efficiencies.

#### We’ll isolate two scenarios:

#### First is international trade: it’s key to the economy and accounts for 27% of GDP

**Kiefer et al., 2k** – principal investigator for Planning and Management Consultants– study authorized by Section 401 of the Water Resources Development Act of 1999, report to the US Army Corps of Engineers (Jack, Planning and Management Consultants, “The National Dredging Needs Study of Ports and Harbors Implications to Cost-Sharing of Federal Deep Draft Navigation Projects Due to Changes in the Maritime Industry”, 5/2000, <http://www.iwr.usace.army.mil/docs/iwrreports/00-R-8.pdf>) // EK

The value of international trade after World War II was minimal when compared with current levels. Since then, economic development, liberalization of trade policies and a general trend toward global integration of manufacturing industries have fueled international commerce. Figure 2-1 displays the real value of U.S. foreign trade from 1946 through 1996. In 1946, the value of foreign commerce was $88.2 billion, but by 1996 this had increased by a factor of almost twenty in real inflation-adjusted terms to $1.5 trillion. This represents an annual growth rate of about six-percent over the 50-year period. International commerce has also become an increasingly important engine for economic growth in the United States. For example, as shown in Figure 2-2, exports and imports accounted for only eight percent of GDP in 1959, but by 1998 foreign trade comprised almost 27 percent of GDP.

Forecasts indicate that upward trends in global commerce will continue. Table 2-1 and Figure 2-3 show projections for U.S. international trade based on value. By the year 2010, it is expected to more than double, and by the year 2040 forecasts indicate that imports and exports will increase eightfold. Trade is projected to continue to increase when measured as a percentage of GDP. National GDP is forecast to grow by about two to three percent per annum through the year 2010. In contrast, annual growth in the value of foreign trade is expected to be around six percent through the year 2010. Based on these forecasts, is it apparent that international trade is becoming an increasingly vital component of the national economy. The leading growth area for increases in global trade is container shipping. From the perspective of this study, containerships are a critical component of international trade. Since their inception in 1956, containerships have become a vital component of the U.S. maritime transportation system. Today, containerships carry about 55 percent of U.S. international maritime trade based on value, but only about eight percent in terms of tonnage (see Figure 2-4).

#### Economic collapse now causes a nuclear World War III

**Hamer, 10** – Professor and doctor, writes for Current Concerns (Eberhard, “Increasing Indications for a Third World War”, 3/6/10, <http://www.currentconcerns.ch/index.php?id=1012>) // AJ

Due to the fact that the US has assumed the bank debts and added them to the national budget and their already extreme increase in national debts – one billion dollars worth foreign credits is needed per day –, the biggest financial crisis since World War II has arrived. If the cash flow from abroad ceased or foreign countries decided to escape the dollar, the US would be bankrupt. Nevertheless, the US is not making sufficient efforts to reduce their growing national debts with cost-cutting measures. Neither do their raise taxes to generate more income, nor do they try to cut their budget, especially not their enormously grown military budget. The US has employed 200 000 soldiers in combat missions worldwide. Therefore nobody understood when the biggest warlord in the world, despite increased force levels, obtained the Nobel Peace Prize. A possible explanation: he received the prize as a precaution, because it depends mainly on him if there is a war in Iran or not. In history, politicians who were economically at an end have often opted for war as a last resort to maintain power. This has even be truer for a country in a crisis, which sees war as a way out of an economic crisis. This is how the US surmounted the biggest depression of the 20th century by entering World War I, as well as the Great Depression by entering World War II, and now they could try to solve their third crisis in the same way. We should not forget that both world wars enabled the US not only to overcome their enormous national debts, but they also developed into the leading economic power of the world. The temptation to go the same way a third time is big. Furthermore, Israel has positioned the atomic submarines delivered from Germany with nuclear missiles in front of Iran, and in Georgia they not only rebuilt a nuclear missile position which was destroyed by Russia one and a half years ago, and which faces Iran, but fortified them with 90 US missile experts. Military preparations are already advanced. Although the US military has not yet succeeded in “pacifying” the two neighbouring states Iraq and Afghanistan, they have practiced their biggest military concentration in the world in combat mission. The Nobel Peace Prize Committee have assessed the situation correctly, namely that a war against Iran cannot happen without the US president’s approval, the least without the approval of a Nobel peace prize winner. However, the pressure from banks, the oil billionaires, the arms industry, the military and the Israel lobby could force the US to come into war when Israel carried out the first strike against Iran and the above mentioned powers wanted to secure their interests. The US is not only the country with the highest debts in the world but along with their currency their empire decays. The world’s allegedly “only superpower” is at the moment imploding in the same manner the Russian did 20 years ago. With some kicks the Chinese have already told the US president quite clearly that they do not acknowledge their leadership any longer. Therefore, if Israel decided to strike, the US president would face the terrible choice between sinking further into the quagmire of financial-, economic and social crisis or seeking the solution of a world war, which has made the US a winner twice already. The danger of a world war has never been greater since World War II. Therefore, increasing warnings to the US mostly from a group of European intellectuals for more than a year have been justified. However, we cannot prevent it. A war in Iran would not remain a local event even if it was only led with missiles at the beginning. On Iran’s side the Chinese would intervene directly or indirectly and the Russians possibly as well to prevent the US from approaching their borders and becoming too dominant. On the side of Israel and the US the NATO states would be obliged to help, especially when they had sworn Nibelung loyalty before. Therefore, we in Europe have to brace ourselves for a participation in a war. Merkel’s government might find a war as the last political way out of their mess after the bailouts, public insolvency, the looming financial collapse of the social systems, and social unrest as a result of missing genuine corrections. War is coming up. The next few months will decide if we will be drawn into a Third World Waror if we can escape this danger.

#### Second is economic competitiveness:

#### American economic leadership prevents mercantilism – solves protectionism

**Posen, 9** – Deputy director and senior fellow of the Peterson Institute for International Economics (Adam, “Economic leadership beyond the crisis,” <http://clients.squareeye.com/uploads/foresight/documents/PN%20USA_FINAL_LR_1.pdf>) // EK

In the postwar period, US power and prestige, beyond the nation's military might, have been based largely on American relative economic size and success**.** These facts enabled the US to promote economic openness and buy-in to a set of economic institutions, formal and informal, that resulted in increasing international economic integration. With the exception of the immediate post-Bretton Woods oil-shock period (1974-85), this combination produced generally growing prosperity at home and abroad, and underpinned the idea that there were benefits to other countries of following the American model and playing by American rules. Initially this system was most influential and successful in those countries in tight military alliance with the US, such as Canada, West Germany, Japan, South Korea, and the United Kingdom. With the collapse of Soviet communism in 1989, and the concomitant switch of important emerging economies, notably Brazil, China, India, and Mexico, to increasingly free-market capitalism, global integration on American terms through American leadership has been increasingly dominant for the last two decades. The global financial crisis of 2008-09, however, represents a challenge to that world order. While overt financial panic has been averted, and most economic forecasts are for recovery to begin in the US and the major emerging markets well before end of 2009 (a belief I share), there remain significant risks for the US and its leadership. The global financial system, including but not limited to US-based entities, has not yet been sustainably reformed. In fact, financial stability will come under strain again when the current government financial guarantees and public ownership of financial firms and assets are unwound over the next couple of years. The growth rate of the US economy and the ability of the US government to finance responses to future crises, both military and economic, will be meaningfully curtailed for several years to come. Furthermore, the crisis will accelerate at least temporarily two related long-term trends eroding the viability of the current international economic arrangements. First, perhaps inevitably, the economic size and importance of China, India, Brazil, and other emerging markets (including oil-exporters like Russia) has been catching up with the US, and even more so with demographically and productivity challenged Europe and northeast Asia. Second, pressure has been building over the past fifteen years or so of these developing countries' economic rise to give their governments more voice and weight in international economic decision-making. Again, this implies a transfer of relative voting share from the US, but an even greater one from over-represented Western Europe. The near certainty that Brazil, China, and India, are to be less harmed in real economic terms by the current crisis than either the US or most other advanced economies will only emphasise their growing strength, and their ability to claim a role in leadership. The need for capital transfers from China and oil-exporters to fund deficits and bank recapitalisation throughout the West, not just in the US, increases these rising countries' leverage and legitimacy in international economic discussions. One aspect of this particular crisis is that American economic policymakers, both Democratic and Republican, became increasingly infatuated with financial services and innovation beginning in the mid-1990s. This reflected a number of factors, some ideological, some institutional, and some interest group driven. The key point here is that export of financial services and promotion of financial liberalisation on the US securitised model abroad came to dominate the US international economic policy agenda, and thus that of the IMF, the OECD, and the G8 as well. This came to be embodied by American multinational commercial and investment banks, in perception and in practice. That particular version of the American economic model has been widely discredited, because of the crisis' apparent origins in US lax regulation and over-consumption, as well as in excessive faith in American-style financial markets. Thus, American global economic leadership has been eroded over the long-term by the rise of major emerging market economies, disrupted in the short-term by the nature and scope of the financial crisis, and partially discredited by the excessive reliance upon and overselling of US-led financial capitalism. This crisis therefore presents the possibility of the US model for economic development being displaced, not only deservedly tarnished, and the US having limited resources in the near-term to try to respond to that challenge. Additionally, the US' traditional allies and co-capitalists in Western Europe and Northeast Asia have been at least as damaged economically by the crisis (though less damaged reputationally). Is there an alternative economic model? The preceding description would seem to confirm the rise of the Rest over the West. That would be premature**.** The empirical record is that economic recovery from financial crises**,** while painful, is doable even by the poorest countries, and in advanced countries rarely leads to significant political dislocation. Even large fiscal debt burdens can be reined in over a few years where political will and institutions allow, and the US has historically fit in that category. A few years of slower growth will be costly, but also may put the US back on a sustainable growth path in terms of savings versus consumption. Though the relative rise of the major emerging markets will be accelerated by the crisis, that acceleration will be insufficient to rapidly close the gap with the US in size, let alone in technology and well-being. None of those countries, except perhaps for China, can think in terms of rivaling the US in all the aspects of national power. These would include: a large, dynamic and open economy; favorable demographic dynamics; monetary stability and a currency with a global role; an ability to project hard power abroad; and an attractive economic model to export for wide emulation. This last point is key. In the area of alternative economic models, one cannot beat something with nothing - communism fell not just because of its internal contradictions, or the costly military build-up, but because capitalism presented a clearly superior alternative. The Chinese model is in part the American capitalist (albeit not high church financial liberalisation) model, and is in part mercantilism. There has been concern that some developing or small countries could take the lesson from China that building up lots of hard currency reserves through undervaluation and export orientation is smart. That would erode globalisation, and lead to greater conflict with and criticism of the US-led system. While in the abstract that is a concern, most emerging markets - and notably Brazil, India, Mexico, South Africa, and South Korea - are not pursuing that extreme line. The recent victory of the incumbent Congress Party in India is one indication, and the statements about openness of Brazilian President Lula is another. Mexico's continued orientation towards NAFTA while seeking other investment flows (outside petroleum sector, admittedly) to and from abroad is a particularly brave example. Germany's and Japan's obvious crisis-prompted difficulties emerging from their very high export dependence, despite their being wealthy, serve as cautionary examples on the other side. So unlike in the1970s, the last time that the US economic performance and leadership were seriously compromised, we will not see leading developing economies like Brazil and India going down the import substitution or other self-destructive and uncooperative paths. If this assessment is correct, the policy challenge is to deal with relative US economic decline, but not outright hostility to the US model or displacement of the current international economic system. That is reassuring, for it leaves us in the realm of normal economic diplomacy, perhaps to be pursued more multilaterally and less high-handedly than the US has done over the past 20 years. It also suggests that adjustment of current international economic institutions is all that is required, rather than desperately defending economic globalisation itself. For all of that reassurance, however, the need to get buy-in from the rising new players to the current system is more pressing on the economic front than it ever has been before. Due to the crisis, the ability of the US and the other advanced industrial democracies to put up money and markets for rewards and side-payments to those new players is also more limited than it has been in the past, and will remain so for at least the next few years. The need for the US to avoid excessive domestic self-absorption is a real concern as well, given the combination of foreign policy fatigue from the Bush foreign policy agenda and economic insecurity from the financial crisis. Managing the post-crisis global economy Thus, the US faces a challenging but not truly threatening global economic situation as a result of the crisis and longer-term financial trends**.** Failure to act affirmatively to manage the situation, however, bears two significant and related risks: first, that China and perhaps some other rising economic powers will opportunistically divert countries in US-oriented integrated relationships to their economic sphere(s); second, that a leadership vacuum will arise in international financial affairs and in multilateral trade efforts, which will over time erode support for a globally integrated economy. Both of these risks if realised would diminish US foreign policy influence, make the economic system less resilient in response to future shocks (to every country's detriment), reduce economic growth and thus the rate of reduction in global poverty, and conflict with other foreign policy goals like controlling climate change or managing migration and demographic shifts. If the US is to rise to the challenge, it should concentrate on the following priority measures.

#### Protectionism leads to global nuclear war

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

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 cheap 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 encourageaggressive saber rattling andinterdictions by rogue nations running amok. Age-old clashes will also take on a new, more heated 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.

#### Port dredging is key to international trade and competitiveness – increased exports, trade, manufacturing jobs, and trillions in revenue

**Nagle, 11** – President and CEO of the American Association of Port Authorities (December 2011, Kurt, Industry Today, “Association: American Association of Port Authorities; Port-Related Infrastructure Investments Can Reap Dividends,” vol. 14, no. 3, <http://www.industrytoday.com/article_view.asp?ArticleID=F370>) // EK

It seems the United States willingly allows infrastructure to crumble as other countries – particularly the BRICs – bolster the physical support systems that foster economic growth. The American Association of Port Authorities is concerned over the state of America’s aged transportation infrastructure so it’s urging investments in both landside and waterside connections with ports.

The burning question on the mind of many US lawmakers, administration officials and others is how best to stimulate the economy and spur job creation. The answer lies in focusing scarce federal resources in areas that will have the greatest impact on economic growth, immediate and long-term job creation, national security, and our current and future competitiveness in the global economy. Enhancements in seaport-related infrastructure should be a high priority among the limited investment options.

For centuries, US seaports – and the connecting waterways – have served as a vital economic lifeline, bringing goods and services to people around the world and delivering prosperity to our nation. They facilitate trade and commerce, create jobs, secure our borders, support our military and serve as stewards of valuable coastal environmental resources.

Seaports are the primary gateway for overseas trade. They’re essential to economic security. As such, federal funding for infrastructure in and around ports pays dividends. Deep-draft coastal and Great Lakes ports are the nexus of critical transportation infrastructure that connects America’s exporters with markets overseas, and they provide access for imports of raw materials, components and consumer goods that are a key part of US manufacturing and help define our standard of living.

Investments in America’s port infrastructure and the intermodal connections that serve seaports – both land and waterside – foster prosperity and provide an opportunity to bolster the country’s economic and employment recovery.

ECONOMIC IMPACT: HUGE

Currently, international trade accounts for more than a quarter of America’s GDP (gross domestic product). Oceangoing vessels that load and unload cargo at US seaports move 99.4 percent of the nation’s overseas trade by volume and 65.5 percent by value. Further, customs collections from seaport cargo provide tens of billions of dollars a year to the federal government, including $23.2 billion in fiscal year (FY) 2007, $24.1 billion in FY 2008, $20.3 billion in FY 2009 and $22.5 billion in FY 2010.

The latest economic impacts analyses conducted in 2007 indicated that US seaport activities generated $3.15 trillion in annual economic output, with $3.8 billion worth of goods moving in and out of seaports every day. Impact extends far beyond seaport communities. On average, any given state uses the services of 15 different ports around the country to handle its imports and exports. Also, seaports are a proven job creator.

In addition to handling international trade, US seaports – and the waterways that serve them – represent important transportation modes for the movement of domestic freight. Greater utilization of America’s coastal and inland water routes for freight transportation complements other surface transportation modes – providing a safe and secure alternative for cargo while offering significant energy savings and traffic congestion relief.

VIEW FROM WATERSIDE

As US investment in its waterways infrastructure is trending downward, countries like India, Brazil and the United Kingdom commit the equivalent of billions of US dollars to port and channel modernization. The expansion of the Panama Canal slated for completion in 2014 – the first major expansion in more than a century – is driving ports around the world to deepen navigation channels and improve harbor facilities. Look at what’s happening:

India plans to invest $60 billion – including both public and private funds – to create seven new major ports by 2020. Expect this to have a substantial impact: It will handle the anticipated rapid expansion of merchandise exports, forecasted to triple by 2017.

Brazil expects tonnage at its coastal ports to more than double (to 1.7 billion tons) by 2022. In response, the nation is committing $17 billion to port improvements (including $14 billion from the private sector).

In Great Britain, DP World (the world’s fourth-largest marine terminal operator) plans to spend $2.5 billion on London’s Deep-Water Gateway, the country’s first such development in the last 20 years.

Meanwhile, in the United States, public funding for new navigation channel improvements has all but dried up. Lawmakers focus on reducing the deficit and eliminating appropriation “earmarks” that have traditionally funded federal navigation deepening projects. At the same time, funding for projects already approved and underway is slow, incremental and insufficient.

Insufficient appropriations make it impossible to maintain most federal navigation channels at their authorized and required dimensions. The US Army Corps of Engineers has been commissioned with the responsibility of improving and maintaining the nation’s water access to ports. But while this charge comes from the US government, the federal government is less than supportive. It spends only about half of the tax that it collects specifically directed toward deep-draft channel maintenance. The rest – more than $6 billion since 1986 – has essentially been “disappeared” into the US Treasury while serious dredging needs remain neglected.

This is unfortunate at a crucial juncture. Projects to maintain these critical waterways would create jobs immediately and would provide transportation savings to benefit US businesses. With decreases in the cost of freight transportation, these sectors can enhance their global competitiveness and create more jobs. The American Association of Port Authorities (AAPA) has continually and strongly urged Congress to take action to ensure that 100-percent of the annual amount collected from the Harbor Maintenance Tax (HMT) is utilized to maintain federal navigation channels.

### Advantage 2: Military Steel

#### Clogged waterways are killing the steel industry competitiveness – decreases shipping capabilities. Dredging will open waterways allow tons of extra steel to be shipped.

**Petry, 12** - correspondent for American Metal Market (Corinna, “US shippers urge feds to use funds for dredging”, Metal Bulletin Weekly, 4/2/12, ProQuest)//SS

Insufficient federal funding for dredging US waterways is developing into a burgeoning crisis that could translate into lower productivity for both iron ore mines and steel mills, according to the Lake Carriers Association (LCA), which represents the US-flag fleet of vessels carrying iron ore, coal and other commodities on the Great Lakes. "Years of insufficient federal funding for dredging have left more than 17 million cubic yards of sediment clogging ports and waterways," the LCA said. "It appears this year will hold more of the same." The federal government has levied a tax on waterborne cargoes to pay for dredging for the past 25 years. Revenues are deposited in the Harbor Maintenance Trust Fund, which takes in roughly $1.6 billion per year. But the government generally spends only half of that amount, and uses the rest to "paper balance" the budget, the LCA said, and the trust fund will have an actual surplus of nearly $7 billion by Sept. 30, the end of fiscal 2012. Legislation introduced last year would require the Harbor Maintenance Trust Fund to spend what it takes in each year for dredging on dredging, and the Senate's version of the transportation reauthorization bill also includes a provision that requires trust fund revenues to be fully spent. Lake vessels collectively forfeit more than 8,100 tons of cargo for each inch of reduced draft, the LCA said. When cargo is left on the dock, the vessel owner isn't the only one who loses money: roughly 8,100 tons of iron ore represents eight hours of production at a large mine, enough ore to make steel for 10,000 cars and enough work to keep an auto plant running for 14 days.

#### This kills hegemony; we’ll isolate two internal links

#### First, the steel industry key to military tech-development

**AISI, 7 – AISI’s goal** is to educate about the U.S. and North American steel industry (American Iron and Steel Institute, “Steel and the National Defense,”Specialty Steel Industry of North America, January 2007,

<http://www.ssina.com/news/releases/pdf_releases/steel_and_national_defense_0107.pdf>)//SS

The U.S. carbon/alloy and specialty steel industries are vital partners to American defense contractors and to the DOD. Domestic and specialty metals are found in virtually every military platform. Whether it is missiles, jet aircraft, submarines, helicopters, Humvees® or munitions, American-made steels and specialty metals are crucial components of U.S. military strength. **A few examples follow**: 1. The Joint Strike fighter F135 engine, the gears, bearings, and the body itself, will use high performance specialty steels and superalloys produced by U.S. specialty steel companies. 2. Land based vehicles such as the Bradley Fighting Vehicle, Abrams Tank, and the family of Light Armored Vehicles use significant tonnage of steel plate per vehicle. 3. Steel plate is used in the bodies and propulsion systems of the naval fleet. 4. The control cables on virtually all military aircraft, including fighter jets and military transport planes, are produced from steel wire rope. Numerous additional examples illustrating how steel and specialty metals directly support the U.S. defense industrial base are provided in Appendices 1 and 2. These materials are an integral part of many diversified military applications and, as such, are in a continuing state of technological development. Steel’s importance to the military must also be looked at in a broader context to include both direct and indirect steel shipments to the military infrastructure that are needed to support our defense efforts, both at home and overseas -- e.g., all of the steel that goes into the rails, rail cars, ground vehicles, tanks, ships, military barracks, fences and bases, which are not classified as shipments to ordinance, aircraft, shipbuilding or other military uses.

#### Military R&D key to heg

Paarlberg, 4 - Robert Paarlberg is the Betty Freyhof Johnson Class of 1944 Professor of Political Science at Wellesley College and Associate at the Weatherhead Center for International Affairs at Harvard University. (Peter L., “Knowledge as Power: Science, Military Dominance, and U.S. Security,” International Security, 2004, <http://muse.jhu.edu/journals/ins/summary/v029/29.1paarlberg.html>)//SS

Military primacy today comes from weapons quality, not quantity. Each U.S. military service has dominating weapons not found in the arsenals of other states. The U.S. Air Force will soon have five different kinds of stealth aircraft in its arsenal, while no other state has even one. U.S. airborne targeting capabilities, built around global positioning system (GPS) satellites, joint surveillance and target radars, and unmanned aerial vehicles are dominating and unique. On land, the U.S. Army has 9,000 M1 Abrams tanks, each with a fire-control system so accurate it can find and destroy a distant enemy tank usually with a single shot. At sea, the U.S. Navy now deploys Seawolf nuclear submarines, the fastest, quietest, and most heavily armed undersea vessels ever built, plus nine supercarrier battle groups, each carrying scores of aircraft capable of delivering repeated precision strikes hundreds of miles inland. No other navy has even one supercarrier group. Such weapons are costly to build, and the large relative size of the U.S. economy (22percent of world gross domestic product [GDP]) plus the even larger U.S. share of global military spending (43 percent of the world total in 2002, at market exchange rates) have been key to the development and deployment of these forces. Yet economic dominance and spending dominance would not suffice without knowledge dominance. It is a strong and rapidly growing S&T capacity that has allowed the United States to move far ahead of would-be competitors by deploying new weapons systems with unmatched science- intensive capabilities. It was in the middle of the twentieth century that the global arms race more fundamentally became a science race.

#### SECOND, a robust steel industry key to strong infrastructure

AISI, 6 - AISI’s goal is to educate about the U.S. and North American steel industry (American Iron and Steel Institute, “[A Strong U.S. Steel Industry: Critical to Protecting U.S. Infrastructure, Homeland Security and Economic Security](http://legacy.autosteel.org/AM/TemplateRedirect.cfm?template=/CM/ContentDisplay.cfm&ContentID=25324),” American Iron and Steel Institute, 2/1/6, <http://legacy.autosteel.org/AM/Template.cfm?Section=Automotive2&TEMPLATE=/CM/ContentDisplay.cfm&CONTENTID=25324>)//SS

In the wake of September 11, we are justifiably concerned about the security of the

physical underpinnings of our society, especially its essential infrastructure. Virtually

all elements of this infrastructure -- energy, transportation, health, public safety and

buildings -- are dependent upon steel for their construction and security. The

importance of a strong and viable domestic steel industry to U.S. national economic

security and to our homeland security is clear. The September 11 attacks on the United States illustrate that (1) steel will be needed to “harden” existing U.S. infrastructure and installations and (2) a strong and viable domestic steel industry will be needed to provide immediate steel deliveries when and where required. We need only consider the potential difficulties that the U.S. would

face in defending, maintaining and rebuilding vital infrastructure in an environment where our nation is largely dependent upon offshore sources for steel. If the U.S. were to become even more dangerously dependent upon offshore sources of steel, we would experience sharply reduced security preparedness in the face of: Highly variable, and certainly higher, costs; Uncertain supply, impacted by unsettled foreign economies; Quality, design and performance problems; Inventory problems, long lead times and extended construction schedules. In this submission, we will examine U.S. infrastructure, segment by segment, all of which are highly steel-intensive. We will cite specific examples of our infrastructure need, the importance of steel as a material to this need and the importance of a strong and viable domestic steel industry to meet this need.

#### Good infrastructure is key to the economy

AISI, 6 - AISI’s goal is to educate about the U.S. and North American steel industry (American Iron and Steel Institute, “[A Strong U.S. Steel Industry: Critical to Protecting U.S. Infrastructure, Homeland Security and Economic Security](http://legacy.autosteel.org/AM/TemplateRedirect.cfm?template=/CM/ContentDisplay.cfm&ContentID=25324),” American Iron and Steel Institute, 2/1/6, <http://legacy.autosteel.org/AM/Template.cfm?Section=Automotive2&TEMPLATE=/CM/ContentDisplay.cfm&CONTENTID=25324>)//SS

An efficient national highway system is crucial to the defense and security of our

country. The Eisenhower Interstate Highway System was created and implemented

with this important objective. Maintaining and improving this vital transportation link

is a top national priority, and steel plays a vital role though reinforcing steels (rebar),

guardrails, signage, light poles and other supporting structures. In addition, building

our transportation security infrastructure with steel saves energy. Continuously

reinforced concrete roadways have been shown to improve fuel efficiency in heavy

vehicles by as much as 20 percent, and steel-intensive transportation infrastructure

improvements are also helping to reduce commuter delays – a tangible way to decrease

the billion of dollars wasted in burning excessive fuel. Bridges are the critical links along roads,

highways and rail lines. Routine maintenance and replacement are required for

the normal and emergency movement of people and

goods. The many thousands of bridges in the United States that are structurally

obsolete are a threat to U.S. national economic security, and steel is providing a

competitive alternative with the introduction of high-performance steel (HPS) plate for

bridge girders – developed through a partnership between the American Iron and Steel

Institute (AISI), the U.S. Navy and the Federal Highway Administration. More than 200

high-performance steel bridges have been opened to service in 43 states since its

introduction in 1997. U.S. railroads are an important component in the long distance movement of freight

and people. Effective maintenance and repair of roadbed, railroad bridges and rolling

stock is essential, and all are highly dependent upon the availability of sophisticated

steels with unique specifications. In addition, and looking to the future, U.S. cities and

regions have begun to explore seriously the possibility of using new “maglev” trains --

which use technologically sophisticated electrical and magnetic steels, and vast

amounts of carbon steel plate for the rail beds -- as a cost effective means of moving

large numbers of people quickly. Public safety in major urban areas depends upon

reliable mass transit. Steel is a significant component of mass transit rail systems –

 from the stainless steel found in our subway cars, to the electrical steel used for

the “hot” third rail in our subway

systems to the carbon steel used for the rails themselves along the thousands of miles of

track in our cities’ mass transit systems.

There are over 19,000 public and private airports across the United States. Steel is an

important component of airport facilities -- from the structural steel framing in

terminals to the reinforcing steel in runways, to the sound barriers and runway

approach lighting structures. 6 Port construction and maintenance are very steel-intensive,

requiring large quantities of steel piling, plate, rail and structural units. In addition, support

 equipment, such as cranes, is steel-intensive.

#### Econ collapse tanks heg

**FPRI, 9** – Founded in 1955, FPRI is a 501(c)(3) non-profit organization devoted to **bringing the insights of scholarship to bear on the development of policies that advance U.S. national interests. (“Security Challenges Arising from the Global Economic Crisis,” Foreign Policy Research Institute, March 11, 2009,** <http://www.fpri.org/enotes/200903.zakheim.securityeconomiccrisis.html>)//SS

Economists have long debated whether measuring defense spending as a percentage of the GDP has any real utility. Among those who do see this measure as having economic and/or political significance, some have argued that defense spending is too high a percentage of GDP, others have taken the opposite view. Whatever the validity of all of these arguments during “normal” times, during the current economic crisis, in which the GDP is slipping far more sharply than was predicted even two months ago, the issue must be seen in a very different light. Increasing the percent of GDP spent on defense when GDP is declining may mean nothing more than not standing still, or worse, declining with the GDP itself. The defense budget is already under pressure as a result of the economic crisis. Real growth in defense spending, excluding the wartime supplemental, is but 1.7percent. If the supplemental is included, the growth in spending is some 1.4 percent, because next year’s supplemental is lower than the planned total of supplemental expenditures in FY 2009. These figures represent a sharp drop in the growth of annual defense spending over the past eight years, which averaged 4.3 percent in real terms. Moreover, the lower rate of defense budget growth will manifest itself most sharply in the acquisition accounts, procurement and R&D. It has been by means of spending funds from these accounts that America has been able to assure itself of long-term military superiority, regardless of the capabilities of a potential foe. When these accounts were assaulted, as they were in the late 1970s, not only did our leading adversary, the Soviet Union, became far more reckless, invading Afghanistan, but others, like Iran, also exploited what they perceived to be American weakness and introversion. We were saved from a similar fate in the 1990s because the Soviet Union had collapsed, and because the defense budget recovery of the 1980s enabled us to put powerful forces in the field from Operation Desert Storm onwards. If we do go through another reduction in defense procurement spending, however, can we say with confidence that in one or two decades’ time no powerful adversary will act upon a perception of American weakness and threaten one of our vital national interests? It is a truism that, since World War II, virtually every war we have fought was unforeseen. It is equally true that we have consistently structured our future force posture on the basis of a war we had recently fought, or were still fighting. I worry that we are falling into the same trap today; the result could well be, as in Korea, or Iraq, many years of bloodshed and lost treasure until we righted ourselves, or, as in Vietnam, outright failure. The opportunity cost of reductions in planned acquisition budgets are therefore exceedingly high, and, if not reversed, will far outweigh any supposed short-term benefits from budget savings. Cuts in procurement in particular will have more immediate repercussions as well. They will result in the loss of jobs, in particular, employment for skilled blue-collar workers, engineers, and physicists, the very people who earn far less than $250,000 a year, and at whom the Administration claims it is targeting its recovery plan. Moreover, it is most likely that as jobs dry up, firms will apply the traditional “last-in, first-out” principle. In other words, those who have benefited from the most up-to-date education and training will be lost to the Nation’s vital defense industrial base.

#### Heg is sustainable and prevents conflict

**Brown et al. 8 – \*\*\***Michael E. Brown is Dean of the Elliott School of International Affairs at George Washington University. \*\*\*OWEN R. COTÉ, JR**.** is the associate director of the MIT Security Studies Program. \*\*\*Sean M. Lynn-Jones is a Belfer Center researcher at Harvard University and Editor of *International Security.* \*\*\* Steven E. Miller is Director of the International Security Program (“Primacy and its Discontents,” MIT Press, 2008, <http://mitpress.mit.edu/books/chapters/0262524554pref2.pdf>))//SS

Several scholars have argued that unipolarity is inherently unstable, conflict-ridden, and transitory, because other great powers will challenge the preponderant power. 1 Wohlforth, however, contends that unipolarity is peaceful and

stable, for two reasons. First, because the United States has such a large advantage in raw power, no other state can hope to challenge it. Hegemonic rivalry will not emerge in the current international system; no major power can afford to incur U.S. enmity. In addition, the other major powers are unlikely to go to war or engage in intense security competitions because the United States has the capabilities to ease and prevent local security conflicts. Second, unipolarity is peaceful because in a unipolar world states never miscalculate or misperceive the resolve of alliances or the distribution of power. In multipolar systems, the complexity and uncertainty of alliance systems and the importance of shifts in relative power often cause leaders to blunder into war. When one state is dominant, however, other states cannot form alliances against it, so there is no need to assess the resolve, power, and solidarity of rival alliances. In conflicts, the side that the dominant state takes will probably prevail. Wohlforth argues that unipolarity is likely to last. In addition to having an overwhelming advantage in raw power, the United States is in the favorable position of being the only actual or potential pole that is not in or around Eurasia. This geographical fact means that other potential poles that seek to increase their power will provoke nearby countries to balance against them. If, for example, Germany, Japan, or Russia were to attempt to challenge U.S. preeminence, their geographical neighbors would resist this attempt—much as they have resisted earlier German, Japanese, and Russian bids for hegemony. Some observers believe that other states are already balancing against what they see as the arrogance of U.S. power, 2 but Wohlforth points out that most of this balancing remains rhetorical. States may complain about U.S. preponderance, but in the late 1990s, at least, most of them reduced their military spending and aligned themselves implicitly or explicitly with the United States.

#### Rentrenchment triggers great power wars

**Zhang & Shi, 11** – \*\*\*Yuhan Zhang is a researcher at the Carnegie Endowment for International Peace. \*\*\*Lin Shi is from Columbia University. She also serves as an independent consultant for the Eurasia Group and a consultant for the World Bank in Washington, D.C. (Yuhan and Lin, “America’s decline: A harbinger of conflict and rivalry,” East Asia Forum, 1/22/11, <http://www.eastasiaforum.org/2011/01/22/americas-decline-a-harbinger-of-conflict-and-rivalry/>)//SS

As history attests, power decline and redistribution result in military confrontation. For example, in the late 19th century America’s emergence as a regional power saw it launch its first overseas war of conquest towards Spain. By the turn of the 20th century, accompanying the increase in US power and waning of British power, the American Navy had begun to challenge the notion that Britain ‘rules the waves.’ Such a notion would eventually see the US attain the status of sole guardians of the Western Hemisphere’s security to become the order-creating Leviathan shaping the international system with democracy and rule of law. Defining this US-centred system are three key characteristics: enforcement of property rights, constraints on the actions of powerful individuals and groups and some degree of equal opportunities for broad segments of society. As a result of such political stability, free markets, liberal trade and flexible financial mechanisms have appeared. And, with this, many countries have sought opportunities to enter this system, proliferating stable and cooperative relations.

However, what will happen to these advances as America’s influence declines? Given that America’s authority, although sullied at times, has benefited people across much of Latin America, Central and Eastern Europe, the Balkans, as well as parts of Africa and, quite extensively, Asia, the answer to this question could affect global society in a profoundly detrimental way. Public imagination and academia have anticipated that a post-hegemonic world would return to the problems of the 1930s: regional blocs, trade conflicts and strategic rivalry. Furthermore, multilateral institutions such as the IMF, the World Bank or the WTO might give way to regional organisations. For example, Europe and East Asia would each step forward to fill the vacuum left by Washington’s withering leadership to pursue their own visions of regional political and economic orders. Free markets would become more politicised — and, well, less free — and major powers would compete for supremacy. Additionally, such power plays have historically possessed a zero-sum element. In the late 1960s and 1970s, US economic power declined relative to the rise of the Japanese and Western European economies, with the US dollar also becoming less attractive. And, as American power eroded, so did international regimes (such as the Bretton Woods System in 1973). A world without American hegemony is one where great power wars re-emerge, the liberal international system is supplanted by an authoritarian one, and trade protectionism devolves into restrictive, anti-globalisation barriers. This, at least, is one possibility we can forecast in a future that will inevitably be devoid of unrivalled US primacy.

### Advantage 3: Agriculture

#### U.S. agricultural competitiveness decreasing now. Exports are critical to maintain competitiveness.

Kagochi, 2007 – doctor of philosophy, A Dissertation Submitted to the Graduate Faculty of Auburn University (“EVALUATING THE COMPETITIVENESS OF US AGRICULTURAL MARKET COMMODITIES”, 8/04/07, <http://etd.auburn.edu/etd/bitstream/handle/10415/1382/KAGOCHI_JOHN_16.pdf?sequence=1>)//MK

The United States (US) has incurred large and persistent agricultural and food trade surpluses over the past two decades (CAST, 1995). The agriculture share of US GDP is only slightly over 1% but its share of exports was 8% in 2002. This export performance came about despite falling terms of trade and declining real prices at the farm level (Gopinath and Roe, 2000). Colyer and Jolly (2000) attribute the exports to a highly productive and internationally competitive agricultural industry. The concept of competitiveness encompasses a variety of factors including changes in nominal exchange rates, relative prices, and production costs. Product differentiation, for instance, has an important role when competitive strategies of enterprises are considered. Productivity growth, reliability, timely delivery, quality, after-sales service, financing arrangements, technological innovation, investment in physical and human capital, management style, and the institutional and structural environment play important roles in competitiveness. Many of these factors are qualitative in nature and research has typically focused on easily quantifiable indicators such as export price indices and unit labor costs (Tweeten and Pai, 1990; Agénor, 1997; Dohlman, Schnepf, and Bolling, 2001). The strong export performance of US agriculture in recent years is an indication that the sector is highly competitive in international markets, as Colyer and Jolly (2000) point out. They also note that the world’s economic and trading systems are undergoing 2 change and many factors can affect the competitive position of particular products. A competitive edge for US agriculture, therefore, **may not prevail in the future**. Changes in US agriculture competitiveness can change due to research, trading alternatives, economic and agricultural subsidies, amended or new trade agreements, international politics, protectionism, economic and social development, **expanding production and adopted technologies in other countries**. Regmi and Pompelli (2002) note that as economies become more interrelated with globalization and trade liberalization, US agricultural and food processing sectors will be more exposed to global markets. The ability of the US to maintain exports depends on competitiveness which in turn hinges on improved productivity, **willingness to adapt to changing forces in demand and supply of agricultural products**, and continued evolution of trade-oriented policies and programs (Colyer and Kennedy, 2000). With expanding regional and international trade agreements, countries enjoy the better access to foreign markets but have to contend with new competition (Cockburn, 1998). ERS, Agricultural Baseline Projections to 2013 (2004) predicts that US agriculture exports will continue to face strong trade competition, from traditional exporters, such as Argentina, Australia, and Canada, and countries that have ability to invest in their under-developed resources that include Brazil, Hungary, Romania, Russia, Ukraine, and Kazakhstan. A relatively strong trade weighted US dollar will also remain a constraining factor on US agricultural exports. Several studies concur with these predictions. Tweeten and Pai (1990) construct domestic resource cost coefficients for a number of US agricultural commodities under alternative resource and public policy scenarios. They conclude that **the US is losing 3 competitiveness in major agricultural commodities such as soybeans due to farm policies and lagging technology relative to the rest of the world**. They also conclude that for the US to be competitive, government support should shift from protectionism, which by its nature lowers competitiveness, to increased public research on technology. Dohlman, Schnepf, and Bolling (2001) examine the export cost competitiveness of US, Brazilian, and Argentine soybean producers by comparing the components and distribution of farm level production costs, internal marketing and transportation costs, and shipping costs to a common export destination using data from 1998/99 marketing years. Their study reveals that Brazil and Argentina maintained lower total production costs than the US mainly due to higher imputed US land values. However, while traditional studies of competitiveness focus on comparative costs or market participation of countries or industries, subsidies distort costs and market shares, especially in agriculture. The present study, therefore, includes quantitative factors, such as technological innovation measured by research and development (R&D), seldom included in studies of competitiveness to analyze the competitiveness of US agricultural export commodities. The study’s contribution to the body of economic literature is three-fold. First, the study develops a R&D and human capital index measures that are used to evaluate US agricultural commodities competitiveness. Second, the study uses general equilibrium model to empirically test the impact of biotechnology adoption on the competitiveness of US agricultural sector as well as US agricultural exports. Finally, the study uses the AIDS model to evaluate the importance of agricultural commodities differentiation as a tool for measuring US agricultural export commodities competitiveness.

#### US agricultural competitiveness key to prevent starvation, war, fanaticism, proliferation, and terrorism

Lugar, 4 – U.S. Senator – Indiana, (Richard, “Plant Power” Our Planet v. 14 n. 3, [http://www.unep.org/OurPlanet/imgversn/143/lugar.html](http://www.unep.org/OurPlanet/imgversn/143/lugar.html%22%20%5Ct%20%22_blank) MK)

In a world confronted by global terrorism, turmoil in the Middle East, burgeoning nuclear threats and other crises, it is easy to lose sight of the long-range challenges. But we do so at our peril. One of the most daunting of them is meeting the world’s need for food and energy in this century. At stake is not only preventing starvation and saving the environment, but also world peace and security. History tells us that states may go to war over access to resources, and that poverty and famine have often bred fanaticism and terrorism. Working to feed the world will minimize factors that contribute to global instability and the proliferation of weapons of mass destruction. With the world population expected to grow from 6 billion people today to 9 billion by mid-century, the demand for affordable food will increase well beyond current international production levels. People in rapidly developing nations will have the means greatly to improve their standard of living and caloric intake. Inevitably, that means eating more meat. This will raise demand for feed grain at the same time that the growing world population will need vastly more basic food to eat. Complicating a solution to this problem is a dynamic that must be better understood in the West: developing countries often use limited arable land to expand cities to house their growing populations. As good land disappears, people destroy timber resources and even rainforests as they try to create more arable land to feed themselves. The long-term environmental consequences could be disastrous for the entire globe. To meet the expected demand for food over the next 50 years, we in the United States will have to grow roughly three times more food on the land we have. That’s a tall order. My farm in Marion County, Indiana, for example, yields on average 8.3 to 8.6 tonnes of corn per hectare – typical for a farm in central Indiana. To triple our production by 2050, we will have to produce an annual average of 25 tonnes per hectare. Can we possibly boost output that much? Well, it’s been done before. Advances in the use of fertilizer and water, improved machinery and better tilling techniques combined to generate a threefold increase in yields since 1935– on our farm back then, my dad produced 2.8 to 3 tonnes per hectare. Much US agriculture has seen similar increases. But of course there is no guarantee that we can achieve those results again. Given the urgency of expanding food production to meet world demand, we must invest much more in scientific research and target that money toward projects that promise to have significant national and global impact. For the United States, that will mean a major shift in the way we conduct and fund agricultural science. Fundamental research will generate the innovations that will be necessary to feed the world. The United States can take a leading position in a productivity revolution. And our success at increasing food production may play a decisive humanitarian role in the survival of billions of people and the health of our planet. Directly related to our challenge to feed a growing world is the necessity of providing a sustainable resource for fuels, chemicals and materials. I believe that agriculture and the wider sphere of plants represent a resource not only for food, but also for the fuel, energy and materials essential to modern society. Scientists have developed biotechnologies – genetically engineered yeasts, enzymes and bacteria – capable of breaking down plants, trees, grasses and agricultural residues (known as biomass) into their constituent chemical building blocks, principally in the form of complex sugars. From this intermediate step, we can produce a wide variety of bio-based products including animal feed, chemicals and – importantly – fuel. If a significant percentage of products currently derived from petroleum can be produced from biomass, the major industrial economies will improve their strategic security by reducing their dependence on Middle Eastern oil and all countries, rich and poor, can spend far less on oil imports, dramatically reduce greenhouse gas emissions and help strengthen their own rural communities while simultaneously building a new bio-based industry worth hundreds of billions of dollars worldwide per year. Bio-based fuels such as ethanol have clear potential to be sustainable, low cost and high performance, are compatible with both current and future transportation systems, and provide near-zero net greenhouse gas emissions. The impact of bio-ethanol on greenhouse gas emissions is particularly significant because the transportation sector relies almost exclusively on fossil fuels and accounts for one third of total greenhouse gas emissions. A shift to bio-based fuels is a long-term approach to the problem of global warming that does not require a shift from automobiles or result in increased costs for US employers and consumers. Agriculture and the wider sphere of plants represent a resource not only for food, but also for the fuel, energy and materials essential to modern society.

#### Starvation triggers genocidal war—comparatively worse than nuclear war

**Trudell 5** - Trudell,  J.D. Candidate 2006, 05 (Robert H., Fall, Food Security Emergencies And The Power Of Eminent Domain: A Domestic Legal Tool To Treat A Global Problem, 33 Syracuse J. Int'l L. & Com. 277, Lexis)

2. But, Is It Really an Emergency?  In his study on environmental change and security, J.R. McNeill dismisses the scenario where environmental degradation destabilizes an area so much that "security problems and ... resource scarcity may lead to war." 101 McNeill finds such a proposition to be a weak one, largely because history has shown society is always able to stay ahead of widespread calamity due, in part, to the slow pace of any major environmental change. 102 This may be so. However, as the events in Rwanda illustrated, the environment can breakdown quite rapidly - almost before one's eyes - when food insecurity drives people to overextend their cropland and to use outmoded agricultural practices. 103 Furthermore, as Andre and Platteau documented in their study of Rwandan society, overpopulation and land scarcity can contribute to a breakdown of society itself. 104  Mr. McNeill's assertion closely resembles those of many critics of Malthus. 105 The general argument is: whatever issue we face (e.g., environmental change or overpopulation), it will be introduced at such a pace that we can face the problem long before any calamity sets in. 106  This wait-and-see view relies on many factors, not least of which are a functioning society and innovations in agricultural productivity. But, today, with up to 300,000 child soldiers fighting in conflicts or wars, and perpetrating terrorist acts, the very fabric of society is under increasing world-wide pressure. 107 Genocide, anarchy, dictatorships, and war are endemic throughout Africa; it is a troubled continent whose problems threaten global security and challenge all of humanity. 108 As  [\*292]  Juan Somavia, secretary general of the World Social Summit, said: "We've replaced the threat of the nuclear bomb with the threat of a social bomb." 109 Food insecurity is part of the fuse burning to set that bomb off. It is an emergency and we must put that fuse out before it is too late.

#### Dredging critical to maintain US agricultural competitiveness.

IWR 6/20 – Institute for Water Resources (“U.S. Port and Inland Waterways Modernization: Preparing for Post-Panamax Vessels”, Institute for Water Resources, U.S. Army Corps of Engineers, June 20, 2012, [http://www.iwr.usace.army.mil/docs/portswaterways/rpt/June\_20\_U.S.\_Port\_and\_Inland\_Waterways\_Preparing\_for\_Post\_Panamax\_Vessels.pdf)//MM](http://www.iwr.usace.army.mil/docs/portswaterways/rpt/June_20_U.S._Port_and_Inland_Waterways_Preparing_for_Post_Panamax_Vessels.pdf%29//MM)

The Panama Canal expansion is scheduled to be completed in 2014 and will double its existing capacity. The new locks will be able to pass vessels large enough to carry three times the volume of cargo carried by vessels today. The availability of larger, more efficient vessels passing though the new locks on the canal is expected to potentially have at least three major market effects. (1) Currently, there is significant freight shipped to the eastern half of the United States over the intermodal land bridge formed by the rail connections to West Coast ports. The potential for reduced cost of the water route through the canal may cause freight traffic to shift from West Coast to East Coast ports. (2) To take full advantage of the very largest vessels that will be able to fit through the expanded canal but may be too large to call at most U.S. ports, a transshipment service in the Caribbean or a large U.S. port may develop. The largest vessels would unload containers at the transshipment hub for reloading on smaller feeder vessels for delivery to ports with less channel capacity. (3) On the export side the ability to employ large bulk vessels is expected to significantly lower the delivery cost of U.S. agricultural exports to Asia and other foreign markets. This could have a significant impact on both the total quantity of U.S. agricultural exports and commodities moving down the Mississippi River for export at New Orleans. There is uncertainty in the port specific details of when such vessels will arrive in large number, which ports they will call, how deep vessels calling will draft and, consequently, how deep navigation channels must be. Over time these uncertainties will reduce as experience replaces expectation. Even in the face of this uncertainty, individual ports are actively engaged in port expansions and studies to deepen and widen Federal access channels. We can predict that in the absence of transshipment centers post-Panamax vessels will call in large numbers, they will call at most major ports and their sailing drafts will become known. Our challenge is to invest in capacity expansion in the right places at the right time consistent with industry needs. Port capacity depends upon channel depths, channel widths, turning basin size, sufficient bridge heights, and port support structures such as dock and crane capacity to offload and onload goods. The deepest channel requirements are likely to be driven by “weight trade” services. Vessels can be filled to their weight capacity or their volume capacity. Vessels loaded to their weight capacity sail at their maximum design draft; they sit deeper in the water. For volume trade routes, channel width and turning basin size may be of greater importance than additional channel depth at some ports, as vessels loaded to their volume capacity often sail at significantly less than their design draft. The Asian export trade is considered a “cube trade” (i.e. volume trade). Careful consideration is needed when determining channel depth requirements at U.S. ports for this trade route. Post-Panamax Ready For this report, a port is considered “post-Panamax ready” if it has a channel depth of about 50 feet with allowances for tide, as well as sufficient channel width, turning basin size, dock and crane capacity. U.S. West Coast ports at Seattle, Oakland, Los Angeles and Long Beach all have 50-foot channels. Northeastern U.S. ports at Baltimore and New York have or will soon have 50 foot channels. In the Southeast, Norfolk has 50-foot channels. South of Norfolk along the Southeast and Gulf Coasts there are no ports with 50-foot channel depths, although Charleston with a 45 foot channel depth and nearly 5 feet of tide can accommodate most post-Panamax vessels. This is also the region with the greatest forecast population and trade growth. Cascade Effect A system vision should extend beyond the major ports to include lower tier ports. New, large vessels are typically deployed on the longest and largest trade service – Asia to Northern Europe. The “smaller” vessels on that service re-deploy to the next most efficient service for that vessel size. Cascading typically increases average vessel size for each trade service. A navigation system vision should address this cascade effect and its impact on infrastructure for shallower ports. Analysis of individual ports will determine whether the port will need to accommodate post-Panamax vessels or the cascade effect. Remaining Globally Competitive To remain competitive in a changing global trade market, the U.S. would need to continue making the justified investments necessary to maintain and improve its navigation transportation infrastructure where it is appropriate and efficient to do so. Understanding the current funding challenges and making long‐term plans for operations and maintenance (O&M) and justified investments are critical to developing an effective vision for a competitive navigation system.

### Plan

#### The United States federal government should increase expedited funding for waterway and port dredging in the United States.

### Contention Two: Solvency

#### Federal action is necessary – several reasons:

#### First, coordinated and adequate funding requires federal action on port dredging.

**Calhoun, 11** – President of Cargo Carriers (Cargill) and Chairman of Waterways Council, Inc (Rick, “DREDGING FOR PROSPERITY”, Marine Log, 8/2011, ProQuest, <http://proxy.lib.umich.edu/login?url=http://search.proquest.com.proxy.lib.umich.edu/docview/889143450?accountid=14667>”) // EK

At press time, the debate over raising our nation's debt ceiling, cutting taxes, and seeking solutions to our economic hardships rages on in Washington, D.C. And while most of us agree that we must find a way to stabilize our current fiscal crisis, we should not "throw the baby out with the bath water."

Just like the nation itself, our maritime industry is facing a multitude of challenges like flooding in the Midwest, silting of our major shipping arteries, and the need for recapitalization for our lock and dam infrastructure, to name a few.

But these challenges and the solutions to them must be viewed as investments in the future of our nation itself because without a strong, reliable marine transportation industry, we simply cannot competitively sell our export products in the world marketplace. Those countries that buy from America do so because we are a dependable supplier of products at a competitive price, thanks in no small part to the existence of our enviable transportation system. If that system becomes compromised, those foreign buyers will simply shop elsewhere and that will further impact the United States' precarious economic recovery.

Witness the dredging situation on the Lower Mississippi River. This year, we have seen unprecedented levels of high water on the Mississippi River carrying millions of tons of silt and debris to the mouth of the River. This silting has resulted in restrictions being imposed for ships and vessels that rely on this passageway to export products to the world market, as well as import goods competitively, via ports in south Louisiana. In the past the Corps of Engineers has been able to manage silting issues with funding for dredging that sometimes required the reprogramming of funds to be sure shortfalls did not occur. This year the Corps has said it can no longer reprogram funds and that a funding shortfall indeed exists on this vital part of the system.

Throughout this country's great history, the federal government's role is in part to ensure that the inland navigation system, including the Mississippi River, remains open to transport products such as grain, coal, steel, petroleum and aggregate materials. The federal government now needs to take necessary steps to provide funding for our national transportation asset and to allow the Lower Mississippi River to remain fully open for commerce. We urge the White House to immediately submit an emergency request for supplemental funds to Congress, and we ask that Congress expeditiously process that request for Emergency Supplemental Appropriations funding. All of us who are responsible for managing money have faced times when cutting costs have become necessary, yet those who are successful rarely focus on reducing costs if it results in an even greater loss in the revenue stream. Again, dredging this critical artery should be viewed as an investment, not a cost, in the future of our inland waterways transportation system.

I said in a recent statement that, "the President has announced his intention to double exports in the next five years, but without a viable Mississippi River there will be no possible way to reach that goal." Commerce to and from 38 states moves throughout the port complex in south Louisiana. Coal from West Virginia, corn from Iowa, fertilizer from Florida, petroleum products from Texas, and aggregate materials from Arkansas are transported through these ports. More than 6,000 ocean-going vessels and more than 450 million tons of cargo move through the mouth of the Mississippi River annually.

As our nation continues to struggle to return to economic prosperity, we simply cannot ignore the necessity of our ports and waterways in keeping America strong and keep her moving.

#### USACE regulation and permits require federal oversight.

**IWR 6/20** – Institute for Water Resources (“U.S. Port and Inland Waterways Modernization: Preparing for Post-Panamax Vessels”, Institute for Water Resources, U.S. Army Corps of Engineers, June 20, 2012, [http://www.iwr.usace.army.mil/docs/portswaterways/rpt/June\_20\_U.S.\_Port\_and\_Inland\_Waterways\_Preparing\_for\_Post\_Panamax\_Vessels.pdf)//BL](http://www.iwr.usace.army.mil/docs/portswaterways/rpt/June_20_U.S._Port_and_Inland_Waterways_Preparing_for_Post_Panamax_Vessels.pdf%29//BL)

**Regardless of the Federal government’s role in funding** future navigation improvements, ¶ maintenance and operations, **USACE will continue to have an environmental regulatory** ¶ **oversight responsibility.** Under most options USACE will continue its responsibility for ¶ performing environmental assessments and developing environmental protection and ¶ mitigation plans. However**, if individual ports choose to proceed on their own** with harbor ¶ deepening projects **then USACE would need to provide permits for any proposed action.** ¶

# 1AC Extensions

## Inherency

### Inherency-Panama

#### Panama Expansion Now

Martin, 10 – Ph.D founder and president of Martin Associates, conducted more than 500 port economic, planning, and 2marketing studies for seaports, terminal operators, and ocean carriers in the United States, Asia, Europe, and South America (John C., “Sailing into the New Century”, Industry Today, Volume 13, Issue 2, http://industrytoday.com/article\_view.asp?ArticleID=F343)//DG

Underlying the growth in all-water containerized service activity at the Atlantic and Gulf coast ports, as well as the investment in distribution center activity, is the expansion of the Panama Canal to be completed by 2014, and the increased deployment of vessels via the Suez Canal, particularly to serve the growing trade with ports located to the south of Singapore. But it is unclear that the expanded Panama Canal will alone actually increase the share of containerized cargo moving via the East and Gulf coasts at the expense of the West Coast ports. As a result of the shifts in all-water services that have occurred since 2002 due to the West Coast Port Shutdown, the changes in distribution center geographic locations and logistics supply chain patterns of importers; development of new container terminals on the Atlantic and Gulf coasts; and inter-modal pricing by the railroads that shifted cargo away from West Coast ports, the dynamic changes in all water vs. inter-modal services may be over, or at least slowing. The West Coast ports have come to realize that the demand for their usage is not inelastic, and, in fact, substitute port routings via the all-water services are viable. Similarly, the railroads have also found that pricing of inter-modal services do impact importers/exporters port choice decisions, and the higher intermodal rates of the early 2000s actually did impact the West Coast port routings in favor of all water services. What the expanded Panama Canal will most likely impact is the size of ships that will call at U.S. Atlantic and Gulf Coast ports.

#### Panama Canal doubling capacity in 2014

**USACE ‘12** – federal agency that regulates port infrastructure projects (“U.S. Port and Inland Waterways Modernization: Preparing for Post-Panamax Vessels”, USACE, June 20 2012, [http://www.iwr.usace.army.mil/docs/portswaterways/rpt/June\_20\_U.S.\_Port\_and\_Inland\_Waterways\_Preparing\_for\_Post\_Panamax\_Vessels.pdf](http://www.iwr.usace.army.mil/docs/portswaterways/rpt/June_20_U.S._Port_and_Inland_Waterways_Preparing_for_Post_Panamax_Vessels.pdf%22%20%5Ct%20%22_blank)//DG

The Panama Canal is set to double its cargo throughput capacity when it completes expansion plans in 2014. The new locks will move vessels large enough to carry three times the volume of what can move through the canal today, although the existing locks will remain Panamax limited. More efficient and larger vessels passing though the canal are expected to impact markets, although these impacts will depend on the structure and level of the Panama Canal fees and a variety of other factors. If there is a significant reduction in the cost of the water route as a result of going through the canal, some freight traffic may shift from calling at West Coast ports to calling at East Coast ports. Figure 17 shows the change in lock size of the Panama Canal expansion. Figure 18 shows a selected Asia to U.S. East Coast service route. If ships transiting the Panama Canal are too large to call at East Coast or Gulf Coast ports, a transshipment service in the Caribbean or at a large East or Gulf Coast port may develop. A transshipment service allows the largest vessels to unload containers at the transshipment hub for reloading on smaller feeder vessels for delivery to ports with less channel capacity. These ideas are more fully explored in chapter 3. The ability to employ larger bulk vessels could potentially lower the delivery cost of U.S. agricultural exports to Asia. This is not likely to have a significant impact on the mix or quantity of total U.S. agricultural or other commodities exported, but could have a significant impact on the mix or quantity of U.S. agricultural or other commodities moving down the Mississippi River for export at New Orleans.

#### America won’t be ready for Panamax ships

Gutierrez 12 - Former Secretary of Commerce (Carlos, "The Future of the Ex-IM Bank: Securing a Global Market Presence in the 21st Century", April 18, Center for National Policy, [cnponline.org/ht/a/GetDocumentAction/i/37556](http://cnponline.org/ht/a/GetDocumentAction/i/37556%22%20%5Ct%20%22_blank)//DG

The Panama Canal is expanding in volume over the next two years. That’s a big deal. We have to dredge our ports to be able to receive these new post-Panamax ships that are going to be entering our ports. I don’t believe that we have finished dredging our ports. I heard the other day, about six months ago, the Port of Miami was just – the budget was just approved. It’s a little bit late. And if we’re not ready – amazing thing – if we’re not ready, we can’t receive these post-Panamax ships.

#### Post-Panamax vessels increase trade- billions in commodities

Clayton 12 (DTN agriculture Policy Editor, Chris, “Dredging up the potential of a Post-Panamax world”, <http://www.dtnprogressivefarmer.com/dtnag/common/link.do;jsessionid=2AEA09A2A998E39BBEEFA3958382E337.agfreejvm2?symbolicName=/ag/blogs/template1&blogHandle=policy&blogEntryId=8a82c0bc37ec102e013832dd84cf02c8> , 6/28/12) d.g.

Everybody wants to go to 50 feet. In the battle amongst U.S. port cities along the East and Gulf Coasts, there is a rush to see which major ports can make a 50-foot depth to dock the larger post-Panamax cargo ships that will move through the Panama Canal, possibly as early as August 2014 if the Panamanians can hit their desired completion date. Ahem, but DTN wrote a simply marvelous series nearly 18 months ago on the Panamanian boom and expected shift in shipping routes once the new, super-sized lock opens. But you have to have the capability to handle those mega cargo ships to get the millions or possibly billions of dollars of trade, not to mention the accompanying shipping, rail, highway and river infrastructure jobs that come with handling those mega cargo ships at your terminal. Your port has to handle a ship's 50-foot draft, or get awfully close to it. Battles over port expansions within the ranks of Congress prompted lawmakers to ask the U.S. Army's Corps of Engineers for a report examining some of the various factors to consider. Cost, capability of making the draft, other infrastructures, potential for expanded rail and interstate capacity are just some of the factors. Then there are environmental challenges, if you want to consider them, such as increases in greenhouse-gas emissions. "Modernization will need to be accompanied by justified mitigation to avoid further 1) degraded air and water quality that threatens human health and safety, especially of low-income and minority groups; 2) loss of important natural and cultural heritage found in parks, refuges, wetlands and scarce species; or 3) loss of recreational, commercial and other economically important resources." The study by the Corps gives a good summary of trends in population, infrastructure capacity of roads, rail and waterways, as well as trade across the country. The Corps states Panama's expanded third lock will double the canal's shipping capacity. "The resulting economy of scale advantage for larger ships will likely change the logistics chains for both U.S. imports and exports." A handful of eastern ports can handle, or are close to handling 50-foot ships, but none south of Norfolk, Va. Charleston, S.C., sometimes can if the tide is right. So from there around Georgia, Florida and the Gulf Coast, there are now some major efforts to find a way to dredge. The Corps' report makes a point that our country's early investments in transportation infrastructure have made us competitive as a nation globally. But we take our infrastructure for granted. In getting eastern ports prepared to handle larger ships, the Corps' report notes "post-Panamax vessels are a reality today. They make up 16% of the world's container fleet, but account for 45% of the fleet's capacity." By 2030, those largest vessels will make up 62% of capacity. Even before then, the report cites other analysis that "Post-Panamax vessels will dominate the east coast fleet by 2020." Those post-Panamax ships aren't guaranteed to have to come to the U.S. And therein lies the rub. The Corps notes Chinese investment in South American ports, and other Caribbean and Canadian ports that also are ready or preparing for the opportunity that will come from the new lock and trade routes for the mega-carriers. The federal budget for ports or "waterside infrastructure" has been between $1.5 billion and $2 billion over the past decade. The Corps currently has 17 studies under way examining the economic potential and costs of deep-drafting ports. The rough estimate for all those port expansions is somewhere between $3 billion to $5 billion, the Corps' estimates. For instance, in Savannah, Ga., the Corps has determined it could cost about $652 million to expand the port for post-Panamax vessels. Here's where I have to note the Corps can be a little off on such projections. The Olmstead (Ky.) Lock and Dam project, authorized by Congress in 1988, was projected initially to cost $770 million, was reported to cost $2.1 billion as of this year. It's still under construction. This highlights another difficulty for these ports and terminals in the world's richest country trying to upgrade. At the same time, a tiny Central-American country, for $5 billion, is building a massive canal lock interconnecting two oceans nearly 60 miles apart. I brought all of this up because I got a press release from a U.S. Rep. Cedric Richmond of Louisiana who introduced a bill that would ensure New Orleans is dredged to 50 feet. The Port of New Orleans is a tough sell because right now, in reality, it can only handle ships at 39.5 feet. Nonetheless, this freshman Democrat had backing for his legislation from environmental groups and business organizations, and obviously port authorities. A bill for a single port offered by a freshman Democrat isn't going anywhere. But I suspect a lot of other congressmen have made similar proposals. It is odd that neither the incumbent president nor his business-oriented challenger have made efforts to aggressively tout the best package for spurring the needed private and public investments. The Corps looked at eight different scenarios of what could happen because of the canal expansion. Four scenarios offered little change in commodity trade while four others suggested a likelihood of higher grain exports moving through new terminals on either coast.

### Inherency-Competitiveness

#### U.S. ports need to be constructed for global trade and military purposes

U.S. Maritime Administration, 09 (“U.S. Maritime Administration America’s Ports and Intermodal Transportation System”, January 2009 [http://www.glmri.org/downloads/Ports&IntermodalTransport.pdf)//RM](http://www.glmri.org/downloads/Ports%26IntermodalTransport.pdf%29//RM)

As our economy has become interdependent on the global economy, the U.S. Gross Domestic Product (GDP) has grown exponentially. This global interdependence among trading nations has brought prosperity, but has also placed additional demands on our ports and the end-to-end delivery system of imports and exports that are so vital to America’s economic growth and our role as the world’s leading economic power. Although foreign trade accounted for only 13 percent of U.S. GDP in 1990, it grew to nearly 22 percent by 2006. Recent projections indicate that foreign trade will be equivalent to 35 percent of GDP by 2020 and may grow to 60 percent in 2030. As foreign trade continues to grow, marine transportation will become even more important to our economy. Approximately 90 percent of America’s overseas foreign trade tonnage is moved by ship. And, America’s network of waterways moves more than 2.3 billion tons of domestic and foreign cargo each year. The transportation network that serves our economy also beneﬁts our national defense. The movement of military and related trafﬁc essential to national security relies heavily on our commercial transportation system. Ports moving commercial and consumer goods also move military equipment and supplies that enable the United States to project its power anywhere in the world. Robust intermodal connections are necessary to support the ﬂow of global commerce and the deployment of military forces. Only focused, sustained attention to both business and military needs will allow for a truly seamless, integrated intermodal freight transportation system. Until recently, additional capacity demands could be met because there was always a way to build another terminal or add another highway lane. That is no longer the case. Today, our Nation’s ports and intermodal systems face a growing capacity crunch. We are confronted with capacity stretched to its limits, aging and decaying infrastructure, multiple demands for land and high construction costs. And when a problem occurs in one part of the system, it can have a ripple effect throughout the entire waterborne and surface transportation network. Today, there is an urgent need to address congestion’s systemic challenges. Although ports and their intermodal connections are continually making improvements, any beneﬁts can be quickly offset by the rapid pace of growth in shipments and the relatively slow and often daunting process of ﬁnancing and constructing new infrastructure. Clearly, there is a need to better manage the transportation process “end to end.” We must improve efﬁciency, reliability and cost savings and provide environmentally sustainable world class service to customers. But the decisions of today and tomorrow are much more complex than they were 20 or 30 years ago. Now, transportation decision makers in metropolitan planning organizations, cities, individual states and the Federal government must consider not only the “why” and “how” of infrastructure needs, but also their impact on the environment, local communities and quality of life of future generations. Given the enormity and breadth of these challenges, it is imperative that the United States adopt a truly national freight transportation policy. We must ensure the efﬁcient movement of goods in the domestic and global supply chains while promoting a productive and competitive U.S. economy and addressing national defense needs.

#### U.S. seaports are not big enough to support larger ships

**Bookman, 2012**-University of Texas Dallas (Charles, “U.S. Seaports: At the Crossroads of The Global Economy”, http://www.issues.org/13.1/bookma.htm)//RM

U.S. seaports are showing signs of neglect, a disturbing prospect as the nation competes in an increasingly dynamic global economy. Many aspects of infrastructure and management are relics from mid-century. And while ports throughout Europe and Asia are becoming more modern and productive, many U.S. ports will soon become obsolete in the absence of significant upgrading and investment. Since the movement of freight by sea is expected to triple by the year 2020, this is indeed a troubling scenario. Many U.S. ports are cramped for space, with narrow navigation channels, shallow harbors, and congested truck and rail access routes. For example, the harbor at Newark, New Jersey, is so shallow outside the dredged channel and so prone to siltation that very large ships must unload part of their cargo in Nova Scotia or elsewhere, thereby raising shipping costs and putting the port at a competitive disadvantage. Maintenance and expansion of navigation channels often is impeded by delays in the granting of permits, a complex web of environmental regulations, and disagreements about how to dispose of dredged material. As a case in point, it took the Port of Oakland 20 years to begin the first phase of a channel-deepening project. U.S. Maritime Administration, 09 (“U.S. Maritime Administration America’s Ports and Intermodal Transportation System”, January 2009 [http://www.glmri.org/downloads/Ports&IntermodalTransport.pdf](http://www.glmri.org/downloads/Ports%26IntermodalTransport.pdf))

As our economy has become interdependent on the global economy, the U.S. Gross Domestic Product (GDP) has grown exponentially. This global interdependence among trading nations has brought prosperity, but has also placed additional demands on our ports and the end-to-end delivery system of imports and exports that are so vital to America’s economic growth and our role as the world’s leading economic power. Although foreign trade accounted for only 13 percent of U.S. GDP in 1990, it grew to nearly 22 percent by 2006. Recent projections indicate that foreign trade will be equivalent to 35 percent of GDP by 2020 and may grow to 60 percent in 2030. As foreign trade continues to grow, marine transportation will become even more important to our economy. Approximately 90 percent of America’s overseas foreign trade tonnage is moved by ship. And, America’s network of waterways moves more than 2.3 billion tons of domestic and foreign cargo each year. The transportation network that serves our economy also beneﬁts our national defense. The movement of military and related trafﬁc essential to national security relies heavily on our commercial transportation system. Ports moving commercial and consumer goods also move military equipment and supplies that enable the United States to project its power anywhere in the world. Robust intermodal connections are necessary to support the ﬂow of global commerce and the deployment of military forces. Only focused, sustained attention to both business and military needs will allow for a truly seamless, integrated intermodal freight transportation system. Until recently, additional capacity demands could be met because there was always a way to build another terminal or add another highway lane. That is no longer the case. Today, our Nation’s ports and intermodal systems face a growing capacity crunch. We are confronted with capacity stretched to its limits, aging and decaying infrastructure, multiple demands for land and high construction costs. And when a problem occurs in one part of the system, it can have a ripple effect throughout the entire waterborne and surface transportation network. Today, there is an urgent need to address congestion’s systemic challenges. Although ports and their intermodal connections are continually making improvements, any beneﬁts can be quickly offset by the rapid pace of growth in shipments and the relatively slow and often daunting process of ﬁnancing and constructing new infrastructure. Clearly, there is a need to better manage the transportation process “end to end.” We must improve efﬁciency, reliability and cost savings and provide environmentally sustainable world class service to customers. But the decisions of today and tomorrow are much more complex than they were 20 or 30 years ago. Now, transportation decision makers in metropolitan planning organizations, cities, individual states and the Federal government must consider not only the “why” and “how” of infrastructure needs, but also their impact on the environment, local communities and quality of life of future generations. Given the enormity and breadth of these challenges, it is imperative that the United States adopt a truly national freight transportation policy. We must ensure the efﬁcient movement of goods in the domestic and global supply chains while promoting a productive and competitive U.S. economy and addressing national defense needs.

#### Other countries will make substantial investments in their seaports and bypass the U.S.

**Burnson, 12**- executive editor for Logistics Management and Supply Chain Management Review magazines and web sites. Patrick is a widely-published writer and editor who has spent most of his career covering international trade, global logistics, and supply chain management (Patrick, “U.S. Seaports Need Help”, Supply Chain Management Review, June 21, 2012, <http://www.scmr.com/article/u.s._seaports_need_help/>)//RM

As recently as 2005, the World Economic Forum ranked the U.S. number one in infrastructure economic competitiveness. Today, the U.S. is ranked 16th, while neighboring Canada is ranked 11th and fast-developing China has risen to 44th.  This change in ranking is due mostly to the fact that the U.S. spends only 1.7 percent of its gross domestic product on transportation infrastructure while Canada spends 4 percent and China spends 9 percent. Even as the global recession has forced cutbacks in government spending, other countries continue to invest significantly more than the U.S. to expand and update their transportation networks. The following are examples of investments other countries are putting toward transportation infrastructure: India plans to invest $60 billion, including both public and private funds, in creating seven new major ports by 2020 to handle a rapid expansion in exports of merchandise, which is forecast to triple by 2017. Brazil expects tonnage at its coastal ports to more than double, to 1.7 billion tons by 2022, and has committed $17 billion, including $14 billion from the private sector, for port improvements. The world’s fourth largest marine terminals operator, DP World, plans to spend $2.5 billion on London’s Deep-Water Gateway, the United Kingdom’s first such development in the last 20 years.

#### U.S. Infrastructure declining, destroying international competitiveness

**Nagle, 11**  Transportation Exper– President and CEO, American Association of Port Authorities (AAPA) (Kurt, "An Earthquake? Save the Golden Goose!", National Journal’s ts Blog, 8/29/11, [http://transportation.nationaljournal.com/2011/08/whats-it-going-to-take-an-eart.php#2056685](http://transportation.nationaljournal.com/2011/08/whats-it-going-to-take-an-eart.php%22%20%5Cl%20%222056685%22%20%5Ct%20%22_blank))
Politicians on opposite sides of the aisle in Washington agree on very little these days. One of the very few things on which both Democrats and Republicans generally agree on, however, is that the current condition of our Nation’s transportation infrastructure is not good and needs to be improved. Obviously, disagreement appears very quickly and visibly when the specifics of how much to spend, how to pay for it, what is the federal role, etc., are discussed. But given that most basic mutual recognition that transportation infrastructure is not where it should be, I am optimistic that the authorization and gasoline tax will be extended beyond the current expiration September 30.But beyond that immediate deadline, several of the points made in Robert Crandall’s response are particularly important to note and further discuss as Congress ponders what to do about reauthorizing the transportation program.

First, his noting that the United States is now ranked #15 in terms of economic competitiveness globally, dropping precipitously from our #1 ranking just six years earlier. The condition and inadequacies of our transportation infrastructure, especially at and connecting to America’s ports on the land-side and water-side, significantly impact the international competitiveness of U.S. produced goods and commodities. We no longer are in a position where we can simply assume and expect that the U.S. will remain a leader in world trade. Trade, and the jobs that go with it, can and will pass us by (both literally and figuratively) if our infrastructure does not enable us to be competitive internationally. Second, his pointing out that allowing the gasoline tax to lapse would cost hundreds of thousands of jobs due to less infrastructure spending and the resultant economic activity. Even those significant job losses understate what is fully at stake as our competitiveness wanes, putting at risk many of the over 13 million jobs related to the cargo moving through U.S. seaports. Third, his view that “these are investments we cannot afford to forego.” I strongly agree. Like we as individuals and families do when budgets get tight, having a considered and serious discussion of what is necessary spending, what we can or must cut back on, and recognizing what actually helps our bottom line, is certainly a reasonable exercise for the federal government to do given the ongoing federal deficit and budget debates.

#### Other nations will receive giant freighters by 2014 if U.S. Seaports stay the same

**Patterson, 11** – Editor for the Kiplinger Letter (Jim, “America's Failing Infrastructure: A Scary Picture”, The Kiplinger Letter, November 3 2011, [http://kiplinger.com/businessresource/forecast/archive/americas-failing-infrastructure.html](http://kiplinger.com/businessresource/forecast/archive/americas-failing-infrastructure.html%22%20%5Ct%20%22_blank))//RM
President Obama hopes that strong growth in U.S. exports can help the economy out of the doldrums. But unfortunately, many of the nation’s ports aren’t keeping up with routine maintenance needed to keep their channels wide and deep enough for current shipping. Kurt Nagle, president of the American Association of Port Authorities, sees “dramatic shortfalls” in spending on channel dredging and other vital navigation work.

The Army Corps of Engineers handles those duties, and the federal government taxes all incoming cargo to fund the corps’ work keeping shipping lanes cleared of silt and deep enough for big freighters. But Uncle Sam routinely holds back half the funds that the tax generates to make the federal deficit look smaller, meaning the corps often has to delay channel dredging and widening. The shortfall, which Nagle pegs at more than $500 million per year, doesn’t even account for new port projects, such deepening channels so they can handle the giant container ships expected to reach the Atlantic Ocean from Asia when the Panama Canal is expanded in 2014. If U.S. seaports aren’t ready to welcome those giant freighters, other nations’ seaports will, Nagle warns.

### Inherency-Funding

#### U.S. waterways need more funding

**AFBF, 12-** Farm Bureau is an independent, non-governmental, voluntary organization governed by and representing farm and ranch families united for the purpose of analyzing their problems and formulating action to achieve educational improvement, economic opportunity and social advancement and, thereby, to promote the national well-being, ( AFBF, Port Infrastructure AFBF Policy Development, May 2012 [http://azfb.org/upload/Port%20Infrastructure.pdf)//RM](http://azfb.org/upload/Port%20Infrastructure.pdf%29//RM)

Development and maintenance of U.S. inland waterways and ports is a shared responsibility of federal, state, and local governments, with extensive private sector participation. The federal government, through the U.S. Army Corps of Engineers (USACE), maintains harbor access channels, while individual ports construct and maintain the landside terminal facilities, dredge their own berths, and contribute to channel improvement cost-sharing programs. Without routine dredging, rivers can accumulate sediment at a rate of five to six feet each year, prohibiting many ships from entering channels or forcing ships to carry only a fraction of their intended load. Since 1986, the HMT and the IWTF have supported maintenance of coastal and Great Lakes harbors and rivers, respectively. Congress established the IWTF to help pay for the modernization of nationally vital locks and dams on America’s inland navigation system. The funds in the trust fund are meant to pay for one-half of the cost of new construction and major rehabilitation of locks and dams. These contributions are generated by a 20-cent-per-gallon diesel fuel tax, which is deposited into the trust fund. The other half of the cost, reflecting the broad distribution of all those who benefit from the other uses of the waterways like national defense, water supply, flood control and recreation, is paid from general revenues. Funding (in constant dollars) for operations and maintenance (O&M) on America’s inland navigation system has remained flat for more than two decades. During this period, operations costs have continued to increase, yielding fewer funds that can be devoted to proper system maintenance. As a result, an increasing amount of routine maintenance on waterways infrastructure has been deferred. In fact, 50 percent of the locks and dams are over 60 years of age. As funding has stagnated and infrastructure has deteriorated an increasing percentage of available maintenance dollars has gone into emergency repairs.

#### Dredging is under funded

Charles 11 – Senior manager of government relations for the American Society of Civil Engineers( Reed, Charles, “Legislative Hearing on H.R. 104, the Realize America's Maritime Promise (RAMP) Act”, ProQuest Research Library, July 8) )//DG

The RAMP Act, introduced by U.S. Rep. Charles Boustany (R-LA), requires that revenue coming into the Harbor Maintenance Trust Fund (HMTF) each year, including interest on the balance, is all invested in U.S. harbor construction and maintenance. Currently, user fees collected from shippers and deposited into the Trust Fund are not being fully utilized to maintain the nation's harbors. Instead, some of these funds are being withheld from their intended purpose and used to offset unrelated federal spending. At the same time, harbors and channels are at their authorized depths and widths only about a third of the time. If enacted, H.R. 104 could significantly change maritime shipping in the United States and worldwide. Restoring harbors and channels to their authorized dimensions will make them safer, accommodate larger vessels, and increase growth in the import and export industries. Unless the issue of channel maintenance is addressed, the reliability and responsiveness of the entire intermodal system will slow economic growth and threaten national security," Chairman Gibbs said. "Only if our ports and waterways are at their authorized depths and widths will products be able to move to their overseas destinations in an efficient and economical manner. Since only two of the nation's 10 largest ports are at their authorized depths and widths, the President's budget does nothing to ensure our competitiveness in world markets. It is clear that the Nation can improve its global competitiveness by spending the money that is already being collected." Rep. Boustany testified before the Committee, stating, "Our economy in Louisiana depends on our waterways. Dredging and maintaining coastal harbors and ports is absolutely critical to bolstering trade, creating jobs and strengthening American competitiveness. This bill creates the fully-funded, long-term dredging plan necessary for realizing our economic potential not only in Louisiana, but across the country." Gary P. LaGrange, President and CEO of the Port of New Orleans also testified this morning. He echoed Chairman Gibbs' support of Rep. Boustany's bill: "Far more funding is deposited in the Harbor Maintenance Trust Fund each year than is spent on vital dredging and other operations and maintenance needs. In Fiscal Year 2010, the Harbor Maintenance Trust Fund had a year-end balance of over $5.6 billion. Total receipts of the fund, in just that one year, were $1.363 billion. However, only $828 million, or approximately 60 percent of those receipts, were spent for authorized dredging and maintenance purposes, leaving over $535 million from Fiscal Year 2010 alone to be unspent. The multi-billion dollar surplus is left to languish in a trust fund that continues to grow without being fully used to facilitate maritime commerce for the benefit of our Nation's economy. "I assure you, Mr. Chairman, that proper use of the surplus funds in the Harbor Maintenance Trust Fund, together with the annual revenues deposited into that Fund, would solve many of our Nation's commercial navigation maintenance needs that are vital to our competitiveness in international trade and to this country's economic recovery. That is why we so desperately require the enactment of the RAMP Act," LaGrange continued. Bonnie Brady, Executive Director of the Long Island Commercial Fishing Association spoke to the benefits that Long Island's economy and port industry would receive from the RAMP Act. She noted, "Commercial fishing on Long Island is responsible for 99% of New York's landed seafood catch. In 2009, that translated to over 34 million pounds of fish, shellfish and crustaceans worth just over $59 million dollars at the dock. With a standard economic multiplier of four, that translates to a $200 million industry which helps to power the economic engine of hundreds of Long Island businesses Our Long Island coastal waterways and ports are our Metros and Beltway, and without properly maintained dredging, hundreds of local businesses and families are negatively impacted yearly on Long Island."

#### Dredging funding backlogged now

Lake Carriers Association ‘6 (ASSOCIATION represents [U.S.-flag vessel operators on the Great Lakes](http://www.lcaships.com/memlca2.htm)., RESTORING ADEQUATE FUNDING FOR DREDGING GREAT LAKES DEEP-DRAFT PORTS AND WATERWAYS)//DG

However, the reality is instances where lack of dredging is forcing vessels to “light load” by one inch are rare. Indiana Harbor, Indiana, is a case in point. This major port has not been dredged in more than 30 years and the 1,000-foot-long U.S.-Flag Lakers delivering iron ore there sometimes must reduce loaded draft by more than 1 foot. The math speaks for itself forcefully: 12 inches x 267 tons = 3,204 tons of iron ore. Fairport Harbor, Ohio, is another port in desperate need of dredging. Vessels delivering limestone to terminals in Fairport Harbor routinely have to trim 6 inches from their loaded draft. The largest vessels serving Fairport Harbor sacrifice 125 tons of cargo for each inch of lost draft, so that half-foot means 750 tons of limestone stayed at the loading dock and will have to be delivered on another trip. The U.S. Army Corps of Engineers is responsible for dredging the nation’s ports and waterways, but the agency has had to struggle with declining appropriations since the 1970s. However, the Great Lakes have fared worse than other segments of the nation’s marine transportation system. For example, in FY05, the Ohio River System’s dredging appropriation equated to $1.10 per ton of cargo handled. In comparison, the Great Lakes received the equivalent of $0.52 per ton of cargo. The Ohio River System is, of course, an important segment of the nation’s marine transportation system, but so are the Great Lakes. Cargo movement can top 200 million tons a year. The customers who rely on Lakes shipping are the cornerstones of the nation’s manufacturing base. It is no accident that despite all the re- structuring in the nation’s steel industry, 70 percent of America’s steelmaking capacity remains rooted in the Great Lakes basin. America makes most of its steel in the Great Lakes region because vessels are the most efficient way to move the required raw materials from the mines and quarries to the mills. Steel made in Great Lakes mills in turn powers the nation’s economy. Seventy percent of America’s automobiles are produced in the Great Lakes basin. The region accounts for more than half of all heavy manufacturing. Only Congress can restore the Corps’ O&M budget to the appropriate level. But that in itself will not fully solve the problem on the Great Lakes. In most ports and waterways, dredging is often an annual requirement, so the backlog will only worsen with time. Congress must fund a comprehensive plan to restore the Great Lakes system to its designed depth as quickly as possible and then adequately maintain it in the future.

Need Funding Now- surplus not enough to cover dredging costs.
AP 12 (The Associated Press, “Price tag to dredge Eastern ports for big ships: $5 billion”, 6/22/12, [http://www.usatoday.com/money/economy/story/2012-06-21/southern-ports-expansion/55746890/1](http://www.usatoday.com/money/economy/story/2012-06-21/southern-ports-expansion/55746890/1%22%20%5Ct%20%22_blank)) //DG

[U.S.](http://content.usatoday.com/topics/topic/U.S) seaports in the Southeast likely need up to $5 billion to deepen their shipping channels so they can trade with super-size cargo ships expected to arrive soon through an expanded [Panama Canal](http://content.usatoday.com/topics/topic/Panama%2BCanal), a federal agency said Thursday in a report to Congress. The report, from the U.S. [Army Corps](http://content.usatoday.com/topics/topic/Army%2BCorps) of Engineers, is in response to Congress' request to examine improvement needs among the nation's ports as local governments scramble for federal funds to deepen their harbors to make room for a growing fleet of giant commercial ships. The [East Coast](http://content.usatoday.com/topics/topic/Places%2C%2BGeography/Regions/East%2BCoast) has only three ports —[New York](http://content.usatoday.com/topics/topic/Places%2C%2BGeography/States%2C%2BTerritories%2C%2BProvinces%2C%2BIslands/U.S.%2BStates/New%2BYork), Baltimore and Norfolk, Va. — with waterways deep enough to accept the fully loaded ships regardless of tides. The Southeast, forecast to undergo the nation's biggest growth in population and trade, remains too shallow from Virginia to [South Florida](http://content.usatoday.com/topics/topic/South%2BFlorida) and across the Gulf to Texas. The need for expanding port capacity "is likely to be most critical along the U.S. Southeast and Gulf coasts," the report said. That's because no shipping channels are at least 50 feet deep, which will be required for the ships — many from China and other Asian countries — that will begin using the Panama Canal after a major expansion is completed by the end of 2014. Savannah, Ga., Charleston, S.C., and Miami on the Southeast coast, as well as several ports in the Gulf, are already undertaking harbor-deepening projects. None have advanced beyond studies to actual dredging, however. In April, the Corps completed a 12-year study on the Port of Savannah — the nation's fourth busiest container port — which wants $652 million in taxpayer funds to deepen more than 30 miles of river. The Corps said 17 such projects are being studied overall, and the cost of harbor expansions across the Southeast would likely be $3 billion to $5 billion. "Strategically, we need to find a bucket of money to fund the projects that need to happen to keep our nation competitive," said Curtis Foltz, executive director of the [Georgia Ports Authority](http://content.usatoday.com/topics/topic/Georgia%2BPorts%2BAuthority), which is seeking final permits and funding to start deepening the Savannah harbor next year. The budget crisis has made federal funding for port projects extremely tight, especially since Congress and [President Obama](http://content.usatoday.com/topics/topic/People/Politicians%2C%2BGovernment%2BOfficials%2C%2BStrategists/Executive/Barack%2BObama) for the past two years have sworn off so-called "earmark" spending that was used to fund such projects in the past. The Army Corps report said current funding levels for port improvements won't cover all the projects that should be done. If Congress won't increase the agency's funding for harbor projects, the report said, then perhaps state governments and private companies such as shipping lines should be required to pay a greater share. Another alternative would do away with the current cost-sharing system. Ports would include the cost of deepening in the fees they charge shippers and could borrow from a federal infrastructure bank for major projects.

### Inherency-Shallow Channel

#### Current Ports 45 feet deep, 50 feet ones are needed

Will 12 (author for Times Dispatch in Richmond Virginia, “Too shallow ports run competitiveness aground”, 1/16/12, <http://www2.timesdispatch.com/news/oped/2012/jan/16/tdopin02-will-too-shallow-ports-run-competitivenes-ar-1613859/>//DG

CHARLESTON, S.C. -- Thanks to globalization, and to containerized shipping that began in 1956 and makes globalization work, commodities swiftly move vast distances around the planet. Wal-Mart alone imports 400,000 containers a year. Trade flows can, however, be deflected or even defeated by a distance of just five feet. Herewith a story of the high costs of a few feet and of too many years required for our nation's increasingly sluggish public processes to move . This city's [Charleston] port, the East Coast's fourth busiest (1.38 million shipping containers a year), is 45 feet deep. But in two years the Panama Canal will open a larger set of locks capable of handling ships 50 percent wider and with deeper drafts than today's "Panamax" ships — the largest that can currently transit the canal. The first container ship reached Charleston in 1966, carrying 600 containers. Today the port receives ships carrying more than 9,000. By 2014 there will be 1,200 "post-Panamax" ships — marvels of naval architecture, floating mountains — built for commerce after the canal widening. They will carry up to 18,000 containers. The widening, says Jim Newsome, CEO of the South Carolina State Ports Authority, will be "the biggest game-changer in the history of containerization." Charleston could be out of the game, with huge anti-competitive consequences for the burgeoning manufacturing and exporting industries of the Southeast — BMW, Michelin, General Electric (turbines) and others in South Carolina alone. By 2014, two-thirds of the world's container capacity will be carried by ships bigger than the unwidened canal could handle. Some things are moving rapidly. There are four southeastern ports along 400 miles of Atlantic coast — Wilmington, N.C.; Charleston; Savannah, Ga.; and Jacksonville, Fla. — but none are 50 feet deep. The Army Corps of Engineers, which must do the dredging, says, on the basis of preliminary studies of other harbors, that the harbor in Charleston "would probably be the cheapest South Atlantic harbor to deepen to 50 feet." Determining the feasibility of such projects typically takes five to eight years even if expedited (10 years or longer if not). Perhaps Congress could require globalization to pause while America studies things. Or perhaps post-Panamax vessels will be willing to loiter offshore a decade or so. The federal government would pay $120 million, South Carolina $180 million. The $300 million — a sum equal to a rounding error on the General Motors bailout — would be quickly recouped as the deepened port delivered more than $100 million in net benefits annually. Today, 70 percent of imports from Asia arrive at West Coast ports and are distributed inland by truck and rail. But shipping is the cheapest transportation per mile and will become cheaper with post-Panamax ships, including those coming here. Newsome says the study for deepening Savannah's harbor was made in 1999. It is 2012, and studies for the environmental impact statement are not finished. When they are, the project will take five years to construct. "But before that," he says laconically, "they're going to be sued by groups concerned about the environmental impact." A Newsome axiom — that institutions become risk-averse as they get challenged — is increasingly pertinent as America changes from a nation that celebrated getting things done to a nation that celebrates people and groups who prevent things from being done. Newsome says that because of labor costs — in constructing and crewing ships — America has essentially no deep-sea shipping industry. This is a facet of the de-industrialization of the nation. But the nation is currently enjoying a renewed export boom, which accelerates the need for deep harbors. The huge project of widening the Panama Canal began in 2006; it will be completed in eight years. Newsome, who is unstinting in his praise of the Army Corps, knows it must comply with ever-thickening layers of laws. But even if we stipulate that all these laws are wonderful, we should also stipulate that surely things would move faster if the nation faced an emergency. Such as economic enfeeblement.

#### Shallow Channels preventing trade

Beacon 11 – Maritime Exchange newspaper services serving Delaware, New Jersey, and Pennsylvania (“Ramping up RAMP”, Maritime Exchange, 12/11, http://www.maritimedelriv.com/Publications/Beacon/issues/Winter2011/Winter\_2011\_Beacon.pdf)//DG

The problem is clear: due to inadequate appropriations from the trust fund, navigation channels are getting narrower and shallower because of sediment accumulation. The Corps of Engineers recently reported that almost 30% of commercial vessel calls at U.S. ports are constrained due to inadequate channel depths. Consequently, ships with cargoes destined for the U.S. market cannot be fully loaded because they cannot get through inadequately maintained channels. The ramifications hit both economically in the form of increased costs to move cargos and on the safety front, with the increase in potential for vessel groundings.

#### Ports too small- need to dredge now

Puentes, 12  (Panel Discussion)- Senior Fellow The Brookings Institution (Robert, "Domestic and Global Challenges", 1/25, Brookings, "State of the Union 2012: [www.brookings.edu/~/media/events/2012/1/25%20state%20of%20the%20union/20120125\_state\_of\_the\_union.pdf](http://www.brookings.edu/~/media/events/2012/1/25%20state%20of%20the%20union/20120125_state_of_the_union.pdf%22%20%5Ct%20%22_blank))//DG

So there are lots of ideas about how we can do that but I think it’s not just around finding the money to do it but we’ve got to figure out ways to cut through some of the regulatory red tape that’s holding these projects up. Environmental regulations get a lot of the focus of that but it’s not the only thing that’s holding these projects up. And clearly when you go overseas you realize just how important it is that we have some of these protections in place. But we have to focus on those projects that are clearly meeting measures of national standards. Again, if we’re trying to double exports in five years, that clearly leads you down a path to certain investments particularly around our ports. For example, they’re widening the Panama Canal. We’re going to have gigantic ships floating up the Atlantic Coast and nowhere to dock because the ports are too small. They can’t handle them. They need to be dredged and all that kind of business. That’s a national priority. That really needs to be something that we focus on with a laser because again, we’re not going to be able to do all these other national objectives unless we have infrastructure that’s still in the 20th century.

### Inherency-Inefficiency

#### Deep enough ports inefficient- congestion

Salin, ‘10 – Works for at the USDA in the transportation program (Delmy, “IMPACT OF PANAMA CANAL EXPANSION ON THE U.S. INTERMODAL SYSTEM”, USDA, January,<http://www.ams.usda.gov/AMSv1.0/getfile?dDocName=STELPRDC5082003)//DG>

More than 95 percent of U.S. cargo imports arrive by ships (DOT 2009a). To accommodate this increase in global trade, shipbuilders are making larger vessels. However, the larger Post-Panamax1 vessels require deeper and wider shipping channels, greater overhead clearance, and larger cranes and shore infrastructure (Knight, 2008; DOT 2009a). Some U.S ports, such as the Ports of Long Beach, Savannah, Oakland, Charleston, and Seattle, can receive the Post- Panamax vessels. However, the efficiency of these ports is reduced by congestion caused by inland rail and road chokepoints (DOT 2009a). Congestion affects the service reliability of the U.S. transportation system. Capacity expansion in the transportation system is critical for economic growth (ACP 2006).

### Inherency- Shipping Costs

#### Lack of dredging causes light weight agricultural shipping- Sussex proves

Shortridge ‘12-- Chief of Community Relations at Delaware Department of Agriculture, Reporter at the News Journal (Dan, “Funding holds up Nanticoke River dredging”, 1/16, The News Journal, ProQuest)//DG

Sussex County bought the 41-acre parcel a year and a half ago for $580,000, or about $14,000 an acre, to be used as a dumping site for dredge spoils hauled up from the bottom of the nearby Nanticoke River. Business leaders say deepening the river is vital to get barge traffic through, and they have been pushing for it for years. But the land has remained unused, and federal officials now say they don't have enough money -- estimated at $1.9 million -- to move forward with the Nanticoke dredging project. Dredging was initially projected to start as early as this year. When the land was purchased in May 2010, it was hailed as the last piece of the puzzle necessary for getting the Nanticoke dredged. The last time the river was dredged was in 1990. The lack of action has aggravated local leaders. "Oh, sure, it's frustrating," said Sussex County Council President Mike Vincent, R-Seaford, who represents the area. "We are continually trying to get that money."Perdue AgriBusiness, which has two storage facilities on the Nanticoke that receive and distribute corn, soybeans, wheat and barley, called the dredging work "sorely needed." Company spokeswoman Julie DeYoung said barges are now forced to travel at high tide on certain parts of the river to keep from grounding. The company recently invested $210,000 to dredge its own dock area on the river. Perdue moves 8 million to 10 million bushels of grain through its Nanticoke operations each year, DeYoung said. Without the maintenance dredging, the continued shallowing of the river will require us to reduce the amount of grain put into each barge, resulting in additional trips and higher transportation costs," she said.

### Inherency – International Ports

#### **US Ports falling behind internationally**

Port Technology 12 (port technology affiliated with international ports, “US port infrastructure ranked behind Iceland and Estonia”, 1/12/12, <http://www.porttechnology.org/news/us_port_infrastructure_ranked_behind_iceland_and_estonia/> )//DG

The condition of port infrastructure in the United States was further realized this week with claims that its port development is falling behind countries including Iceland and Estonia. The subject was at the forefront of a recent policy forum attended by a coalition of elected officials from the Building America’s Future Educational Fund (BAF) and [Jacksonville](http://www.porttechnology.org/search/results/search%26keywords%3D%22Jacksonville%22)’s Chamber of Commerce, the JAX Chamber, to highlight the need for continued investment in the country’s port infrastructure. “Other countries understand that port innovation and capacity is key to competitiveness in an export-driven economy,” former Pennsylvania Governor Ed Rendell, and BAF co-chair, told the IFW. “The World Economic Forum now ranks US port infrastructure 22nd in the world, behind such countries as Iceland and Estonia.” During his keynote speech, Rendell noted how the 59 busiest ports in America were only operable 35 percent of the time. As a result US ports have experienced notable delays and backlogs, which have increased the cost of goods going in and out of the country considerably. “Policy-makers in Washington need to make smart infrastructure investments a priority, because if we don’t, we will only fall further behind the rest of the world.” A key area of investment highlighted by Rendell was the [dredging](http://www.porttechnology.org/results/search%26keywords%3D%22dredging%22) of US harbors in preparation for the completion of [Panama Canal](http://www.porttechnology.org/results/search%26keywords%3D%22panama%2Bcanal%22) expansion in 2014. Rendell stressed that unless necessary funding was provided then the country could face the prospect of losing millions of dollars of trade, as shipping companies seek alternative ports in neighboring countries capable of handling the larger ships that will navigate the [Panama Canal](http://www.porttechnology.org/results/search%26keywords%3D%22panama%2Bcanal%22) from 2014.

## Adv. 1 Competitiveness

### Competitiveness Low Now

#### Competitiveness down in the status quo due to poor planning – harms national security and international relations

**Center for American Progress, 10** – public policy think tank (John Podesta, Sarah Rosen Wartell, and Jitinder Kohli, A Focus on Competitiveness: Restructuring Policymaking for Results, December 2010, <http://www.americanprogress.org/issues/2010/12/pdf/competitiveness.pdf>, page 8: A lack of long-term coordinated planning for economic competitiveness) // EK

The United States lacks a strong, interagency planning process that ensures our ability to step back, assess risks and opportunities, and develop responses to global economic challenges.

While all federal agencies engage in some form of strategic planning, few perform long-term planning and so-called “horizon scanning,” or deep assessments of economic strengths and weaknesses that include explicit future goals and policy implementation plans. And no single agency takes a comprehensive look at the global economic future and our place in it—that is, a look beyond the immediate horizon to the vast array of issues that implicate so many different agencies across government.

The absence of long-term economic competitiveness planning contrasts with the practices of the national security, international relations, and intelligence communities, where Congress and executive agency practices mandate a horizon review, a strategy, and specific implementation plans.

#### US competitiveness low- infrastructure key

Brainard, 8 – Chair in International Economics, Vice President and Director (Bernard, “Infrastructure: Time to Compete to Win”, Brookings, 7/22, [http://www.brookings.edu/research/opinions/2008/07/22-infrastructure-brainard)//DG](http://www.brookings.edu/research/opinions/2008/07/22-infrastructure-brainard%29//DG)

Next month, American athletes will return from the historic Olympic Games in China with medals and a tangible idea of what it means to take infrastructure and the long-term prosperity of a country seriously. When our athletes land in Beijing, they’ll find that the new terminal at Beijing Airport is larger than all of Heathrow Airport, the world’s third busiest. China’s investment in rail infrastructure – almost $200 billion from 2006 to 2010 – is the beginning of the largest expansion of railway capacity undertaken anywhere since the 19th century. And in just the last 15 years, China has built a highway network that rivals what it took America 40 years to build. These investments reflect an unprecedented shift in the balance of global economic power that is fundamentally altering the contours of how we compete in a global economy. For two generations, the world economy was defined by only seven countries -- Canada, France, Germany, Italy, Japan, the UK and the United States -- which produced two-thirds of world output. But the last five years have seen the beginning of a dramatic change as major emerging economies, from China to Brazil and India, grow rapidly, aided by governments that make investments for the long-run, like in infrastructure. From 2002 to 2007, the G-7 share of world output fell from 65% to 57% and, according to Brookings scholar Homi Kharas, will likely decline to 37% of world output by 2030. Meanwhile, the major emerging economies’ share of global output jumped from 7% to 11% and is set to hit 32% by 2030, almost catching-up to the G-7.To remain globally competitive, the U.S. needs to invest for the long-term in infrastructure, among other efforts, as we did under President Roosevelt with rural electrification and under President Eisenhower with the creation of the Interstate Highway System. Roads, bridges, railroads, airports and ports form the connective tissue of our economy. They allow goods to move rapidly from one part of the country to another -- and from the U.S. to the rest of the world. By reducing the costs of transportation, they make our economy more efficient and our exports more competitive. For too long, we have been badly neglecting investments in infrastructure. The American Society of Civil Engineers has given our rail systems a C-, our air traffic infrastructure the grade of D+, our roads a D and our navigable waterways a D-. The Congressional Budget Office estimates that infrastructure spending is twenty percent below what would be required to simply stay in place, let alone to begin to repair the damage of years of neglect and move forward. When time is money, delays associated with weak infrastructure reduce our export competitiveness. Take ports, which process ships that carry over a quarter of U.S. exports by value, and almost three-quarters by weight. Rail infrastructure within port terminals is often antiquated, leading to breakdowns and backups. A shortage of staging area leads to congestion as shippers struggle to maneuver their goods. Inadequate IT systems cause shippers to send cargo to ports that are already at capacity, exacerbating congestion at peak times. And that’s only the delays within the ports. The Government Accountability Office warns that the increasing congestion around ports represents a threat to our ability to move goods for export.

### IL – Exports Key

**Exports key to economic competitiveness – exports have dropped in recent years and the economic effects are being seen**

**Istrate et al, 10** – senior research analyst and associate fellow with the Metropolitan Infrastructure Initiative (Emilia, "Export Nation: How U.S. Metros Lead National Export Growth and Boost Competitiveness", July, Brookings, <http://www.brookings.edu/~/media/research/files/reports/2010/7/26%20mountain%20exports%20muro/0726_exports_istrate_rothwell_katz.pdf>) // EK

For the most of the last 20 years, the United States has witnessed strong economic growth and low unemployment in comparison with other developed countries.18 Yet, the U.S. economy was affected by the wide fluctuations at the end of two business cycles, the so called IT bubble of the late 1990s and the housing bubble that ended between sometime during 2006 and 2007. Meanwhile, in 2006 household income inequality reached its post-World War II peak.19 Real median income in 2008 fell below 1999 levels.20 These three conditions—a tepid rise in living standards, increasing inequality, and bubble economies—are embedded in the consumption driven American economy.

In 1982, U.S. residents spent 86 cents of every dollar of after-tax income, but the intensity of consumption grew steadily such that by 2005, that share had reached 95 cents of every dollar.21 All this spending depleted savings, which dropped precipitously over the time period from over 10 percent in the early 1980s to just 1.7 percent in 2005.22 At the same time, an increasing share of consumption involved the purchase of imports. While the value of U.S. total imports was eight percent higher than the value of U.S. total exports in 1982, by 2005, the difference was 36 percent, the highest gap since 1960.23

With minimal household savings, domestic investment declined over the last two decades relative to the size of the economy. The United States invested about 7.3 percent of GDP in the 2000s, much less than the 9.4 percent rate of the 1970s.24 Moreover, from 2000 to 2007, private manufacturing investment as a share of GDP was just 0.26 percent per year compared to 0.37 percent during the 1990s. At the same time, foreign investment compensated to some extent, though more in the real estate sector. For example, Chinese holdings represented 6 percent of all federal agency debt and 29 percent of foreign-held agency debt in 2007, making China the largest foreign holder of Fannie Mae and Freddie Mac debt.25

The externalization of risk is another major problem with trade deficits. A large portion of the dollars spent on imports end up being re-invested back into the United States and that process increases the risk of bubbles. No sector can sustain limitless growth, and as the safest and most valuable investments become saturated with funding, the excess liquidity begins to seep into riskier and riskier propositions like no-income-no-asset subprime mortgage derivatives. The economists Joshua Aizenman and Yothin Jinjarak have shown that current account deficits have coincided with and contributed to rapid housing price appreciation across OECD countries between 1990 and 2005.26 While the United States based its growth on private consumption over the last three decades, the other developed countries exploited foreign demand. Over the last 30 years, private consumption, as a share of GDP, increased by seven percentage points in the United States, while total exports grew by only two percentage points. The other large developed countries, Canada, France, Germany, Italy, Japan, and the United Kingdom, maintained an almost constant share of private spending, but increased their share of total exports in GDP by seven percentage points.28 In 2008, the U.S. total exports were only 12.7 of domestic production, in comparison with 29.7 percent in the other large developed countries. Moreover, as a recent Brookings report shows, this underperformance is not entirely explained by the size of the U.S. economy and its distance from trading partners.

There are a number of potential explanations for why the United States under-exports. First, the dollar is over-valued relative to the currencies of a number of important U.S. trading partners.29 In addition, U.S. companies have been focused on catering to the large and growing U.S market. About one percent of U.S. companies exported in 2008.30 It seems that many small and medium companies lack information regarding exports and perceive exporting as a risky endeavor.31 Finally, many countries still put up significant trade barriers against U.S. companies. In the absence of free trade agreements with emerging countries, U.S. companies had additional incentives to locate production abroad in order to take advantage of these foreign markets. For example, while nominal total exports grew by 10 percent annually between 1994 and 2007, nominal sales of U.S. affiliates located in foreign countries increased by almost 18 percent a year during the same period.32

Whatever the reasons why the United States is less export-oriented than other countries, increasing exports relative to imports can be part of the solution to many long-standing difficulties.

### Impacts - Trade

**Collapse of US trade leadership causes trade blocs creating multiple scenarios for global conflict**

Bergsten 97 – Peterson Institute for International Economics (Fred C., “Global Trade and American Politics”, September 27, 1997, The Economist, <http://www.iie.com/publications/papers/print.cfm?doc=pub&ResearchID=291>) // DG

First, the United States remains the only plausible leader of far-reaching trade initiatives. As recently as 1993-94, the Clinton Administration dramatically reinforced that traditional American role by galvanising the final global agreement on the Uruguay Round in the GATT, concluding NAFTA, and winning political commitments to achieve free trade in the Western Hemisphere and the Asia Pacific. Using residual negotiating authority that carried over from the round and building on previous domestic legislation, the Administration drove to completion the recent worldwide agreements to eliminate tariffs on information technology products and to liberalise telecommunications services — the two main global advances since the end of the round in 1993. The European Union (EU), which is the only other potential global leader, will be too preoccupied with creating the euro and expanding its membership to provide leadership of world trade for some time. Second, the trade policy credibility of the United States will totally evaporate if it sits on the sidelines for the next four years—the *minimum* result of a failure to win new negotiating authority. The United States led the agreement of the 34 democracies in the Western Hemisphere to create a Free Trade Area of the Americas (FTAA). The United States turned the Asia Pacific Economic Cooperation forum (APEC), whose 18 members comprise half the world economy, into a substantive organisation by initiating annual summit meetings in 1993 and supporting its agreement to achieve “free and open trade and investment” by 2010 (for its industrialised members ) and 2020 (for the rest). The United States insisted that the World Trade Organisation agree to resume negotiations on agriculture, services and other central issues by 2000. American withdrawal from these initiatives would doom them all, threatening a reversal into protectionism. Third, American leadership has been crucial in assuring the compatibility, indeed the complimentarity, of regional and global liberalisation. Some purists have condemned the United States for deviating from the exclusive pursuit of multilateral agreements. But American strategy has promoted regional arrangements (starting with its pact with Canada and extending through NAFTA to the current FTAA and APEC initiatives) partly to press the more inward-looking EU and others to move ahead on the global path. Now that so many regional arrangements are in place or underway, America's defection could throw the whole process into reverse. Key groups—the EU, Mercosur and perhaps some new Asian groupings—could forget the global track and bring to life the much feared nightmare of a world of hostile trade blocs. Fourth, American trade policy itself could suffer irreparable harm from a failure of the current legislative effort. The United States is in its seventh year of expansion with unemployment and inflation at their lowest in decades. Its chief competitors in Europe and Japan remain mired in prolonged slumps. President Clinton was decisively re-elected a year ago and remains extremely popular. If the United States cannot pursue trade liberalisation now, when will it ever be able to? A failure, or a severe limitation on the use of new authority (e.g., to add only Chile to NAFTA), would represent a stunning victory for organised labor and others that oppose globalisation. Such a victory would be led by Congressman Richard Gephardt, the minority leader of the House of Representatives, and a likely presidential candidate in 2000. The United States has not had a protectionist President for a century (though Ronald Reagan's wrong-headed macroeconomic policies produced a spate of new import quotas) but such an outcome is by no means impossible if the present debate were to misfire. The countries that have taken out insurance policies against a US reversion to protectionism via free trade agreements, Canada and Mexico, have not idly overcome their historical aversions to getting into bed with their superpower neighbor.Would all this be so serious for the rest of the world? After all, the United States is no longer hegemonic in economic terms. Its share of world output has dropped below a quarter and its share of trade is even less. The EU is larger on both counts and the creation of the euro will end America's monetary dominance. Moreover, globalisation has enormous momentum. Big trade agreements have been proceeding without America. The EU brokered an interim financial services agreement in 1995 when America chose to stay out, is expanding its membership and heading toward mostly free trade with its Mediterranean neighbors by 2010, and is pursuing agreements with Mercosur and Mexico. Subregional pacts such as Mercosur and the ASEAN Free Trade Agreement are moving ahead. Canada and Mexico have concluded their own free trade agreements with Chile. All these deals hurt the United States, by creating or threatening discrimination against it,—but this is nothing more than turnabout for America's own preferential compacts. The global problem is that American disengagement would puncture, and probably destroy, the prospects for consummating the extraordinarily promising scenario for world trade that has evolved since the end of the Uruguay Round and is now poised to proceed. That scenario has two related elements. The first is credible implementation of the two huge regional free trade agreements launched in 1994, the FTAA and APEC. Their conversion from political pledges to practical realities would provide huge new reductions of trade barriers. It would also bring irresistible pressure on the EU and others to avoid the risk of facing costly discrimination by joining a new global liberalisation initiative. APEC is particularly crucial to this strategy. Because of it's size, its pledge in 1994 to achieve free trade in the region is potentially the most far-reaching economic agreement in history. At the same time, its devotion to “open regionalism” means that it will offer to extend its liberalisation to non-members. The EU has always said that “it will not be left behind if APEC does what it says it will do,” as was indeed the case with the Information Technology Agreement (ITA) a year ago. APEC thus dramatically magnifies America's own effort to continue reducing global barriers. The second element in the global scenario would then be a major new effort in the WTO, perhaps the “Millennium Round” called for by Sir Leon Brittan or at least a simultaneous “round-up” of key issues as proposed by my colleague Jeffrey Schott. As in the past, rounds or round-ups that include a number of issues and sectors will be needed to meet the diverse interests of the full WTO membership and permit the necessary tradeoffs across topics that produce far-reaching liberalisation. It is true that the ITA and the telecommunications agreement represented victories for the sectoral approach but talks on maritime services collapsed and the outcome of the current renewed effort on financial services is unclear. A broader approach will almost certainly be required to provide substantial global progress. Once all the regional arrangements are on their way to being realised, about two-thirds of world trade will in fact have achieved, or be headed toward, barrier-free status. The WTO membership would then recognise that global free trade was a practical reality and guide the next round(s) by setting an explicit goal of reaching that milestone—perhaps by 2010 on the APEC and Euromed models. The WTO's director-general Renato Ruggiero, the Canadian government, and the declaration of the WTO's ministerial conference in Singapore last December have all already endorsed variants of that prospect. In addition, this scenario would decisively counter the risk that the regional pacts will become sources of new international conflict. Mr. Ruggiero has put it nicely: regionalism will undoubtedly continue to proliferate so the issue is whether the groupings go off on their own, with possibly disastrous consequences, or increasingly fuse into a common global context that eventually wipes out their preferential features. The latter outcome is obviously superior but the chances of reaching it would be severely jeopardised by a prolonged period of American inaction. There would be even bigger cost to the world from a failure of the Clinton fast-track effort: an enormous boost to the backlash against globalisation. Such a backlash is evident almost everywhere, from striking workers in France to the tirades of Malaysia's prime minister against international investors. There is some justice in the complaints. On balance, globalisation is clearly good for every country, but many governments have been slow to erect the necessary domestic complements. Without adequate safety nets to cushion adjustment burdens, and worker training that will convert potential losers into winners who can take advantage of the better jobs and higher wages that become available, political support for globalization may be impossible to sustain. In this environment, victory for the anti-globalisation forces in the United States could have terrible global consequences. Defensive reactions would surface almost immediately, especially in the Asian and Latin American countries that depend most heavily on the American market. China, Russia and others could lose interest in further liberalisation and joining the WTO. A half century of global economic opening could stall or even be thrown into reverse. The broader international credibility of the United States would of course suffer severely as well, with substantial implications for international politics and even global security. It would be impossible for America to withdraw from such a central component of international affairs, or indeed repudiate initiatives undertaken with great fanfare by its own president and his predecessors, without jolting confidence in its staying power in other respects. Doubts about a sustained American presence would become particularly acute in Asia, where security considerations are a central (if largely unspoken) rationale for APEC, adding to future risks in the world's most volatile region. It would be the ultimate irony if “the only remaining superpower” entered the twenty-first century with a policy of disengagement on the very issues which most of the world, with the end of the Cold War, now places at the top of the international agenda.

**Trade leadership decreases the likelihood of conflict but collapse causes world wars**

Griswold 05 – director of the Center for Trade Policy Studies at the Cato Institute (Daniel, “Peace on earth? Try free trade among men,” December 29, 2005, <http://www.freetrade.org/node/282>) // DG

As one little-noticed headline on an Associated Press story recently reported, "War declining worldwide, studies say." According to the Stockholm International Peace Research Institute, the number of armed conflicts around the world has been in decline for the past half-century. In just the past 15 years, ongoing conflicts have dropped from 33 to 18, with all of them now civil conflicts within countries. As 2005 draws to an end, no two nations in the world are at war with each other. The death toll from war has also been falling. According to the AP story, "The number killed in battle has fallen to its lowest point in the post-World War II period, dipping below 20,000 a year by one measure. Peacemaking missions, meanwhile, are growing in number." Those estimates are down sharply from annual tolls ranging from 40,000 to 100,000 in the 1990s, and from a peak of 700,000 in 1951 during the Korean War. Many causes lie behind the good news -- the end of the Cold War and the spread of democracy, among them -- but expanding trade and globalization appear to be playing a major role. Far from stoking a "World on Fire," as one misguided American author has argued, growing commercial ties between nations have had a dampening effect on armed conflict and war, for three main reasons. First, trade and globalization have reinforced the trend toward democracy, and democracies don't pick fights with each other. Freedom to trade nurtures democracy by expanding the middle class in globalizing countries and equipping people with tools of communication such as cell phones, satellite TV, and the Internet. With trade comes more travel, more contact with people in other countries, and more exposure to new ideas. Thanks in part to globalization, almost two thirds of the world's countries today are democracies -- a record high. Second, as national economies become more integrated with each other, those nations have more to lose should war break out. War in a globalized world not only means human casualties and bigger government, but also ruptured trade and investment ties that impose lasting damage on the economy. In short, globalization has dramatically raised the economic cost of war. Third, globalization allows nations to acquire wealth through production and trade rather than conquest of territory and resources. Increasingly, wealth is measured in terms of intellectual property, financial assets, and human capital. Those are assets that cannot be seized by armies. If people need resources outside their national borders, say oil or timber or farm products, they can acquire them peacefully by trading away what they can produce best at home. Of course, free trade and globalization do not guarantee peace. Hot-blooded nationalism and ideological fervor can overwhelm cold economic calculations. But deep trade and investment ties among nations make war less attractive. Trade wars in the 1930s deepened the economic depression, exacerbated global tensions, and helped to usher in a world war. Out of the ashes of that experience, the United States urged Germany, France, and other Western European nations to form a common market that has become the European Union. In large part because of their intertwined economies, a general war in Europe is now unthinkable. In East Asia, the extensive and growing economic ties among Mainland China, Japan, South Korea, and Taiwan is helping to keep the peace. China's Communist rulers may yet decide to go to war over its "renegade province," but the economic cost to their economy would be staggering and could provoke a backlash among Chinese citizens. In contrast, poor and isolated North Korea is all the more dangerous because it has nothing to lose economically should it provoke a war. In Central America, countries that were racked by guerrilla wars and death squads two decades ago have turned not only to democracy but to expanding trade, culminating in the Central American Free Trade Agreement with the United States. As the Stockholm institute reports in its 2005 Yearbook, "Since the 1980s, the introduction of a more open economic model in most states of the Latin American and Caribbean region has been accompanied by the growth of new regional structures, the dying out of interstate conflicts and a reduction in intra-state conflicts." Much of the political violence that remains in the world today is concentrated in the Middle East and Sub-Saharan Africa -- the two regions of the world that are the least integrated into the global economy. Efforts to bring peace to those regions must include lowering their high barriers to trade, foreign investment, and domestic entrepreneurship. Advocates of free trade and globalization have long argued that trade expansion means more efficiency, higher incomes, and reduced poverty. The welcome decline of armed conflicts in the past few decades indicates that free trade also comes with its own peace dividend.

**The impact is nuclear war**

Copley News Service, 99 (12/01/99, “Commentary”)

For decades, many children in America and other countries went to bed fearing annihilation by nuclear war. The specter of nuclear winter freezing the life out of planet Earth seemed very real. Activists protesting the World Trade Organization's meeting in Seattle apparently have forgotten that threat. The truth is that nations join together in groups like the WTO not just to further their own prosperity, but also to forestall conflict with other nations. In a way, our planet has traded in the threat of a worldwide nuclear war for the benefit of cooperative global economics. Some Seattle protesters clearly fancy themselves to be in the mold of nuclear disarmament or anti-Vietnam War protesters of decades past. But they're not. They're special-interest activists, whether the cause is environmental, labor or paranoia about global government. Actually, most of the demonstrators in Seattle are very much unlike yesterday's peace activists, such as Beatle John Lennon or philosopher Bertrand Russell, the father of the nuclear disarmament movement, both of whom urged people and nations to work together rather than strive against each other. These and other war protesters would probably approve of 135 WTO nations sitting down peacefully to discuss economic issues that in the past might have been settled by bullets and bombs. As long as nations are trading peacefully, and their economies are built on exports to other countries, they have a major disincentive to wage war. That's why bringing China, a budding superpower, into the WTO is so important. As exports to the United States and the rest of the world feed Chinese prosperity, and that prosperity increases demand for the goods we produce, the threat of hostility diminishes. Many anti-trade protesters in Seattle claim that only multinational corporations benefit from global trade, and that it's the everyday wage earners who get hurt. That's just plain wrong. First of all, it's not the military-industrial complex benefiting. It's U.S. companies that make high-tech goods. And those companies provide a growing number of jobs for Americans. In San Diego, many people have good jobs at Qualcomm, Solar Turbines and other companies for whom overseas markets are essential. In Seattle, many of the 100,000 people who work at Boeing would lose their livelihoods without world trade. Foreign trade today accounts for 30 percent of our gross domestic product. That's a lot of jobs for everyday workers. Growing global prosperity has helped counter the specter of nuclear winter. Nations of the world are learning to live and work together, like the singers of anti-war songs once imagined. Those who care about world peace shouldn't be protesting world trade. They should be celebrating it.

**The alternative to globalization is bad – great power rivalries**

Patrick, 9 – senior fellow and director of the Program on International Institutions and Global Governance at the Council on Foreign Relations (Stewart, "Protecting Free Trade", March 13, [nationalinterest.org/article/protecting-free-trade-3060](http://nationalinterest.org/article/protecting-free-trade-3060%22%20%5Ct%20%22_blank)) // DG

The economic consequences of protectionism were bad enough. The political consequences were worse. As Hull recognized, global economic fragmentation lowered standards of living, drove unemployment higher and increased poverty-accentuating social upheaval and leaving destitute populations "easy prey to dictators and desperadoes." The rise of Nazism in Germany, fascism in Italy and militarism in Japan is impossible to divorce from the economic turmoil, which allowed demagogic leaders to mobilize support among alienated masses nursing nationalist grievances. Open economic warfare poisoned the diplomatic climate and exacerbated great power rivalries, raising, in Hull's view, "constant temptation to use force, or threat of force, to obtain what could have been got through normal processes of trade." Assistant Secretary William Clayton agreed: "Nations which act as enemies in the marketplace cannot long be friends at the council table." This is what makes growing protectionism and discrimination among the world's major trading powers today so alarming. In 2008 world trade declined for the first time since 1982. And despite their pledges, seventeen G-20 members have adopted significant trade restrictions. "Buy American" provisions in the U.S. stimulus package have been matched by similar measures elsewhere, with the EU ambassador to Washington declaring that "Nobody will take this lying down." Brussels has resumed export subsidies to EU dairy farmers and restricted imports from the United States and China. Meanwhile, India is threatening new tariffs on steel imports and cars; Russia has enacted some thirty new tariffs and export subsidies. In a sign of the global mood, WTO antidumping cases are up 40 percent since last year. Even less blatant forms of economic nationalism, such as banks restricting lending to "safer" domestic companies, risk shutting down global capital flows and exacerbating the current crisis. If unchecked, such economic nationalism could raise diplomatic tensions among the world's major powers. At particular risk are U.S. relations with China, Washington's most important bilateral interlocutor in the twenty-first century. China has called the "Buy American" provisions "poison"-not exactly how the Obama administration wants to start off the relationship. U.S. Treasury Secretary Timothy Geithner's ill-timed comments about China's currency "manipulation" and his promise of an "aggressive" U.S. response were not especially helpful either, nor is Congress' preoccupation with "unfair" Chinese trade and currency practices. For its part, Beijing has responded to the global slump by rolling back some of the liberalizing reforms introduced over the past thirty years. Such practices, including state subsidies, collide with the spirit and sometimes the law of open trade. The Obama administration must find common ground with Beijing on a coordinated response, or risk retaliatory protectionism that could severely damage both economies and escalate into political confrontation. A trade war is the last thing the United States needs, given that China holds $1 trillion of our debt and will be critical to solving flashpoints ranging from Iran to North Korea. In the 1930s, authoritarian great-power governments responded to the global downturn by adopting more nationalistic and aggressive policies. Today, the economic crisis may well fuel rising nationalism and regional assertiveness in emerging countries. Russia is a case in point. Although some predict that the economic crisis will temper Moscow's international ambitions, evidence for such geopolitical modesty is slim to date. Neither the collapse of its stock market nor the decline in oil prices has kept Russia from flexing its muscles from Ukraine to Kyrgyzstan. While some expect the economic crisis to challenge Putin's grip on power, there is no guarantee that Washington will find any successor regime less nationalistic and aggressive.

**Trade solves Central Asian stability – commerce and economic integration**

CNN 12 – Business 360 Global Exchange, based on a speech by US Secretary of State, Hillary Clinton’s outline on the importance of stability and peace as a result of trading (Business 360 Global Exchange, “Clinton: Trade key to fighting extremism”, CNN, 5/02/12, [http://business.blogs.cnn.com/2012/05/03/clinton-trade-key-to-fighting-extremism///DG)](http://business.blogs.cnn.com/2012/05/03/clinton-trade-key-to-fighting-extremism/%29//MM%22%20%5Ct%20%22_blank)

The United States aims to promote stability in Central Asia by encouraging trade in the region, U.S. Secretary of State Hilary Clinton told CNN. The American strategy focuses on bolstering north-south trade, linking India and Pakistan via Afghanistan to the former Soviet republics of Central Asia. “If people are trading with each other, if they are investing in each other's countries, if they are engaged in commerce of all kinds, there develop relationships and, frankly, stakes in peace and security that are desperately needed,” Clinton told CNN’s Jill Dougherty. “Security yes, we have to work on that, but what is really promising is the economic integration of the entire region,” she added. But for many countries in the region, economic integration is seen as secondary to security. Instead of borders opening to trade, many are closing. But Clinton cited increased trade between India and Pakistan and across the Pakistan-Afghanistan border as examples of progress. She added: “There is an important idea of a pipeline that would carry gas from Turkmenistan through Afghanistan and Pakistan into India; all four countries are in support. “There are roads and bridges being planned that come from Kazakhstan through Uzbekistan into Afghanistan that go through Turkmenistan to the sea. There’s just a lot of ideas.” And she said trade could help combat extremism in the region. “Some countries would like to build a 20-foot wall because they worry about extremists from other places,” said Clinton. “That’s just not realistic in the 21st century. It’s far better to develop your economy to trade with your neighbours to give your young people jobs. That’s one of the best arguments against extremism.” Clinton gave Uzbekistan as an example of U.S. investment, where an American automobile manufacturing plant is producing cars for export in the region. “Each country has unique assets that can be capitalized on but no country alone can maximize their economic potential without opening their borders to more trade and investment,” she said. “So while we work bi-laterally with a lot of these countries to help them, we also continue to preach the idea of economic integration. ”She added: “We do have to put security at the forefront, and the United States has helped every one of these countries with security. But what is security for? It is to enable people to have a better life and one of those is by raising the stand of living and business, investment, and trade can do that.”

### Impacts - Economic Leadership Scenario

**Economic leadership sustains the economy**

**Mandelbaum**, **5** – Professor and Director of the American Foreign Policy Program at Johns Hopkins – 2005

[Michael, The Case for Goliath: How America Acts As the World’s Government in the Twenty-First Century, p. 192-195] // EK

Although the spread of nuclear weapons, with the corresponding increase in the likelihood that a nuclear shot would be fired in anger somewhere in the world, counted as the most serious potential consequence of the abandonment by the United States of its role as the world's government, it was not the only one. In the previous period of American international reticence, the 1920s and 1930s, the global economy suffered serious damage that a more active American role might have mitigated. A twenty-first-century American retreat could have similarly adverse international economic consequences. The economic collapse of the 1930s caused extensive hardship throughout the world and led indirectly to World War II by paving the way for the people who started it to gain power in Germany and Japan. In retrospect, the Great Depression is widely believed to have been caused by a series of errors in public policy that made an economic downturn far worse than it would have been had governments responded to it in appropriate fashion. Since the 1930s, acting on the lessons drawn from that experience by professional economists, governments have taken steps that have helped to prevent a recurrence of the disasters of that decade.' In the face of reduced demand, for example, governments have increased rather than cut spending. Fiscal and monetary crises have evoked rescue efforts rather than a studied indifference based on the assumption that market forces will readily reestablish a desirable economic equilibrium. In contrast to the widespread practice of the 1930s, political authorities now understand that putting up barriers to imports in an attempt to revive domestic production will in fact worsen economic conditions everywhere. Still, a serious, prolonged failure of the international economy, inflicting the kind of hardship the world experienced in the 1930s (which some Asian countries also suffered as a result of their fiscal crises in the 1990s) does not lie beyond the realm of possibility. Market economies remain subject to cyclical downturns, which public policy can limit but has not found a way to eliminate entirely. Markets also have an inherent tendency to form bubbles, excessive values for particular assets, whether seventeenth century Dutch tulips or twentieth century Japanese real estate and Thai currency, that cause economic harm when the bubble bursts and prices plunge. In responding to these events, governments can make errors. They can act too slowly, or fail to implement the proper policies, or implement improper ones. Moreover, the global economy and the national economies that comprise it, like a living organism, change constantly and sometimes rapidly: Capital flows across sovereign borders, for instance, far more rapidly and in much greater volume in the early twenty-first century than ever before. This means that measures that successfully address economic malfunctions at one time may have less effect at another, just as medical science must cope with the appearance of new strains of influenza against which existing vaccines are not effective. Most importantly, since the Great Depression, an active American international economic role has been crucial both in fortifying the conditions for global economic well-being and in coping with the problems that have occurred, especially periodic recessions and currency crises, by applying the lessons of the past. The absence of such a role could weaken those conditions and aggravate those problems. The overall American role in the world since World War II therefore has something in common with the theme of the Frank Capra film It's a Wonderful Life, in which the angel Clarence, played by Henry Travers, shows James Stewart, playing the bank clerk George Bailey, who believes his existence to have been worthless, how life in his small town of Bedford Falls would have unfolded had he never been born. George Bailey learns that people he knows and loves turn out to be far worse off without him. So it is with the United States and its role as the world's government. Without that role, the world very likely would have been in the past, and would become in the future, a less secure and less prosperous place. The abdication by the United States of some or all of the responsibilities for international security that it had come to bear in the first decade of the twenty-first century would deprive the international system of one of its principal safety features, which keeps countries from smashing into each other, as they are historically prone to do. In this sense, a world without America would be the equivalent of a freeway full of cars without brakes. Similarly, should the American government abandon some or all of the ways in which it had, at the dawn of the new century, come to support global economic activity, the world economy would function less effectively and might even suffer a severe and costly breakdown. A world without the United States would in this way resemble a fleet of cars without gasoline.

**Lack of economic leadership leads to global nuclear war**

**Mandelbaum, 5** – Professor and Director of the American Foreign Policy Program at Johns Hopkins – 2005 (Michael, The Case for Goliath: How America Acts As the World’s Government in the Twenty-First Century, p. 224) // EK

At best, an American withdrawal would bring with it some of the political anxiety typical during the Cold War and a measure of the economic uncertainty that characterized the years before World War II. At worst, the retreat of American power could lead to a repetition of the great global economic failure and the bloody international conflicts the world experienced in the 1930s and 1940s. Indeed, the potential for economic calamity and wartime destruction is greater at the outset of the new century than it was in the first half of the preceding one because of the greater extent of international economic interdependence and the higher levels of prosperity—there is more to lose now than there was then—and because of the presence, in large numbers, of nuclear weapons.

### Solvency – Ports/Dredging Key to Econ/Competitiveness

#### Port investments are key to competitiveness – increased exports, trade, manufacturing jobs, and trillions in revenue

**Nagle, 11** – President and CEO of the American Association of Port Authorities (December 2011, Kurt, Industry Today, “Association: American Association of Port Authorities; Port-Related Infrastructure Investments Can Reap Dividends,” vol. 14, no. 3, <http://www.industrytoday.com/article_view.asp?ArticleID=F370>) // EK

It seems the United States willingly allows infrastructure to crumble as other countries – particularly the BRICs – bolster the physical support systems that foster economic growth. The American Association of Port Authorities is concerned over the state of America’s aged transportation infrastructure so it’s urging investments in both landside and waterside connections with ports.

The burning question on the mind of many US lawmakers, administration officials and others is how best to stimulate the economy and spur job creation. The answer lies in focusing scarce federal resources in areas that will have the greatest impact on economic growth, immediate and long-term job creation, national security, and our current and future competitiveness in the global economy. Enhancements in seaport-related infrastructure should be a high priority among the limited investment options.

For centuries, US seaports – and the connecting waterways – have served as a vital economic lifeline, bringing goods and services to people around the world and delivering prosperity to our nation. They facilitate trade and commerce, create jobs, secure our borders, support our military and serve as stewards of valuable coastal environmental resources.

Seaports are the primary gateway for overseas trade. They’re essential to economic security. As such, federal funding for infrastructure in and around ports pays dividends. Deep-draft coastal and Great Lakes ports are the nexus of critical transportation infrastructure that connects America’s exporters with markets overseas, and they provide access for imports of raw materials, components and consumer goods that are a key part of US manufacturing and help define our standard of living.

Investments in America’s port infrastructure and the intermodal connections that serve seaports – both land and waterside – foster prosperity and provide an opportunity to bolster the country’s economic and employment recovery.

ECONOMIC IMPACT: HUGE

Currently, international trade accounts for more than a quarter of America’s GDP (gross domestic product). Oceangoing vessels that load and unload cargo at US seaports move 99.4 percent of the nation’s overseas trade by volume and 65.5 percent by value. Further, customs collections from seaport cargo provide tens of billions of dollars a year to the federal government, including $23.2 billion in fiscal year (FY) 2007, $24.1 billion in FY 2008, $20.3 billion in FY 2009 and $22.5 billion in FY 2010.

The latest economic impacts analyses conducted in 2007 indicated that US seaport activities generated $3.15 trillion in annual economic output, with $3.8 billion worth of goods moving in and out of seaports every day. Impact extends far beyond seaport communities. On average, any given state uses the services of 15 different ports around the country to handle its imports and exports. Also, seaports are a proven job creator.

In addition to handling international trade, US seaports – and the waterways that serve them – represent important transportation modes for the movement of domestic freight. Greater utilization of America’s coastal and inland water routes for freight transportation complements other surface transportation modes – providing a safe and secure alternative for cargo while offering significant energy savings and traffic congestion relief.

VIEW FROM WATERSIDE

As US investment in its waterways infrastructure is trending downward, countries like India, Brazil and the United Kingdom commit the equivalent of billions of US dollars to port and channel modernization. The expansion of the Panama Canal slated for completion in 2014 – the first major expansion in more than a century – is driving ports around the world to deepen navigation channels and improve harbor facilities. Look at what’s happening:

India plans to invest $60 billion – including both public and private funds – to create seven new major ports by 2020. Expect this to have a substantial impact: It will handle the anticipated rapid expansion of merchandise exports, forecasted to triple by 2017.

Brazil expects tonnage at its coastal ports to more than double (to 1.7 billion tons) by 2022. In response, the nation is committing $17 billion to port improvements (including $14 billion from the private sector).

In Great Britain, DP World (the world’s fourth-largest marine terminal operator) plans to spend $2.5 billion on London’s Deep-Water Gateway, the country’s first such development in the last 20 years.

Meanwhile, in the United States, public funding for new navigation channel improvements has all but dried up. Lawmakers focus on reducing the deficit and eliminating appropriation “earmarks” that have traditionally funded federal navigation deepening projects. At the same time, funding for projects already approved and underway is slow, incremental and insufficient.

Insufficient appropriations make it impossible to maintain most federal navigation channels at their authorized and required dimensions. The US Army Corps of Engineers has been commissioned with the responsibility of improving and maintaining the nation’s water access to ports. But while this charge comes from the US government, the federal government is less than supportive. It spends only about half of the tax that it collects specifically directed toward deep-draft channel maintenance. The rest – more than $6 billion since 1986 – has essentially been “disappeared” into the US Treasury while serious dredging needs remain neglected.

This is unfortunate at a crucial juncture. Projects to maintain these critical waterways would create jobs immediately and would provide transportation savings to benefit US businesses. With decreases in the cost of freight transportation, these sectors can enhance their global competitiveness and create more jobs. The American Association of Port Authorities (AAPA) has continually and strongly urged Congress to take action to ensure that 100-percent of the annual amount collected from the Harbor Maintenance Tax (HMT) is utilized to maintain federal navigation channels.

**Dredging solves economic hardship and human health – saves lives and supports 60,000 jobs
May, 11** – member of the Portage Lake Harbor Commission, and the Chair Pro Tem of the Great Lakes Small Harbors Coalition (Chuck, “Testimony to Subcommittee on Water Resources and Environment”, 7/8/11) // EK

My name is Chuck May and I am a private citizen from the State of Michigan. I am also a recreational boater, a member of the Portage Lake (Mich.) Harbor Commission, and since February, 2008 the Chair Pro Tem of the Great Lakes Small Harbors Coalition. The Coalition was established in early 2008, initially among Michigan harbors, to advocate for sufficient resources to maintain navigational access to federally authorized recreational harbors through adequate dredging. It later expanded to invite the collective voices of citizens from harbors throughout the Great Lakes states and now represents over 100 Great Lakes coastal communities and advocate organizations in four states – totaling over 3 million citizens - that have passed official resolutions in support of our objectives.
This grass roots organization was borne from a singular, urgent need: the fact that our harbors are silting in due to a chronic pattern of inadequate maintenance dredging, thus creating serious economic hardship, and significant threats to human health and safety. We can document actual loss of life and property resulting from inadequately dredged recreational harbors in the Great Lakes. We can also document the economic impact to our states and communities that is at risk. According to a recent study, the over 900,000 recreational boaters using these Great Lakes harbors spend some $2.35 billion annually on boating trips, another $1.4 billion to purchase and maintain their watercraft, and support 60,000 jobs in the region generating $1.7 billion in annual personal income. For a region in economic transition, and one seeking to maximize a globally unmatched freshwater resource, this is an industry we must grow, not abandon.
The crisis facing our harbors, and the one I wish to bring to the attention of the Subcommittee on Water Resources and Environment, can be attributed to:
1.) National policy that de-emphasizes the importance of both shallow draft and commercial harbors with less than one million tons of cargo movement annually; resulting in all shallow draft and many lower use commercial harbors being a low priority within the Corp’s annual Operations and Maintenance (O&M) budget, and forcing harbor interests to seek Congressional earmarks, and;
2.) A longstanding shortfall in the Corps’ Great Lakes O&M budget that has created a dredging backlog among all Great Lakes harbors, commercial and recreational.

**Dredging projects create jobs and accommodate larger ships, boosting our economy**

**Tate, 12**—Reporter for McClatchy's Washington Bureau (Curtis Tate, “As states seek funds for deeper ports, will ships come in?” <http://www.mcclatchydc.com/2012/05/02/v-print/147455/as-states-seek-funds-for-deeper.html>, 5/2/12) // EK

A wider, deeper Panama Canal will open in 2014, meaning that bigger cargo ships filled with more containers of consumer goods can move directly to the population centers of the East Coast instead of stopping on the West Coast and sending the goods across the country.

States with seaports along the Atlantic are asking for hundreds of millions of federal dollars to deepen their harbors and shipping channels to accommodate the bigger ships and capture a slice of the growing traffic.

But some global supply-chain experts say the optimistic pre-recession projections of a huge shift in cargo from West Coast ports to East Coast ports no longer add up. Even the U.S. Army Corps of Engineers, which conducts feasibility studies for such projects and often does the dredging, expects little change in cargo volume at those ports.

John Lanigan, the chief marketing officer for freight rail hauler Burlington Northern Santa Fe, which runs dozens of double-stacked container trains every day from West Coast ports to the Midwest and Southeast, said he didn’t expect a major diversion of cargo to the canal.

“The opening of the canal is not going to make it any faster for freight to get to the East Coast,” he said. “The only thing that really changes is that bigger ships will be able to go through the canal.”

Even so, Republican governors in South Carolina, Georgia and Florida, who were elected on platforms of fiscal conservatism, are still hoping that the federal government will pay for some of the cost of the harbor-deepening projects. But just in case the federal funding doesn’t come through, these states have a backup plan: Spend state taxpayers’ money.

Currently the biggest ships that can fit through the Panama Canal can carry only about 4,000 containers, metal boxes full of consumer goods that can be transferred from ship to train to truck. The new, so-called post-Panamax ships will carry double or triple that volume. But because the ships are bigger and heavier, they also require water depths

approaching 50 feet.

The ports of Norfolk, Va., Baltimore, and New York and New Jersey have that depth now or will soon. Farther south, the ports in Charleston, S.C., Savannah, Ga., and Miami don’t want to see the bigger ships pass them by.

“I don’t know too many ports that have gambled on shallow water that have stayed in the game,” said Kevin Lynskey, the assistant director for seaport business initiatives at the Port of Miami. “If we didn’t dredge and other people did, we certainly would lose more containers.”

Proponents of harbor-deepening projects say they are vital for local and state economies and will create thousands of jobs in a country that’s still reeling from the deepest economic downturn since the Great Depression.

“It’s the biggest strategic issue for South Carolina today,” said Jim Newsome, the chief executive of the South Carolina Ports Authority, which needs $300 million to deepen the 45-foot harbor in Charleston to 50 feet by 2020. “Businesses locate near ports; that’s the bottom line.”

Georgia also isn’t waiting. Republican Gov. Nathan Deal’s budget now includes about $180 million in state funds for the port of Savannah. He said the state would pay for all of it if necessary, then seek a reimbursement from Washington.

Savannah is 100 miles south of Charleston and boasts the busier of the two ports, but it also has a shallower channel depth of 42 feet. Dredging the Savannah River would cost more than twice as much as Charleston, and would give the port only a 47-foot depth, though the river’s high tides would help accommodate bigger ships, as they do now.

“If you compare the cost of the two projects, they have a lot more to fund,” Newsome said.

An Army Corps of Engineers study, released in January, concluded that the cost of deepening the channel to the port in Savannah is justified in part because it would generate $174 million in annual economic benefits. However, the report also said that no changes in cargo volume were expected as a result of the deeper channel.

Birdwell said economic benefits would come from the efficiencies of the larger ships. Larger ships mean fewer ships, and less congestion getting in and out of the port.

Stephanie Mayfield, a spokeswoman for Deal, said Georgia supported the expansion of both Savannah and Charleston.

“Both ports are of regional and national significance, and there is plenty of business to go around,” she said. “Gov. Deal is committed to funding the state’s share of 40 percent and expects that the federal government will live up to their commitment and fund the remaining.”

Florida Republican Gov. Rick Scott didn’t wait for an answer from Washington on the state’s request for $77 million for the Port of Miami. Just two months after he took office, Scott decided that the state would pick up the tab.

“We chose to self-fund,” said Lynskey, the assistant director at the Miami port. “We do want to get reimbursed by the federal government, but we’re going ahead without knowing.”

On Florida’s west coast, Port Manatee is nearing the end of a decade-long, $200 million expansion and has dredged to accommodate ships that have passed through the Panama Canal.

Lynskey said that 60 percent of Florida-bound consumer goods from Asia didn’t come through the state’s ports, instead reaching Florida through Southern California or Savannah. With the deeper port, Lynskey expects Miami cargo volumes to double in the next decade.

#### Dredging leads to a plethora of economic benefits—Savannah proves

**GPA, 12** –Georgia Ports Authority: The Georgia Ports Authority’s mission is to develop, maintain and operate ocean and inland river ports within Georgia; foster international trade and new industry for state and local communities; promote Georgia's agricultural, industrial and natural resources; and maintain the natural quality of the environment. (Georgia Ports Authority, “Press Releases” <http://www.gaports.com/corporate/tabid/379/xmmid/1097/xmid/6873/xmview/2/default.aspx>, 4/11/12) // EK

**Savannah, Ga. – April 11, 2012 –** After 15 years of study, the United States Army Corps of Engineers (USACE) announced today that it had released the final documents for the Savannah Harbor Expansion Project (SHEP) for review by state and federal agencies and the general public.
After 15 years of study, the United States Army Corps of Engineers (USACE) announced today that it had released the final documents for the Savannah Harbor Expansion Project (SHEP) for review by state and federal agencies and the general public.
“The study released today clearly shows that the deepening of the Savannah port will produce powerful economic benefits to the nation and to Georgia,” said Georgia Governor Nathan Deal. “Today marks an important milestone for the Army Corps of Engineers, the State of Georgia and the great number of Americans who will benefit from the project.”
In the studies released by the Corps, the project is estimated to cost $652 million and will provide $174 million in annual net benefits to the nation. For every dollar spent on this critical infrastructure improvement, 5.5 dollars will be returned in benefits to the nation, the Corps’ studies showed.
“This study has been a model of collaboration among a wide array of stakeholders – at local, state, and federal levels,” said Major General Todd Semonite, commander of the Corps of Engineers’ South Atlantic Division. “It has been a great pleasure to be on this team as it worked diligently through difficult issues to come up with a plan which balances the complex engineering, economic, and environmental aspects of the Savannah Harbor Expansion Project. It is an impressive achievement.”
During a press conference, the USACE announced that the SHEP will increase the depth of the Savannah River by an additional five feet to 47 feet at mean low water. “We all know how critical this extra depth is to the ability of our nation to move cargo efficiently,” said Curtis Foltz, GPA’s Executive Director. “The depth, along with an average seven foot tide, strikes the right balance between the needs of our industry and the environment of the Savannah River. Nearly 40 percent of the project cost is dedicated to environmental mitigation, preservation of cultural resources or the improvements to river access for the public.”
Elected officials and business leaders throughout the region heralded the news today (please see quotes below) as a critical step forward in attracting investment and retaining jobs and business. “Today’s announcement brings to an end 15 years of exhaustive due diligence,” said Alec Poitevint, GPA’s Chairman of the Board. “With this important step forward, we are closer to putting in place infrastructure that will create economic opportunities across many industries and state lines. Companies relocate to and expand in the Southeastern United States knowing that the Port of Savannah is the fourth busiest and single largest container terminal in the U.S.”

**Dr. Robert E. Martínez, Vice President Business Development, Norfolk Southern Corporation**“The Savannah harbor deepening project is critical to the economic well-being not only of Georgia, but of the entire Southeast. Norfolk Southern is greatly encouraged to see this action taken by the Corps of Engineers. Completion of this project will contribute substantially to maintaining a vibrant and competitive port in a key region of our country.”

**U.S. Senator Johnny Isakson**“I am delighted to see the Savannah Harbor Expansion Project continue to move forward with today’s milestone. Preparing the Port of Savannah for the vessels of the future is absolutely critical to our economy at both the state and national levels, and I will continue to do all that I can to see this project through to its completion.”
[**Congressman Jack Kingston**](http://kingston.house.gov/)
“The Port of Savannah is already a strategic national interest which has promoted economic growth across our country. Expanding our harbor is critical to ensuring its continued vitality for generations to come by laying the groundwork for tomorrow’s economy today. After more than twelve years and the most comprehensive environmental study by some of the country’s leading experts, we know we can expand safely. The expansion of the Panama Canal gave us a rare opportunity to look into and prepare for the future. We need to make sure we are taking advantage of that chance and not getting left behind.”

**Dredging and port expansion make room for more freight, playing a critical role in our economy—New Zealand proves**

**Orsman, 12**— Reporter for the New Zealand Herald (Bernard Orsman, “Extra freight key reason for port’s expansion” <http://www.nzherald.co.nz/nz/news/article.cfm?c_id=1&objectid=10781428>, 1/27/12) // EK

The growth in freight and the critical role of the ports in the regional and national economy are the key reasons given by Ports of Auckland for expanding its operations into the Waitemata Harbour.

The port company has strongly lobbied its case and last December urged Auckland councillors to "lock in place" a coastal zone allowing it to expand its waterfront operations from 77ha to 95ha by 2055.

In a submission on the draft Auckland Plan on December 19, infrastructure general manager Ben Chrystall said the ports handled $26.5 billion of trade annually, 36 per cent of New Zealand's container trade by volume and 31 per cent of New Zealand trade by value.

The port company, he said, facilitated 22 per cent of the Auckland economy and sustained 187,000 jobs. This was expected to grow to 628,000 jobs by 2031.

#### Port Dredging key to economy competitiveness – must act now to keep up

Slone 12 -- transportation policy analyst at The Council of State Governments (Sean, "Future of Freight Transportation on the Minds of State, Federal Officials", April 4, Knowledge Center, [http://knowledgecenter.csg.org/drupal/content/future-freight-transportation-minds-state-federal-officials](http://knowledgecenter.csg.org/drupal/content/future-freight-transportation-minds-state-federal-officials%22%20%5Ct%20%22_blank)) //JH

[Politico reports this week](http://dyn.politico.com/printstory.cfm?uuid=D6E71414-06D2-4B81-AA7E-7D7F6E91CD5C) on an effort in Congress that could help revitalize the nation’s cargo ports in advance of the 2014 opening of an expanded Panama Canal. A group of lawmakers is supporting the RAMP Act (the acronym stands for Realizing America’s Maritime Promise), which would ensure that revenues from the Harbor Maintenance Tax, an ad valorem fee on cargo that goes into the Harbor Maintenance Trust Fund, would all go towards port improvements. In the past, Congress has raided those revenues to fill unrelated budget holes. Annual dredging needs at the nation’s ports are estimated at between $1.3 billion and $1.6 billion. But over the past five years, annual expenditures have averaged less than $800 million. The Harbor Maintenance Tax brings in about $1.4 billion annually.

[A recent policy statement](http://www.ttd.org/vertical/sites/%7B6F59B120-2C3D-4AB1-B7AE-6DB7D7864685%7D/uploads/MaritimePS.pdf) from the Transportation Trades Department, AFL-CIO laments the lack of a substantial maritime title in the federal surface transportation authorization bills under consideration in Washington. “This is a missed opportunity to acknowledge the importance of maritime to the nation and address the needs of America’s waterborne transportation system and its employees,” the statement reads. “More delay of important port and maritime policy action is not an option as our world competitors invest billions to boost their maritime transportation capabilities in the global economy.” The transportation workers labor organization supports the RAMP Act and a companion Senate bill.

**Ports are Economic multipliers- key to economic growth**

**Gibbs 2011 –**Subcommittee Chairman of The Subcommittee on Water Resources and Environment) (Bob, “The Economic Importance of Seaports: Is the United States Prepared for 21st Century Trade Realities?”, October 21, 2011, http://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=0CFcQFjAA&url=http%3A%2F%2Frepublicans.transportation.house.gov%2FMedia%2Ffile%2F112th%2FWater%2FWater%2520Briefing%2520Memo%2520%2520%252010-26-11.pdf&ei=lC4DUIPbBJKQ8wTUnpyzCA&usg=AFQjCNHODBxppsJNDADxx-tM9itiyMuorw&sig2=EPOLx7DJhO4Q66lPqyhypg

Impacting ports, coastal regions, and consumers in both national and global economies, the economic importance of maritime trade to the United States cannot be underestimated. Nearly a third of the nation's Gross Domestic Product (GDP) is derived from international trade, the bulk of which is waterborne. According to an August 2011 letter to the Deficit Reduction Committee from the American Association of Port Authorities (AAP A), seaports themselves provide for $200 billion in federal, state, and local tax revenue each year. Thirty million jobs are directly related to international trade, with the U.S. maritime industry alone providing 13 million jobs throughout the country. According to the United States Department of Agriculture (USDA), U.S. agricultural exports, which in FY 2009 reached $96.6 billion, generate an additional $135 billion in supporting business activity in the transportation, distribution, food processing and manufacturing sectors. The Economic Research Service of the USDA notes that for every dollar of goods exported, this creates another $1.36 in supporting activities. Overall, the AAP A research finds that maritime trade creates $2 trillion of commerce annually in the United States. In addition, the federal government collects billions of dollars annually in tariffs and duties from port activities. Marine ports are economic engines to their regions. For example, the Port of New Orleans supports economies not only around the Gulf of Mexico but throughout the entire Mississippi River Valley. The inland waterway system, as well as intermodal connectors from across the country, bring agricultural products, mined resources, and other valuable raw materials to the Port of New Orleans and the global market. According to Port Director Gary LaGrange in testimony before the Subcommittee, The Port itself employs thousands of employees, and the activity of that port alone supports 380,000 jobs across the region. On the East coast, the expanding Port of Savannah is responsible for 7% of the state of Georgia's total employment. Economically, transportation costs are not absorbed by shippers or retailers but are instead passed on to the consumer. Impediments to shipping increase costs and consumer prices. Maritime shipping allows for a wide spectrum of goods from across the world to reach the American consumer. According to a study conducted by the International Chamber of Shipping (lCS) and the International Shipping Federation (lSF), the shipping price of consumer goods shipped over water is generally between just 1 % and 2% of the shelf price. Logistical factors that raise transportation costs include ships being forced to carry lighter and less valuable loads in order to accommodate un-and under-dredged channels; being marooned by tidal changes because of shallow channels, inefficient cargo handling at the port; and slow, congested landside transportation. At just six feet, the proposed depth in the deepening the Port of Savannah channels from 42 feet to 48 feet would result in 15% to 20% cheaper shipping costs on goods that pass through it. Naturally, one of the many benefits to investments in maritime infrastructure is reduced consumer good prices and therefore an overall positive economic impact.

#### Port’s are key to Economy- 2 billion tons of commerce annually

Darcy 11 – Assistant Secretary of the Army (Jo-Ellen, "The Economic Importance of Seaports: Is the United States Prepared for 21st Century Trade Realities", 10/26, [republicans.transportation.house.gov/Media/file/TestimonyWater/2011-10-26%20Darcy.pdf](http://republicans.transportation.house.gov/Media/file/TestimonyWater/2011-10-26%20Darcy.pdf%22%20%5Ct%20%22_blank))

The Army Corps of Engineers helps facilitate commercial navigation by providing support for safe, reliable, highly cost-effective, and environmentally sustainable waterborne transportation systems. To this end, the Corps invests over $1.5 billion annually -roughly one-third of the total budget for the Civil Works program -to study, construct, replace, rehabilitate, operate, and maintain commercial navigation infrastructure for approximately 13,000 miles of coastal channels and 12,000 miles of inland waterways. At coastal harbors on the Atlantic, Gulf, Pacific, and Great Lakes coasts, the work performed by the Corps includes: surveying navigation channels; evaluating proposals to construct deeper, wider, or longer channels; constructing such improvements; maintaining them by periodic dredging; maintaining other coastal navigation structures such as jetties, breakwaters, and locks; and maintaining certain of the bridges that cross these channels. ECONOMIC IMPORTANCE Our coastal ports contribute to the nation's economic competitiveness, as well as to state and local government economic development and job creation efforts. Several of the ports also contribute to our national security. Over 95 percent of the Nation's overseas trade by weight, and over 75 percent by value, moves through these ports. They handle over 2 billion tons of commerce annually, including over 70 percent of the imported oil and more than 48 percent of goods purchased by American consumers. In some cases, the dredging of federal navigation channels also provides environmental benefits, where the dredged material is used to create, preserve, or restore wetlands, islands, or other habitat. IMPROVED COORDINATION The Corps is working with the Department of Transportation (DOT) to improve decision-making on Federal investment in coastal navigation infrastructure through better coordination. For example, DOT has provided information on previous years' selected TIGER Grant recipients to the Corps, which we are considering as part of the Civil Works budget preparation. Similarly, DOT has invited Corps technical experts to advise it during the upcoming review process for the 2011 TIGER Grant selections. Our staffs are also working on common metrics for comparing potential investments that support coastal navigation, and for evaluating the performance of those investments. PORT DEEPENING Containerized cargo is forecasted to continue to increase in the near future. Many of the world's shipping companies are constructing larger, more efficient container vessels that require channel depths of 50 to 55 feet. The new Panama Canal locks are scheduled for completion in 2014 and will increase the permissible draft of vessels transiting the Panama Canal from 39.5 feet to 50 feet. Some of our ports are better suited than others to accommodate the full extent of the deeper draft vessels that are forecasted to be in service.

#### Port dredging increases economy – can double US exports by using money in HMTF tradeoff

WSJ 11 – ( “Legislative Hearing on H.R. 104, the Realize America's Maritime Promise (RAMP) Act”, ProQuest Congressional, July 5th)

Between fiscal years 2003 and 2011, the appropriations for the Calcasieu ship channel have been about 51 percent of the amount needed to fully fund maintenance of the waterway. This example at the Port of Lake Charles is identical to examples all over the country, ports large and small, facing inadequate maintenance dredging, and oftentimes when an emergency arises, we further rob Peter to pay Paul. We have seen this recently on the Mississippi. As the conversation continued, General Strock stated to me that the Corps could dredge all federally maintained ports and waterways to the authorized depth and width should they get full allocation of the Harbor Maintenance Trust Fund that is collected annually, just as Congress intended when this harbor maintenance tax was created. This includes small harbors and ports, because basically the allocation would double and the money coming in annually is more than sufficient to take care of all of the federally authorized ports to meet their authorized depth and width. Keep in mind, General Strock referenced just future revenues, those incoming revenues, not the existing $6.1 billion surplus in the trust fund. So in order to address this situation, I introduced H.R. 104. This strongly bipartisan bill seeks full access for our ports to the annual revenues deposited in the Harbor Maintenance Trust Fund, without creating mandatory spending, which would trigger budget im- plication. The RAMP Act, with bipartisan cosponsorship of 101, includes a guarantee requiring the total amount available for spending from the Harbor Maintenance Trust Fund each year be equal to the trust fund receipts, plus interest, as annually estimated by the President’s budget. If an appropriations bill spending trust fund revenue is brought to the House or Senate floor not meeting this requirement, any Member would be able to make a point of order against it and the bill would not be allowed to be considered in that form. While the intent of the RAMP Act is to increase harbor maintenance and spending, it does not make increased mandatory spending. The Congressional Budget Office has confirmed the bill does not have any scoring impact. That is because of the way this bill has been written. Responsible for moving more than 99 percent of the country’s overseas cargo, U.S. ports and waterways handle more than 2.5 billion tons of domestic and international trade annually, and the volume is projected to double within the next 15 years, especially after the expansion of the Panama Canal. In 2007, there were 13.3 million port-related jobs, 9 percent of all the jobs in the United States, accounting for $649 billion in personal income. A $1 billion increase in exports creates an estimated 15,000 new jobs. And that is just what this bill is intended to do: strengthen our infrastructure, create jobs, double our exports, as the President wants to do, and stimulate our economy.

#### Ports account for HUGE part of US economy

Canaga Retna 10 (Senior Fiscal Analyst at the Southern Legislative Conference, Sujit M., “The Panama Canal Expansion and the SLC State Ports”, page 2, June 2010)DG

U.S. ports generated 13.3 million direct and indirect jobs, $649 billion in personal income and more than $3.15 trillion in marine cargo-related spending. According to the American Association of Port Authorities (AAPA), at a national level, U.S. ports and waterways handle more than 2 billion tons of domestic and import/export cargo annually. In another 10 years, by 2020, the AAPA estimates that the total volume of cargo shipped via water will be double the volume shipped in 2001. The AAPA documents that basic commodities and finished products (such as certain fruits and vegetables, wastepaper, lumber, iron ore, steel, scrap steel, phosphate, plastics, film, machinery, and modular homes) are shipped by water and that about two-thirds of all U.S. wheat and wheat flour, one-third of soybean and rice production and almost two-fifths of U.S. cotton production are exported via U.S. ports. A major reason U.S.-produced coal, grain and forest products compete so well in international markets is the efficiency of the nation’s transportation system, particularly its ports. Automobile exports and imports, another major contributor to the economy, rely extensively on deep-draft seaports and, in 2008, the latest year available, ports handled more than 4 million passenger cars, vans, SUVs and light trucks. Similarly, the cruise industry is another major contributor to the nation’s economic strength and, again, in 2008, nearly 9 million cruise embarkations took place in the United States. (Globally, there were 13 million embarkations.)

#### Modernization stimulates economy- reduced costs increases exports

USACE 12 (US Army Corps of Engineers, “US Port and Inland Waterways Modernization: Preparing for Post-Panamax Vessels”, June 20th 2012) d.g

The use of larger ships will provide economies of scale to the ocean carriers. These cost savings might be shared with the shippers, the producers and, ultimately, with consumers. However, it should be noted that the portion of traffic transiting the Panama Canal will also benefit the Panama Canal Authority (ACP). In fact it may be possible for the ACP, through its toll structure, to extract a majority of the benefits on routes that use the canal, limiting the cost savings associated with the use of larger vessels through the canal that will be available to carriers, shippers, producers or consumers. A careful understanding of this is required when choosing which ports to deepen and how to finance the project. Ports could benefit from increased freight moving through them. As noted, reduced costs for an all-water route from Asia to the East Coast could cause a shift of some market share from the West Coast ports to the East Coast. However, given the expected overall increase in trade, it is not a zero sum game and it is possible that even if West Coast ports were to lose some market share, they will still see an increase in cargo moving through their ports. Moreover, West Coast ports and their rail partners are investing heavily to increase the capacity and efficiency of the intermodal land bridge to ensure it remains competitive and retains market share. Transshipment might offer some cost savings to cargo headed for ports that are not post- Panamax ready. However, transshipment hubs add time and extra handling, costs that may exceed the benefits of using a larger vessel. The opportunities for reduced costs available to U.S. agricultural exporters through the use of larger bulk carriers are also available to their competitors in international markets. What seems certain is that some mix of these impacts will be realized gradually over time as market participants gain better certainty of the options they face.

Dredging key to maintain competitive edge

U.S. Maritime Administration, 09 ("America's Ports and Intermodal Transportation System", January, pg. 50, [www.glmri.org/downloads/Ports&IntermodalTransport.pdf](http://www.glmri.org/downloads/Ports%26IntermodalTransport.pdf))//RM

Almost every one of the Nation’s top 50 ports handling foreign commerce requires regular maintenance dredging. Together, these ports move nearly 99 percent of U.S. overseas trade by weight and 61 percent by value. 11 Without routine dredging, sections of the navigation **channels can quickly** become shallow, reducing the draft and size of vessels accessing these ports. In addition, as the size of ships continues to grow, approach and alongside depths in several key ports must be increased to as much as 45 to 50 feet. If we do nothing more than merely maintain existing channels at project depth, the Nation’s competitive edge ultimately will erode. The Nation has to do more than maintain, it must deepen channel depths to accommodate the largest vessel sizes. But meeting this challenge requires a signiﬁcant investment by both the Federal government and private industry. The Army Corps of Engineers is responsible for maintaining 300 commercial harbors and more than 600 smaller ones. Each port area is made up of a number of different channels all of which have different depths and their own set of dredging needs. For example, there are 31 different channels alone that make up the Baltimore port area, with depths ranging from 22 to 50 feet. A recent Army Corps of Engineers Study reports that almost 30 percent of vessel calls at U.S. ports are constrained due to inadequate channel depths. If ignored, America’s waterways will be unable to support future growth in trade.

### Solvency - Jobs

#### **Seaports key to 13 million jobs-boosts economic competitiveness**

Western Farm Press 11—“ International trade demands better transportation system”, 2/22, Western Farm Press, ProQuest, Penton Business Media, Inc. and Penton Media, Inc. [http://proxy.lib.umich.edu/login?url=http://search.proquest.com.proxy.lib.umich.edu/docview/863359861?accountid=14667](http://proxy.lib.umich.edu/login?url=http://search.proquest.com.proxy.lib.umich.edu/docview/863359861?accountid=14667" \t "_blank))MK

**Exports mean U.S .jobs, global competitiveness. The speakers both emphasized that international trade creates and maintains American jobs and that it is shortsighted for the United States not to have an infrastructure that takes full advantage of the growing economic potential that world trade represents**. Nagle said **seaports support 13 million jobs, and every billion dollars in exports means 15,000 jobs.** "Free trade creates jobs," Eriksen said. "Farmers spend months every year raising and taking care of the pile of grain you produce, but you don't recognize the full value of your grain until it is transported. **Transportation inefficiency devalues grain and causes bottlenecks that back up all the way to the farm gate**." Eriksen and Nagle both applauded the administration's commitment to doubling exports by 2014, but **emphasized it will take infrastructure improvements to realize that goal. "Exports are key to global competitiveness, and seaports mean prosperity, but we must have efficient transportation infrastructure that gets goods to the ports**" Nagle said. "**It has to be a federal priority."**

#### Dredging creates tons of jobs – every billion dollars creates 35,000 jobs

House Report 11 – Summary on the activities of the committee on Transportation infrastructure for the 112th Congress, first session from the Committee on Transportation and Infrastructure U.S. House of Representatives (112th Congress, “Summary on the activities of the committee on transportation infrastructure for the 112th Congress”, House Report, 7/1/11-12/30/11, [http://www.gpo.gov/fdsys/pkg/CRPT-112hrpt348/html/CRPT-112hrpt348.htm)](http://www.gpo.gov/fdsys/pkg/CRPT-112hrpt348/html/CRPT-112hrpt348.htm%29//MM%22%20%5Ct%20%22_blank)//JH

Over several decades, successive Federal Aviation Administration (FAA) reauthorization acts have increased funding for FAA programs because investing in aviation infrastructure strengthens the economy, creates jobs, and provides for the safe and efficient flow of commerce. Every $1 billion of Federal investment in infrastructure creates or sustains approximately 35,000 jobs. In the 110th and 111th Congresses, the House, under Democratic leadership, passed FAA reauthorization bills that would have created jobs, improved aviation safety, and provided the FAA with the tools necessary to modernize airport and air traffic control infrastructure.

#### U.S. Seaports are vital to the economy and jobs

**Nagle, 11** – President and CEO, American Association of Port Authorities (AAPA) (Kurt, "An Earthquake? Save the Golden Goose!", National Journal’s Transportation Experts Blog, 8/29/11, [http://transportation.nationaljournal.com/2011/08/whats-it-going-to-take-an-eart.php#2056685](http://transportation.nationaljournal.com/2011/08/whats-it-going-to-take-an-eart.php%22%20%5Cl%20%222056685%22%20%5Ct%20%22_blank))
Such a considered review would recognize that America’s seaports and connecting infrastructure are integral to our economy and jobs. Reducing federal investments in port related infrastructure would be detrimental for our country, both in the short and long term. This federal “spending” is essential and pays dividends through increased trade and job creation, as every additional $1 billion in exports creates 15,000 jobs. In addition, this trade generates over $200 billion in federal, state and local tax reenue and Customs duties. Let’s make sure we recognize a “golden goose” and a “cash cow” when we see it and not wait for another earthquake to make us look for them.

## Adv. 2 Military Steel

### Heg Sustainable

#### Heg is high and sustainable

**Wolf, 11 -** Mr. Wolf holds the distinguished corporate chair in international economics at the RAND Corporation, and is a senior research fellow at Stanford University's Hoover Institution. (Charles, “The Facts About American ‘Decline,’” The Wall Street Journal, 4/13/11, [http://wiki.debatecoaches.org/2011-2012+-+Westminster+%28GA%29+-+Saul+Forman+%26+Sam+Seitz#Affirmative-Aerospace Adv.](http://wiki.debatecoaches.org/2011-2012%2B-%2BWestminster%2B%28GA%29%2B-%2BSaul%2BForman%2B%26%2BSam%2BSeitz#Affirmative-Aerospace Adv.))//SS

In absolute terms, the U.S. enjoyed an incline this past decade. Between 2000 and 2010, U.S. GDP increased 21% in constant dollars, despite the shattering setbacks of the Great Recession in 2008-09 and the bursting of the dot-com bubble in 2001. In 2010, U.S. military spending ($697 billion) was 55% higher than in 2000. And in 2010, the U.S. population was 310 million, an increase of 10% since 2000.

The notion that demography is destiny may be a stretch, but demographics are important when, as in the U.S., population increase—due to higher birth and immigration rates than other developed countries—cushions the impact of an aging population. But there were also some important declines relative to the rest of the world. In 2000, U.S. GDP was 61% of the combined GDPs of the other G-20 countries. By 2010, that number dropped to 42%. In 2000, U.S. GDP was slightly more than eight times that of China, but it fell to slightly less than three times in 2010. Japan is a contrasting case: U.S. GDP was twice as large as Japan's in 2000 but 2.6 times as large in 2010, before the tsunami and nuclear disasters of 2011. Between the inclines and declines are other data to be considered. U.S. military spending inclined substantially to more than twice that spent by all non-U.S. NATO members in 2010 from 1.7 times in 2000; to 17 times Russian spending in 2010 from six times in 2000; and to nine times Chinese spending in 2010 from seven times in 2000. Demographically, the U.S. population in 2000 (282 million) was 4.6% of the global population; by 2010, the U.S. population (310 million) had risen to 4.9% of the global figure. The U.S. population was 59% as large as that of the 15-member European Union in 2000; that figure increased to 78% by 2010 (counting only 2000's 15 members) and 62% if we count the 12 new EU members added between 2004 and 2007. The U.S. population grew by 10% more than that of Japan and 13% more than that of Russia between 2000 and 2010. Relative to the huge populations of China and India (1.3 billion and 1.2 billion, respectively), the U.S. population during the past decade increased slightly (0.16%) compared to China and decreased by a similar margin compared to India. What matters more than absolute numbers is the population's composition of prime working-age people versus dependents. Compared to most developed economies and China, the U.S. demographic composition is relatively favorable. So what do all these numbers tell us about decline or incline? Despite the Great Recession, the three crude indicators—GDP, military spending and population growth—show that the U.S. inclined in absolute terms.

### Impacts - Heg

#### Only U.S. primacy prevents conflict escalation – no other state could fill its gap

**Joffe 9** – Josef, Senior Fellow at Stanford's Freeman Spogli Institute for International Studies, ("The Default Power Subtitle: The False Prophecy of America's Decline", Foreign Affairs, Oct 2009)

The United States was far from universally loved under President George W. Bush. Many foreigners saw it as taking advantageof the "unipolar moment" by going to war twice and defying a slew of international agreements and institutions, from the Kyoto Protocol to the International Criminal Court. The United States' autonomy, ran the message of Gulliver Unbound, was not going tobe curbed or controlled by the world at  large. And yet, for all the anti-Americanism that has coursed through western Europe, the Islamic world, and Latin America in recent years, the United States has remained the world's dominant power. When it adopted a hands-off policy toward the Arab-Israeli conflict in the early years of the Bush administration, no other state could fill the vacuum. And when it decided to reengage in the peace process in Annapolis in 2007, everybody showed up; no other government could have mustered that much convening power. Nor could any other nation have harnessed the global coalition that has been fighting the Taliban in Afghanistan. The six-party talks with North Korea were orchestrated by the United States; on the other hand, the three-party talks with Iran -- led by France, Germany, and the United Kingdom -- could not put a stop to Iran's nuclear ambitions. The moral is that either the United States takes care of the heavy lifting or nobody does. And this is the concise definition of a default power. Nor can the rest truly constrain U.S. might. France, Germany, and Russia tried to do so in the run-up to the second Iraq war, in 2003, but ultimately could not stop the U.S. behemoth. In a grudging homage to U.S. power, German Chancellor Gerhard Schröder helped the war effort by granting the United States basing and overflight rights and agreeing to guard U.S. installations in the country to free up U.S. forces for duty in Iraq. More recently, in 2008, it was the United Kingdom and the United States -- rather than the G-20 -- that took the lead in battling the global financial crisis, with massive stimulus measures and injections of liquidity. The speed with which Barack Obama captured hearts and minds around the world after his election in November 2008 represented a rare moment in the annals of the great powers -- a moment of relief at having a U.S. president who made it possible for the world to love his country again. Of course, the United States will not get its way always or everywhere, nor will worldwide affection for Obama translate into a surfeit of U.S. influence. The default power is still an überpower, and other states will seek to balance against it. China and Russia, for example, protect Iran and North Korea from painful UN sanctions. Meanwhile, China and the United States hold each other hostage in a state of M-MAD, or "monetary mutual assured destruction." China cannot unload hundreds of billions of dollars' worth of U.S. Treasury bills without destroying the dollar and its trade surplus, which created its hoard in the first place. Nor can Washington force Beijing to give up on its predatory trade and exchange-rate policies without suffering monetary retaliation. But financial deterrence does not a new default power make. The economic storm that hit the United States in 2008 has triggered a tsunami in China, which has cut its growth rate in half -- although six percent is still a lot better than the negative growth suffered by much of the West. And like the world's other aspiring powers, China lacks the legitimacy that transforms muscle into leadership. The Obama administration grasps this enduring essence of world politics -- it adds kindness to clout, amicability to hard assets. Take Obama's overtures to the Muslim world, outlined first in his inaugural address and then more fully in his speech in Cairo in June. Prince Obama needs no advice from Machiavelli, who famously counseled that it is best to be both loved and feared. By flattering the Islamic world and widening the distance between Israel and the United States, the Obama administration hopes to improve its chances of forging a Sunni Arab alliance against Iran. Forgoing the use of force against Iran's and North Korea's nuclear armaments may be more than just an act of prudence, especially when the costs of war -- say, retaliation by Iran against tanker traffic in the Persian Gulf or a North Korean attack on South Korea -- loom larger than the risks of proliferation down the road. What cannot be averted might just as well be turned into a diplomatic advantage. Tehran's and Pyongyang's unchecked nuclear ambitions may well facilitate U.S.-led coalition building against them. A default power always gains stature when the demand for its services soars. The default power does what others cannot or will not do. It underwrites Europe's security against a resurgent Russia -- which is why U.S. troops remain welcome there even 20 years after Moscow's capitulation in the Cold War. It helps the Europeans take care of local malefactors, such as former Serbian President Slobodan Milosevic. It chastises whoever reaches for mastery over the Middle East, thus the United States helped Iraq in its war against Iran between 1980 and 1988 and then defanged it in 1991 and again in 2003. Only the default power has the power to harness a coalition against Iran, the new pretender in the Middle East. It guarantees the survival of Israel, but at the same time, the Palestinians and the Saudis look to the United States for leverage against Jerusalem. Is it possible to imagine China, Europe, or Russia as a more persuasive mediator? No, because only the United States can insure both the Arabs and the Israelis against the consequences of misplaced credulity. In the new Great Game, the United States offers itself as a silent partner against Russian attempts to restore sway over its former satrapies, and it leads the renewed battle against the Taliban in Afghanistan and Pakistan, signaling ever so softly that it will sequester Pakistan's nuclear weapons if chaos widens into collapse. At the same time, only the United States can rein in both India and Pakistan and protect each against the other. The United States has drawn India into its orbit, and in doing so it has added to the informal balance against China. Dreams of Asia Rising must pay respect to a strategic reality centered on the United States as the underwriter of regional security. Whether Vietnam or Japan, South Korea or Australia -- all of Asia counts on the United States to keep China on its best behavior and Japan from going nuclear. Gainsayers will still dramatize China's growth rates as a harbinger of a grand power shift. The facts and figures and the story of the resistible rise of previous contenders should give pause to those who either cheer or fear the United States' abdication. Linearity is not a good predictor. Imperial powers have regularly succumbed to the ebb and flow of power, although in the United Kingdom's case, that took 300 years. How long will the United States' luck last? Addicted to constant reinvention, it should not fall prey to the rigor mortis that overwhelmed the Ottoman, Austrian, Russian, and Soviet empires. As the twenty-first century unfolds, the United States will be younger and more dynamic than its competitors. And as a liberal empire, it can work the international system with fewer costs than yesterday's behemoths, which depended on territorial possessions and had to conduct endless wars against natives and rivals. A Tyrannosaurus rex faces costlier resistance than the bumbling bull that is the United States. A final point to ponder: Who would actually want to live in a world dominated by China, India, Japan, Russia, or even Europe, which for all its enormous appeal cannot take care of its own backyard? Not even those who have been trading in glee and gloom decade after decade would prefer any of them to take over as housekeeper of the world.

#### Collapse of US hegemony causes apolarity and global nuclear wars.

**Ferguson, 4** – Ferguson is a [Scottish](http://en.wikipedia.org/wiki/Scotland) [historian](http://en.wikipedia.org/wiki/Historian). His specialty is [financial](http://en.wikipedia.org/wiki/Finance) and [economic history](http://en.wikipedia.org/wiki/Economic_history), particularly hyperinflation and the bond markets, as well as the [history](http://en.wikipedia.org/wiki/History) of [colonialism](http://en.wikipedia.org/wiki/Colonialism).( Niall Campbell Douglas, July/August 2004 “A World Without Power,” FOREIGN POLICY Issue 143)//SS

So what is left? Waning empires. Religious revivals. Incipient anarchy. A coming retreat into fortified cities. These are the Dark Age experiences that a world without a hyperpower might quickly find itself reliving. The trouble is, of course, that this Dark Age would be an altogether more dangerous one than the Dark Age of the ninth century. For the world is much more populous-roughly 20 times more--so friction between the world's disparate "tribes" is bound to be more frequent. Technology has transformed production; now human societies depend not merely on freshwater and the harvest but also on supplies of fossil fuels that are known to be finite. Technology has upgraded destruction, too, so it is now possible not just to sack a city but to obliterate it. For more than two decades, globalization--the integration of world markets for commodities, labor, and capital--has raised living standards throughout the world, except where countries have shut themselves off from the process through tyranny or civil war. The reversal of globalization--which a new Dark Age would produce--would certainly lead to economic stagnation and even depression. As the United States sought to protect itself after a second September 11 devastates, say, Houston or Chicago, it would inevitably become a less open society, less hospitable for foreigners seeking to work, visit, or do business. Meanwhile, as Europe's Muslim enclaves grew, Islamist extremists' infiltration of the EU would become irreversible, increasing trans-Atlantic tensions over the Middle East to the breaking point. An economic meltdown in China would plunge the Communist system into crisis, unleashing the centrifugal forces that undermined previous Chinese empires. Western investors would lose out and conclude that lower returns at home are preferable to the risks of default abroad. The worst effects of the new Dark Age would be felt on the edges of the waning great powers. The wealthiest ports of the global economy--from New York to Rotterdam to Shanghai--would become the targets of plunderers and pirates. With ease, terrorists could disrupt the freedom of the seas, targeting oil tankers, aircraft carriers, and cruise liners, while Western nations frantically concentrated on making their airports secure. Meanwhile, limited nuclear wars could devastate numerous regions, beginning in the Korean peninsula and Kashmir, perhaps ending catastrophically in the Middle East. In Latin America, wretchedly poor citizens would seek solace in Evangelical Christianity imported by U.S. religious orders. In Africa, the great plagues of aids and malaria would continue their deadly work. The few remaining solvent airlines would simply suspend services to many cities in these continents; who would wish to leave their privately guarded safe havens to go there? For all these reasons, the prospect of an apolar world should frighten us today a great deal more than it frightened the heirs of Charlemagne. If the United States retreats from global hegemony--its fragile self-image dented by minor setbacks on the imperial frontier--its critics at home and abroad must not pretend that they are ushering in a new era of multipolar harmony, or even a return to the good old balance of power. Be careful what you wish for. The alternative to unipolarity would not be multipolarity at all. It would be apolarity--a global vacuum of power. And far more dangerous forces than rival great powers would benefit from such a not-so-new world disorder.

#### Dominance in the international sphere prevents backlash—only weakness will trigger it

**Fiammenghi, 11 -** postdoctoral fellow in the Department of Politics, Institutions, History at the University of Bologna. (Davide, “The Security Curve and the Structure of International Politics.”

International Security, Spring 2011, http://www.mitpressjournals.org/doi/pdf/10.1162/ISEC\_a\_00037)//SS

Balancing makes sense as long as it has a theoretical possibility of success. When an aspiring hegemon’s concentration of power becomes too great, however, balancing ceases to be possible. If a state were to become so powerful that it no longer feared its rivals, even if they were in a coalition, then opposing it would be useless. This hypothesis appears to drive William Wohlforth’s analysis of U.S. unipolarity.39 I refer to this concept as the “absolute security threshold,”40 that is, the amount of relative power beyond which negative security externalities revert to being positive because balancing becomes impossible (see ªgure 1). One could argue that when rivals pool their efforts to counter a hegemon, the hegemon’s relative power position should decline. Although this is probably true, it is not always so. Sometimes the hegemon’s latent power is simply too great, as the Macedonians and Romans demonstrated.41 Aware of their limitations in the face of such preponderant adversaries, weaker states bandwagon with the hegemon, and the hegemon’s security increases rapidly in step with its power. The security threshold is “absolute” because no state or group of states can impede the hegemon. From a theoretical perspective, the structural incentives are ambiguous, because the function that describes the relationship between power and security is not linear. Up to a certain point, the maximization of power coincides with the maximization of security. But when an aspiring hegemon crosses the security threshold, it must decide whether to aim for the absolute security threshold or maintain a position of preeminence as a great power, though not as the hegemon. In neither case can it be said that the state has disregarded structural constraints or that structural variables are the only determinants of its behavior. In light of the security curve, scholars should reconsider the debate regarding the strategy of maximization.

### Solvency – Steel key to Military

#### Steel is vital to the military

AISI, 6 - AISI’s goal is to educate about the U.S. and North American steel industry (American Iron and Steel Institute, “[A Strong U.S. Steel Industry: Critical to Protecting U.S. Infrastructure, Homeland Security and Economic Security](http://legacy.autosteel.org/AM/TemplateRedirect.cfm?template=/CM/ContentDisplay.cfm&ContentID=25324),” American Iron and Steel Institute, 2/1/6, <http://legacy.autosteel.org/AM/Template.cfm?Section=Automotive2&TEMPLATE=/CM/ContentDisplay.cfm&CONTENTID=25324>)//SS

This analysis presented by the U.S. steel industry addresses the importance of domestically produced steel to our nation’s overall national defense objectives and the increased need for steel to bolster our economic and military security. The President and other U.S. government leaders have recognized repeatedly the critical interdependence of steel and national security. The American steel industry and the thousands of skilled men and women who comprise its workforce produce high

quality, cost-competitive steel products for military use in applications ranging from aircraft carriers

and nuclear submarines to Patriot and Stinger missiles, armor plate for tanks and field artillery pieces, as well as every major military aircraft in production today. These critical applications require consistent, high quality on-shore supply sources. While leading-edge defense applications represent only a small portion of overall domestic sales of steel products, defense-related materials are produced on the same equipment, using some of the same technology, and are developed by the same engineers who support the larger commercial businesses of steel companies in the U.S. Thus, the companies are not typical defense contractors who derive the majority of their sales and profits from their defense business. It is the overall financial health of U.S. steel producers, and not simply the profitability of their defense business, that is essential to their ability to be reliable defense suppliers. The domestic steel industry also believes that, over an extended period of time, the United States could lose much of its steel-related manufacturing base if U.S. steel consumers continue to move production offshore due to market-distorting foreign government incentives and due to unsound

economic policies at home. If we continue to lose our manufacturing base due to marketdistorting foreign competition or U.S. economic policies that are hostile to domestic investment and U.S.-based manufacturing, it could become impossible to produce here; the U.S. military would lose its principal source of strategic metals; and we as a nation would become dangerously

dependent upon unreliable foreign sources of supply.

**The steel industry is key to US hegemony and economic primacy.
AISI, 6** - AISI’s goal is to educate about the U.S. and North American steel industry (American Iron and Steel Institute, “A Strong U.S. Steel Industry:  Critical to Protecting U.S. Infrastructure, Homeland Security and Economic Security,” American Iron and Steel Indusrty, 2/1/6,
[www.steel.org/AM/Template.cfm?Section=Trade2&TEMPLATE=/CM/ContentDisplay.cfm&CONTENTID=18271](http://www.steel.org/AM/Template.cfm?Section=Trade2&TEMPLATE=/CM/ContentDisplay.cfm&CONTENTID=18271" \t "_blank))//SS

"Steel is an important jobs issue; it is also an important national security issue.  I am here to trumpet one of the great values of America.  That's the enterprise of the American worker, the
hardworking American citizens who make this economy go. And those are the steelworkers of America.  I appreciate what you do for our country."    President George W. Bush, August 26, 2001 The President and many other U.S. government leaders recognize that steel and national security go hand in hand.  The North American Security and Prosperity Partnership (SPP), in the first Ministerial “Report to Leaders” (June 2005), identifies steel as a “strategic” industry.  Given the tragic events of September 11, 2001 and the subsequent global war on terror, the importance of a strong and viable American steel industry to U.S. national infrastructure, homeland security and economic security cannot be overstated. It is vital to U.S. national economic security and to our homeland security that America does not become dangerously dependent on offshore sources of supply for: The steel that goes into our energy infrastructure such as petroleum refineries, oil and gas pipelines, storage tanks, electricity power generating plants, electric power transmission towers and utility distribution poles; The steel that goes into our transportation security infrastructure such as highways, bridges, railroads, mass transit systems, airports,
seaports and navigation systems; The steel that goes into our health and public safety infrastructure such as dams and reservoirs, waste and sewage treatment facilities, the public water supply system and, increasingly, residential construction; The steel that goes into our commercial, industrial and institutional complexes such as manufacturing plants, schools, commercial buildings, chemical processing plants, hospitals, retail stores, hotels, houses of worship and government buildings. In the above context, this paper provides a summary and enhancement of a December 2001 report prepared by America’s steel-producing community, entitled “A Strong U.S. Steel Industry: Critical to National Defense and Economic Security.” It is submitted here in connection with the revised draft National Infrastructure Protection Plan (NIPP).  This paper covers: the role played by steel in all its forms in homeland security and economic security; the nation’s increased need for steel to bolster our homeland security and economic security; and the role that domestically produced steel must play to meet our overall security objectives. In the wake of September 11, we are justifiably concerned about the security of the physical underpinnings of our society, especially its essential infrastructure.  Virtually all elements of this infrastructure -- energy, transportation, health, public safety and buildings -- are dependent upon steel for their construction and security.  The importance of a strong and viable domestic steel industry to U.S. national economic security and to our homeland security is clear. The September 11 attacks on the United States illustrate that (1) steel will be needed to “harden” existing U.S. infrastructure and installations and (2) a strong and viable domestic steel industry will be needed to provide immediate steel deliveries when and where required.  We need only consider the potential difficulties that the U.S. would face in defending, maintaining and rebuilding vital infrastructure in an environment where our nation is largely dependent upon offshore sources for steel.  If the U.S. were to become even more dangerously dependent upon offshore sources of steel, we would experience sharply reduced security preparedness in the face of: Highly variable, and certainly higher, costs; Uncertain supply, impacted by unsettled foreign economies; Quality, design and performance problems; Inventory problems, long lead times and extended construction schedules. In this submission, we will examine U.S. infrastructure, segment by segment, all of which are highly steel-intensive. We will cite specific examples of our infrastructure need, the importance of steel as a material to this need and the importance of a strong and viable domestic steel industry to meet this need. Even prior to September 11, the American Society of Civil Engineers reported that $1.3 trillion would be needed through 2005 alone for major infrastructure improvements in The United States. The situation has likely worsened since publication of the figures below. According to authoritative government and consuming industry studies: 25 percent of U.S. bridges are currently either structural deficient or obsolete, so roughly 150,000 of our nation’s bridges will need to be modernized and rebuilt;
27 percent of America’s highways are judged to be poor-to-mediocre, so more than a quarter of the U.S. highway system will need to be rebuilt and upgraded; 21 percent of U.S. rail track is rated as “less than good,” so more than a fifth of our nation’s railway system will need to be better maintained or rebuilt; 30 percent of U.S. airport runways are classified as “needing repair,” so nearly a third of our nation’s airport runways will require upgrading. Our country depends upon a healthy American steel industry to meet these and other growing U.S. demands for steel-intensive infrastructure. Engineers and contractors on sophisticated infrastructure projects require an uninterrupted supply of quality steel that they can trust to meet the performance characteristics of their project’s design, delivered on time and at a competitive cost. U.S. national economic security requires a strong and viable domestic steel industry to meet all these criteria on a consistent plate steel in wide and very heavy gauges.  Prompt and effective maintenance and restoration of pipelines are vital to our national energy security
infrastructure and to our national economy Electric power generation is an engine for our economy. Steel is not
only present in the structures, but in the huge generators, which use
large quantities of sophisticated electrical lamination steel sheet,
and in the boilers, pressure vessels and pipe that is needed to
produce basis.

### Solvency - Dredging

#### Dredging key to steel shipping

**Wall Street Journal 11** – (“Legislative Hearing on H.R. 104, the Realize America's Maritime Promise (RAMP) Act”, ProQuest Congressional, 7/5/11)//SS

PAULINA, La.-Historic flooding this year carried an estimated 60 million cubic yards of sediment down America’s largest river system, transforming the winding lower Mississippi into a dangerous obstacle course for large commercial ships and raising transportation costs. Shippers of grain, oil, coal and other commodities now want the Army Corps of Engineers to spend an additional $95 million on dredging to fix the problem. Mother Nature's timing couldn't be any worse, with record floods hitting just as the federal government is seeking ways to save money. The Corps budget this year has allocated less to dredging than last year. The Mississippi River is a major thoroughfare for commerce, ferrying key American exports, including grain, corn and soybeans, and imports such as steel, rubber and coffee. A third of the nation's oil comes up the river to refineries in Louisiana. But the silt brought by the recent flooding has made the river more shallow, which translates to lighter cargo loads and more trips, raising costs. River pilots earlier this year warned ships to lighten loads to meet new restrictions on draft— the distance between the waterline and the ship's bottom—from 45 feet to 43 feet long sections of the lower Mississippi. The Big River Coalition, an industry group, estimates that on average each foot of lost draft costs shippers an extra $1 million per ship.

#### Insufficient dredging funding hurts economic competitiveness—steel and heavy products

**Ngai, 12** - commodities reporter covering the metals and mining industry (Catherine, “Dredging, infrastructure spending must top US priorities: AAPA chief”, Metal Bulletin Weekly, 1/16, [http://proxy.lib.umich.edu/login?url=http://search.proquest.com.proxy.lib.umich.edu/docview/926219023?accountid=14667](http://proxy.lib.umich.edu/login?url=http://search.proquest.com.proxy.lib.umich.edu/docview/926219023?accountid=14667" \t "_blank), ProQuest)

v=Dredging maintenance and infrastructure spending issues should be addressed before initiating discussions on growing the economy, according to the head of the American Association of Port Authorities (AAPA). "We talk a lot about wanting to increase trade and exports to boost the economy, but we need to first recognize that we must invest in our infrastructure so trade will be competitive," AAPA president and chief executive officer Kurt Nagel told AMM. "The last cycle of dredging funding was the highest level it has been, and it was barely half of what should have entered the system." Speaking on the sidelines of AAPA's Shifting International Trade Routes Conference in Tampa, Fla., Nagel said that money collected through the federal Harbor Maintenance Tax, a levy on goods shipped into the country, is not properly routed to maintain dredging needs at U.S. ports. As a result, he said, importers who bring in such heavy products as steel are unable to do so efficiently.

The U.S. Army Corps of Engineers said that $2.37 billion was allotted for operation and maintenance in the fiscal 2011 budget, with another $264 million set aside for the Mississippi River and its tributaries. But some say that isn't enough. "We realize there's a general need to rebuild our transportation infrastructure throughout the country. In our overall system, half of the navigation channels are dredged to their authorized depth only 35 percent of the time," Nagel said. "That means you're obviously going to increase costs for cargo by reducing the capacity of the channels." The AAPA said its top priority in Washington will be to get President Obama to propose a budget next month that includes a significantly higher level of funding for maintenance dredging. "We're also working with Congress to propose legislation that will require the government to fully utilize the tax that's being collected," Nagel said. But with the nation headed towards federal elections in November, it will be difficult to convince Congress that investments in infrastructure projects are a necessity, Nagel said. "We're making some significant inroads, but we're faced with the upcoming elections and the federal budget situation. We live in an environment where the question is always 'Where do we cut?' because no one wants to spend." In a World Economic Forum study, the United States last year fell one place to 23rd for worldwide port infrastructure quality. Nagel said that port infrastructure relies on the entire supply chain-everything from connecting cargo from the port to a barge, rail or truck and transporting it to the final destination. "Our goal is that when the President or Congress talks about transportation, we want them not to think only about highways and bridges, but also how that connects to our ports, and ultimately the world market, via our navigation channels," he said. "It's a priority to invest in all of these aspx?"ects of our infrastructure if we're going to be competitive internationally."

**Current US ports can’t store the large amount of containerized steel scrap to meet the demands of their importers**

**Davidson, 12** - Senior Writer, Metal Bulletin (Sean, “ Demand drives US ferrous scrap export prices up”, Metal Bulletin, 4/10/12, Lexis Nexis)//SS

Ferrous scrap export prices jumped between $5 and $10 per tonne last week, driven by sustained demand from Turkey off the East Coast and Taiwan off the West Coast. East Coast exporters said bulk cargo sales to Turkey of the 80/20 mix of No. 1 and No. 2 heavy melting steel scrap were in a range of $451 to $453 per tonne c.f.r., up between $8 and $10 from a week earlier. Sources said freight had stayed steady at around $26 per tonne, but some said freight could soften by up to $2 per tonne in coming weeks. Contradicting reports of East Coast bulk cargoes to Turkey suggested anywhere between four and eight cargoes sold last week. AMM confirmed four sales early in the week at prices that were up $8 per tonne before rising an additional $2 by Thursday. One cargo sold to Turkey early last week was up $8 per tonne to $451 per tonne c.f.r. for 80/20 heavy melt and to $456 per tonne for shredded, according to sources, while a cargo sold late Thursday at $453 per tonne c.f.r. for 35,000 tonnes of 80/20 heavy melt and $463 per tonne for 5,000 tonnes of plate and structural scrap. A third cargo of 33,000 tonnes of 80/20 heavy melt and 7,000 tonnes of shredded scrap sold at a composite price of $452 per tonne, while a fourth cargo of 40,000 tonnes of 80/20 heavy melt and 5,000 tonnes of bonus grade (five-foot plate and structural scrap) went for a composite price of $454.50 per tonne. "Bulk shredded scrap traded at about $458 per tonne on Friday, up $10. This week, I expect it to hit $460," a large East Coast exporter said. "Between 12 and 14 cargoes sold to Turkey last week, and I believe seven or eight of those cargoes were shipped from the U.S." East Coast shipments of containerized shredded scrap to India gained between $5 and $10 per tonne last week, trading in a range of $490 to $495 per tonne c.f.r. Market participants said the increases were driven by a shortage in container availability that is likely to continue.

Two sources said there were rumors that one shipping company had suspended all bookings of containerized scrap, while a second shipping company was rumored to have reduced the number of available containers. "Basically, what happened across the globe is that container lines took vessels off the market a few weeks back, then overbooked ships this month and blamed vessel space. They did all this to increase rates and blame space as the issue. The United Kingdom and European Union are booked out until the first few weeks of May," a containerized scrap exporter said. "Container rates are up, but you can secure some space on ships if you pay a nice premium. India pricing is up with the increase on shipping, but still spotty." Other sources said last week's container sales of shredded scrap were at $438 per tonne f.a.s. Savannah, Ga., $440 per tonne f.a.s. New York and $432 per tonne f.a.s. Baltimore. A Mumbai-based importer of U.S. scrap told AMM that prices for containers of shredded scrap were between $490 and $495 per tonne c.f.r. Nhava Sheva.

On the West Coast, a few sources said they had heard rumors of one bulk cargo of shredded scrap being sold to a Taiwanese consumer at $475 per tonne c.f.r., but AMM was unable to confirm the deal. Meanwhile, containers of 80/20 heavy melt gained $5 per tonne last week as several exporters reported sales to Taiwan at around $450 per tonne c.f.r. after starting the week at $445. West Coast containerizedscrap exporters said 80/20 heavy melt had traded in a range of $410 to $420 per tonne f.a.s. Long Beach/Los Angeles. "Freights are up between $3 and $5 per tonne, which negates the rise," one Los Angeles based-source said. "However, steel scrap cargoes are competing with waste paper, grains, hay and cotton this season, and it results in a shortage of available containers. Other ports are dramatically lower due to higher containerized freights."

## Adv. 3 Agricultural Competitiveness

### Ag Competitiveness Decreasing

#### U.S. agriculture export competitiveness is eroding – aggressive competitors rising now

AgriMoney, 2/20 - investors' link to the food chain. The increasing numbers of mouths to feed, the demand for ever-more sophisticated diets, and the potential for turning food into fuel has turned the growing business into big business. Agriculture, to which financial markets owe a debt of history, is back at the forefront of investment thinking. (“US crop exports face 'crisis of competitiveness'”, Agrimoney.Com, 2/20/12, [http://www.agrimoney.com/news/us-crop-exports-face-crisis-of-competitiveness--4179.html)//GP](http://www.agrimoney.com/news/us-crop-exports-face-crisis-of-competitiveness--4179.html%29//GP)

US grain exporters face a "crisis of competitiveness" which is seeing foreign rivals raise market share, helped in corn by doubts over the quality of American supplies. The US Grains Council, whose role is to promote the country's grain exports, warned of "rapidly changing market realities" which were eroding US pre-eminence in agricultural commodity shipments. The group focused on corn, in which the US is, for the first time in 2011-12, to account for less than 50% of world shipments, thanks to the emergence of Ukraine as a major exporter. America's exports will ease to 43.2m tonnes, or 46% of the world total, down from 52% last season, on US Department of Agriculture exports. However, the US is also to be overtaken by Brazil as a soybean exporter, and in wheat is seeing its lead in shipments eroded by Australia and Russia. 'Crisis of competitiveness' "US producers face a crisis of competitiveness," the council said, noting an "intense battle" for share in export markets. "Aggressive competitors in Argentina, Brazil and the Black Sea region… are ramping up production in response to high global prices for corn and other feed grains." US producers "can hardly fault others for competing effectively for market share because, in large part, we taught them how to do it", the group said. "But rising competition means US producers must look aggressively to emerging markets in which the US can earn a competitive edge." Foreign threats The comments follow forecasts last week from the USDA that the US was over the next decade to continue to lose market share in exports of major crops including corn, soybeans and wheat and, to a lesser extent, cotton and sorghum. In wheat, US shipments will represent 16% of the world total in 2021, down from an average of 23% over the past five years, the last decade, mainly due to increased shipments from the Black Sea. The USGC highlighted that in corn, "the US cannot take market dominance for granted", noting "increasing self-sufficiency" in the rest of the world. "Non-US demand continues to rise rapidly, prices remain high, and non-US producers are responding." Quality doubts However, it also flagged the dent to demand for US shipments stoked by the poor-quality crop in 2009, when wet conditions delayed the harvest for weeks, leaving crop exposed to poor weather. The council had logged "concerns" about US corn quality "in virtually every market around the world", with longer-standing complaints too about moisture content. In the US too, corn buyers such as Smithfield Foods, the hog producer, complained over the quality of the 2009 harvest, in which moisture levels often came in at 20-30%, creating ripe conditions for the spread of fungi, including those which produce vomitoxin.

#### International seaport trade competition high- Canada Proves

USACE, 12– federal agency that regulates port infrastructure projects(“U.S. Port and Inland Waterways Modernization: Preparing for Post-Panamax Vessels”, USACE, June 20 2012, [http://www.iwr.usace.army.mil/docs/portswaterways/rpt/June\_20\_U.S.\_Port\_and\_Inland\_Waterways\_Preparing\_for\_Post\_Panamax\_Vessels.pdf](http://www.iwr.usace.army.mil/docs/portswaterways/rpt/June_20_U.S._Port_and_Inland_Waterways_Preparing_for_Post_Panamax_Vessels.pdf%22%20%5Ct%20%22_blank)) MK

IWR also examined the capacities for a number of ports outside the U.S. that can be viewed as competition to U.S. ports. When congestion reached a peak in Long Beach in 2004, for example, some cargo had been diverted to Lorenzo Cardenas and Manzanillo in Mexico. U.S. West Coast ports have become understandably concerned about the diversion of traffic to Prince Rupert in British Columbia, which began operations in 2007. It boasts an ice-free, 115-foot deep harbor and is about 1,000 nautical miles closer to Asian ports (two-days shipment time) than Southern California ports. The Canadian National Railway Company’s rates from Prince Rupert to Chicago are approximately $300 per container lower than Burlington Northern Santa Fe Railway and Union Pacific intermodal rates to Chicago from Los Angeles. Canadian National Railway Company has also been investing heavily to widen tunnels, reinforce bridges and build sidings along the route from Prince Rupert to Chicago. (The steepest grade between Canada’s Pacific Northwest and its Chicago end points is 1 percent in the Rockies). Prince Rupert is planning to quadruple its capacity to approximately 2 million TEUs with its Phase 2 Expansion project.

### Ag Shortage Coming

#### Increase in exports needed now-shortage soon Pinstrup-Anderson, 11 - H.E. Babcock Professor of Food, Nutrition and Public Policy Professor of Applied Economics and Management, and J. Thomas Clark Professor of Entrepreneurship Cornell University, Ithaca, New York (Per, “ The Global Food and Nutrition Situation: Implications for the 2012 Farm Bill”, 5/26, Senate Testimony, [http://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=2&sqi=2&ved=0CE4QFjAB&url=http%3A%2F%2Fwww.ag.senate.gov%2Fdownload%2Fpinstrup-anderson-testimony&ei=03f8T6yqBKec2AXm6aV4&usg=AFQjCNGQuODALFwc5TTB1paNk7uTbNqbEQ)](http://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=2&sqi=2&ved=0CE4QFjAB&url=http%3A%2F%2Fwww.ag.senate.gov%2Fdownload%2Fpinstrup-anderson-testimony&ei=03f8T6yqBKec2AXm6aV4&usg=AFQjCNGQuODALFwc5TTB1paNk7uTbNqbEQ%29//DH" \t "_blank) MK

In 2008**, food prices globally rose to unprecedented levels**. They continued to climb and stayed relatively high until mid-2011, when prices considerably exceeded 2008 levels**. Many factors influence food price volatility, including agriculture and energy policy, commodity prices and market speculation, extreme weather events, rising global demand, and falling surplus stocks. Without increases in agriculture production and improvement in food distribution, the world will have trouble feeding a growing population in the next two decades**, much less ending hunger under the UN Millennium Development Goals. The G20 meeting in November 2011 is expected to focus on ways to improve food security and lessen price volatility.

### Panamax Coming

**South Atlantic and Gulf’s ports unable to sustain post Panamax ships-key to export industry**

**USACE, 12**– federal agency that regulates port infrastructure projects(“U.S. Port and Inland Waterways Modernization: Preparing for Post-Panamax Vessels”, USACE, June 20 2012, [http://www.iwr.usace.army.mil/docs/portswaterways/rpt/June\_20\_U.S.\_Port\_and\_Inland\_Waterways\_Preparing\_for\_Post\_Panamax\_Vessels.pdf](http://www.iwr.usace.army.mil/docs/portswaterways/rpt/June_20_U.S._Port_and_Inland_Waterways_Preparing_for_Post_Panamax_Vessels.pdf%22%20%5Ct%20%22_blank)) MK

**By undertaking the current expansion, Panama will double the Canal’s capacity. The resulting economy of scale advantage for larger ships will likely change the logistics chains for both U.S. imports and exports.** Despite the uncertainties in timing and port-specific implications that still need to play out, the certain injection of **successive new generations of post-Panamax vessels into the world fleet could be a “game-changer” for the U.S. over the long term, as it has the potential to not only provide a cost effective complement to the intermodal transport of imports via the U.S. land bridge, while also reshaping the service from Asia to the Mediterranean and on to the U.S. East Coast, but may also affect the highly competitive transport price structure along the Midwest to Columbia-Snake route for grain and other bulk exports bound for trans-Pacific shipping. Inland waterways play a key role in the cost efficient transport of grains, oilseeds, fertilizers, petroleum products and coal. Gulf ports play key roles in the transport of these commodities, such as New Orleans being the dominant port for the export of grains from the U.S. Therefore the expanded canal could provide a significant competitive opportunity for U.S. Gulf and South Atlantic ports and for U.S. inland waterways – if we are prepared.** Through effective planning and strategic **investment the U.S. can be positioned to take advantage of this opportunity.** The railroad industry has been investing $6-8 billion a year over the last decade to modernize railways and equipment, and U.S. ports plan public and private-sourced landside investments of the same magnitude over each of the next five years. Annual spending on waterside infrastructure has been averaging about $1.5 billion. While the U.S. has ports on the West Coast (Los Angeles, Long Beach, Oakland and Seattle/Tacoma) and East Coast (New York, Baltimore and Hampton Roads) expected to be ready with post-Panamax channels in 2014, **there is currently a lack of post-Panamax capacity at U.S. Gulf and South Atlantic ports – the very regions geographically positioned to potentially be most impacted by the expected changes in the world fleet**. The Corps currently has 17 studies investigating the opportunity to economically invest in deep draft ports. At the Port of Savannah, USACE has identified an economically viable expansion to accommodate post-Panamax vessels. This project is estimated to cost $652 million dollars. It is possible that several of the remaining studies will also show economic viability and, if so, the challenge will be to fund these investments. In addition, justified investments in inland waterway locks and dams will be needed to allow the waterway transport capability to take advantage of an expanded canal for U.S. exports. This emphasizes the strategic need to address the revenue challenge within the Inland Waterway Trust Fund.

#### Southeast and Gulf ports are in most need of expansion

USACE, 12– federal agency that regulates port infrastructure projects(“U.S. Port and Inland Waterways Modernization: Preparing for Post-Panamax Vessels”, USACE, June 20 2012, [http://www.iwr.usace.army.mil/docs/portswaterways/rpt/June\_20\_U.S.\_Port\_and\_Inland\_Waterways\_Preparing\_for\_Post\_Panamax\_Vessels.pdf](http://www.iwr.usace.army.mil/docs/portswaterways/rpt/June_20_U.S._Port_and_Inland_Waterways_Preparing_for_Post_Panamax_Vessels.pdf%22%20%5Ct%20%22_blank)) MK

The deployment of post-Panamax vessels will have impacts throughout the Nation’s freight transportation system. To prepare for these vessels, ports will seek to widen and/or deepen their channels and turning basins. Whether the port is preparing to be post-Panamax ready or cascade ready will depend on the specific needs and opportunities of the individual port. An analysis of population and trade growth, coupled with a survey of current port capacities, has shown the Nation’s most critical needs are along the Southeast and Gulf Coasts. The export of agricultural and other bulk commodities depends on the inland waterways. A comparison of the current system capacity with forecast increases in agricultural exports indicates adequate capacity through 2020 and possibly beyond. To take advantage of these export opportunities will require the maintenance of inland waterway capacity that serves these exports. The impact of post-Panamax vessels is not anticipated to necessitate the expansion of inland waterway locks.

### IL - Trade

**Agriculture exports key to trade**

**Baird, 11 Tim** (“Understanding the Consequences of the Panama Canal Expansion on Midwest Grain and Agricultural Exports”, National Center for Freight & Infrastructure Research & Education Department of Civil and Environmental Engineering College of Engineering, May 2011, University of Wisconsin–Madison [http://ntl.bts.gov/lib/45000/45000/45001/CFIRE\_03-18\_Final\_Report.pdf](http://ntl.bts.gov/lib/45000/45000/45001/CFIRE_03-18_Final_Report.pdf%22%20%5Ct%20%22_blank) MK

**The Midwestern United States is a vital agricultural producer for the nation and the world, particularly for grain crops**. The USDA’s National Agricultural Statistics Service (NASS) reports production volumes and estimates export values for various agricultural products including wheat, feed grains, and soybeans. **The MAFC region’s estimated share of wheat exports is significant but not dominant, accounting for 33.1 percent of the nation’s trade in 2009. In the feed grain and soy sectors, the region’s products account for 67.6 percent and 68.3 percent, respectively, of US exports.**

### Impact – Food Prices

**Food price spikes cause riots and malnutrition**

**Naylor and Falcon 10** – Director of the Center on Food Security and the Environment, the William Wrigly Senior Fellow, and professor of Environmental Earth System Science at Stanford University, and Falcon is the deputy director of the center on food security and the environment, former director of the freeman Spogli Institute for International Studies, and professor of International Agricultural Policy and Economics at Stanford University (Rosamond and Walter, “Food Security in an Environment and Economic Volatility”, Wiley Online Library, 12/15/10, <http://onlinelibrary.wiley.com.proxy.lib.umich.edu/doi/10.1111/j.1728-4457.2010.00354.x/pdf>) MK

**The recent upheavals in staple food prices, financial markets, and the global economy raise questions about the state of food insecurity, the nature of price variability, and the appropriate strategies for international agricultural development**. For decades preceding this turmoil, **agriculture had received waning attention from the global development community as real food prices declined on trend. Analysts who worried about food insecurity focused on the fate of poor producers. The dramatic upswing in prices in 2007–08 turned attention toward poor consumers as many countries struggled with food riots, mounting malnutrition, and the adoption of grain self-sufficiency policies** (Naylor and Falcon 2008). New debates have been spurred over whether real agricultural prices will resume their long downward decline or whether there has been a more general reversal in the real price of food (OECD and Fao 2010; IAASTD 2009). Three-quarters of the world’s poor—the 2.5 billion people who exist on less than $2 per day—live in rural areas and are both consumers and producers of food (Ravallion et al. 2007; world bank 2008). **Because they spend the majority of their disposable income on food and have minimal savings, they are particularly vulnerable to agricultural price spikes**. This vulnerability persists in both urban and rural environments, underscoring the general principle that poverty, not geography, is mainly responsible for food insecurity (Ruel 2010).

#### Food price spikes cause malnourishment-empirics prove

**Smith 2011**– Stephen C. Smith is an economist, author, and educator. He is Director of the Institute for International Economic Policy at George Washington University, where he is also Professor of Economics and International Affairs. (Stephen,“The Triple Threat of Unstable Food Prices … and What Can Be Done About It”, <http://www.heifer.org/media-standalone/world-ark/archives/2012/february/triple-threat-of-unstable-food-prices>) MK

The scourge of hunger today is worse than it was a decade ago. In the aftermath of the first food price spike and the 2008-2009 global financial crisis, for the first time more than one billion people were significantly malnourished. Conditions improved slightly in 2010, but food prices spiked again in 2011, pushing the United Nations Food and Agriculture Organization's food price index to a record high. About 925 million are currently hungry, not far from the all-time record. A family living in poverty in a low-income country may spend almost three-quarters of their income on food.

### Impact - Wars

**Hunger causes food wars and violence**

**Messer et al 1** – Ellen Messer: Professor of Nutrition Science and Policy at Tufts University, Marc J Cohen: Special Assistant to the Director General at the International Food Policy Research Institute & Thomas Marchione: Nutrition Advisor at the Bureau for Humanitarian Response (“CONFLICT: A CAUSE AND EFFECT OF HUNGER,” ECSP REPORT ISSUE 7, 2001, http://www.fao.org/righttofood/KC/downloads/vl/docs/ECSP7-featurearticles-1.pdf MK

**Food wars—a concept which includes the use of hunger as a weapon in active conflict and the food insecurity that accompanies and follows as a consequence—had left close to 24 million people in 28 developing countries, transition countries, and territories hungry and in need of humanitarian assistance.** **Many of these people experiencing conflict-induced hunger were among the world's 35 million refugees and internally displaced persons; others remained trapped in conflict zones** (UNHCR, 2000; FAO, 2000a; USCR, 2000; and ACC/SCN, 2000). Women and children accounted for 70 to 80 percent of those uprooted by violence (USCR, n.d.). **Even in regions where food might have been available, conflict rendered people food-insecure: they lacked access to sufficient food to sustain healthy and productive lives** (see Table 2). **Over both the short and the long term, populations, households, and individuals of countries in conflict suffer disruptions in livelihoods, assets, nutrition, and health.** Combatants frequently use hunger as a weapon: they use siege to cut off food supplies and productive capacities, starve opposing populations into submission, and hijack food aid intended for civilians. They may intentionally or incidentally destroy crops, livestock, land, and water. Deliberate asset-stripping of households in conflict zones may cause those households to lose other sources of livelihood as the ongoing conflict leads to breakdowns in production, trade, and the social **fabric The disruption of markets, schools, and infrastructure removes additional resources required for food production, distribution, safety, and household livelihoods**

**Food shortage leads to riots, poverty, political instability**

**Blas 08**-- Commodities correspondent for the Financial Times, Javier, 07/02, National Interest Online, “Feeding Frenzy,” [http://findarticles.com/p/articles/mi\_m2751/is\_96/ai\_n28074563/?tag=content;col1](http://findarticles.com/p/articles/mi_m2751/is_96/ai_n28074563/?tag=content;col1" \t "_blank) MK

**FOOD**. MAN'S most-essential resource. And now **a cause of war**? For years, **strategists, policy makers and the rest of the foreign-policy cadre worried the world's vanishing resources would be the cause of conflict.** But of course, with energy assets concentrated in the Middle East and crude-[oil prices](http://findarticles.com/p/articles/mi_m1141/is_33_42/ai_n26701921/?lc=int_mb_1001) rising from a historical average of $18 a barrel to more than $100 a barrel today, most scenarios centered on a war over oil. At their most imaginative, people have planned for water shortages as a trigger. What no one seemed to be expecting was **serious political instability caused by a lack of food. This is not just threat mongering. Experts around the world have voiced concern. Horst Seehofer, Germany's agriculture minister, has warned that "food conflicts" lurk around the corner**. UN Secretary-General Ban Ki-moon recently told a conference that **"if not handled properly, this crisis could result in a cascade" of others. It could become % multidimensional problem affecting economic growth, social progress and even political security around the world.**" Josette Sheeran, head of the World Food Program (WFP), added that **riots in more than thirty countries were "stark reminders that food insecurity threatens not only the hungry but peace and stability itself." The World Bank estimates that about 100 million people in 2007 were absorbed into the ranks of the poor and hungry because of the surge in food costs, reversing** rich countries' steady **efforts to halve global hunger by 2015**. Jacques Diouf, head of the UN's Food and Agriculture Organization (FAO), said in April he was surprised the UN Security Council had not yet called on him to explain the crisis.

#### Even minor food shortages trigger famine and starvation-grain reserves low

**Helfand, 7**-- North American vice president of the International Physicians for the Prevention of Nuclear War. (Ira, "An Assessment of the Extent of Projected Global FamineResulting From Limited, Regional Nuclear War",  [www.psr.org/assets/pdfs/helfandpaper.pdf](http://www.psr.org/assets/pdfs/helfandpaper.pdf%22%20%5Ct%20%22_blank)) MK

At this point in time, we are ill prepared to deal with a major fall in world food supply. As of mid August¶ of this year, global grain stocks were approximately 322 million tons with annual consumption at 2,098 million tons. Expressed as days of consumption world grain stocks are therefore approximately 49 days, lower than at any point in the last 50 years, and dramatically lower than the 100 to 120 days of consumption available in the 1980’s and 1990’s. These stocks would¶ not provide any significant reserve in the event of a sharp decline in global production. At our current baseline there are already millions¶ of people suffering chronic malnutrition. While there is considerable academic debate about the exact scope of global malnutrition, and even about the best way to define malnutrition, the average adult needs somewhere between 1800 and 2000 calories per day, depending on his or her stature, to meet basic metabolic requirements and sustain a minimal level of physical activity. Requirements for children are dependent on age and size. There are more than 800 million people in the world whose daily caloric intake falls below these minimum requirements. Each year some five million children in this group starve to death. A small further decline in available food would put this entire group at risk. Given these conditions, even a modest, sudden decline in agricultural production could trigger massive famine. At the time of the great Bengal famine of 1943, during which three million people died, food production was only 5% less than it had been on average over the preceding five years, and it was actually 13% higher than it had been in 1941 when there was not a famine. But in 1943, after the Japanese occupation of Burma, which had historically exported grain to Bengal, the decline in food production was coupled with panic hoarding and the price of rice rose nearly five-fold, making food unaffordable to large numbers of people. These two factors, hoarding and the severe increase in rice prices, caused an effective inaccessibility of food far more severe than the actual shortfall in production.

### Solvency – Expansion/Deepening Key

#### Port expansion is vital to economic and agricultural export competitiveness

Gibbs 11 **–** Legislative Hearing on RAMP Act with the House of Representatives, Subcommittee on Water Resources and Environment, Committee on Transportation and Infrastructure, Bob Gibbs is the chairman of the subcommittee (Bob, “Legislative Hearing on the RAMP Act”, Legislative Hearing, 7/8/11, <http://www.gpo.gov/fdsys/pkg/CHRG-112hhrg67286/pdf/CHRG-112hhrg67286.pdf>**)//**MM

Mr. GIBBS. Welcome. The Subcommittee on Water Resources and Environment will come to order. Today, we will have a legislative hearing on H.R. 104, Realize America’s Maritime Promise Act of 2011. This hearing will give Members a chance to hear and review the challenges and opportunities facing America’s navigation system, the current and future roles played by our ports and waterways, and Mr. Boustany’s legislation. Ninety-five percent of the Nation’s imports and exports go through the Nation’s ports. Our integrated system of highways, railroads, airways, and waterways has efficiently moved freight in this Nation. But as we enter a new era of increased trade, our navigation systems have to keep pace. If not, this will ultimately lead to further delays in getting the Nation’s economy back on its feet. In May 2010, the President proposed an export initiative that aims to double the Nation’s exports over the next 5 years. However, with the Corps of Engineers navigation budget slashed by 22 percent over the previous 5 years, and the President only requesting $691 million from the Harbor Maintenance Trust Fund, the export initiative will not be a success. Only if our ports and waterways are at their authorized depths and widths will products be able to move to their overseas destinations in an efficient and economical manner. Since only 10 of the Nation’s largest ports are at their authorized depths and widths, the President’s budget does nothing to ensure our competitiveness in world markets. Modern ports and waterways are critical in keeping the U.S. manufacturers and producers competitive in the world markets. For instance, America’s farmers, like the rest of the economy, depend on the modern and efficient waterways and ports to get the products to market. Improved transportation systems in South America have allowed South American farmers to keep their costs low enough to underbid U.S. green farmers for customers located in this country. With an outdated navigation system, transportation costs will increase and goods transported by water may switch to other congested modes of transportation. With today’s overcrowded highways, like the I–95 corridor, we should be looking to water transportation to shoulder more of the load. Unless the issue of channel maintenance is addressed, the reliability and responsiveness of the entire intermodal system will slow economic growth and threaten national security.

#### Increasing transportation infrastructure’s key to improving agricultural trade-wheat and soy prove

Khachatryanand Casavant 11—Research Associate and Director/Professor at the Freight Policy Transportation Institute at the School of Economic Sciences at Washington State Unviersity (Hayk and Ken, THE RELATIONSHIP BETWEEN U.S. TRANSPORT INFRASTRUCTURE IMPROVEMENTS AND INTERNATIONAL TRADE, [http://wstc.wa.gov/Meetings/AgendasMinutes/agendas/2011/July19 20/documents/11\_0719\_BP5\_FPTIInfrastTrdPolicyRept.pdf](http://wstc.wa.gov/Meetings/AgendasMinutes/agendas/2011/July19%2020/documents/11_0719_BP5_FPTIInfrastTrdPolicyRept.pdf)) MK

The export share of total agricultural production has gradually increased from 15.9% in 1988 to 21.4% in 1996. Primary crops and meat and livestock categories’ export share increased from 25.8% to 31.1% and 7.4% to 11.1% respectively. The average percentage of export market share is higher in the 1990s’indicating that U.S. farm income becomes more reliant on the foreign trade. In turn, foreign trade relies on cost-effective and timely transportation efficiency. Table 3 shows the export shares for several important agricultural commodities. Excluding grapes, soybeans and sunflower seed categories, the export share of production for other major agricultural commodities was found to be increased from 1988 to 1996. Most notably, the export share for almonds increased from 51.6 to 71.8%, apples shares were 12%, up from 6.2%. Export shares of wheat and soybeans are significant, averaging about 51% and 34% respectively. With increasing world food demand and growing foreign per capita expenditures on U.S. farm products, the positive relationship between agricultural export shares and foreign market dependence has important implications for trade policies. In particular, the pattern in export share of production for agricultural commodities suggests adequate response in investing and increasing transport capacity is needed in order to support uninterrupted trade flow. Recent wheat trade data published by the Foreign Agricultural Service Production, Supply and Distribution (FAS PSD) shows that the U.S. wheat exports have dominated in the top 5 wheat exporting countries (Figure 3). Despite the significant reductions during the last three 18 years, due to the economic downturn, the U.S. is leading exporter with more than 35 million metric tons exported in 2010, the highest. The rest of the major wheat exporting competitor countries listed in the FAS PSD online database are European Union, Canada, Australia, and Argentina. Soybean world exports are largely dominated by U.S. and Brazil, followed by Argentina, Paraguay, and Canada. The U.S. soybean exports increased almost 70% since 2005, reaching more than 43 million metric tons in 2010. Brazil, the second largest producer of soybeans has significantly increased the export levels during the last decade, reaching 32.3 metric million tons in 2010. The trend in key agricultural commodity exports and imports, as well as export share of production for major commodities, speak about certain need for increasing transportation capacity and improving existing infrastructure.

#### Port Deepening’s Critical for Competitiveness-Stops China from Expanding Agriculture markets in Latin America

Stallman**,** 2012 – President of the American Farm Bureau (Bob, “Update Our Ports or Miss the Boat”, American Farm Bureau, April 2012, [http://www.fb.org/index.php?action=newsroom.agendas&year=2012&file=ag04-2012.html](http://www.fb.org/index.php?action=newsroom.agendas&year=2012&file=ag04-2012.html" \t "_blank))

 Even more surprising than the U.S. only having six large ports is the fact that all these ports are isolated on the East and West Coasts. That’s right, Gulf Coast ports, including New Orleans, do not currently have the capacity to handle larger ships. If upgrades to U.S. ports are not completed in time, for major trade leaving the U.S. Gulf, smaller boats will need to be utilized to trans-ship our goods to ports like those in the Bahamas and Dominican Republic, where they would offload to larger vessels traveling to Latin America, Asia and other parts of the world. Similarly, goods coming from other countries would potentially have to go through the same routine in the Caribbean, offloading to smaller vessels to enter ports in the U.S. Gulf. If you are scratching your head, you aren’t the only one. This process of loading and offloading ships costs a lot of money. Inadequate port size also leads to higher transportation costs because vessels may be loaded to less than capacity and more vessels may be required to ship the same amount of commodities. In the meantime, our competitors around the world fare much better. Because their ports are deep enough, it is easier and less expensive to move products in and out. Further, Europe, Africa, Asia, Latin America and the Caribbean are all undergoing major new port projects or expansion of existing facilities. Latin America, for example, is rapidly continuing with some of the world’s most sizable port development projects. The region is catching up with other regions through larger port investments, which stand at almost $12 billion. This means China will have access to sell its farm products to Latin America, where Asia never had access before. The expansion of the Panama Canal will allow significantly larger ships to move through the waterway. The project, expected to be completed in 2014, should increase cargo volume by an average of 3 percent per year, doubling the 2005 tonnage by 2025. Currently, the largest ship able to pass through the canal can hold up to 3,500 TEUs (twenty-foot equivalent unit, a measure used for capacity in container transportation). To maximize the canal’s new dimensions, shipbuilders are making larger vessels that are able to hold up to 12,000 TEUs and require 50-51 feet of draft. These larger ships require deeper and wider shipping channels, greater overhead clearance, and larger cranes and shore infrastructure – all of which make the U.S. Gulf a non-trading player. Some U.S ports can accommodate the larger vessels. However, most cannot, including many ports that are very important to U.S. agricultural exports. The U.S. exports approximately one-quarter of the grain it produces. In 2011, more than 58 percent of our grain exports departed from the U.S. Gulf. This may significantly change as larger ships carrying grain from our competitors are able to access our trading partners. The Panama Canal could potentially shift world trade as U.S. exporters will be unable to pass on higher transportation costs when customers can purchase similar products from other countries. As the saying goes, “For Right of Way, Gross Tonnage Rules.” This law, known as the rule of common sense on the water, is also common sense for international trade. In other words, those with the biggest ships and ports to accommodate them will win every time. To maintain our competiveness in the world market, it is essential that the U.S. update and modernize its ports to accommodate larger ships. Without this investment in infrastructure, we will literally miss the boat.

**Port dredging critical to agricultural competitiveness–current infrastructure not keeping up-developing countries will pass U.S.**

**Western Farm Press 11**—“ International trade demands better transportation system”, 2/22, Western Farm Press, ProQuest, Penton Business Media, Inc. and Penton Media, Inc.  [http://proxy.lib.umich.edu/login?url=http://search.proquest.com.proxy.lib.umich.edu/docview/863359861?accountid=14667](http://proxy.lib.umich.edu/login?url=http://search.proquest.com.proxy.lib.umich.edu/docview/863359861?accountid=14667" \t "_blank))MK

**American farmers are producing at record levels, and international customers are purchasing more than ever.** But the question is: **Can our nation's transportation system move grain from farm to port with the speed and efficiency that today's international trade demands? The answer is rapidly becoming a glaring "NO."** Surplus masked inefficiency. For decades, U.S. farmers raised more grain than global customers were buying, so the nation could live with inefficiencies in moving it to port via truck, rail or barge. **By 2002, however, world demand decreased the surplus, and U.S. infrastructure deficiencies started to become more apparent - and problematic. The United States must place greater priority on the movement of freight because the aging U.S. transportation system is not keeping up with today's pace of international trade**, according to two infrastructure experts who addressed the U.S. Grains Council International Marketing Conference & Annual Membership Meeting in New Orleans. Wake up call on infrastructure. Kurt Nagle, CEO of the American Association of Port Authorities, and Ken Eriksen, senior vice-president at Informa Economics, said," **the country needs a wake up call on its infrastructure. "A nation is judged by its infrastructure, and the United States is getting worse by the year, if not the day Nagle said, whose organization represents 160 port authorities in the Western Hemisphere. "We need an attitude adjustment about infrastructure,**" Eriksen said. In a world where communication is instantaneous, and overnight delivery of packages is standard operating procedure**, transportation of freight is not keeping up**. Setting higher priority. **"Developing countries are seeing the opportunity that upgrading their infrastructure can bring, and many are putting higher priority on their infrastructure than we are**," he said. Nagle showed statistics that Singapore, Brazil, Japan and the European Union all spend more per capita on infrastructure improvement than the United States. **Panama expansion means bigger ships. When the expansion of the Panama Canal is complete in time to mark its 100th anniversary in 2014, it will have locks that accommodate vessels up to 1,200 feet long, 160 feet wide and with a draft of 50 feet**. The canal now handles vessels no larger than 965 feet long, 106 feet wide and with a draft of 39.5 feet. "**But unless the United States does a better job of maintaining its navigation channels through dredging and improvement of its locks and dams, our channel dimensions will not keep pace with larger ships," Nagle said. "And we will not realize the full advantage of the export opportunities the expanded Panama Canal will bring**. The lower Mississippi River is a poster child of the inadequate maintenance of federal navigation channels."

**Seaport infrastructure improvement enhances trading abilities-larger vessels**

**USACE, 12**– federal agency that regulates port infrastructure projects(“U.S. Port and Inland Waterways Modernization: Preparing for Post-Panamax Vessels”, USACE, June 20 2012, [http://www.iwr.usace.army.mil/docs/portswaterways/rpt/June\_20\_U.S.\_Port\_and\_Inland\_Waterways\_Preparing\_for\_Post\_Panamax\_Vessels.pdf](http://www.iwr.usace.army.mil/docs/portswaterways/rpt/June_20_U.S._Port_and_Inland_Waterways_Preparing_for_Post_Panamax_Vessels.pdf%22%20%5Ct%20%22_blank)) MK

**The Panama Canal expansion offers an example of the effect that larger vessels and lower ocean rates can have on shipper opportunities**. Informa Economics, Inc. estimates that the larger, more efficient Cape class ships reduce the cost of the movement of grains to northeast Asia by an all-water Panama Canal route by $0.31 to $0.35 per bushel of grain. Delay times through the Canal will also be reduced – an additional benefit for bulk commodities that could not justify paying fees for reserving slots in the current canal. **In fact, any infrastructure improvement that allows ports to take advantage of the larger global fleet enhances the competitive position of that port relative to other ports, and vessel efficiencies can be expected to have the same impact on other dry bulk commodity rates. This is significant to coal producers, the other dry bulk commodity exported in volume by the U.S.**

**Dredging necessary for competitiveness-prevents route** **shifts**

**USACE, 12**– federal agency that regulates port infrastructure projects(“U.S. Port and Inland Waterways Modernization: Preparing for Post-Panamax Vessels”, USACE, June 20 2012, [http://www.iwr.usace.army.mil/docs/portswaterways/rpt/June\_20\_U.S.\_Port\_and\_Inland\_Waterways\_Preparing\_for\_Post\_Panamax\_Vessels.pdf](http://www.iwr.usace.army.mil/docs/portswaterways/rpt/June_20_U.S._Port_and_Inland_Waterways_Preparing_for_Post_Panamax_Vessels.pdf%22%20%5Ct%20%22_blank)) MK

**The capacity of a port broadly describes a port’s ability to accommodate large volumes of cargo as well a wide variety of vessel sizes**. A port’s ability to handle influxes of cargo that accompany “just in time” delivery practices is critical**. If,** for example, **a port were to approach its capacities and be unable to accommodate additional vessels or cargo, shippers may choose a different service route for their cargo.**

#### Southern ports are key to US grain exports

Baird, 11 **Tim** (“Understanding the Consequences of the Panama Canal Expansion on Midwest Grain and Agricultural Exports”, National Center for Freight & Infrastructure Research & Education Department of Civil and Environmental Engineering College of Engineering, May 2011, University of Wisconsin–Madison <http://ntl.bts.gov/lib/45000/45000/45001/CFIRE_03-18_Final_Report.pdf>

The Midwestern United States is a vital agricultural producer for the nation and the world, particularly for grain crops. The USDA’s National Agricultural Statistics Service (NASS) reports production volumes and estimates export values for various agricultural products including wheat, feed grains, and soybeans. The MAFC region’s estimated share of wheat exports is significant but not dominant, accounting for 33.1 percent of the nation’s trade in 2009. In the feed grain and soy sectors, the region’s products account for 67.6 percent and 68.3 percent, respectively, of US exports. Within the MAFC region, the ten member states produce widely varying shares of exported crops. Across the three categories of soy and grain reported by NASS, Illinois and Iowa claimed the largest export shares, accounting for nearly a quarter of all US exports and more than a third of the region’s. Focusing on grains, as traced from producer state to port and beyond by the FHWA’s Freight Analysis Framework (FAF) data, an examination of the path that exports take from field to consumer highlights the importance of the Panama Canal to the United States and its agricultural sector. Domestic Grain Production An understanding of the paths US grain takes to its international destinations starts with the places where it is produced. The USDA tracks grain production at the county level across the United States. Midwestern counties account for a majority of the top corn and wheat producing counties in the United States. In 2008, states within the Mid-America Freight Coalition (MAFC) region—Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Ohio, and Wisconsin— accounted for 79.1 percent of corn, 80.6 percent of soy, and 40.1 percent of wheat produced in the United States. In total, almost three quarters of this crop originates in this region. Current Domestic Grain Movements Interstate grain movements are evaluated based on the FHWA 2002 Freight Analysis Framework (FAF). 6 Although the FHWA has released a 2008 supplemental dataset, the sample size was considered too small for use in this analysis. Of all grain shipments originating within the MAFC region (including grain not bound for export), 33 percent was shipped to Louisiana, the single greatest receiver of grain shipped from MAFC states. The next greatest recipients, California and Texas, received only 10 percent and 8 percent, respectively, of MAFC shipments. Oregon and Washington, two important states for grain exports, only received a combined total of 2.5 percent of MAFC grain. Top Grain Ports The 2002 FAF also sampled export activity. The data reveals that Louisiana ports accounted for 62 percent of grain exported overseas, by far the most of any state in the United States. Washington and Texas, the next-closest states, each moved only about 12 percent of exported grain, and Oregon and California shipped 7 percent and 6 percent, respectively. The top exporting states receive grain from both the Midwest and other sources, with significant variation between states. For example, 95 percent of the grain that came into Louisiana and 87 percent of grain entering California originated in MAFC states. By contrast, Texas received 30 percent of its incoming grain from MAFC states, and Washington and Oregon, the next largest grain ports, received only 19 percent and 15 percent, respectively. When grain export figures are weighted by the grain’s source, it becomes clear that Louisiana is a dominant player in the Midwest’s grain export supply chain.

**Port dredging necessary-will yield a positive economic return-study proves**

**USACE, 12**– federal agency that regulates port infrastructure projects(“U.S. Port and Inland Waterways Modernization: Preparing for Post-Panamax Vessels”, USACE, June 20 2012, [http://www.iwr.usace.army.mil/docs/portswaterways/rpt/June\_20\_U.S.\_Port\_and\_Inland\_Waterways\_Preparing\_for\_Post\_Panamax\_Vessels.pdf](http://www.iwr.usace.army.mil/docs/portswaterways/rpt/June_20_U.S._Port_and_Inland_Waterways_Preparing_for_Post_Panamax_Vessels.pdf%22%20%5Ct%20%22_blank)) MK

**There are 10 deep draft navigation projects along the Gulf Coast** with container yards and related infrastructure. Depths of these projects range from 36 to 47 feet. **None of these ports is considered post-Panamax ready.** Several ports in the Gulf are under study to deepen their channels to be better prepared for larger drafting vessels, including the Mississippi River from Baton Rouge to the Gulf and the Texas ports of Freeport, Corpus Christi and Island Harbor in Brownsville. **A recently completed study of a proposal for Sabine Neches estimated that deepening its channel to 50 feet would cost more than $1 billion and would yield a positive economic return. On the Gulf coast the lack of channel depth is exacerbated by the small tidal window, which is generally one to two feet.**

### Inland Waterways Key

#### U.S. inland waterway systems key to agricultural export growth

**AFBF, 12-** Farm Bureau is an independent, non-governmental, voluntary organization governed by and representing farm and ranch families united for the purpose of analyzing their problems and formulating action to achieve educational improvement, economic opportunity and social advancement and, thereby, to promote the national well-being, (May, 2012, AFBF, Port Infrastructure AFBF Policy Development, [http://azfb.org/upload/Port%20Infrastructure.pdf)//RM](http://azfb.org/upload/Port%20Infrastructure.pdf%29//RM)

As the American economy has grown, the United States has become more and more dependent on its waterborne trade. Today, international trade through U.S. ports, directly and indirectly, supports 25-30 percent of U.S. GDP and 13 million jobs. For U.S. agriculture the impact is even larger, 30-35 percent of agricultural income is derived from exports, the vast majority of which is transported via water. Overall, deep draft ports accommodate ocean-going vessels which carry more than 99 percent of U.S. overseas trade by weight and 64 percent by value. Our country’s inland navigation system plays a critical role in our nation’s economy, moving hundreds of millions of tons of domestic commerce. Incredibly important to the agriculture industry, approximately 60 percent of the nation’s grain exports move by barge on the inland waterway, primarily on the Mississippi River. Across all trade, the transportation cost savings alone are estimated to exceed $7 billion annually compared to the cost of shipping this type of tonnage by alternative means.

## Solvency

**Fed Key: Uniformity**

**Federal coordination key- Constitutional Commerce Clause**

**Gibbs, 2011** – Subcommittee Chairman (Bob, “Memorandum on the Hearing on “The Economic Importance of Seaports: Is the United States Prepared for 21st Century Trade Realities?” U.S. House of Representatives¶ Committee on Transportation and Infrastructure , October 21, 2011 <http://republicans.transportation.house.gov/Media/file/112th/Water/Water%20Briefing%20Memo%20%20%2010-26-11.pdf>)//BL

**Maritime shipping remains** **the** **preferred** **method** **of moving goods in the international market** throughout the world. Airplanes, the only other option for intercontinental trade, move goods quickly but are hampered by relatively small capacities and high operating costs. Because of this, air cargo is almost exclusively used for the transportation of small, time-sensitive goods. The Corps of Engineers estimates that more than 95% of overseas trade produced or consumed by the nation moves through American ports.¶ **The Federal government's interest in maritime trade stems from the Commerce Clause** (Article 1, Section 8, Clause 3) **of the U.S. Constitution, which charges the Federal government "to regulate commerce with foreign nations, and among the several states, and with the Indian tribes."** The **Army Corps of Engineers Civil Works Program carries** **out federally mandated actions supporting the nation's maritime infrastructure**. One of the greatest responsibilities to support commerce is the maintenance and development of the nation's water resources.

**Federal coordination key – State aviation proves**

**Reid, 8** - Senior Editor, Civil Engineering Magazine, American Civil Society of Engineers (Robert, “The Infrastructure Crisis”, Civil Engineering Magazine, January 2008, [http://www.asce.org/Content.aspx?id=25562](http://www.asce.org/Content.aspx?id=25562" \t "_blank))//BL

What **the aviation system** itself **needs is a national air transportation strategic plan**, adds Sherry. **Because airports are locally** or at most regionally **owned and operated, their managers rarely consider themselves part of America’s massive aviation network; nor do they understand how their actions**, for example, adding or postponing new capacity, **can affect other airports across the country**. ¶ “In a nutshell, **the problem** we found **is that nobody’s in charge of the overall system**,” says Sherry, referring to the work done by the Center for Air Transportation Systems Research. **“Each of the** **individual actors or stakeholders** **is** incentivized to maximize their own objectives. Sometimes they’re maximizing them in ways that reinforce each other and other times they’re **fighting against each other, so the overall system is fundamentally broken**.”¶ Since the individual aviation **stakeholders are not adjusting for the good of the overall system**, Sherry anticipates that **the federal government will eventually impose** capacity **limits** at the biggest airports and auction off the takeoff and landing slots. Such an approach would, in turn, encourage airlines to switch back to larger aircraft—rather than to regional jets with 50 to 90 seats—because they would be able to serve the same number of passengers with fewer flights. “This is a very efficient way to resolve the issue of reliability of service and delays and to increase the capacity of the air transportation system until additional infrastructure is available,” he explains.

**Fed Key: Process**

**Federal action key- USACE in charge of dredging all ports**

**Cohen and Monaco 8** – \*associate professor of Economics at the University of Hartford and \*\* Professor of Economics at California State University, Long Beach. She is a recognized expert in the economics of the trucking industry and has published extensively on the wages, characteristics, and working conditions of port truck drivers, port labor issues, port infrastructure, and the effects of port deregulation.  (Jeffrey and Kristen, “Ports and Highways Infrastructure Investment and Inter-state Spatial Spillovers”, International Regional Science Review, July 2008, <http://www.w.metrans.org/nuf/documents/Monaco-Cohen.pdf>)//BL

**The bulk of U.S. ports are government-owned, typically by either a city** (eg. Long ¶ Beach, Los Angeles) **or the state** (eg. New York and New Jersey). **The decision to invest** ¶ **in infrastructure is imperative, given the structure** of ports **and** the degree of **competition** ¶ **between ports.** For example, in 2002, Maersk, the largest container shipping line in the ¶ world, moved its Southern California port operations from the Port of Long Beach to new ¶ state-of-the-art facilities at the adjacent Port of Los Angeles . Newman and Walder ¶ (2003) note that the **United States lacks a Federal ports policy, perhaps due to provisions** ¶ **in the Constitution which prevent the federal government granting preference to a single** ¶ **port**. **The bulk of the Federal government’s role in this country’s ports is through the** ¶ **U.S. Army Corps of Engineers which is primarily responsible for dredging** the access to¶ **ports.**

### Fed Key: Competitiveness

#### Federal investment in port dredging creates jobs and enables supertankers to enter American ports

**Anderson, 11** – Chief Executive Officer of the Jacksonville Port Authority (JAXPORT) (A. Paul, “testimony of A. Paul Anderson Chief Executive Officer of the Jacksonville Port Authority (JAXPORT) for the Record of the united States House of Representatives Transportation and Infrastructure Committee Subcommittee on Water Resources and the Environment Hearing: “The Economic Importance of Seaports: Is the United States Prepared for 21st Century Trade Realities?””, October 26, 2011, [http://republicans.transportation.house.gov/Media/file/TestimonyWater/2011-10-26%20Anderson.pdf) // EK](http://republicans.transportation.house.gov/Media/file/TestimonyWater/2011-10-26%20Darcy.pdf%29/MM)

With increasingly larger ships calling the East Coast, it is now more crucial than ever for the United States to invest in its gateway infrastructure. This call for federal investment should come as no surprise. Improving our nation’s waterways for navigation and security harkens back to the birth of our country, when General George Washington assigned such missions to the Continental Army. [7] In the U.S. Constitution, Congress is charged with the task of regulating commerce in Article I, Section 8. Yet, the full authorized depths and widths of U.S. waterway navigation channels are available only 35 percent of the time. [8] Harbor projects take an average of 12 years to complete. The Corps’ cumbersome review procedures are not consistent with the President’s initiative to reduce red tape and streamline preconstruction federal review procedures for major infrastructure “jobs creating” projects. The President’s Aug. 31 directive to five federal agencies ‐ Agriculture, Commerce, Housing and Urban Development, Interior and Transportation ‐ called for identification of high priority infrastructure projects for expedited review. This expedited review initiative should be extended to the Army Corps. Additionally, Independent Peer Review – a procedure required by Sec. 2034 of the Water Resources Development Act (WRDA) of 2007 – should not be applied to Corps studies begun prior to the two year period preceding enactment of the law, as expressly stated in Sec. 2034 (h).

Because of procedural delay, most East Coast ports are not authorized to dredge to deep‐draft requirements**.** Harbor project sponsors attempt to wade through the muddied and shifting approval, authorization and appropriation process, and changing requirements are making it increasingly difficult to move forward with these critical projects. In Jacksonville, the U.S. Army Corps of Engineers recently added an additional level of review by requiring “Harbor Sym modeling” for our city’s deep draft navigation project. This new requirement has not been applied to previous deep draft projects, will increase costs to the federal government and the Jacksonville Port Authority, and will extend the timeline for completion of the project by one year. Any business leader assessing the current situation would quickly determine our country’s process for prioritizing, approving and funding critical infrastructure projects is fundamentally broken.

**Fed Key: International Trade**

**Federal action key- international trade relations**

**MARAD No date,** Maritime Administration under the Department of Transportation is in charge of waterborne transportation in the United States ( “About Us: International Activities” Maritime Administration, No Date, [http://www.marad.dot.gov/about\_us\_landing\_page/international\_activities/international\_agreements/International\_Agreements.htm)//](http://www.marad.dot.gov/about_us_landing_page/international_activities/international_agreements/International_Agreements.htm%29//) BL

**It is the** overall **mission of the Maritime Administration's Office International Activities to** work on behalf of U.S. carriers and shippers, and the interest of the U.S. Government in seeking **to improve maritime transport relations with certain countries and** to **ensure U.S.** carriers' **participation in** the transport of U.S. **international trade cargoes**, in a secure, safe and competitive transportation environment. Amajor **focus** of this effort **is directed at facilitating** carriers' **access to foreign trade cargoes and,** if warranted**, negotiating** reciprocal **foreign market** access treatment for U.S. carriers **in international trade, including access** to port and cargo **handling facilities** and the ability to establish connecting intermodal truck and rail services. **The Office of International Activities also acts** as the foreign affairs ombudsman **to resolve diplomatic problems for** **the** maritime **industry**. As a result of these efforts, the U.S. industry benefits through improved market access, increased revenues, and generally improved operating efficiency in international trade for carriers and shippers, as well shipbuilders.

**Fed Key: Certification**

**Federal action key- Dredging management and material dumping legality**

**Woodley Jr. 8**— Chairman – PIANC (Permanent International Association of Navigation Congresses) USA (John Paul, “Dredging key to keeping nation’s economy afloat”, Seaports Magazine, [http://www.aapaseaports.com/pdf\_issues/AAPASeaports\_Summer2008.pdf](http://www.aapaseaports.com/pdf_issues/AAPASeaports_Summer2008.pdf%22%20%5Ct%20%22_blank), Summer 2008)// BL

**In the** **U**nited **S**tates**, responsibility for** our **maritime infrastructure is split**. **State** and **local** port **authorities and shipping firms build**¶ **and maintain shoreside facilities, local access channels and berthing**¶ **areas.The federal government** – specifically the **U.S.Army Corps**¶ **of Engineers – maintains and improves most navigation channels,**¶ **managing dredging for new construction and maintenance**.¶ In this role, we find ourselves battling to reduce costs for ¶ dredging operations as well as manage dredged material placement¶ facilities and contracts.¶ We operate within the contexts of many parameters:Availability¶ of dredging equipment, economics of the project (including ¶ placement), environmental considerations and volumes and ¶ characteristics of material to be moved**.**¶Our **dredging work also operates under** myriad **legal requirements:The National Environmental Policy Act; Clean Water Act;**¶ **Marine Protection, Research & Sanctuaries Act, Coastal Zone**¶ **Management Act; and the Endangered Species Act, to name a few.**¶ **International agreements with the Great Lakes Commission, the**¶ **London Convention, the International Maritime Organization,**¶ **etc., also outline our standards of practice.**

**Federal action key- Environmental regulations require federal oversight**

**EPA ’06**, US Environmental Protection Agency (“Requirements Related to Water Quality” EPA’s Liquefied Natural Gas¶ Regulatory Roadmap, <http://www.netl.doe.gov/technologies/oil-gas/publications/LNG/LNG-RegulatoryRoadmap_EPA.pdf>, July 2006)//BL

**EPA maintains** an oversight role in **the regulation of certain dredging activities** **and** ¶ **dumping of materials in ocean waters.** However, the Agency’s involvement varies based ¶ upon the type and location of the activity. EPA generally will become involved in the ¶ following instances: ¶ ƒ **The U.S. Army Corps of Engineers (Corps) issues aMarine Protection, Research,** ¶ **and Sanctuaries Act** section 103 **permit for the disposal of dredged material** into ¶ the territorial sea using EPA’s environmental criteria and subject to EPA’s ¶ concurrence**;** ¶ **ƒ** **The Corps issues a Clean Water Act** section 404 **permit for the discharge of** ¶ **dredged material into waters of the United States that lie inland from the baseline.** ¶ The **discharge of dredged material into the territorial sea for the primary purpose** ¶ **of fill is also evaluated in accordance with Clean Water Act section 404**. EPA ¶ comments on these permits and can elevate concerns through a formal dispute ¶ resolution process and has the authority to veto section 404 permits; ¶ ƒ EPA may issue permits for the dumping of materials (other than dredged ¶ materials) seaward of the territorial seas (3 nautical miles) pursuant to section 102 ¶ of theMarine Protection, Research, and Sanctuaries Act; and/or ¶ **ƒ The Corps issues a permit under section 10 of the Rivers and Harbors Act to** ¶ **regulate activities that affect navigation in all domestic waters.** EPA comments ¶ on these permits as part of the public interest review process and can elevate ¶ specific concerns through a formal dispute resolution process.

**Federal action key- Deepwater Port Act Licenses**

**[Kusano ’04](file://C:\\Users\\Debate\\Desktop\\Research ports\\Kusano '04, ¶ U.S. Coast Guard Headquarters (G-MSO-5); Deepwater Ports Standards Division, ¶ Washington, D.C (LT Ken Kusano \“The Deepwater Port Act Licensing Process\” The Deepwater Port Act: Understanding the Licensing Process, http:\\www.slc.ca.gov\\division_pages\\mfd\\Prevention_First\\Documents\\2004\\LNG ON THE WEST COAST\\Kusano paper.pdf)**[, ¶ U.S. Coast Guard Headquarters (G-MSO-5); Deepwater Ports Standards Division, ¶ Washington, D.C (LT Ken Kusano “The Deepwater Port Act Licensing Process” The Deepwater Port Act: Understanding the Licensing Process,](file://C:\\Users\\Debate\\Desktop\\Research ports\\Kusano '04, ¶ U.S. Coast Guard Headquarters (G-MSO-5); Deepwater Ports Standards Division, ¶ Washington, D.C (LT Ken Kusano \“The Deepwater Port Act Licensing Process\” The Deepwater Port Act: Understanding the Licensing Process, http:\\www.slc.ca.gov\\division_pages\\mfd\\Prevention_First\\Documents\\2004\\LNG ON THE WEST COAST\\Kusano paper.pdf)

[http://www.slc.ca.gov/division\_pages/mfd/Prevention\_First/Documents/2004/LNG%20ON%20THE%20WEST%20COAST/Kusano%20paper.pdf](file://C:\\Users\\Debate\\Desktop\\Research ports\\Kusano '04, ¶ U.S. Coast Guard Headquarters (G-MSO-5); Deepwater Ports Standards Division, ¶ Washington, D.C (LT Ken Kusano \“The Deepwater Port Act Licensing Process\” The Deepwater Port Act: Understanding the Licensing Process, http:\\www.slc.ca.gov\\division_pages\\mfd\\Prevention_First\\Documents\\2004\\LNG ON THE WEST COAST\\Kusano paper.pdf), 2004)//BL

The **U.S. Secretary of Transportation** **delegated** the **processing of an application for a** ¶ **deepwater port to the MARAD and U.S. Coast Guard**. Even with the implementation and ¶ transfer into the Department of Homeland Security, **U.S. Coast Guard has** retained its¶ **authority** androle **in processing these applications.** **The authority to issue, transfer,** ¶ **amend or reinstate a license for the construction and operation of a deepwater port** ¶ **remained with the MARAD through the issuance of a Record of Decision (ROD)**. The¶ **U.S. Coast Guard, in accordance with** Section 6 of **the DWPA, retained the role of**¶ **establishing the environmental review criteria for evaluating a proposed deepwater port.** ¶ In conjunction with the statutory timeline of the DWPA of 1974, as amended, **the** ¶ **MARAD and U.S. Coast Guard must abide by the National Environmental Policy Act** ¶ (NEPA) (Section 102(2)(c)), **as implemented by the Council on Environmental Quality** ¶ (CEQ) regulations (40 Code of Federal Regulations Parts 1500-1508) **and other** ¶ **applicable regulations**.

**Federal action key- Coastal Zone Management Act approval**

**EPA ’94,** Environmental Protection Agency (“2.0 The Dredging Project Review Process: Opportunities for Improvement The Dredging Process in the United States:” The Dredging Process in the United ¶ States: An Action Plan for Improvement ¶ A REPORT TO THE SECRETARY OF TRANSPORTATION, December 1994

[http://water.epa.gov/type/oceb/oceandumping/dredgedmaterial/upload/oceans\_ndt\_publications\_1994\_report.pdf)//](http://water.epa.gov/type/oceb/oceandumping/dredgedmaterial/upload/oceans_ndt_publications_1994_report.pdf%29//) BL

Coastal Zone Management Act (CZMA)¶ The **CZMA** **establishes a Federal-state partnership to provide** for the ¶ comprehensive **management of coastal resources.** **States** **develop** management ¶ **programs based on** enforceable **policies and mechanisms to balance resource** ¶ **protection and** **coastal development** needs. The **Federal consistency provisions** ¶ **require** that **all Federal activities** (including direct Federal actions, private ¶ activities requiring Federal licenses or permits, and Federal financial assistance ¶ to state and local governments) **be consistent with** the **enforceable policies of a** ¶ **state´s Federally-approved coastal management program**. At the Federal level, ¶ the CZMA is administered by the OCRM within NOAA´s National Ocean Service.

**Fed Key: Funding/Investment**

**Federal Funding Key- No Federal Credit Assistance**

**Gibbs, 2011** – Subcommittee Chairman (Bob, “Memorandum on the Hearing on “The Economic Importance of Seaports: Is the United States Prepared for 21st Century Trade Realities?” U.S. House of Representatives¶ Committee on Transportation and Infrastructure , October 21, 2011 <http://republicans.transportation.house.gov/Media/file/112th/Water/Water%20Briefing%20Memo%20%20%2010-26-11.pdf>)//BL

The **President's Army Corps of Engineers Civil Works program** appropriation request in the **Administration's** FY **2012 budget submittal is $4.631 billion,** which is approximately 6.1% below the annualized Continuing Resolution for FY 2011 of $4.929 billion. **These funds are distributed to the many missions of the Corps** civil works **program** **including** investigations**, construction, operations and maintenance**, levee safety, flood control and environmental restoration. **The Corps** budget has a profound effect on waterborne commerce as it **shoulders the bulk of coastal infrastructure** **development and operation and maintenance activities**. **Unlike surface transportation funding, there is no Federal credit assistance** programs for the construction, operation and maintenance of ports' navigation channels. **Even local ports with willing investors are often required to wait on Federal appropriations to pursue needed projects**. Two accounts within the budget of the Corps have significant impact on maritime trade:¶ **Construction** — The President's budget requests $1.48 billion for the Construction account. This is $210 million less than the FY 2011 annualized Continuing Resolution of $1.69 billion. These **funds** **are used for** the construction of river and harbor, flood damage reduction, shore protection, environmental restoration, and related **projects specifically authorized or made available for selection by law.** Almost half of this budget request is for flood damage reduction projects. However, more alarming is that approximately $470 million are for ecosystem restoration projects that provide little or no economic benefits, while navigation projects would only receive $280 million.¶ **Operation and Maintenance** — The President's **budget** also **requests** **$2.314 billion** **for expenses necessary** for the preservation, operation, maintenance, and **care of existing** river and harbor, flood control and related **projects**. This is $47 million less than the FY 2011 annualized Continuing Resolution of $2.361 billion.¶ The budget would use only $691 million from the **Harbor Maintenance Trust Fund** resulting in an **increase in the estimated balance from $6.12 billion to $6.93 billion at the end of FY 2012.** In addition, while proposing paltry amounts be appropriated from the Harbor Maintenance Trust Fund, the President's budget proposes to expand the authorized purposes of the fund for activities not typically associated with the Corps of Engineers maintenance of navigation channels.

8

**Federal funding key- States require long term maintenance investments**

**Benjamin ‘11** –Executive Director Port of Oakland and as President of the California Association of Port Authorities (Omar R., “Hearing:THE ECONOMIC IMPORTANCE OF SEAPORTS: IS THE UNITED STATES PREPARED FOR 21ST CENTURY TRADE REALITIES?" Testimony of Omar R. Benjamin Executive Director Port of Oakland before the House of Representatives Transportation and Infrastructure Committee Water Resources and Environment Subcommittee, October 26, 2011, [http://republicans.transportation.house.gov/Media/file/TestimonyWater/2011-10-26%20Benjamin.pdf )//](http://republicans.transportation.house.gov/Media/file/TestimonyWater/2011-10-26%20Benjamin.pdf%20%29//) BL

Now that the deepening has occurred, however**, we are engaged in yearly efforts to ensure** that adequate **maintenance** **dredging** **funds** can be released to maintain our channels at its authorized depth. Our shippers pay Harbor Maintenance Taxes on the value of their import cargo, which is in turn credited to the **Harbor Maintenance Trust Fund** **(HMTF).** These **are user-supported fees that support critical** maintenance **dredging at no cost to the federal government**. Yet **while** **the HMTF** currently **is running a significant surplus every year,** with over $5 billion having accumulated in the Trust Fund, ports around the country are not able to access these funds in a sufficient and timely manner**.** We strongly urge the **Congress** **to make use of** the full **HMT collections** **so** that **ports can** continue to **stay internationally strong and competitive**.¶ **As** the **Congress continues** **to contemplate** and develop **important transportation priorities** such as the Surface Transportation Reauthorization and the Water Resources Development legislation, Iwould urge you to not forget the role of the portsand related goods movement partnersin delivering economic growth and prosperity. **We** greatly **appreciate the limited investment programs** that seaports have recently had access to, such as TIGER, **but** **it's clear that more remains to be done and** such **efforts need to be expanded** and made more robust so that seaports can participate more fully in the federal transportation funding system.¶ In conclusion, Chairman Gibbs, Ranking Member Bishop and Members of the Committee, we appreciate the increased focus and attention on the role of **seaports** in delivering economic growth. We **are** now **working** **cooperatively** as never before to increase cargo volumes and grow our economy**, but** we **cannot compete** and win **if we do not have a partner in the federal government. It is only with your** **help** that **we can secure** the **needed investments in** our **infrastructure** **so** **we can bring back jobs, increase trade and support a full economic recovery** for our nation.¶

**Federal funding key - state and local contributions completed**

**Dellinger ’11**,  author of Interstate 69: The Unfinished History of the Last Great American Highway. He has written for The New Yorker, the Atlantic, the Oxford American,Smithsonian, the Wall Street Journal magazine, and the New York Times, and has reported on transportation and planning for the public radio show The Takeaway graduated from DePauw University(Mat “A Man, A Plan, a Canal—Miami”, transportationnation.org, March 17, 2011,

 [http://transportationnation.org/2011/03/17/a-man-a-plan-a-canal%E2%80%94miami/)//](http://transportationnation.org/2011/03/17/a-man-a-plan-a-canal%E2%80%94miami/%29//) BL

The Governor has presented the port enhancements as a sort of alternative to the Tampa-to-Orlando High Speed Rail project, but money for the two projects would flow from different springs in Washington: while rail is a Department of Transportation responsibility, ship channel dredging is the purview of the Army Corps of Engineers, and appropriations come from Energy and Water bills.¶ However, **transportation dollars are already playing a huge role in the port’s expansion.** The **TIGER II stimulus program provided $22.7 million** to help [rebuild](http://www.miamidade.gov/portofmiami/tiger_II_grant.asp) the port’s freight rail connection, **and construction has already started on a $610 million** [**tunnel**](http://www.portofmiamitunnel.com/project-overview/project-overview-1/)that will obviate what is now a parade of containers **through** downtown **Miami**, **as trucks make their way to Interstate 95**.¶ Both projects are on track to be completed in 2014, the year the Panama Canal expansion opens**. State and local governments have already come up with financing for the tunnel, their half of the dredging, and ancillary tasks like strengthening retaining walls and installing newer, wider, taller cranes. The federal share of the dredging funds—**a relatively small sum of $77 million**—is the last and the most important piece of the puzzle.** The **necessary studies have been done, and there’s not much time to wait.**¶ **“It’s such a tight schedule,” Juan M. Kuryla, the Deputy Port Director**, told me. “**The canal is going to open in 2014**, you’re going to have a tunnel open in 2014, the rail is going to be open in 2014, **and** **the last leg of the stool is this deep dredge.** I always equate it like you’re building airport. The brand new airport is done, you’ve got the connection to the interstate highway system, you got the terminal and everything done, and the only thing you’re missing is the runway is not long enough to land the 747′s. And our runway is our water and it’s not deep enough.”¶ Kuryla and his colleagues have not been shy about expressing their needs. When I toured the Port of Miami late last year, before Rick Scott’s tenure began, a sign at the downtown entrance to the bridge leading to the port read “Mr. PRESIDENT, Deep Dredging = 33,000 new jobs.” **Obama had recently come through town, and port officials were eager to communicate just how badly they needed recognition in the federal budget**.¶ **Container shipping companies joined the chorus as well, sending letters to the President last fall.** Ian Calms, Vice President of Terminal Strategy & Development for CMA CGM wrote the president to “respectfully urge” him to fund the deep dredge. “The Port of Miami is the only port south of Norfolk, Virginia, that has Congressional authorization to dredge to -50 feet,” he pointed out, “and perhaps most importantly is the only port that can complete the project in the next three-four years.”

**Federal funding key - Influences private and local investors**

**AAPA 9** – American Association of Port Authorities  represents 160 of the leading seaport authorities in the United States, Canada, Latin America and the Caribbean and more than 300 sustaining and associate members, firms and individuals with an interest in seaports (AAPA, “The Role of the Federal Government in Maintaining Federal Channels,” 2009, <http://www.aapa-ports.org/Issues/content.cfm?ItemNumber=1007> )// BL

**U.S. port development and maintenance is a shared responsibility of Federal, state, and local governments, with** extensive **private sector participation**. The **Federal government** **maintains harbor access channels**, while individual ports construct and maintain the landside terminal facilities, dredge their own berths, and contribute to channel improvement cost-sharing programs.¶ Relying in good faith on this long-standing partnership, local port authorities have spent over $16.8 billion since World War II and expect to spend an additional $1.3 billion annually to construct and maintain the landside facilities over the next five years**.**¶ **Local ports fund a share of Federal navigation improvement projects, either 35 percent or 60 percent depending on depth**. Federal spending for maintenance dredging of navigation channels is about $500 million annually. **Investment decisions made by local ports and the private sector have been based on the expectation that the Federal Government will continue to fund** maintenance **dredging.**

**Federal funding key- Sates work in cooperation with Federal**

**Holeywell ’12,** covers the federal government, municipal distress and transportation issues for GOVERNING. graduated from George Washington University in Washington, D.C. (Ryan, “Panama Canal Expansion Has U.S. Ports Rushing” July 2012<http://www.governing.com/panama-canal-expansion-has-ports-rushing.html>) //BL

**Ports** atBaltimore, Charleston, Houston, Jacksonville, Miami and Savannah, among others, **are at various stages of expanding** **to accommodate** the larger vessels known as **post-Panamax ships. A total of 17 port projects are being studied for improvements by the U.S. Army Corps of Engineers.** Right now, though**, there are few East Coast ports with the depths required to handle post-Panamax ships.** Norfolk, Va., has long been able to accommodate such ships. The Port of New York and New Jersey can too, but its container terminals on Newark Bay have height restrictions due to the Bayonne Bridge. The port is planning to raise the bridge 64 feet, which will cost $1 billion and take five years. Baltimore has just completed its 50-foot dredging project. And that’s about it. That means the rest of the East and Gulf coasts -- essentially everything from Virginia to Miami to Houston -- is up for grabs. That’s why these ports are competing so fiercely to go deeper. Industry experts say that nearly 80 percent of ships on order are post-Panamax size, and elected officials on the East and Gulf coasts are predicting that if they can expand their ports to accommodate these larger ships, they can capture much of the traffic that currently goes to West Coast ports and reaches the East Coast by rail.¶ Still, **despite the energy and political will behind the rush to expand ports, the process isn’t going smoothly. Port-deepening projects generally are initiated by states, but require federal approval and funding from both entities.** That means **the fates of ports,** which **typically are state authorities, are dictated largely by the federal government.** And the federal government, according to a growing chorus of governors, state legislators and port directors, isn’t equipped to handle their needs.¶

**Federal funding key - N. Carolina lobbies prove**

**KILLOUGH ’12**, mananging editor of Isand Gazette (Robert III, “[Army Corp Of Engineers Dredging Carolina Beach Inlet](http://www.islandgazette.net/news-server1/index.php?option=com_content&view=article&id=15918:army-corp-of-engineers-dredging-carolina-beach-inlet&catid=1:local-news&Itemid=69)” islandgazette.net, March 28, 2012,

<http://www.islandgazette.net/news-server1/index.php?id=15918:army-corp-of-engineers-dredging-carolina-beach-inlet&option=com_content&catid=1:local-news&Itemid=69>) // BL

¶ **CAROLINA BEACH** - The **U.S.** Army **C**orp of **E**ngineers began **dredging the Carolina Beach Inlet** earlier this month using the side-cast Dredge Merritt. The **project is made possible by federal funding** to be used to return Carolina Beach Inlet and other shallow draft inlets to pre hurricane Irene condition. Many North Carolina shallow draft inlets had become nearly impassable causing safety concerns and concerns for negative impacts on local economies**. Every year elected leaders have to lobby in Washington to restore federal funding for coastal projects in North Carolina.** In **Carolina Beach it's an ongoing process to lobby for federal** and state funding **for dredging** of the Carolina Beach Inlet and funding beach nourishment. In February the **U.S. A**rmy **C**orp of **E**ngineers **announced** **it received "about $27.6 million in emergency** operations **and maintenance funds to restore** multiple **coastal projects in North Carolina** to pre-Hurricane Irene conditions" according **to a press release issued February 9.**

# Additional Advantages/Add-ons

## LNG

### Add-on

#### Russia’s monopoly on natural gas threatens Eurasian security and pro-democracy efforts

**Baran, 7 -** senior fellow and director of the Center for Eurasian Policy at the Hudson Institute in Washington, D.C. **(**Zenyo, “ EU Energy Security: Time to End Russian Leverage,” THE WASHINGTON QUARTERLY AUTUMN 2007, <http://ao.hudson.org/files/publications/07autumn_baran.pdf>)

The lack of reliable and sustainable European access to energy represents a **clear threat** to the continent’s security. Under the leadership of Putin, the Kremlin has pursued a strategy whereby Europe’s substantial dependence on Russian energy is leveraged to obtain economic and political gains. If this situation continues, the EU will find itself in further danger, as its dependence leaves it beholden to Russian interests. There simply is no readily available alternative to the supplies the EU receives from Russia, particularly natural gas. Unlike oil, gas is extremely difficult and costly to ship via tankers; pipelines are the preferred method of transportation. Thus, if a supplier refuses to provide gas or charges an unreasonable price, the consumer cannot quickly or easily turn to another source. The consumer state would have no choice but to accept the supplier’s conditions or go without natural gas, an option that is all but unacceptable for most.

The unjust manipulation or interruption of energy supplies is as much a security threat as military action is, especially since the EU relies on Russia for more than 30 percent of its oil imports and 50 percent of its natural gas imports. 1 This dependence is not distributed evenly. As one heads eastward, Russia’s share of the energy supply grows ever larger. No fewer than seven eastern European countries receive at least 90 percent of their crude oil imports from Russia, and six EU nations are entirely dependent on Russia for their natural gas imports.

The Ukrainian gas crisis in January 2006 catapulted energy security to the forefront of the EU agenda. On the very day it took over the presidency of the Group of Eight (G-8)—a presidency that had announced energy security as its key theme—Russia halted natural gas deliveries to Ukraine. Because the gas pipelines crossing Ukraine carry supplies destined for EU markets, this shutdown resulted in significant supply disruptions for several member states, raising awareness that dependence on **Russia has increased Europe’s geopolitical vulnerability**.

Several EU states have experienced the misfortune of Russian supply cuts directly. Disputes between Russia and the Baltic states have led to the halt of pipeline deliveries of oil multiple times. In January 2003, Russia ceased supplying oil via pipeline to Latvia’s Ventspils Nafta export facility. This embargo, which followed Riga’s unwillingness to sell the facility to a Russian energy company, continues to this day. In July 2006, Moscow shut down a pipeline supplying Lithuania’s Mazeikiu Nafta refinery, which is the largest company in Lithuania and one of the biggest oil refineries in central and eastern Europe. As with Ventspils Nafta, this shutdown came after a Russian company failed to obtain the energy infrastructure it coveted.

Moscow has further sought to increase Europe’s dependence on Russian energy supplies by acquiring significant stakes in the energy distribution companies and infrastructure of EU member states, typically through its proxy, Gazprom. This massive energy company—the world’s largest—has control over the Russian gas pipeline network and consequently handles all Russian and Central Asian exports, either directly or through wholly owned subsidiaries. Such a preponderance of power would be troubling enough if the company were transparent, privately owned, and played by the rules of the free market, but Gazprom is none of those things. It is majority state owned and has deep ties to the Russian government. Many of the company’s executive management and board members also occupy or previously occupied key positions within the Kremlin.

For many years, Gazprom has owned significant portions of energy companies throughout the former Soviet Union. It is the largest or second-largest shareholder in the gas utilities of Estonia, Latvia, and Lithuania. Recently, Gazprom has been expanding its influence even further into the domestic gas distribution networks of western Europe. In the past two years, Gazprom has signed deals with Eni (Italy), Gasunie (the Netherlands), BASF (Germany), E.ON Ruhrgas (Germany), and Gaz de France. Desperate for access to energy and the profits it brings, European companies are played against each other by the Kremlin in order to secure more advantageous conditions for Russia. If one company does not want to agree to Moscow’s terms, a competitor will gladly accept them, leaving the first company with nothing.

In addition to the economic disadvantages of such dependence, **the broader foreign policy goals of EU states also suffer**. Specifically, EU members limit their criticisms of Moscow, lest they be given a raw deal at the negotiating table. Russia’s increasingly tainted record on transparency, responsible governance, and human rights is thus allowed to stand unchallenged and unquestioned. Dependency also erodes EU support for key allies in Europe and Asia. Azerbaijan, Georgia, Kazakhstan, Turkmenistan, and Ukraine—all crucial energy producers or transit countries—have each been subject to intimidation by Moscow. Instead of standing up to this harassment, Europe’s dependence compels its leaders to look the other way.

Most disturbing of all is that this dependence even leads the EU to turn a blind eye when Moscow utilizes these tactics against fellow EU members. The July 2006 shutdown of the Lithuanian pipeline, for example, drew little protest outside of Poland and the Baltic states. Russia claimed that this cutoff was the result of technical difficulties yet refused all offers from third parties to examine the damaged pipe or assist repairs in any way. Although this incident is suspicious enough on its own, it becomes a clear case of political manipulation given Russia’s status as a repeat offender.

Many times over the past decade, Moscow has utilized near-identical tactics in countries it considers to be its near abroad. It has repeatedly cut off energy supplies during a political dispute, smugly blamed technical difficulties for the problem, and eventually shifted supplies to another destination unless the victim acceded to the Kremlin’s demands.

Despite this history and repeated pleas from President Valdas Adamkus, the response from most western European countries was rather muted during the Lithuanian shutdown. The countries of the West have never experienced these strong-arm tactics firsthand and fail to view it as anything more than an economic dispute. Moreover, they were too concerned that standing up for Lithuania would ruin their chances to get preferential access to Russian oil and gas resources. By design, the Russian strategy is driving a wedge between eastern and western Europe, exacerbating the challenges the EU faces in devising a common energy policy, as was seen during the dispute between Poland and Germany ahead of the June EU summit. This diplomatic row was ostensibly over Russia’s failure to remove its embargo on Polish meat products but more broadly involved the perceived reluctance of Berlin to stand up to Moscow on a whole host of issues, not the least of which was energy.

The EU’s inability to take Russia to task for its illiberal market actions threatens European energy security in another way. It decreases efficiency in an already inefficient Russian energy industry, raising costs for consumers. Russia’s increasingly state-owned energy industry is largely unregulated. Without competitive market forces, companies such as Gazprom have no reason to behave like commercially minded entities. The absence of market stimuli is having detrimental effects on Russian productivity. Between 1998 and 2005, output in Russia’s then-mostly privately owned oil sector rose by 50 percent. 2 During that same period, production in the gas sector (Gazprom) barely grew at all. Since 2004, when the Kremlin began its consolidation over the oil sector in earnest, Russian oil production has leveled off as well.

**The lack of reliable and sustainable access to energy is a clear threat to European security**. Due to the extremely close relationship between the energy industry and the Kremlin, Russia’s oil and gas companies can pursue strategies that make little economic sense but that serve the long-term interests of the Russian state, namely, ensuring European dependence on Russian energy supplies. For example, Russia’s undersea Nord Stream pipeline will cost at least three times more than a proposed overland route through Lithuania and Poland would have. Given the environmental sensitivity of the Baltic Sea, some industry insiders are predicting costs as high as $10 billion or even $15 billion.

By divorcing western Europe’s gas supply from eastern Europe’s, however, the undersea route grants Moscow the ability to manipulate the European energy market more effectively. Needless to say, the unnecessarily high cost of the pipeline’s construction will be passed on to European consumers. Many industry experts have expressed concern that corruption and inefficiency, coupled with Moscow’s refusal to allow significant foreign investment in the energy sector, will soon lead the Russian oil and gas industry to burn out.

Instead of developing new oil and gas fields or investing in its energy infrastructure, Russia has utilized windfall profits to pursue the aggressive policy of expansion and acquisition described above. Unless Moscow is able to secure additional gas supplies from fields in Central Asia, it may struggle to meet its commitments to Europe, which is why maintaining full control over Central Asia’s export routes is so critical for the Kremlin.

Engaging the Caspian Enshrined as the second of the three pillars of the EU, the Common Foreign and Security Policy (CFSP) **states that the EU should seek to promote democracy, rule of law, and respect for human rights within its borders and abroad.** Yet, dependence on Russian energy supplies undermines Europe’s efforts to foster the ideals of good governance, market transparency, and democracy both in Russia and in Russia’s neighbors. Although the establishment of these principles in energy suppliers is a worthy goal in its own right, doing so will also create a more stable environment for energy sector development, thereby improving European security. Diversifying oil and gas supplies by constructing pipelines directly from the Caucasus and Central Asia to Europe would not only decrease Russia’s influence on EU countries but would also loosen Moscow’s grip on Europe’s neighbors.

If the EU wishes to foster true reform within former Soviet states, it must offer them a non-Russian perspective, which can best be done through cooperation on joint energy projects. In the Caspian region, this strategy has been pursued with success by the United States. In the late 1990s, the United States pushed hard for the construction of several oil and gas pipelines that would carry Caspian energy westward without transiting Russia. It did so to break Russia’s monopoly on the region’s energy transportation system, thereby giving the Caspian countries greater economic and political independence from Moscow. Naturally, this proposal prompted strong objections and high pressure tactics by the Russian government. Determined support from the United States and from NATO ally Turkey was eventually successful in countering this Russian pressure. Two pipelines for oil and natural gas were eventually completed from the Azerbaijani capital of Baku across Georgia to Turkey. The Baku-Tbilisi-Ceyhan (BTC) oil pipeline stretches from Baku all the way to the Turkish Mediterranean port of Ceyhan.

The South Caucasus Pipeline (SCP) follows the same route as BTC but terminates in the central Turkish city of Erzurum.

The United States devoted a great deal of time and energy to make these routes a reality. The time has now come for the EU to take the lead in bringing neighboring states closer to the West through a concerted engagement effort. The BTC and SCP pipelines are positive precedents. The construction of these pipelines has substantially decreased Moscow’s leverage over Azerbaijan and Georgia, allowing them to resist political and economic pressure from Russia. When Gazprom demanded a higher price for the gas it provided to Azerbaijan, Baku decided not to import any Russian gas. Later, when Transneft (Russia’s state-owned oil pipeline monopoly) refused to offer a market price for Azerbaijani oil, Baku decided not to export oil via Russian pipelines. Azerbaijan did not have these options prior to the construction of the two East-West pipelines.

The construction of these projects has also led to significant reforms in both countries. The international consortium behind these pipelines did not agree to the construction of either project until contracts assured the needed legal protection. Ongoing involvement with Western companies and gentle prodding from Western governments have prompted further political and market reform. Azerbaijan’s most recent parliamentary elections in November 2005, while far from perfect, were the country’s freest and fairest since independence. Georgia has been free to continue down the reform path it started during the Rose Revolution in 2003 and is expected to join NATO by the end of the decade. Years of positive interaction with the West have allowed Azerbaijan and Georgia to reorient themselves toward a future in European and Euro-Atlantic institutions.

Yet, this westward orientation is not guaranteed. In Azerbaijan, as in many states on the cusp of reform, there are a number of hard-liners within the government who are fiercely resisting these changes and would rather reach energy deals with Russia in order to obtain Moscow’s support to maintain the status quo. Moreover, Kazakhstan, Turkmenistan, and Uzbekistan are still l 137 almost completely dependent on Russian-controlled export pipelines, leaving them vulnerable not only to political manipulation but also to economic extortion. Until late 2006, Russia purchased natural gas from the Central Asian republics at a rate of about $45 to $65 per thousand cubic meters (tcm). It then sold that gas (and/or Russian-produced gas) to western European countries for around $230 per tcm. Even the tremendous distances that must be traveled cannot account for the increase. Per kilometer, this markup is far higher than that which occurs between Canadian supply hubs and distant American consumers.

To be fair, part of this disparity arises because of the horrific inefficiency of Gazprom. The rest is simply a rent that Moscow is able to extract because of its near-monopoly power. This becomes blatantly obvious when one considers that Russia currently sells gas to Georgia for $230 per tcm, despite paying only $100 per tcm for gas purchased from nearby Turkmenistan. It is Tbilisi’s commitment to the West, not the market, that is determining the price of gas in Georgia.

Despite the danger of inaction, many in the EU are hesitant to engage in energy deals with countries such as Kazakhstan or Turkmenistan because of their rather poor record on **human rights** or rule of law. Although the EU’s intention is good, the strategy is not. Without incorporating the energy sector into its engagement strategy, the EU simply lacks the proper leverage to encourage these states to change. The EU is often perceived as admonishing its neighbors, calling for too much political and social reform too fast, and offering too little in return. If political reform were undertaken without the necessary improvements in economic, political, and physical infrastructure, governments would lose control of their states; and the dangers of terrorism, extremism, and drug trafﬁcking in Central Asia and the Caucasus would increase.

#### That results in Nuclear War

**Mcdermott 11** - specializes in Russian and Central Asian defense and security issues and is a Senior Fellow in Eurasian Military Studies, The Jamestown Foundation, Washington DC, Senior International Research Fellow for the Foreign Military Studies Office (FMSO), Fort Leavenworth, Kansas, and Affiliated Senior Analyst, Danish Institute for International Studies, Copenhagen. McDermott is on the editorial board of Central Asia and the Caucasus and the scientific board of the Journal of Power Institutions in Post-Soviet Societies. He recently wrote The Reform of Russia’s Conventional Armed Forces: Problems, Challenges and Policy Implications (Roger, “General Makarov Highlights the “Risk” of Nuclear Conflict”, 12/6/11, The Jamestown Foundation, <http://www.jamestown.org/details/?tx_bzdstaffdirectory_pi1%5BshowUid%5D=140&tx_bzdstaffdirectory_pi1%5BbackPid%5D=60&no_cache=1>)//GP

In the current election season the Russian media has speculated that the Defense Minister Anatoliy Serdyukov may be replaced, possibly by Dmitry Rogozin, Russia’s Ambassador to NATO, which masks deeper anxiety about the future direction of the Armed Forces. The latest rumors also partly reflect uncertainty surrounding how the switch in the ruling tandem may reshuffle the pack in the various ministries, as well as concern about managing complex processes in Russian defense planning. On November 17, Russia’s Chief of the General Staff, Army-General Nikolai Makarov, offered widely reported comments on the potential for nuclear conflict erupting close to the country’s borders. His key observation was controversial, based on estimating that the potential for **armed conflict** along the entire Russian periphery **had grown dramatically** over the past twenty years (Profil, December 1; Moskovskiy Komsomolets, November 28; Interfax, November 17).
During his speech to the Defense Ministry’s Public Council on the progress and challenges facing the effort to reform and modernize Russia’s conventional Armed Forces, Makarov linked the potential for local or regional conflict to escalate into large-scale warfare “possibly even with **nuclear weapons**.” Many Russian commentators were bewildered by this seemingly “alarmist” perspective. However, they appear to have misconstrued the general’s intention, since he was actually discussing conflict escalation (Interfax, ITAR-TASS, November 17; Moskovskiy Komsomolets, Krasnaya Zvezda, November 18).
Makarov’s remarks, particularly in relation to the possible use of nuclear weapons in war, were quickly misinterpreted. Three specific aspects of the context in which Russia’s most senior military officer addressed the issue of a potential risk of nuclear conflict may serve to necessitate wider dialogue about the dangers of escalation. There is little in his actual assertion about the role of nuclear weapons in Russian security policy that would suggest Moscow has revised this; in fact, Makarov stated that this policy is outlined in the 2010 Military Doctrine, though he understandably made no mention of its classified addendum on nuclear issues (Kommersant, November 18).
Russian media coverage was largely dismissive of Makarov’s observations, focusing on the idea that he may have represented the country as being surrounded by enemies. According to Kommersant, claiming to have seen the materials used during his presentation, armed confrontation with the West could occur partly based on the “anti-Russian policy” pursued by the Baltic States and Georgia, which may equally undermine Moscow’s future relations with NATO. **Military conflict may erupt in Central Asia**, caused by instability in Afghanistan or Pakistan; or western intervention against a nuclear Iran or North Korea; energy competition in the Arctic or foreign inspired “color revolutions” similar to the Arab Spring and the creation of a European Ballistic Missile Defense (BMD) system that could undermine Russia’s strategic nuclear deterrence also featured in this assessment of the strategic environment (Kommersant, November 18).
Since the reform of Russia’s conventional Armed Forces began in late 2008, Makarov has consistently promoted adopting network-centric capabilities to facilitate the transformation of the military and develop modern approaches to warfare. Keen to displace traditional Russian approaches to warfare, and harness military assets in a fully integrated network, Makarov possibly more than any senior Russian officer appreciates that the means and methods of modern warfare have changed and are continuing to change (Zavtra, November 23; Interfax, November 17).
The contours of this evolving and unpredictable strategic environment, with the distinctions between war and peace often blurred, interface precisely in the general’s expression of concern about nuclear conflict: highlighting the risk of escalation. However, such potential escalation is linked to the reduced time involved in other actors deciding to intervene in a local crisis as well as the presence of network-centric approaches among western militaries and being developed by China and Russia. From Moscow’s perspective, NATO “out of area operations” from Kosovo to Libya blur the traditional red lines in escalation; further complicated if any power wishes to pursue intervention in complex cases such as Syria. Potential escalation resulting from local conflict, following a series of unpredictable second and third order consequences, makes Makarov’s comments seem more understandable; it is not so much a portrayal of Russia surrounded by “enemies,” as a recognition that, with weak conventional Armed Forces, **in certain crises Moscow may have few options at its disposal** (Interfax, November 17).
There is also the added complication of a possibly messy aftermath of the US and NATO drawdown from Afghanistan and signs that the Russian General Staff takes Central Asian security much more seriously in this regard. The General Staff cannot know whether the threat environment in the region may suddenly change. Makarov knows the rather limited conventional military power Russia currently possesses, which may compel early nuclear first use likely involving sub-strategic weapons, in an effort to “de-escalate” an escalating conflict close to Russia’s borders. Moscow no longer primarily fears a theoretical threat of facing large armies on its western or eastern strategic axes; instead the information-era reality is that smaller-scale intervention in areas vital to its strategic interests may bring the country face-to-face with a network-centric adversary capable of rapidly exploiting its conventional weaknesses. As Russia plays catch-up in this technological and revolutionary shift in modern warfare capabilities, the age-old problem confronts the General Staff: the fastest to act is the victor (See EDM, December 1). Consequently, Makarov once again criticized the domestic defense industry for offering the military inferior quality weapons systems. Yet, as speed and harnessing C4ISR (Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance) become increasingly decisive factors in modern warfare, the risks for conflict escalation demand careful attention – especially when the disparate actors possess varied capabilities.
Unlike other nuclear powers, **Russia has to consider the proximity of several nuclear actors close to its borders.** In the coming decade and beyond, Moscow may pursue dialogue with other nuclear actors on the nature of conflict escalation and de-escalation. However, with a multitude of variables at play ranging from BMD, US Global Strike capabilities, uncertainty surrounding the “reset” and the emergence of an expanded nuclear club, and several potential sources of instability and conflict, any dialogue must consider escalation in its widest possible context. Makarov’s message during his presentation, as far as the **nuclear issue** is concerned, was therefore **a much tougher bone** than the old dogs of the Cold War would wish **to chew** on.

#### Harbor deepening is vital to expanding US liquid natural gas exports

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| **Massy et al 2012** - currently an assistant director of the Brookings Institution’s [Energy Security Initiative](http://www.brookings.edu/projects/energy-security.aspx%22%20%5Ct%20%22_blank). Previously he was a journalist for The Economist’s [Technology Quarterly](http://www.economist.com/technology-quarterly/2011-12-03%22%20%5Ct%20%22_blank)section, where I covered emerging technologies in the international energy sector, and before that, an associate editor at [CNET](http://www.cnet.com/%22%20%5Ct%20%22_blank), where I covered transportation and green technology. I am a graduate of the[Master of Science in Foreign Service](http://msfs.georgetown.edu/about/%22%20%5Ct%20%22_blank) program at Georgetown University (where I was the Edward Weintal Fellow for Writers in World Affairs), and hold a Masters of International Journalism from [City University, London](http://www.city.ac.uk/arts/journalism%22%20%5Ct%20%22_blank) and a BA in English from the [University of Newcastle](http://www.ncl.ac.uk/%22%20%5Ct%20%22_blank). (Kevin, “Energy Security Initiative: Evaluating the prospects for Increased Exports of Liquefied Natural Gas from the United States” Brookings Institute, January 2012, [http://www.brookings.edu/~/media/research/files/papers/2012/1/natural%20gas%20ebinger/natural\_gas\_ebinger\_2.pdf)](http://www.brookings.edu/~/media/research/files/papers/2012/1/natural%20gas%20ebinger/natural_gas_ebinger_2.pdf%29/GP%22%20%5Ct%20%22_blank)//CB |

For the purpose of this study, the Brookings research team identified the various factors that ¶ affect the feasibility of increased U.S. LNG exports. These factors were divided into four main ¶ categories: domestic supply, domestic demand, ¶ international gas markets, and economic rationale. On the supply side, feasibility is defined as ¶ the physical capacity of the United States to have ¶ gas volumes available for export. Factors in this ¶ regard include: resource availability and production sustainability; regulatory and environmental ¶ considerations; and infrastructure issues, including pipeline availability, storage, and shipping capacity. On the demand side, feasibility of exports ¶ is defined by the extent to which potential exports ¶ compete with various domestic end uses for increased natural gas, including electricity generation, transportation, and industrial and petrochemical production. With regard to international ¶ markets, feasibility is the extent to which potential ¶ U.S. exports can compete with other LNG sources to meet demand, and includes an assessment of ¶ the potential markets that U.S.-origin LNG would ¶ serve. It also includes an assessment of the nature of contractual pricing agreements, particularly the linkage between natural gas prices and ¶ oil prices in target markets. Economic feasibility ¶ is the extent to which LNG exports have a longterm positive return on investment, and includes ¶ the effects of exports on domestic gas prices; the ¶ costs of liquefaction, transportation, and regasification; and the availability of financing

#### Increasing U.S. Natural Gas would take Europe off of Russia’s energy choke hold

**Ratner et al 3/13** - Coordinator Specialist in Energy Policy (“Europe’s Energy Security: Options and Challenges to Natural Gas Supply Diversification” March 13, 2012, CRS Report for Congress, [http://www.fas.org/sgp/crs/row/R42405.pdf](http://www.fas.org/sgp/crs/row/R42405.pdf%22%20%5Ct%20%22_blank))//CB

The George W. Bush Administration viewed the issue in geopolitical terms and sharply criticized ¶ Russia for using energy supplies as a means to gain political influence over other countries.¶ 4¶ The ¶ Obama Administration has also called for diversification, but has refrained from openly ¶ expressing concerns about Russia’s energy policy in the region, perhaps in order to avoid ¶ jeopardizing the “reset” of ties with Moscow. Additionally, a change in tenor from the Obama ¶ Administration towards the Nabucco pipeline project may indicate waning interest in the southern ¶ corridor strategy. ¶ Regarding Central Asian supplies and European energy security, in testimony to Congress in June ¶ 2011, Richard Morningstar, the State Department’s Special Envoy for Eurasian Energy, said that ¶ U.S. policy encourages the development of new Eurasian oil and natural gas resources to increase ¶ the diversity of world energy supplies. A second U.S. goal is to increase European energy ¶ security, so that some countries in Europe that largely rely on a single supplier (presumably ¶ Russia) may in the future have diverse suppliers. A third goal is assisting Caspian regional states ¶ to develop new routes to market, so that they can obtain more competitive prices and become ¶ more prosperous. In order to achieve these goals, the Administration supports the development of ¶ the Southern Corridor of Caspian (and perhaps Iraq) natural gas export routes transiting Turkey to ¶ Europe.¶ 5¶ Of the three main vying pipeline consortia—the Nabucco, the Interconnector-Turkey Greece-Italy (ITGI), and the Trans-Adriatic Pipeline (TAP) groups—the Obama Administration ¶ has said it will support the project “that brings the most gas, soonest and most reliably, to those parts of Europe that need it most.”¶ 6¶ However, given the historically close relationship between ¶ Russia and Italy on energy issues, including natural gas (especially under the government of ¶ former prime minister Silvio Berlusconi), supporting projects that terminate in Italy could also ¶ raise concerns about Russian influence. Such concerns could be mitigated depending on the ¶ policy measures taken by future Italian governments.

### Panama Expansion key to US LNG

#### Canal expansion raises US competition – investment will increase trade substantially

**Eaton, 12** – reporter for the Houston Business Journal (Collin, “Economists differ on Panama Canal expansion's impact “, Houston Business Journal, May 29 2012, [http://www.bizjournals.com/houston/blog/money-makers/2012/05/economists-differ-on-panama-canal.html](http://www.bizjournals.com/houston/blog/money-makers/2012/05/economists-differ-on-panama-canal.html%22%20%5Ct%20%22_blank)) //CB

Economists at a recent forum disagreed about the potential impact of the Panama Canal expansion set for 2014, arguing in turns that it could greatly boost energy trade or that it [needs to improve](http://ad.doubleclick.net/imp%3Bv7%3Bj%3B254573260%3B0-0%3B1%3B17653138%3B0/0%3B47873497/47888825/1%3B%3B~aopt%3D2/1/b4/0%3B~okv%3D%3Bat%3Dblog_post%3Bpageid%3D8220221%3Bpos%3Dwel%3Bdcopt%3Dist%3Btile%3D10%3Bkw%3Dhouston%3Bpage%3D8220221%3Bvs%3Dlogistics_and_transportation%3Bvs%3Denergy%3Bco%3D3268061%3Bco%3D798941%3Bsz%3D1x1%3Bbsg%3D125798%3B%3B~cs%3Dw%3Fhttp%3A/s0.2mdn.net/3226142/centurylink_interstitial_v1_4-23.htm?t=10&cT=http%3A//ad.doubleclick.net/click%253Bh%253Dv8/3cb2/2/0/%252a/a%253B254573260%253B0-0%253B1%253B17653138%253B255-0/0%253B47873497/47888825/1%253B%253B%257Eaopt%253D2/1/b4/0%253B%257Esscs%253D%253f&l=http%3A//www.bizjournals.com/houston/print-edition/2012/02/17/port-digs-into-dredging-issue.html) its depth and width before it can attract new traffic.¶ Last week, I covered an economic panel and watched as [three economists discussed Houston’s economic future](http://ad.doubleclick.net/imp%3Bv7%3Bj%3B254573260%3B0-0%3B1%3B17653138%3B0/0%3B47873497/47888825/1%3B%3B~aopt%3D2/1/b4/0%3B~okv%3D%3Bat%3Dblog_post%3Bpageid%3D8220221%3Bpos%3Dwel%3Bdcopt%3Dist%3Btile%3D10%3Bkw%3Dhouston%3Bpage%3D8220221%3Bvs%3Dlogistics_and_transportation%3Bvs%3Denergy%3Bco%3D3268061%3Bco%3D798941%3Bsz%3D1x1%3Bbsg%3D125798%3B%3B~cs%3Dw%3Fhttp%3A/s0.2mdn.net/3226142/centurylink_interstitial_v1_4-23.htm?t=10&cT=http%3A//ad.doubleclick.net/click%253Bh%253Dv8/3cb2/2/0/%252a/a%253B254573260%253B0-0%253B1%253B17653138%253B255-0/0%253B47873497/47888825/1%253B%253B%257Eaopt%253D2/1/b4/0%253B%257Esscs%253D%253f&l=http%3A//www.bizjournals.com/houston/news/2012/05/23/economists-optimistic-but-see-risk-at.html). The canal expansion was just one piece of the discussion, and it wasn’t the only point of contention. [Michael Economides](http://ad.doubleclick.net/imp%3Bv7%3Bj%3B254573260%3B0-0%3B1%3B17653138%3B0/0%3B47873497/47888825/1%3B%3B~aopt%3D2/1/b4/0%3B~okv%3D%3Bat%3Dblog_post%3Bpageid%3D8220221%3Bpos%3Dwel%3Bdcopt%3Dist%3Btile%3D10%3Bkw%3Dhouston%3Bpage%3D8220221%3Bvs%3Dlogistics_and_transportation%3Bvs%3Denergy%3Bco%3D3268061%3Bco%3D798941%3Bsz%3D1x1%3B~cs%3Dw%3Fhttp%3A/s0.2mdn.net/3226142/centurylink_interstitial_v1_4-23.htm?t=10&cT=http%3A//ad.doubleclick.net/click%253Bh%253Dv8/3caf/2/0/%252a/a%253B254573260%253B0-0%253B1%253B17653138%253B255-0/0%253B47873497/47888825/1%253B%253B%257Eaopt%253D2/1/b4/0%253B%257Esscs%253D%253f&l=http%3A//www.bizjournals.com/houston/search/results%3Fq%3DMichael%2520Economides), a professor of chemical and biomolecular engineering at the [University of Houston](http://ad.doubleclick.net/imp%3Bv7%3Bj%3B254573260%3B0-0%3B1%3B17653138%3B0/0%3B47873497/47888825/1%3B%3B~aopt%3D2/1/b4/0%3B~okv%3D%3Bat%3Dblog_post%3Bpageid%3D8220221%3Bpos%3Dwel%3Bdcopt%3Dist%3Btile%3D10%3Bkw%3Dhouston%3Bpage%3D8220221%3Bvs%3Dlogistics_and_transportation%3Bvs%3Denergy%3Bco%3D3268061%3Bco%3D798941%3Bsz%3D1x1%3B~cs%3Dw%3Fhttp%3A/s0.2mdn.net/3226142/centurylink_interstitial_v1_4-23.htm?t=10&cT=http%3A//ad.doubleclick.net/click%253Bh%253Dv8/3caf/2/0/%252a/a%253B254573260%253B0-0%253B1%253B17653138%253B255-0/0%253B47873497/47888825/1%253B%253B%257Eaopt%253D2/1/b4/0%253B%257Esscs%253D%253f&l=http%3A//www.bizjournals.com/profiles/company/us/tx/houston/university_of_houston/3268061/) , told an audience of about 100 that the Panama Canal expansion would be a defining moment for the U.S.’s energy sector, especially in its competition with Russia and China. “The reason for that is LNG, liquid natural gas,” Economides said. “The Panama Canal expansion will allow for super tankers to be able to traverse (the canal). We would be exporting energy from the U.S. Some of it's going to go east to Europe, primarily.”

#### Panama expansion key to LNG industry growth

**Sabonge 08**-- Vice President of Market Research and Analysis at the Panama Canal Authority (Rodolfo R., “Changing dynamics of world trade”, Seaports Magazine, pg. 17-19, [http://www.aapaseaports.com/pdf\_issues/AAPASeaports\_Summer2008.pdf](http://www.aapaseaports.com/pdf_issues/AAPASeaports_Summer2008.pdf%22%20%5Ct%20%22_blank), Summer)//CB

The new locks will be capable of handling vessels transporting¶ liquefied natural gas that do not fit in through the existing canal,¶ increasing the potential of natural gas projects in Peru and Trinidad¶ and Tobago to reach target LNG markets in North America,¶ Europe and Asia.¶ Additionally, Panamax tanker vessels that currently use the ¶ waterway will be able to transit fully loaded, improving their ¶ competitiveness in the short- and medium-range hauls. Panamax-sized dry bulkers that transit today at 78 percent ¶ of their capacity will increase their utilization rate to almost ¶ 98 percent. This will allow for additional cargo loads of as many as¶ 20,000 tons, making a more efficient use of the vessels and ¶ generating savings in transportation costs. Baby capesizes of as many¶ as 120,000 DWT will be able to transit at 98 percent of capacity,¶ whereas capesize vessels of as many as 175,000 DWT will be able¶ to transit light-weighted. All this will improve the possibilities of¶ transporting coal, metals and minerals in larger vessels that today¶ cannot transit the Panama Canal.

#### Completion will lower shipping costs to Asia – 80 percent can pass through

**Ebinger et al. 12** -- Task Force Co-Chair of Brookings Institution Natural Gas Task Force("Evaluating the Prospects for Increased Exports of Liquefied Natural Gas from the United States", January, p. 15, Brookings, www.brookings.edu/~/media/research/files/papers/2012/1/natural%20gas%20ebinger/natural\_gas\_ebinger\_2.pdf)//CB

The successful export of LNG will depend upon the necessary shipping infrastructure and capacity being in place. Cheniere Energy is looking to export up to 2.2 bcf/day of gas from its Sabine Pass LNG terminal in Louisiana. 39 Depending on the size of the LNG vessel, this would require between three and five supertankers per week. In order to accommodate this volume of large ships, some domestic U.S. ports will require additional dredging. Other shipping-related concerns include security of vessels and the adequacy of Coast Guard capacity to provide that security (exporters must meet Coast Guard Waterway Suitability, Security, and Emergency standards prior to approval); and the capacity of sea lanes, particularly to Asia. Increasing shipments to Asia will depend on the capacity of the Panama Canal, which is currently too small to accommodate most LNG tankers. However, after the planned expansion of the canal is completed—expected to be in 2014—roughly 80 percent of the world’s LNG tankers will be able to pass through the isthmus, resulting in a dramatic decline in shipping costs to Asia.40

### U.S. LNG Export Can Expand

#### The U.S. has the capacity to be a leading LNG net exporting nation

**Bass and Pickering 6/13** – \*Mr. Bass is a Director in Navigant’s Energy Practice in London and has provided strategic advice and transaction support to his clients in the energy industry for over twelve years. Projects have covered oil, gas and renewable resources, the commercial feasibility of developing an LNG receiving terminal and negotiation support on an independent power project. \*\*Gordon Pickering a Director in the Energy practice, with over 28 years of energy marketing and consulting experience in the wholesale natural gas and power industries in the United States and Canada. (Richard and Gordon, “The U.S. Has A Natural Gas Glut; Why Exporting It As LNG Is A Good Idea”,

 Forbes, 6/13/12, [http://www.forbes.com/sites/energysource/2012/06/13/the-u-s-has-a-natural-gas-glut-why-exporting-it-as-lng-is-a-good-idea/](http://www.forbes.com/sites/energysource/2012/06/13/the-u-s-has-a-natural-gas-glut-why-exporting-it-as-lng-is-a-good-idea/%22%20%5Ct%20%22_blank))//CB

Overall, North American natural gas exports are a very positive development for both North American and global natural gas markets. In a market of surplus supply, access to large export markets will serve to balance supply and demand, thereby dampening price volatility, increasing natural gas prices moderately, and, over the long-term, providing a sustainable natural gas market in North America—the stability of supply and price needed by North American industrial markets.¶ In this sense, it would seem that industrial-community opposition to exports based on perception of price impact is short-sighted. Meanwhile, for natural gas consumers in Asia and Europe, North American export projects will provide another competitive supply option. In the long run, companies with experience, fortitude, capital, and a healthy risk appetite may find themselves in the right place and at the right time to capitalize on North American LNG export projects.

#### US LNG will tip balance point – good for supply and diversity

**Hulbert, 12**– a Lead Analyst at European Energy Review and consultant to a number of governments, most recently as Senior Research Fellow, Netherlands Institute for International Relations (Clingendael), was previously Senior Research Fellow at ETH Zurich working on energy and political risk. He started work in the City of London, advising on energy markets and political risk, as Senior Energy Analyst at Datamonitor for leading global utilities, and headed up the Global Issues Desk at Control Risks Group, specializing in political risk, geopolitics and security analysis for multinational companies, governments and institutional investors. He was also seconded to work in Washington, D.C., to enhance CRG's political risk offerings in North America. (Matthew, “Why American Natural Gas Will Change The World”, Forbes, 5/26/12, [http://www.forbes.com/sites/matthewhulbert/2012/05/26/why-american-natural-gas-will-change-the-world/)](http://www.forbes.com/sites/matthewhulbert/2012/05/26/why-american-natural-gas-will-change-the-world/%29/GP%22%20%5Ct%20%22_blank)//CB

As scary as that might sound, given that anything up to 250mt/y of LNG might make its way onto global markets over the next twenty years from every point on the compass – Nigeria, Indonesia, Israel, PNG, Mozambique, Equatorial Guinea – you name it, now would seem a good time to organize the gas world on global gas fundamentals. The next five to ten years will largely determine which direction we’re heading, but liquid markets are good for fungibility, they are good for supply and good diversity of sources. And it’s US LNG that could tip the balance towards those interests. Traditional petro-state would be put on the back foot; gas would finally break its oil indexation shackles, new market designs would development. US deliveries would also help to put the transatlantic energy relationship back on track for the more market minded, at least once the ‘hidden hand’ has done what it should do first; let US majors make loads of money in Asia before things globally level out. American natural gas has the potential to change the world – the only question that remains, is whether US politicians will let glorious global convergence play out.

### LNG Demand Growing Now

#### Europe’s gas resources depleting, causing them to increase their reliance on Russian LNG.

**Paillard 10 –** coauthor of the recent book “The Geopolitics of Oil” (Christopher Alexander, “Russia And Europe’s Mutual Energy Dependence”, Journal of International Affairs, Spring 2010, ABI/Inform Complete)//CB

World gas reserves are abundant, with the potential for at least sixty years of consumption.10 These reserves, however, are concentrated in a few countries such as Iran, Qatar, and Russia. In Russia, there is no uncertainty about the quantity of gas available and the ability to exploit it properly. Gas production there will increase over the next twenty years, giving Russia the lead on gas markets for quite a long time provided that Gazprom and the Russian government agree to invest in key infrastructure and gas fields. Nevertheless, in contrast with the flexibility of oil markets, gas exports will still be dependent on pipelines and regional markets due to the prohibitive cost of delivering liquefied natural gas (LNG) via tankers to consumer areas.11¶ Inside the European Union, gas resources are undergoing a much-observed depletion, especially since European production started decreasing in the North Sea.12 2008 was certainly the peak year of European gas production, though new fields may still be found.13 Falling production explains why supply from European fields will only meet around two thirds of continental European gas demand by 2015, and less than a quarter of demand by 2025. 14¶ This situation will cause Europe to be increasingly dependent on gas exports from Russia. Russia, in turn, will be the key player in supplying gas to European countries, especially those that choose to abstain partially or entirely from nuclear industries, such as Germany and Italy.

#### Shipping of LNG key – demand projected to grow

**Dukart 2** - trade journalist, writer and editor for The Write Planet (James R., “Natural Gas Now a World Market”, Utility Business, May 2002, ABI/Inform Complete)//CB

According to the U.S. Energy Information Administration, natural gas will be the fastest-growing component of world energy consumption between now and 2020. Worldwide natural gas use during that time will nearly double, from 84 trillion cubic feet in 1999 to 162 trillion feet in 2020. The largest increments in gas use will be in Central and South America and developing countries in Asia, but gas use will also grow in industrialized countries-primarily the United States and Western Europe-by 2.4 percent per year.¶ In developing countries, the EIA predicts, natural gas consumption will grow at a rate of 5.2 percent per year, stronger than projected growth rates for nuclear energy (4.9 percent), oil (3.7 percent), coal (3.1 percent) or renewable energy (2.8 percent).¶ While worldwide gas demand is projected to grow, so is gas supply. EIA says global natural gas reserves have doubled over the past 20 years. The United States Geological Survey estimates that nearly 90 percent of worldwide gas reserves have yet to be produced, and huge new reserves have recently been discovered in the count tries of the former Soviet Union, the Middle East, Central and South America and Asia. Russia currently holds nearly one-third of worldwide natural gas reserves, for instance, while Iran has 15 percent.

#### LNG imports will rise – demand increasing now

**Neumann and Ruester ’08** - Robert Schuman Centre for Advanced Studies at European University Institute, Department of Business and Economics, Dresden University of Technology, Chair of Energy Economics and Public Sector Management, D-01062 Dresden, Germany (Anne and Sophia, “The Prospects For Liquefied Natural Gas Development in the US”, Elsevier, August 2008, PAIS International)//CB

As a globally traded commodity, LNG assumes a significant role in the energy supply of major coastal nations such as the US, Japan, South Korea, Taiwan, and some European states. This section focuses on LNG receiving infrastructure in the US. For a survey of the globalizing LNG market and the issues related to LNG supplies, see [Jensen (2005)](http://www.sciencedirect.com.proxy.lib.umich.edu/science/article/pii/S030142150800222X#bib20).The oil crises in the 1970s led to the construction of four LNG receiving terminals in the US. In the intervening years, both Cove Point and Elba Island were mothballed and Lake Charles was also closed for a long period. Now the four terminals are all re-opened and were or are being expanded.[4](http://www.sciencedirect.com.proxy.lib.umich.edu/science/article/pii/S030142150800222X#fn4) Whereas LNG has been primarily used for peak demand, CCGT power plants have made it a less seasonal commodity. In the early years of the present decade, LNG imports increased substantially, even though capacity utilization (around 55%) is still modest ([Simmons, 2005](http://www.sciencedirect.com.proxy.lib.umich.edu/science/article/pii/S030142150800222X#bib29)). However, the strong global price competition during the past two years has limited short-term deliveries to the US and the volumes contracted under long-term agreements. There is a general consensus that LNG imports will again rise as domestic production stagnates and declines, and imports from other sources (Canadian pipeline gas) decline. Historically, Algeria was the dominant supplier to the US, but the mix of suppliers has shifted to facilities at Trinidad/Tobago, which today account for over two-thirds of the LNG imported to the US. Additional deliveries come from Nigeria, Qatar, Oman, and Malaysia. Negotiations are underway with other suppliers, some of which are green-field operations and expect to deliver from Equatorial Guinea or Norway.

#### Imports key to Europe – increases supply security, global market and competition

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Unlike investments in pipelines, those in the LNG chain present a much lower degree of specificity: in fact, even though the construction of a regasification plant is generally tied to the stipulation of a long-term agreement (with take or pay clause), LNG chain costs have significantly decreased over time, thanks to technological innovation (Oil & Gas Journal 2006). Moreover, it is getting increasingly common that part of the plant capacity is made available for spot transactions (in some countries this is a regulatory requirement, [CEER, 2006](http://www.sciencedirect.com.proxy.lib.umich.edu/science/article/pii/S0301421510005896#bib3)). What’s more, once the contract is expired and the investment is sunk, the importer may satisfy his gas supply needs buying from the most convenient supplier. Beside theoretical considerations, it is worth mentioning that, given the lack of capacity on international import pipelines, for the time being LNG seems to represent the sole possibility for new competitors to enter the market. Long term import take or pay contracts held by gas incumbents play a pre-emption activity on transit pipelines and access cannot be granted to third parties. Moreover, LNG could enable traditional European importers to widen their gas suppliers’ portfolio, also considering that some producing countries (i.e. stranded gas) can be reached only via sea. Increased possibilities of choice for importers, the widening of the group of exporting countries, and the increased integration of the European market, thanks to the possibility of redirecting cargoes depending on single countries’ supply–demand balance, would contribute decisively to security of supply, market globalization and competition in the industry ([IEA, 2004](http://www.sciencedirect.com.proxy.lib.umich.edu/science/article/pii/S0301421510005896#bib11)). Consequently, it is possible that some competition between producing countries will also occur ([Yanrui, 2002](http://www.sciencedirect.com.proxy.lib.umich.edu/science/article/pii/S0301421510005896#bib24)). The focus of the paper will be on the European market. Nevertheless, when necessary, reference to other countries is made according to the global nature of the LNG market.[1](http://www.sciencedirect.com.proxy.lib.umich.edu/science/article/pii/S0301421510005896#fn1) The aim of the paper consists in analyzing the effects of an increase in LNG gas imports in terms of competition on the European market. For this reason an oligopoly model developed with reference to different scenarios corresponding to different degree of competition between gas importers. The assumptions and outcomes of the model are discussed in the last section of the article under an empirical point of view on the basis of the current and forecasted structure and developments of the gas sector.

### LNG Competition Now

#### The U.S. is facing massive LNG export competition from Australia, Russia, Japan, and Malaysia

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HOUSTON–Driven by global economic growth, energy demand in developing countries has increased exponentially during the past decade. Meanwhile, energy consumption in developed nations has been trending gradually toward lower-carbon resources. Taken together, emerging as well as developed countries are gradually shifting toward natural gas as one of their main energy resources. Recognizing this, over the past decade, Australia, Qatar and Russia have taken massive steps to boost their natural gas production to cater to the growing global need for natural gas, and a large and growing percentage of their exports has been shipped as LNG. Australia aspires to be a leading player in the LNG market, and has targeted multiple countries in the Far East as customers for LNG from projects in Western Australia, the Timor Sea and Queensland. These LNG projects, initiated one after another, are encountering a multitude of problems ranging from an acute scarcity of skilled manpower to uncertainties associated with applying new technology. However, foreign utilities and integrated oil and gas companies have realized Australia’s potential and have become minority shareholders. Given this reality, LNG exports from Australia are expected to triple by 2020.Meanwhile, Russia intends to use its immense reserves to pursue its strategic and geopolitical interests. Russia has expanded its customer base beyond Europe and has started to supply natural gas to China as well. Looking further into the horizon, Russia constructed a large LNG facility on Sakhalin Island in 2009 to cater to demand from Japan’s Tokyo Gas and Tokyo Electric Power. Russia also is building a 10 million metric ton-per-annum (MMtpa) LNG facility in Vladivostok, which is scheduled to come on stream in 2017. Qatar, another natural gas giant, is taking a breather after a decade of spectacular growth that allowed it to reach capacities of 77 MMtpa. As an LNG exporter, Qatar is in an entirely different league. Qatar’s natural gas production is often so liquids-rich that, in practical terms, it simply can give away the gas and still make substantial profits by monetizing the natural gas liquids. In spite of this, Qatar has opted to liquefy its dry natural gas for international markets. Russia provided 6.4 percent of Japan’s LNG supplies in 2009-10. In spite of its vast reserves, Russia is viewed as a somewhat less reliable supplier, given Europe’s experience with Russian gas. Indonesia, Malaysia and Australia each provided almost 20 percent of Japan’s LNG imports. Given this scenario, Japan, naturally, has an incentive to further diversify its supply sources to achieve better price control and reliability in case of adverse weather or geopolitical events.

### IL - Economy

#### Exporting LNG can create jobs, and increased manufacturing in the U.S.

**OGJ, 3/08** (Oil and Gas Journal, “Speakers address US shale gas, LNG exports, transparency”, Oil and Gas Journal, 3/08/12,[http://www.ogj.com/articles/2012/03/speakers-address-us-shale-gas-lng-exports-transparency.html](http://www.ogj.com/articles/2012/03/speakers-address-us-shale-gas-lng-exports-transparency.html%22%20%5Ct%20%22_blank))//CB

In plenary sessions Mar. 7 at IHS CERA Week in Houston, speakers echoed the message that the shale gas revolution in the US is beneficial to the economy by bringing jobs and security of supply and low prices for heating and electric power generation.¶ The need for producers to be transparent was also a prevailing theme of the day, as some company leaders called for full disclosure of fracing fluids to gain public trust.¶ Panelists also frequently commented on the probability of exporting LNG from the US.¶ During the morning plenary, Anadarko Petroleum Corp. Chief Executive Officer James Hackett suggested that it will be difficult for producers to convince landowners to develop resources on their properties and then export that gas to other countries. Sam Laidlaw, chief executive officer of UK energy company Centrica PLC, emphasized that security of demand is an important factor for gas exporters just as security of supply is important for importers. The UK and the rest of Europe are short on gas supplies, and European gas import infrastructure is already in place. LNG satisfied 30% of UK gas demand in 2011, Laidlaw added.¶ During the morning’s second gas plenary, Daniel Poneman, deputy secretary of energy with the US Department of Energy, said DOE is weighing the impacts of the US exporting LNG. This net assessment of pros and cons, Poneman said, will evaluate a multitude of factors, including the effect of such exports on gross domestic product, gas prices in the US, availability of supply, employment, and others.¶ Thomas Walters, president of gas and power marketing at ExxonMobil Corp., talked about using natural gas to fuel vehicles. While it is starting to emerge in certain areas, cost is a hurdle, he said.¶ Walters said it makes sense to power vehicles with natural gas and addressed how the market and consumers will move toward it. For it to be successful, consumers must pick up the concept and pull it toward them, Walters said, rather than having it pushed towards them.

### IL - Eurasian Stability

#### Europe’s Reliance on Russia threatens its energy security – American LNG solves

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 (Ariel, “Europe’s Strategic Dependence on Russian Energy” 11/07/12, The Heritage Foundation, [http://www.policyarchive.org/handle/10207/bitstreams/13043.pdf](http://www.policyarchive.org/handle/10207/bitstreams/13043.pdf%22%20%5Ct%20%22_blank))//CB

Russia’s energy strategy seeks to make Europe¶ increasingly dependent on Russian oil and gas. The¶ Kremlin has advanced this strategy through a series¶ of policies. It creates dependency by locking in¶ demand with energy importers, consolidating the¶ supply of oil and gas by signing long-term contracts¶ with Central Asian energy producers, and securing¶ control of strategic energy infrastructure in Europe¶ and Eurasia. This includes extending the Gazprom¶ monopoly and attempting to create an OPEC-style¶ gas cartel.¶ 10¶ At the August 2007 summit of the¶ Shanghai Cooperation Organization, the presidents¶ of Kazakhstan and Russia called for establishment¶ of an “Asian energy club” to expand energy ties¶ among the member states, including creation of a¶ unified energy infrastructure to serve as the basis for¶ a common energy market.¶ 11¶ Locking in Demand. Russia is attempting to¶ lock in demand by signing long-term bilateral and¶ multilateral contracts with European countries.¶ Moscow prefers to deal with the EU member states¶ separately rather than as a group so that Russia¶ can price-discriminate among its customers, charging each country as close to its full paying potential as possible.

### Impact – Central Asia

#### Central Asia’s resource wealth inevitably causes conflicts

**Sahgal and Anand 10** - \* former Army officer who created the Office of Net Assessment in the Indian Joint Staff, Senior Fellow at the Institute for Defense Studies and Analyses and ‘Distinguished Fellow’ School of Geo-Politics at the Manipal Academy of Higher Education,  \*\*

(Arun and Vinod, “Strategic Environment in Central Asia and India”, [http://www.silkroadstudies.org/new/docs/publications/1004Joshi-V-Strategic.pdf](http://www.silkroadstudies.org/new/docs/publications/1004Joshi-V-Strategic.pdf%22%20%5Ct%20%22_blank))//CB

As noted above, the U.S. in 2007 completed a bridge over the Panj River connecting Tajikistan with Afghanistan. At the dedication, the U.S. Commerce ¶ Secretary described the bridge as a “physical and symbolic link between Central Asia and South Asia.”’. Afghan President Hamid Karzai, in his remarks, ¶ expanded on the theme and called it a link that “unites Central Asia with ¶ Southern and East Asia.” China has reconstructed the road from the Panj ¶ bridge to Xinjiang and Iran is building the tunnels on the second, northern, ¶ route from the bridge. In this instance the U.S., China, Iran, Afghanistan ¶ and Tajikistan have all collaborated in a project that benefits every partici- pant, as well as other countries.¶ 36¶ The sustained economic growth of the Central Asian republics would provide the needed foundation for their security ¶ and stability. Their natural resources have to be exploited in a harmonious ¶ manner that gives mutually beneficial advantages to both producers and consumers while factoring in environmental concerns. But the natural resource ¶ wealth of Central Asia has also called forth tensions, if not conflicts, among ¶ global powers.. In such a strategic environment, the pursuit of multi-vectored ¶ policies that may go against the dictates of Realpolitik may not be easy.

### Impact – EU Relations

#### Relations solve terrorism and nuclear proliferation

**Stivachtis 10**- Director of International Studies Program – Virginia Polytechnic Institute, Professor of Political Science – Virginia Polytechnic Institute, and Ph.D. in Politics and International Relations – Lancaster University, (Dr. Yannis A., “The Imperative for Transatlantic Cooperation”,  Research Institute for European and American Studies,[http://www.rieas.gr/research-areas/global-issues/transatlantic-studies/78.html](http://www.rieas.gr/research-areas/global-issues/transatlantic-studies/78.html%22%20%5Ct%20%22_blank))//CB

There is no doubt that the U.S. and Europe have considerable potential to pursue common security interests. Several key steps must be taken to make this potential a reality. First, it is critical to avoid the trap of ‘division of labor’ in the security realm, which could be devastating for the prospects of future cooperation. Second, and closely related to avoiding division of labor as a matter of policy, is the crucial necessity for Europe to develop at least some ‘high-end’ military capabilities to allow European forces to operate effectively with the U.S. Third, is the need for both the U.S. and Europe to enhance their ability to contribute to peacekeeping and post-conflict stabilization and reconstruction. Fourth, is the importance of preserving consensus at the heart of alliance decision-making. Some have argued that with the expansion of NATO, the time has come to reconsider the consensus role. One way to increase efficiency without destroying consensus would be to strengthen the role of the Secretary General in managing the internal and administrative affairs of the alliance, while reserving policy for the member states. Fifth is the need to make further progress on linking and de-conflicting NATO and EU capabilities. Sixth is the need for enhanced transatlantic defense industrial cooperation. Seventh, one future pillar for transatlantic cooperation is to strengthen US-European coordination in building the infrastructure of global governance through strengthening institutions such as the UN and its specialized agencies, the World Bank, the IFM, G-8, OECD and regional development banks. Finally, cooperation can also be achieved in strengthening the global economic infrastructure, sustaining the global ecosystem, and combating terrorism and international crime.

#### Extinction

**Sid-Ahmed ‘04** (Mohamed, Managing Editor for Al-Ahali, “Extinction!” August 26-September 1, Issue no. 705,[http://weekly.ahram.org.eg/2004/705/op5.htm](http://weekly.ahram.org.eg/2004/705/op5.htm%22%20%5Ct%20%22_blank))//CB

A nuclear attack by terrorists will be much more critical than Hiroshima and Nagazaki, even if -- and this is far from certain -- the weapons used are less harmful than those used then, Japan, at the time, with no knowledge of nuclear technology, had no choice but to capitulate. Today, the technology is a secret for nobody.¶ So far, except for the two bombs dropped on Japan, nuclear weapons have been used only to threaten. Now we are at a stage where they can be detonated. This completely changes the rules of the game. We have reached a point where anticipatory measures can determine the course of events. Allegations of a terrorist connection can be used to justify anticipatory measures, including the invasion of a sovereign state like Iraq. As it turned out, these allegations, as well as the allegation that Saddam was harbouring WMD, proved to be unfounded.¶ What would be the consequences of a nuclear attack by terrorists? Even if it fails, it would further exacerbate the negative features of the new and frightening world in which we are now living. Societies would close in on themselves, police measures would be stepped up at the expense of human rights, tensions between civilisations and religions would rise and ethnic conflicts would proliferate. It would also speed up the arms race and develop the awareness that a different type of world order is imperative if humankind is to survive.¶ But the still more critical scenario is if the attack succeeds. This could lead to a third world war, from which no one will emerge victorious. Unlike a conventional war which ends when one side triumphs over another, this war will be without winners and losers. When nuclear pollution infects the whole planet, we will all be losers.

### Solvency - Ports Key

#### Deepening ports is key to sustained growth and LNG exports

**Abbott 7** – Editor of AAPA Seaport Magazine (Paul Scott, “Ports’ Multi-Billion Dollar Impacts Ripple Throughout the Hemisphere”, Fall 2007, Seaport Magazine, [http://www.aapaseaports.com/pdf\_issues/AAPASeaports\_Fall2007.pdf)](http://www.aapaseaports.com/pdf_issues/AAPASeaports_Summer2012.pdf%29/MG%22%20%5Ct%20%22_blank)//CB

"America's ports are our gateways to the world and a critical component in the nation's economic health and national defense," he continued. "When ports are impacted, there is a quick and sizable ripple effect throughout the economy."¶ U.S. ports and waterways handle over 2 billion tons of domestic and international cargo annually. Much of that commerce flows through impacted ports in Louisiana, Texas, Alabama and Mississippi. These ports are heavily linked to this nation's petroleum, grain and farm products, fruit, poultry, coffee, chemical and steel trades.¶ "Through its critical location on the inland waterways system, the Port of New Orleans alone serves as the focal point for waterborne transportation of cargo to 28 states," Mr. LaGrange added."That cargo activity supported $37 billion in economic benefits to the country and generated $2.8 billion in federal tax revenue."¶ Ports drive commerce¶ Leaders of other ports relate similar impacts.¶ Joel Chaisson, executive director of the Port of South Louisiana, which spans a 54-mile stretch of the Mississippi River westward from New Orleans, noted that activity at his port generates a total economic impact of $8.1 billion a year, including $1.54 billion in wages.¶ "Ports are the economic engines to drive commerce and trade, both internationally and domestically - that's the job we do," said Mr. Chaisson, whose port handles more total foreign and domestic cargo tonnage than any other in the Western Hemisphere, including shipping out more than half the grain the United States sends throughout the world.¶ Like other port directors, Mr. Chaisson said he believes that the biggest challenge ports face today is providing adequate infrastructure to accommodate burgeoning trade volumes.¶ Infrastructure essential¶ Not only must ports provide enough land and cargo-handling facilities to handle trade, as well as adequate connections inland, they also require channels sufficient for transit of increasingly large vessels.¶ As is the case at numerous seaports, the Texas Gulf Coast port of Port Freeport is in the process of feasibility studies to provide data to support the widening and deepening of its channel. This is particularly important at Port Freeport as the liquid-bulk-oriented port looks to the 2008 opening of a liquefied natural gas facility to be served by massive LNG tankers.¶ Port Freeport Managing Director Phyllis Saathoff noted that it is essential that ports pursue opportunities that meet return-on-investment standards - whether it be bringing in tenants for short-term projects or longer-term uses.

#### Deepwater port facilities key – demand for LNG to increase

**Maritime Administration no date** – (“Deepwater Port Licensing”, Maritime Administration, <http://www.marad.dot.gov/ports_landing_page/deepwater_port_licensing/deepwater_port_licensing.htm>)//CB

The Maritime Administration is charged with meeting the country's maritime commercial mobility needs while supporting national security and protecting the environment. The Deepwater Port Licensing Program addresses all three of these goals by reducing the need for LNG and oil tankers to enter busy seaports, while maintaining a high level of security and providing a viable environmentally friendly fuel source. The Maritime Administration works with Federal, state, and local agency partners to ensure a comprehensive and efficient deepwater port licensing process. The concerns of state regulators, environmental organizations, and marine industry groups are given significant weight in the licensing process. With one (1) active application and more expected in the future, the Maritime Administration continues the highly technical and intensive work of processing deepwater port applications and issuing licensing decisions. The application process is clearly defined, time sensitive, and designed to promote the construction of LNG and oil deepwater ports. The Maritime Administration is committed to expediting the application process while striving to protect the nation's environment, meeting our growing energy needs and improving waterborne transportation efficiencies. When finally licensed and operating, deepwater port facilities enable the United States to receive large amounts of natural gas in an environmentally safe and efficient manner. This is a significant development in light of the fact that overseas exploration has resulted in the discovery of substantial new natural gas resources. Further, the demand for natural gas in the United States is projected to increase from 22.59 trillion cubic feet annually in 2009 to 24.86 trillion cubic feet in 2035. Imports of LNG are projected to grow from 0.42 trillion cubic feet per year in 2009 to 0.83 trillion cubic feet by 2035. The offshore LNG and oil facilities licensed by the Maritime Administration will provide an efficient conduit through which this valuable resource can flow into the United States.

### Solvency - LNG Solves European Dependence

#### European LNG dependence guarantees Russian manipulation – US solves

**Kohl,** **12** - financial reporter for and managing editor of Energy and Capital (Keith, “Investors are Betting Against U.S. LNG,” 3/28/12,[http://www.energyandcapital.com/articles/investors-against-lng/2138](http://www.energyandcapital.com/articles/investors-against-lng/2138%22%20%5Ct%20%22_blank))

¶ Back in 2008, more than 75% of the rigs drilling in the U.S. were targeting natural gas. Today the situation is nearly juxtaposed, with gas-drilling rigs only accounting for one-third of the total.¶ The formula is simple enough: record production and low prices.¶ It was certainly enough to push the United States to the head of the class in 2009. That's when we overtook Russia as the world's leading gas producer. Russia's fears boil down to LNG exports, because shipping our future natural gas supply to both Asia and Europe would weaken Russia's control...¶ This is a country used to wielding their natural gas supplies like a weapon.¶ If European countries don't want to pay up, Putin and friends have no reservations over cutting them off.¶ When U.S. LNG enters the scene, Russia's share in the Western European gas market may fall to less than 13% over the next few decades.

#### Increasing US LNG exports breaks European dependence on Russia

**Ratner et al, 12** - specialist in energy policy, other authors include \*\*\*Paul Belkin, analyst in European affairs, \*\*\*Jim Nichol, specialist in Russian and Eurasian affairs, and \*\*\*Steven Woehrel, specialist in European Affairs (Michael, “Europe’s Energy Security: Options and Challenges to Natural Gas Supply Diversification,” Congressional Research Service, 3/13/12, [http://www.fas.org/sgp/crs/row/R42405.pdf](http://www.fas.org/sgp/crs/row/R42405.pdf%22%20%5Ct%20%22_blank))//CB

The prospect of significant U.S. LNG exports may pose an opportunity for the ¶ United States to play a bigger role in European energy security and global natural ¶ gas markets.¶ 3¶ Most of the proposed U.S. LNG export projects are located on the ¶ Gulf coast or east coast of the United States, making shipments, at least initially, ¶ more likely to go to Europe than Asia. Additionally, the U.S. natural gas market ¶ is one of the only markets in the world where natural gas is not priced against oil, ¶ giving it a cost advantage in most of Europe. Should future U.S. LNG contracts ¶ not include an oil-indexed formula, pressure would be added for other countries, ¶ including Russia, to follow suit. Russian companies, including state-controlled ¶ natural gas giant Gazprom, have adamantly defended oil-indexed natural gas ¶ prices.

#### US LNG exports will primarily go to Europe – solves dependence on Russia

**Moors, 2012** - professor in the Graduate Center for Social and Public Policy at Duquesne University, where he directs the Energy Policy Research Group (Kent, “How Qatar And Russia Just Improved Our LNG Prospects,” 1/2/12, [http://seekingalpha.com/article/317016-how-qatar-and-russia-just-improved-our-lng-prospects](http://seekingalpha.com/article/317016-how-qatar-and-russia-just-improved-our-lng-prospects%22%20%5Ct%20%22_blank))//CB

¶ Europe will be the primary destination for most of these exports, with additional LNG terminals likely.¶ In other words, the agreement to cap European-bound LNG exports from Qatar may have been negotiated by Russia to benefit its European trade, but it will also benefit the U.S. as a major new source for LNG to the continent.¶ Of course, politics have a habit of complicating matters.¶ On November 29, a Russian ambassador was roughed up going through customs in Qatar for refusing to allow an inspection of his diplomatic case. The Russian foreign minister has threatened to introduce reprisals, and the Yamal negotiations are at a standstill.¶ Nonetheless, this matter will cool down in time, and the Russian-Qatari arrangement will move forward. Both nations have too much at stake to let it collapse.¶ When it does, another primary beneficiary will be U.S. shale gas producers, whose volume will become LNG moving to Europe to take up the slack. Projected European energy needs point toward a need for all pipeline and LNG delivered gas. That means this market will be expanding.

#### American LNG could make Europe independent from Russia

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Although Asia would be the most profitable LNG export market, the majority of American tankers would end up in Europe because most of the export terminals will be in the Atlantic basin. The natural gas trade between the EU and US offers a promising new dynamic in the global natural gas market, more stability and flexibility.¶ For years, the European natural gas market has been dictated by long term contracts linked to oil prices rather than spot natural gas prices, moving away from prices determined on a supply and demand basis. The likelihood of increased American exports to Europe helps the energy security problems of both nations. For the European Union, American imports offer a chance to reduce source risk or the degree of import diversification a nation has. For the United States, a new demand hub will put upward pressure on natural gas prices which are currently at a historic low.¶ The current dynamics in Asia and Russia make the coordination between Europe and the United States all too likely. Russia seems intent on containing Western influence in the Caspian, its historic backyard. Incidents with Turkmenistan in 2009, Georgia in 2008 and Ukraine on a seemingly annual basis make it hard for the European Union to raise enough capital to build a pipeline in one of the most unstable regions in the world. As Caspian producers look eastward to monetize their large hydrocarbon case, the EU must begin to invest in its LNG infrastructure to meet future American import capacity.

#### U.S. exports to Europe key to confront Russia antidemocratic behavior - ends energy political weapon

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Finally, Russia has changed. In the 1990S, it was a weak, quasi ¶ democratic state that wanted to become part of the West. Now, a more ¶ powerful, nationalist, and less democratic Russia is challenging the ¶ West. Moscow sees itself as an independent Eurasian power, offering ¶ its own authoritarian capitalist model of development as an alternative ¶ to democratic liberalism. It practices a form of mercantilist geo ¶ political hardball that many in Europe thought was gone for good. ¶ Nowhere is this more clear than in its policies toward Europe's periphery, where it is seeking to halt or roll back democratic break ¶ through in places such as Georgia and Ukraine. Moscow's willingness ¶ to use its energy resources as a political weapon has made European ¶ countries reluctant to confront Russia over its antidemocratic behavior. ¶ Until the EU can liberalize its energy markets and diversify its supplies, ¶ Moscow will have the upper hand. In this new strategic environment, Western policy toward the nations ¶ on Europe's periphery cannot remain on cruise control as if nothing ¶ has changed. NATO and the EU need to articulate a new strategic ¶ rationale for expanding the democratic West and devise a new ¶ approach to dealing with Russia. There is another opportunity today ¶ to advance Western values and security and redraw the map of ¶ Europe and Eurasia once more. But new ideas will be necessary to ¶ seize it-and to reinvent the transatlantic alliance in the process.

#### Direct contact with Europe key to avoid Russia interference on exports

**Sahgal and Anand 10 - \*** former Army officer who created the Office of Net Assessment in the Indian Joint Staff, Senior Fellow at the Institute for Defense Studies and Analyses and ‘Distinguished Fellow’ School of Geo-Politics at the Manipal Academy of Higher Education,  \*\*(Arun and Vinod, “Strategic Environment in Central Asia and India”)//CB

As mentioned earlier, the strategic goals of the U.S. center on building energy and transport corridors that avoid Russia by going either south or west. ¶ Despite many engineering and financial challenges involved in the building ¶ of the oil pipeline from Baku, Azerbaijan, via Tbilisi Georgia. to Ceyhan in ¶ Turkey, it was completed in May, 2006. The BTC pipeline was part of the ¶ U.S. policy of reducing Russia’s stranglehold on the Central Asian oil and ¶ gas pipeline network by providing an alternative route to Europe. The Kazakh President attended the inauguration of the BTC pipeline but Kazakhstan is yet to join the U.S. and Europe for a Trans-Caspian pipeline. Another ¶ U.S. and EU-supported proposal for the Nabucco gas pipeline is under examination, with a memorandum of understanding signed on 13 July, 20-09. Iran ¶ is also reportedly on board to sell gas to Europe. Richard Boucher, then U.S. ¶ Assistant Secretary of State, on a visit to Kazakhstan in June, 2007, attempted to drive home the point that it would be more advantageous to deal ¶ with the European buyers directly, without interference by Russia.. Boucher ¶ also remarked that ‘Kazakhstan appears to be making more progress toward ¶ democratizing by enhancing the role of parliament.’ ¶ 10¶ Meanwhile, Turkmenistan is actively being courted by all the players, including the U.S. for ¶ its gas reserves. Admiral William Fallon, Commander of the U.S. Central ¶ Command, and a bevy of American energy officials all visited Turkmenistan ¶ following the death of President Niyazov. In September, 2007, both the ¶ Turkmen and Kazakh presidents visited the U.S., thus raising prospects for a ¶ favorable outcome for the U.S. and the West.

#### EU/US coop key to counter Russian monopoly – deters energy supply control

**Baran, 7** - senior fellow and director of the Center for Eurasian Policy at the Hudson Institute in Washington, D.C. (Zenyo, “ EU Energy Security: Time to End Russian Leverage,” THE WASHINGTON QUARTERLY AUTUMN 2007, <http://www.hudson.org/files/publications/07autumn_baran.pdf>)//CB

Meaningful EU-U.S. cooperation on energy security and diversification may finally be possible, given the trends on both sides of the Atlantic. The United ¶ States is more willing to discuss climate change and new technologies while ¶ the EU is more willing to consider energy security within the framework of the ¶ CFSP. Both partners should take advantage of this opportunity to establish the close cooperation that is especially necessary to devise effective strategies to ¶ counter Russian monopoly control over major energy supply, transport, and ¶ distribution networks across Europe and Eurasia.

### Solvency - Federal Investment Key

#### Federal investment in LNG exports will boost domestic production

**Hulbert, 5/26** – a Lead Analyst at European Energy Review and consultant to a number of governments, most recently as Senior Research Fellow, Netherlands Institute for International Relations (Clingendael), was previously Senior Research Fellow at ETH Zurich working on energy and political risk. He started work in the City of London, advising on energy markets and political risk, as Senior Energy Analyst at Datamonitor for leading global utilities, and headed up the Global Issues Desk at Control Risks Group, specializing in political risk, geopolitics and security analysis for multinational companies, governments and institutional investors. He was also seconded to work in Washington, D.C., to enhance CRG's political risk offerings in North America. (Matthew, “Why American Natural Gas Will Change The World”, Forbes, 5/26/12, [http://www.forbes.com/sites/matthewhulbert/2012/05/26/why-american-natural-gas-will-change-the-world/](http://www.forbes.com/sites/matthewhulbert/2012/05/26/why-american-natural-gas-will-change-the-world/%22%20%5Ct%20%22_blank))//CB

The spanner in the works is political risk of course; how much gas will Washington allow to leave its shores? A couple of years ago you’d have said not much, but the fact the EIA has just downgraded recoverable shale reserves from 827tcf in 2011 to 482tcf in 2012 tells you all need to know. If the US wants to maintain its shale revolution, it badly needs prices to firm to make fields economically viable. LNG exports are a good way of doing that, at least to around $4-7Mmbtu. With some careful positioning, Washington could claim a political victory in the process; maintain the health of US shale (and American jobs) by making a virtue out of LNG export necessity. As far as US Energy Inc. is concerned, LNG isn’t a case of ‘if’, but when, how much and what pricing methods to use. 40 to 50 million tons a year by 2020 should be more than doable. That would make America the third largest LNG player in the world behind Qatar and Australia.

### Solvency – LNG Key

#### US gas is key to solve Middle Eastern and Russian manipulation of the market

**Medlock et al ‘11** \*\*\*Report from an energy study sponsored by the James A. Baker III Institute for Public Policy and supported by the US Department of energy, Medlock is a fellow in energy and resource economics at the James A. Baker III Institute for Public Policy, Rice University, PhD in economics (Kenneth, “Shale Gas and U.S. National Security,” James A. Baker III Institute for Public Policy, July 2011, [http://www.bakerinstitute.org/publications/EF-pub-DOEShaleGas-07192011.pdf](http://www.bakerinstitute.org/publications/EF-pub-DOEShaleGas-07192011.pdf%22%20%5Ct%20%22_blank))//CB

Utilizing scenario analysis based on peer-reviewed, scientific assessments of the properties of shales6 (which the Baker Institute then uses to develop its own technically recoverable estimates and associated finding and development cost curves), this Baker Institute study, sponsored by the U.S. Department of Energy, is able to demonstrate that U.S. shale gas can help abate the enhancement of geopolitical power wielded by key petro-states as global primary energy use shifts increasingly to natural gas. Specifically, shale gas will play a critical role in diminishing the petro-power of major natural gas producers in the Middle East, Russia, and Venezuela and will be a major factor limiting global dependence on natural gas supplies from the same unstable regions that are currently uncertain sources of the global supply of oil. In this way, shale gas can play a critical role in averting a reinforcement of the political risk we currently face in the global oil market.

### A2: Price Spikes

#### No price spikes

**Rascoe 12**- energy reporter for Reuters(Ayesha, “US LNG exports will not cause big price spike-report”, Reuters, May 2,http://www.reuters.com/article/2012/05/02/usa-lng-study-idUSL1E8G1GPB20120502?type=companyNews&feedType=RSS&feedName=companyNews&rpc=31)//CB

U.S. exports of liquefied natural gas will not dramatically raise natural gas prices or hurt the U.S. industrial sector, a new study said, bolstering the case for supporters of sending U.S. gas abroad.¶ The Brookings Institution's study said selling some of the U.S. shale gas bounty to foreign consumers would have a "modest" upward impact on domestic prices.¶ "Natural gas producers will likely anticipate future demand from LNG exports and will increase production accordingly, limiting price spikes," the think tank said in its report released on Wednesday.

### A2: Depletion

#### No depletion, in the long term, prices would rise and economic incentives to export would erode

**Levi 12**- the David M. Rubenstein senior fellow for energy and environment at the Council on Foreign Relations, a nonpartisan foreign-policy think tank and membership organization(Michael, “A strategy for U.S. Natural Gas Exports”, The Hamilton Project, June 2012,[http://www.hamiltonproject.org/files/downloads\_and\_links/06\_exports\_levi.pdf](http://www.hamiltonproject.org/files/downloads_and_links/06_exports_levi.pdf%22%20%5Ct%20%22_blank))//CB

¶ The amount of natural gas in the ground is finite and fixed. ¶ By increasing present consumption, U.S. natural gas exports ¶ would reduce the amount of natural gas left. Some may worry ¶ that the United States could become dependent on imports ¶ at an undesirably early date if, due to excessive consumption, ¶ production began to fall sooner than it would have otherwise.¶ This is not a large problem. According to recent EIA (2012c) ¶ modeling, were the United States to export LNG at the highest ¶ rates discussed in this paper, it would produce as much natural ¶ gas in nineteen years as it otherwise would have in twenty. If ¶ U.S. reserves were far smaller to start with than that analysis ¶ assumes, prices would rise and the economic incentive to ¶ export would erode.

## Oil Spills

### Add-on

#### Current shallow and congested ports cause lead to accidental oil spills

Ketkar and Babu 97- Paul Stillman School of Business, Seton Hall University, South Orange, NJ 07079, U.S.A. (K.W. and A.J.G, “AN ANALYSIS OF OIL SPILLS FROM VESSEL TRAFFIC ACCIDENTS”, Transpn Res.-D, 1997, Vol. 2, No. I, pp. 35-41)//RP

In addition to traditional activities such as fishing and transportation, a steady growth in world trade, recreation, and exploration of underwater resources has caused a rapid growth in vessel traffic for several decades. This has increased the potential risk of marine casualties involving loss of life and damage to vessels, cargo, navigational aids, and structures (e.g., bridges) (Peters, 1993). Various Asian, European, and North American countries have enacted a wide array of safety measures to reduce marine casualties. For instance, the U.S. Coast Guard requires all incoming vessels to have a local pilot on board, have an officer on the bridge, and that the vessel operator should establish radio communications with the Coast Guard after entering the U.S. waters. In addition, traffic separation lanes and convergence points have been established to improve traffic flow. Naviga- tional aids assist the vessel operators by sensing oncoming traffic hazards such as bridges and shallow waters (National Research Council, 1991). The US Army Corp of Engineers keeps ship channels open by regularly dredging waterways that are used for commercial and recreational traffic. In many countries, offshore deep water ports similar to the loop in New Orleans, Louisiana, have been constructed to reduce traffic near shallow and congested ports. In spite of all these safety measures, accidents do happen. In this paper, we study the historic data related to the vessel accidents in U.S. waters over a period of several years. In particular, we focus on the sizes of the oil spills and determine whether there is a certain regularity in their distribution. If a certain regu- larity in the size distribution of oil spills is observed, then the size distribution of an oil spill can be approximated to Yule distribution (Simon, 1978). In the upper range, the Yule distribution agrees with the rank-size law of Zipf. It is hypothesized that the top few spill sizes follow Zipf’s law approximately as accidental oil spills are occurring ‘naturally’ during oil transfer operations. In addition, we investigate the factors that affect (and do not affect) the spill volumes significantly. Meade et al. (1983) analyzed the impact of variables like flag of the vessel, its size and age only on tanker accidents worldwide. They found these three variables explain 75% of the variance in the frequency of all accidents. The Port Needs Study (1991) is the first study that attempted to identify factors that would significantly impact on the risk of an oil spill per transit. They found that variables like width and length of the water body, other vessel traffic and rivers increase navigational risk and, consequently, the risk of an oil spill. To the best of our knowledge, this is the first study to address the nature of the size distribution of oil spills and the factors influencing their size. This paper is divided into four sections. In Section 2, the methodology to empirically test Zipf’s rank-size law and the relationship between oil spills and various exogenous factors are discussed. Data sources are also discussed in this section. The empirical results are reported and analyzed in Section 3. The summary of conclusions and policy recommendations are discussed in Section 4.

#### Low depth seaports increase risk of oil spills-ship grounding occurs

Napolitano, ‘11 – California representative and ranking members on the Committee and Subcommittee (Grace F., “The Economic Importance of Seaports: Is the United States Prepared for 21st-Century Trade Realities? Hearing before the Subcommittee on Water Resources and Environment of the Committee on Transportation and Infrastructure House of Representatives, One Hudred Twelfth Congress: First Session”, October 26, 2011, http://www.gpo.gov/fdsys/pkg/CHRG-112hhrg70928/pdf/CHRG-112hhrg70928.pdf)//RP

The Harbor Maintenance Trust Fund is an important tool to rebuild our harbor infrastructure. The intent of it is for shippers to pay a fee that is spent—supposed to be spent—on maintaining the harbors that the shippers use. Unfortunately, that is not the case. It is not operating in a fair or equitable manner. The harbors must pay into the trust fund—they pay in to receive a very small fraction in return to maintain their harbors. The top 10 harbors in the U.S. collect 70 percent of the trust fund revenues, although they receive only 16 percent of those expenditures. This inequality has led to the busiest U.S. harbors that pay the most into the system being drastically undermaintained, and we are facing a loss to Canada and Mexico in the meantime, especially as the new super-tankers are requesting ports that are not maintained sufficiently to allow them to berth. The U.S. Army Corps of Engineers estimates that the Nation’s busiest 59 ports are maintained to only 35 percent of authorized depth. The situation can increase the cost of shipping as vessels carry less cargo in order to reduce their draft, or they wait for high tide before transitioning into a harbor. This can also increase the risk of a ship grounding or a collision, possibly resulting in an oil spill.

#### Oil spills can endanger marine life and ocean habitats-toxic crude oil

Birkland and DeYoung 11-North Carolina State University (Thomas A. and Sarah E., “Intergovernmental Complaints and Conflicts in the Deepwater Horizon Spill”, Publius: The Journal of Federalism volume 41 number 3, 6/11, Political Science Complete, pg. 472-473)//RP

The fundamental problem of littoral (near-shore) oil spills is that they dump oil into littoral ecosystems that cannot handle the sudden infusion of oil. Littoral zones are ecologically important because they contain diversity and abundant marine life, and crude oil is extremely toxic to all life in this zone. Of particular concern in the 472 T. A. Birkland and S. E. DeYoungGulf Coast was the damage to shrimp fisheries, oyster beds, and to seabirds and their habitat (Corn and Copeland 2010). Endangered species, such as the Ridley sea turtle, were placed under significant strain from the oil spill (Bowman 2010). Moreover, while ecological damage is often the biggest concern in oil spills, oil is also toxic to humans, including cleanup crews and coastal residents who breathe its fumes (Aguilera et al. 2010). A spill the size and scale of the Deepwater Horizon spill was inevitably going to receive a great deal of attention, even though the well was about forty miles from the coast. Had the oil stayed or been blown out to sea, the spill would have received a great deal of attention, but the ecological damage would likely have been less grave. Instead, the oil moved into the littoral zone, where damage was more severe. Due to the damage done by oil spills, a significant body of public policy has developed to prevent large oil spills, to clean them up, and to deter or financially punish the spillers. Despite these laws, and despite modern technologies and practices designed to increase safety, the Deepwater Horizon’s well blew out, and the drilling ship exploded. How did the Deepwater Horizon come to explode and sink? How did this become the biggest runaway oil well in the history of American offshore oil drilling? Many disasters are accompanied by efforts to frame causes in particular ways, usually to fix blame for these events. Stone (1989) calls these framing or blaming stories ‘‘causal stories.’’ In the oil spill, there were at least three dominant causal stories: lax federal regulation, managerial corner cutting at the oil company and its contractors, and poor federal response. The latter story speaks more to the aftermath than the cause of the spill.

**Loss of ocean biodiversity will lead to human extinction**

**Alois and Cheng 7** –predictive modelers of future events at the Arlington Institute (Paul and Victoria, “Keystone Species Extinction Overview”, World’s Biggest Problems, July 2007, http://www.arlingtoninstitute.org/wbp/species-extinction/443)//RP

The preservation of the fundamental cornerstones of the ecosystem must become a foremost goal in human advancement, and it is clear that their destruction must be stopped. Plankton supporting abundant sea life are dying, fish that is a staple part of the diet of many people around the world are being fished to extinction, bees pollinating crops are threatened by many factors, and topsoil sustaining agriculture is disappearing. To solve these problems, people must also address bigger problems caused by human activity such as climate change, the destruction of habitats, and the depletion of resources due to careless use. If any of these species examined should be reduced to a low enough level, consequences for our own survival would be profound. The loss of these actors is happening rapidly, and it is crucial that this be stopped and reversed as soon as possible.

#### Increasing harbor depth solves for oil spills-oil tankers get stuck on shallow channels

**Landrieu 11-** Chairwoman Senate Appropriations Subcommittee on Homeland Security (U.S. Senator Mary, “Harbor maintenance funds must be put to intended use”, Safeguarding Commerce in an Era of Uncertainity, December 2011, AAPA Seaports Magazine Volume 24)//RP

The Harbor Maintenance Tax, or HMT, and Harbor Maintenance Trust Fund, or HMTF, were established in 1986 to fund operations and maintenance of federal ports and harbors. However, this funding is not being used to address the backlog of necessary maintenance dredging needed to sustain our vital infrastructure. The HMT is charged against the value of imports and domestic cargo arriving at U.S. ports that have federally maintained harbors and channels and deposited into the HMTF. Today, the HMTF has a balance of approximately $6 billion. That is why earlier this year, I introduced the Harbor Maintenance Act of 2011 to correct funding inequities in the operation and the maintenance of U.S. ports and harbors. U.S. Army Corps of Engineers surveys show our harbor channels are getting shallower and narrower. This means vessels carrying American-made goods cannot be filled to capacity, nor can ships with imports for the U.S. market enter many ports with a full load. This drives up the cost of our nation’s exports and imports and increases the risk of vessel grounding and associated oil spills.

### Ports Too Shallow

#### Ports too shallow for large ships such as oil tankers

**Glazier 11-**Bachelor’s degree in English from Arizona State University and a Master's degree in Journalism from the University of Colorado, reporter for Hearst Newspapers (Kyle, “Nation's seaports ask Congress for new investment”, Washington Bureau, 10/29/11, http://www.chron.com/news/politics/article/Nation-s-seaports-ask-Congress-for-new-investment-2243178.php)//RP

Bridges told the Subcommittee on Water Resources and Environment that most American ports are not deep enough or don't have the infrastructure to dock and unload the largest cargo ships because federal dollars earmarked to modernize and maintain them aren't being spent for those purposes. Jo-Ellen Darcy, assistant secretary of the Army for civil works, testified that shipping companies are building container ships that are bigger than ever and won't be able to enter and dock at ports with channels shallower than 50 feet. The only ports on the Atlantic that can currently handle such ships are Norfolk, Va., and Baltimore, Darcy said. Darcy said other Atlantic ports could handle these ships, but not without help from the Army Corps of Engineers. As silt builds up in the entrances to ports, they become shallower and impassable to larger ships. The Army Corps of Engineers is responsible for scraping away this accumulated silt through dredging.

#### Currently US ports cannot accommodate super oil tankers-large risk for oil spills

Galor 7- Maritime University of Szczecin (W, “The effect of ship’s impact on sea bed in shallow water”, ARCHIVES OF CIVIL AND MECHANICAL ENGINEERING, 2007, Vol. VII pg. 3)//RP

The marine navigation is the process of planning and realisation of a safe movement of ship from one place to another (port of destination).The main goal of navigation is to handle the ship in accordance with the aim of its motion when required parameters of this process should be retained. Realization of this goal depends on assurance of suitable level of ships safety during their manoeuvring in water area. This is achieved by controlling ship movement along a planned trajectory. However, various factors may affect ship motion. The process of safe movement in water area is called safe navigation. The world fleet tends to expand in terms of total capacity, with vessels growing in size, while their number is maintained on a similar level. The existing ports are expected to service bigger ships than those for which they were designed. The building of new ports is restricted on the one hand by natural conditions of sea areas, and necessary large financial effort on the other hand. As economic and geopolitical conditions change, directions of cargo transport (bulk in particular) also change, sometimes in a cycle lasting a few years. This in turn, makes building new ports a risky enterprise for investors, as the invested capital return amounts to at least twenty years. The goal of entering larger ships into the port can be achieved through changes in operating conditions within ports and modernization of certain components of port basins and areas. These actions should result in ports handling ships as large as possible on condition that specified safety level is maintained. Safe manoeuvring of a ship within a given area requires that the manoeuvring area of a ship with a specific draft is comprised within available port water area having a required depth.

#### Oil tankers outstripped the capacity of US ports-difficulty to handle large container ships

Bookman 7- University of Texas at Dallas (Charles, “U.S. Seaports: At the Crossroads of the Global Economy”, Issues in Science and Technology, 2007, http://www.issues.org/13.1/bookma.htm)//RP

Many U.S. ports are cramped for space, with narrow navigation channels, shallow harbors, and congested truck and rail access routes. For example, the harbor at Newark, New Jersey, is so shallow outside the dredged channel and so prone to siltation that very large ships must unload part of their cargo in Nova Scotia or elsewhere, thereby raising shipping costs and putting the port at a competitive disadvantage. Maintenance and expansion of navigation channels often is impeded by delays in the granting of permits, a complex web of environmental regulations, and disagreements about how to dispose of dredged material. As a case in point, it took the Port of Oakland 20 years to begin the first phase of a channel-deepening project. Meanwhile, the size of cargo ships has increased considerably. Large oil tankers long ago outstripped the capacity of all ports on the East Coast and along the Gulf of Mexico, and many shipping terminals are finding it increasingly difficult to handle large container ships in competitive time. Port development is slow, frustrated by high costs and budget cutbacks at all levels of government, and the waterways-management infrastructure generally lags available technology.

### A2: Gulf Spill Non-Uniques

#### Gulf oil spill destroyed many global ecosystems-on the brink-one more major oil spill will cause loss of ocean biodiversity

**Adams 10** – the Health Ranger Editor of NaturalNews.com (Mike, “The results of an oil spill”, The Gulf Oil Spill: An Extinction Level Event? Blogspot, 5/9/10, http://coyoteprimerunningcauseicantfly.blogspot.com/2010/05/gulf-oil-spill-extinction-level-event.html)//RP

The possibility of an extinction event? It's hard to say exactly what's going on in the Gulf right now, especially because there are so many conflicting reports and unanswered questions. But one thing's for sure: if the situation is actually much worse than we're being led to believe, there could be worldwide catastrophic consequences. If it's true that millions upon millions of gallons of crude oil are flooding the Gulf with no end in sight, the massive oil slicks being created could make their way into the Gulf Stream currents, which would carry them not only up the East Coast but around the world where they could absolutely destroy the global fishing industries. Already these slicks are making their way into Gulf wetlands and beaches where they are destroying birds, fish, and even oyster beds. This is disastrous for both the seafood industry and the people whose livelihoods depend on it. It's also devastating to the local wildlife which could begin to die off from petroleum toxicity. Various ecosystems around the world could be heavily impacted by this spill in ways that we don't even yet realize. There's no telling where this continuous stream of oil will end up and what damage it might cause. Theoretically, we could be looking at modern man's final act of destruction on planet Earth, because this one oil rig blowout could set in motion a global extinction wave that begins with the oceans and then whiplashes back onto human beings themselves.

#### Enough phytoplankton in squo-one more oil spill will put over brink-lead to human extinction

Hinkle 10-Environmental Chemist (Dr. John, “Oil Spill to cause Human Extinction”, Oil Spill the Big Picture, 6/10/10, http://wakeup2010.blogspot.com/2010/06/oil-spill-to-cause-human-extinction.html)//RP

I am not an oil engineer, I am an Environmental Chemist, and I have yet here for any of the BP or USA engineers to state the larger issue then the Gulf being coated with oil, though that is bad enough. The larger issue is the oil which is enterning the gulf stream, the current which is part of the interocean beltway. If oil spills continues, which I am sure it will, the tropical storms will churn the gulf, and this great oil spill will begin to spread, world wide, killing the phytoplankton as it spreads. Phytoplankton, first of all food webs, and more important, produces 80% - 90% of the oxygen for earth. All environmentalists understand that if the Phytoplankton dies, humans have 6 month to a year to live. So, the engineers of BP are not working to save birds and fish in the gulf, but now after 7-8 weeks, need to think of the 6.5 billion humans!

### Impacts – Environment

#### Empirical report proves oil spills threaten the ecosystem and wildlife species

Kho 10- a reporter and editor in The New York Times' Green Inc. blog, The Wall Street Journal, Los Angeles Times, AOL's DailyFinance, MIT's Technology Review, The Christian Science Monitor, Reuters.com, Earth2Tech (Jennifer, “ Oil Spill's Impact: Bad for the Environment, Good for Clean Energy?”, Daily Finance, 5/5/10, http://www.dailyfinance.com/2010/05/05/oil-spills-impact-bad-for-the-environment-good-for-clean-ener/)//RP

BP's (BP) Deepwater Horizon rig continues to leak 5,000 barrels -- or 210,000 gallons -- of oil into the Gulf of Mexico per day, threatening the area's fragile ecosystem and many wildlife species, including some that are already endangered, according to the U.S. Fish and Wildlife Service. "We're dealing with a massive and potentially unprecedented environmental disaster," President Obama said Sunday. But though the environmental impact may be devastating, the environment could benefit in at least one way: The worst-case scenario for deep-sea oil drilling makes renewable alternatives look that much better by comparison. The blogosphere is already buzzing with jokes about massive wind spills and solar spills, pointing out that with these sources, "the worst thing that happens is you stop producing electricity, not destroy entire ecosystems," says Adam Browning, executive director of solar-advocacy group Vote Solar.

#### Oil spills harm microscopic animals, destroying food chain and leading to extinction

Kirby 12- the environmental reporter for the Press-Register in Mobile, Alabama (Brendan, “Gulf oil spill had dramatic impact on microscopic life, study suggests”, Alabama Press-Register, 7/10/12, http://blog.al.com/live/2012/07/gulf\_oil\_spill\_had\_dramatic\_im.html)//RP

MOBILE, Alabama — Months after BP PLC capped the gushing well in the Gulf of Mexico and crews had cleared oil from coast, Alabama’s beaches looked like they had returned to normal. New research by an Auburn University professor and other scientists, though, suggests that significant changes had taken place in creatures too small to be seen by the naked eye. Those changes, professor Ken Halanych said, bear further study and could have big impacts that might not become apparent for years. “When the samples were taken, there wasn’t any obvious oil on the beaches, wasn’t anything obvious to indicate that the oil spill had happened,” he said. “When you went outside and looked at it, it looked rather normal. There was clearly (microscopic) community change and hidden effects.” Halanych and scientists from the University of New Hampshire, the University of California Davis Genome Center, and the University of Texas at San Antonio, published their work last month in the scientific journal PLoS ONE. The researches collected soil samples from 5 spots around Dauphin Island and Mobile Bay, as well as a persistently oiled beach in Grand Isle, Louisiana. The researchers collected the first set of samples after the Deepwater Horizon drilling rig had exploded in April 2010 but before oil reached the coast. They then compared those samples with soil collected at the same locations in September of that year. What they found, according to the academic paper, was that diverse communities of microscopic animals had given way to fungi, some of which are associated with oil spills. “Based on this community analysis, our data suggest considerable (hidden) initial impacts across Gulf beaches may be ongoing, despite the disappearance of visible surface oil in the region,” they wrote.

#### Research proves loss of ocean life will lead to extinction for all human life on earth

**Adams 10** – the Health Ranger Editor of NaturalNews.com (Mike, “The results of an oil spill”, The Gulf Oil Spill: An Extinction Level Event? Blogspot, 5/9/10, http://coyoteprimerunningcauseicantfly.blogspot.com/2010/05/gulf-oil-spill-extinction-level-event.html)//RP

We cannot live without life in the oceans. Man is arrogant to drill so deeply into the belly of Mother Earth, and through this arrogance, we may have just set in motion events that will ultimately destroy us. In the future, we may in fact talk about life on Earth as "pre-spill" versus "post-spill." Because a post-spill world may be drowned in oil, devoid of much ocean life, and suffering a global extinction event that will crash the human population by 90 percent or more. We may have just done to ourselves, in other words, what a giant meteorite did to the dinosaurs."

### Impacts – Econ

#### Port dredging increases US port capability of US ports to handle large ship tankers leading to lower shipping costs – that’s Landrieu

#### And, lower shipping costs key to trade and economic growth

Sachs and Radelet 98- American economist and Director of The Earth Institute at Columbia University and Chief Economist for the U.S. Agency for International Development (Jeffrey and Steven, “Shipping Costs, Manufactured Exports, and Economic Growth”, Colmbia University, 1/1/1998, http://admin.earth.columbia.edu/sitefiles/file/about/director/pubs/shipcost.pdf)//RP

Are Smith’s observations of any relevance today? Are geographical location, especially access to the sea, still important determinants of a country’s development prospects? Though interest in transport costs has recently risen in the theory of international trade (see, for example, Krugman, 1996), there continues to be almost no empirical work on the role of shipping costs in patterns of trade and development. In this paper we examine some empirical evidence on 2 differences in shipping costs across developing countries, and its impact on manufactured exports and economic growth. We find that geographical considerations -- specifically access to the sea and distance to major markets -- have a strong impact on shipping costs, which in turn influence success in manufactured exports and long-run economic growth. Countries with lower shipping costs have had faster manufactured export growth and overall economic growth during the past thirty years than country’s with higher shipping costs. The evidence suggests that high-shipping cost countries will find it more difficult to promote export-led development, even if they reduce tariff rates, remove quantitative restrictions, and follow prudent macroeconomic policies. At a minimum, firms in such countries would be forced to pay lower wages to compensate for higher transport costs in order to be able to compete on world markets for manufactures. The required offset in wages might be quite substantial in the usual case for developing countries in which imported inputs constitute a high proportion of the value of exports. In such sectors, high transport costs can easily wipe out export profitability even if wage levels were to fall to zero. As a result, geographically remote countries such as Mongolia, Rwanda, Burundi, Bolivia may not realistically be able to replicate the East Asian model of rapid growth based on the export of labor-intensive manufactures.

### Impact – Econ (Fishing Industry )

####  Oil spills collapse economy-fishing industry decline, tourism decline, port and harbor trade decline

ITOPF 10- The International Tanker Owners Pollution Federation Limited (“Fisheries and Mariculture”, Economic Impacts, 2010, http://www.itopf.com/marine-spills/effects/economic-impacts/)//RP

Contamination of coastal amenity areas is a common feature of many oil spills, leading to interference with recreational activities such as bathing, boating, angling and diving. Hotel and restaurant owners and others who gain their livelihood from the tourist trade can also suffer temporary losses. A return to normal requires an effective clean up programme and the restoration of public confidence. Industries that rely on seawater for their normal operation can also be adversely affected by oil spills. Power stations and desalination plants which draw large quantities of seawater can be particularly at risk, especially if their water intakes are located close to the sea surface, thereby increasing the possibility of drawing in floating oil. The normal operations of other coastal industries, such as shipyards, ports and harbours, can also be disrupted by oil spills and clean-up operations.

#### Seafood industry key to economy-jobs and global trade

MSC No Date-Marine Stewardship Council (“The value of the global seafood industry”, The seafood economy, http://www.msc.org/healthy-oceans/the-oceans-today/the-seafood-economy)//RP

Millions of people work in the seafood industry, contributing to local, regional and global trade on a massive scale and maintaining livelihoods, earnings and employment. It's not just about fishing. Seafood-related jobs include processing, packing, transport, retail and restaurants. Through these diverse businesses, the seafood economy generates financial security for individuals and a valuable source of GDP. The value of the global seafood industry. The export value of world trade in fish was US$63 billion in 2003, and is more than the combined value of net exports of rice, coffee, sugar and tea Source: United Nations Food and Agriculture Organization About 200 million livelihoods depend directly or indirectly on the fishing industry Source: United Nations Environment Program Half of the seafood traded worldwide comes from developing countries Source: United Nations Environment Program Fish exports are a valuable source of foreign exchange for many developing countries. Globally, developing countries are net exporters of fishery products. Source: United Nations Food and Agriculture Organization Rising demand Consumer demand for fish continues to climb, especially in affluent nations, which in 2004 imported 33 million tonnes of fish, in value terms 81% of all fish imports that year, and worth over US$61 billion (Environmental News Service). Global consumption of seafood increased by 21% between 1992 and 2002. But levels of fish catches in the wild have remained roughly stable since the mid-1990s, close to 90-93 million tonnes annually. The UN Food and Agriculture Organization says there is little chance of any significant increase beyond these levels. And it’s not just about seafood, fish is an ingredient in pet food, health supplements, fishmeal and many non-food products manufactured on a global scale. The UN predicts another 2 billion people will join the world’s population within 20 years. Add to this the surge in consumption that is expected as the world’s emerging economies develop and expand, and it is clear that pressure on seafood resources will increase. Sustainable fisheries set for success.

### Solvency - Dredging

#### Port dredging can solve for the capacity of the oil tankers-key to commerce

US Army Corps of Engineers, No Date-manage dredging in the US (“Why is Dredging Necessary”, Dredged Material

Management Program, http://www.nae.usace.army.mil/damos/pdf/dmmp.pdf)//RP

Every river or stream carries naturally suspended soil washed by erosion into its waters. Some of this suspended sediment will settle out along the river’s path to the ocean, with the largest amount being deposited at the river’s mouth or entry to an estuary. Ocean currents and storms also move and deposit sediment along the shoreline. These natural processes would eventually lead to the filling of our harbors and waterways with sand, mud, or clay. If no dredging were performed, our harbors and major rivers, so vital to commercial and defense activities, would eventually shoal, leading to vessel delays and groundings. Today’s container ships, oil tankers and modern naval vessels need deep channels and docking facilities to move freely. Dredging is necessary to maintain America’s waterborne commerce and defense capability.

#### Increasing port depth key to US economy-trade and commerce

Bridges 11- Executive Director Virginia Port Authority and AAPA Chairman of the Board and U.S. Delegation Chairman (Jerry A, “Investments in infrastructure are key to economic prosperity”, Safeguarding Commerce in an Era of Uncertainity, December 2011, AAPA Seaports Magazine Volume 24)//RP

As we discussed these issues one by one, it became apparent to subcommittee members that, while we were talking about the importance of sufficient channel depth, road and rail infrastructure and intermodalism, what we were really addressing was the significance of this industry to the economy of not only the United States, but the entire Western Hemisphere. Moreover, based on trade forecasts, our nations are going to have a continued dependence on seaports. We have to be able to efficiently move goods between ports and manufacturing and population centers, but that effort cannot be placed solely upon the shoulders of the industry. National governments must meet the challenges of maintaining channels by fully utilizing mechanisms such as, in the U.S., the Harbor Maintenance Tax, and by developing key landside access projects through other dedicated funding sources.

#### Oil spills creating high demand for port dredging services

**Konrad 10**-CFA (Tom, “Great Lakes Dredge and Dock (GLDD), An Oil Spill Cleanup Stock”, Alt Energy Stocks, July 5 2010, http://www.altenergystocks.com/archives/2010/07/great\_lakes\_dredge\_and\_dock\_gldd\_an\_oil\_spill\_cleanup\_stock.html)//RP

There are many potential growth drivers for the dredging business, some of which GLDD is talking about, and some of which it isn't. The company lists the following drivers of growth going forward: An increase in maintenance dredging due to increased interest in increasing port operating capacity by the US Army Corps of Engineers, the largest domestic user of dredging services. Coastal berm construction to protect the Louisiana coast from the oil spill. A GLDD dredge has recently begun work on these berms. The size of the spill make me think that berm construction and coastal restoration will continue to create high demand for dredging equipment in the Gulf for years to come. Expansion of the Panama Canal and the Port of Los Angeles New legislation in congress will create a harbor maintenance trust fund which will add $250-$400 million to the annual US dredging market. The 2009 Mississippi coastal improvements program created an additional $400 million demand for barrier island and ecosystem restoration work starting in 2011.

# A2: Case Debate

### A2: Environment Turns

#### Cement Disposal Solves Need for CDF and Ocean Dumping--no environmental damage

Austin and Wilk 8, Program Manager, Portland Cement Association “Solidification/Stabilization Treatment of Dredged Material from the Port of San Diego” <http://www.cement.org/waste/wt_apps_san_diego.asp>//GW

**Cement-based solidification/stabilization allowed the Port of San Diego to economically and safely dispose or reuse material dredged from the harbor. Dredging of channels** and berths **is a vital activity to keep harbors open for business**. Disposal of dredged material is a significant cost to maintenance dredging. This is especially true when contaminants in the dredged material prohibit ocean disposal and require up-land disposal and increased costs. **Cement-based solidification/stabilization (S/S) is a treatment technology that can be used to manage dredged material safely and effectively**. Project Description This project involved dredging, treatment, and disposal of approximately 12,500 cubic meters (16,500 cubic yards) of sediment at the Tenth Avenue Marine Terminal in San Diego, Calif. Sediment was dredged to ensure safe ship maneuvering and docking conditions. The dredged material was primarily storm drain runoff sediment discharged into San Diego Bay out of the City of San Diego's Switzer Creek storm drain outfall. Normal ocean disposal of the dredged sediment was prohibited since the material was contaminated with below hazardous levels of copper, zinc, lead, pesticides, and polychlorinated biphenyls (PCBs). Contaminated sediment is often disposed of in a confined disposal facility (CDF). CDFs are dedicated landfills (or monofills) for dredged sediments. Temporary CDFs can also be used to dewater or dry sediment prior to off-site disposal. CDFs are often located near the areas that are being dredged and can take up precious land near port areas. This was the case at the Port of San Diego. A CDF was not preferred and another sediment management solution was needed. **Cement-based S/S was selected to treat the dredged sediment allowing for disposal in a local municipal solid waste landfill** (MSWL). Cement-based S/S involves mixing portland cement into the contaminated material being treated. Cement reacts with water in the sediment to chemically bind free water and dry the material. Cement hydration reacts physically and chemically to immobilize hazardous contaminants within the treated material. The dredged sediment drying time for this process is a small fraction of that required for air drying dredged material in a CDF. S/S treatment reduces contaminant leachability allowing reuse or disposal in a MSWL rather than a hazardous waste landfill. Reuse of treated dredge material as engineered fill, as landfill cover material, or disposal in a MSWL, is dramatically less expensive than disposal of the contaminated dredged material in a hazardous waste landfill or CDF. Dredging and Treatment Sediment was dredged from the Bay using a clamshell dredge and loaded into a barge tied alongside of the dredge vessel. A doublewalled silt curtain (turbidity barrier) encircled the dredge area, including the dredge vessel and barge. Free water captured with the sediment during clamshell dredging was pumped back into the dredge area within the silt curtain after it separated from the sediment in the barge over several hours. The barge was then docked alongside the terminal and an S/S blending head mounted on the end of a long reach extend-a-hoe was used to mix a slurry of portland cement and water into the dredged material. The mixing resulted in a 2% to 5% addition of portland cement to the sediment. Within a few hours the material was transferred by clamshell into a k-rail bordered holding area on the terminal next to the mixing barge, loaded into dump trucks lined with visqueen to keep the treated sediment from sticking when it is dumped, and hauled to a local sanitary landfill. The treated sediment was tested for pH and free liquids. The MSWL criteria to accept the material for disposal was a pH below 12 and above 2, and no free liquids per Paint Filter Test (EPA SW846 Method 9095). In all, 12,600 cubic meters (16,500 cubic yards) of material were dredged and treated (approximately 27 barges). Actual dredging, free water removal, mixing, curing, loading, hauling, and disposal operations required an average of 3 days per barge. By operating two barges simultaneously, the work was accomplished in approximately 30 working days. Benefits **Significant benefits resulting from the use of cement-based S/S for dealing with the dredged sediment material include: Eliminates the need for a CDF**. **Binds soluble constituents and reduces chloride mobility in the resulting soil cement matrix**. **Generates soil cement with excellent engineering properties for use as landfill day cover**, **pre-conditioned (cement-treated) roadway pavement base, slope or drainage channel surfacing base, or structural fill material.**

#### Army Corp Engineers will use Environmentally safe disposal methods – Beach Nourishment, Capping, Confined disposal, and treatment are all options

United States Environmental Protection Agency 03 **“**Great Lakes Confined Disposal Facilities” <http://www.lrd.usace.army.mil/_kd/Items/actions.cfm?action=Show&item_id=1654&destination=ShowItem>//GW

Sediments that accumulate in the bottom of river channels, harbors and lakes are the product of soil erosion from lands throughout the watershed and erosion of streambanks. As sediments accumulate, the depths of channels used by commercial ships and recreational boaters are reduced. Dredging of sediment deposits is required to maintain channels at safe depths for navigation.¶ Contaminated bottom sediments are present in many of the federal navigation projects in the Great Lakes and every one of the Areas of Concern designated under the Great Lakes Water Quality Agreement. “Restrictions on dredging activities” is one of the fourteen beneficial use impairments identified in the Agreement.¶ There are over a hundred federal harbors and channels in the Great Lakes. **Every year, the Corps of Engineers dredges about 4 million cubic yards of sediments from 15-25** of these **harbors**. Another 1-2 million cubic yards of sediments are dredged from state, municipal and private harbors and marinas, as well as dredging for waterfront construction, bridge construction and repairs, clearing water supply intakes, and environmental restoration.¶ Dredged Material Management Options¶ **Sediments dredged from Great Lakes harbors and channels may be managed using one of the following methods:**¶ **Open water placement** (placement directly in the lake or river)¶ **Beach nourishment** (placement on the beach or in the nearshore area)¶ **Capping** (placement on the bottom of a lake and covering with clean material)¶ **Upland beneficial use** (use for construction fill, landscaping, landfill cover, etc)¶ **Confined disposal** (placement in a CDF or licensed landfill)¶ **Treatment** (applying one or more processes to remove or destroy contaminants)¶ The selection of the appropriate option for managing a dredged material is based on the type and level of contaminants present (if any), the volume of materials, local conditions, and environmental, social and economic factors. About half of the sediments dredged from Great Lakes harbors and channels are clean sand and silt than can be safely placed into the lakes, used to nourish beaches or for upland beneficial uses. The other half contains levels of pollutants that restrict their disposal to some degree.¶ Capping is a technology for managing contaminated dredged material that has been used in marine environments, but not yet on the Great Lakes. Technologies for treating sediment contaminants have been evaluated extensively by the EPA and Corps nationally, and through Great Lakes specific programs, notably the [Assessment and Remediation of Contaminated Sediments (ARCS) Program](http://www.epa.gov/glnpo/arcs%22%20%5Ct%20%22_blank). However, the costs of treatment are several times those of other management options, and these technologies have only been applied at a few sites with the most highly contaminated sediments. Confined disposal to a CDF or licensed landfill is the most widely used option for managing contaminated sediments dredged from Great Lakes harbors and channels.¶

**CDF’s are the most efficient and eco-friendly disposal method**

**United States Environmental Protection Agency 03 “**Great Lakes Confined Disposal Facilities” <http://www.lrd.usace.army.mil/_kd/Items/actions.cfm?action=Show&item_id=1654&destination=ShowItem>//GW

Prior to 1960, all dredged material in the Great Lakes was managed based solely on cost efficiencies. This meant unconfined, open water disposal in most cases. The first concerns about the impacts of dredging activities on water quality were raised in response to pollution in the lower Detroit River. In 1967, the Corps initiated a 2-year study on the impacts of dredging on Great Lakes water quality and demonstrations of alternate management practices for contaminated sediments in partnership with the Federal Water Pollution Control Administration (predecessor to EPA). The results of this study recommended that sediments from contaminated harbors and channels be confined.¶ With the passage of Section 123 of the Rivers and Harbors Act of 1970, Congress authorized a program for the confined disposal of contaminated sediments from federal navigation projects in the Great Lakes. Congress directed that the Corps could only develop a CDF in collaboration with a non-federal partner (typically a state agency, local government or port authority). Under this authority, as well as project-specific authorities, the Corps has constructed and/or operated 45 CDFs to manage over 90 million cubic yards of contaminated sediments dredged from Great Lakes harbors and channels in the past forty years at a federal cost of $300 million (construction costs unadjusted for inflation). ¶Individual CDFs have been planned, sited, and designed in partnership with non-federal sponsors and with full opportunity for public and agency review and input. In order for a CDF to be approved for construction, the Corps must prepare an environmental assessment or impact statement and comply with federal and state environmental laws. A state resource agency must issue a water quality certificate for discharges of excess water from the CDF.¶ The size, shape, and design of each CDFs have been selected to fit dredging needs of the harbor(s) and channel(s) served, the physical and chemical characteristics of the dredged material, local conditions and resources, and the interests of the non-federal sponsor. Because of the distance between Great Lakes ports, most CDFs service only a single harbor/channel. In many cases, the non-federal sponsor requested the CDF be constructed as an in-water fill in the harbor or nearshore lake to meet future waterfront plans of the community. Over half of the CDFs in the Great Lakes are in-water facilities, although several upland facilities were developed on islands or areas that had been previously filled.¶ CDFs have combined design features and processes common to wastewater treatment, landfills, dams, and breakwaters**. Research studies have demonstrated that the key to controlling contaminants associated with dredged material is to contain as high a percentage of the sediment particles as possible. A principle goal of CDFs is to receive and confine the dredged material and return excess water with minimal suspended sediments to the river or lake.**¶In-water CDFs have dikes that resemble a breakwater, made of stone, gravel and other materials. Large armor stone are typically placed on the outside face of the dike to protect against wave attack. The inner core of the dike is often constructed with sand and gravel, sometimes in discrete layers. The dike, which is permeable, encircles the disposal area where the dredged material is placed. The sediment particles and contaminants bound to the particles settle out in the disposal area and excess water passes back through the dike. As the facility becomes filled, the dikes become less permeable, and water must be removed by overflow weirs, filters in the dikes, or is pumped.¶ Upland CDFs are designed with earthen dikes that resemble a levee or berm. The dikes are most often constructed with soil excavated from the disposal site, and the sides seeded to prevent erosion. Dredged material is placed into the facility by pipeline or by truck. After the sediment particles have settled out, excess water is removed by overflow weir or pumpage. ¶ All dredging on the Great Lakes is performed by private contractors. CDFs are operated for relatively brief periods of time (a few weeks) during dredging. Some Great Lakes harbors are dredged every year, but others may only be dredged every 2-5 years. **During operations, dredged material may be placed into the facility using a pipeline, transferred from barges by a crane and bucket, or end-loaded from trucks.** ¶ **The Corps routinely monitors the performance of CDFs. This includes periodic inspections of CDF dikes for structural integrity, monitoring of dredging contractors, and water quality monitoring of discharges from CDFs.** **The results of monitoring are used to ensure that these facilities are secure and effluents are in compliance with state water quality requirements.** ¶ The EPA and Corps have collaborated in a number of special studies at CDFs to evaluate their long-term performance and impacts on the Great Lakes ecosystem. These studies have included laboratory simulations of contaminant transport and fate, field investigations of the uptake of contaminants by plants and animals within the facilities, and computer modeling of contaminant releases. ¶ **The results of routine monitoring and special studies have demonstrated that CDFs have been able to contain greater than 99.9 percent of the sediment particles and associate contaminants and routinely meet applicable state water quality requirements.** The long-term release of contaminants from these facilities can be calculated using computer models but can not be detected with advanced monitoring techniques, and is not considered ecologically significant. Plants grow quickly on dredged material inside CDFs and have provided an attractive habitat for some wildlife. Monitoring studies have shown that plants and animals that inhabit the CDFs may uptake contaminants from the dredged material.

### A2: Port Tradeoff DA

#### Non-unique – Panama expansion will cause switch away from West Coast ports inevitably

#### No internal link – there will not be financial loss to country overall –

#### Aff solves the impact – exports are critical to US competitiveness, which will sustain the overall US economy. CA internal link can’t swamp need for overall US exports.

### A2: Bureaucratic Delay

#### Federal action on port dredging solves bureaucratic delay

**Kornegay, 93** – Executive Director and CEO of the Port of Houston Authority, hearing before the Subcommittee on Oceanography, Gulf of Mexico, and the Outer Continental Shelf of the Committee on Merchant Marine and Fisheries, House of Representatives, 103rd Congress, First Session on the effectiveness of the Federal Dredge Permitting Process on Maintenance and Improvements to Ports of the Gulf Region (H. Thomas, “The Federal Dredge Permitting Process and Its Effect on Ports of the Gulf Coast Region, U.S. Government Printing Office, 12/13/93, <http://www.loc.gov/law/find/hearings/floods/floods103-78.pdf>, page 87) // EK

Sediment accumulates naturally in our rivers and harbors. Many of our major ports and waterways are not naturally deep enough to accommodate modern vessels. Therefore, there is no alternative to dredging our harbors if port operations are going to handle the increased trade volumes that are expected in the coming decade. Each year, the U.S Army Corps of Engineers (Corps) dredges over 300 million cubic yards of material from federal navigation channels. An additional 100 million cubic yards are dredged from access channels, berths and terminals at over 400 coastal and riverports in the United States.

Despite the importance of an efficient and cost-effective waterborne transportation system to the economic well being of our nation, there is no consistent, coherent national dredging policy designed to ensure that navigation channels are dredged and open for trade. Too often, channel navigation improvement projects are stymied because of the lack of federal leadership. The American taxpayer ends up paying the bill for the resulting bureaucratic delay and project gridlock. We must establish a national policy that enables the ports to dredge in a timely, cost-effective and environmentally responsible way.

**Ports infrastructure spills over and creates a stimulus in the short-term**

**Seaports Magazine 09**—magazine by the American Association of Port Authorities (“Port development stimulates economy”, Summer, [http://www.aapaseaports.com/pdf\_issues/AAPASeaports\_Summer2009.pdf](http://www.aapaseaports.com/pdf_issues/AAPASeaports_Summer2009.pdf%22%20%5Ct%20%22_blank))//JH

**Despite the economic downturn, the Port of Long Beach remains financially sound and is planning to invest more than $2 billion in infrastructure development in the coming years.** These projects will keep Long Beach competitive, protect the environment and improve security - all while creating thousands of temporary construction jobs and other permanent jobs in Long Beach and Southern California. **The port already supports about 30,000 jobs in Long Beach, 316,000 jobs in Southern California and 1.5 million jobs across the nation.** Since the port contracts for the majority of its construction work, port spending boosts opportunities for local Southern California construction and contracting firms. **The projects have many other spillover economic benefits. "Even in these challenging times, the port has an opportunity to invest in the economic recovery of this region**," said Richard D. Steinke, executive director of the Port of Long Beach. **"While cargo traffic is slower, we can focus on efforts to develop infrastructure that will create a short-term stimulus and ensure local job creation for decades to come."** **The funding for port terminal development projects comes from port revenues, received mostly from leases with private shipping terminal operators.** Through prudent financial planning during the boom years, the port built up a strong reserve fund and credit rating, which will allow it to finance these projects. Some infrastructure projects will be funded with a mix of port, state and federal funds. As with all port development, the projects will adhere to the aggressive environmental measures of the port's Green Port Policy and San Pedro Bay Ports Clean Air Action Plan.

**Federal leadership’s vital – the plan expedites funding for new projects and streamlines regulatory barriers**

**Paulson 10** – Executive Director of the Port of Vancouver (Larry, “Doubling U.S. Exports: Are Seaports Ready for the Challenge”, [http://www.finance.senate.gov/imo/media/doc/042910lptest.pdf)](http://www.finance.senate.gov/imo/media/doc/042910lptest.pdf%29//MG%22%20%5Ct%20%22_blank)//JH

Priority of, and funding for freight transportation, freight rail and port freight and intermodal projects. – Over the past year funding has been available for additional transportation projects through programs in the American Recovery and ¶ Reinvestment Act programs. Unfortunately, ports like ours who have aggressively sought funding through this program, have struggled to compete. In our efforts, we could show solid job creation both short term and long term; we could demonstrate high economic return; we remedied a system chokepoint; **we** had **completed all environmental reviews; and** we **had** strong partners and **matching dollars** – **we were ready on all accounts – and, yet we have struggled to find infrastructure funding that matches our project**. We aren’t alone. **Several applicants in our industry found their requests being leapfrogged** by those with much lower qualifications, **because**, in part, the **direct partnership between federal programs and ports is a more recent** phenomenon. In fact, many **federal programs have not kept pace** and often greatly limit federal help to critical freight transportation, freight rail and port freight and intermodal projects.

### **A2- Building New Ports Solves**

#### **Building new ports is no longer an option**

U.S. Maritime Administration, 09 (“U.S. Maritime Administration America’s Ports and Intermodal Transportation System”, January 2009 [http://www.glmri.org/downloads/Ports&IntermodalTransport.pdf](http://www.glmri.org/downloads/Ports%26IntermodalTransport.pdf))//RM

As our economy has become interdependent on the global economy, the U.S. Gross Domestic Product (GDP) has grown exponentially. This global interdependence among trading nations has brought prosperity, but has also placed additional demands on our ports and the end-to-end delivery system of imports and exports that are so vital to America’s economic growth and our role as the world’s leading economic power. Although foreign trade accounted for only 13 percent of U.S. GDP in 1990, it grew to nearly 22 percent by 2006. Recent projections indicate that foreign trade will be equivalent to 35 percent of GDP by 2020 and may grow to 60 percent in 2030. As foreign trade continues to grow, marine transportation will become even more important to our economy. Approximately 90 percent of America’s overseas foreign trade tonnage is moved by ship. And, America’s network of waterways moves more than 2.3 billion tons of domestic and foreign cargo each year. The transportation network that serves our economy also beneﬁts our national defense. The movement of military and related trafﬁc essential to national security relies heavily on our commercial transportation system. Ports moving commercial and consumer goods also move military equipment and supplies that enable the United States to project its power anywhere in the world. Robust intermodal connections are necessary to support the ﬂow of global commerce and the deployment of military forces. Only focused, sustained attention to both business and military needs will allow for a truly seamless, integrated intermodal freight transportation system. Until recently, additional capacity demands could be met because there was always a way to build another terminal or add another highway lane. That is no longer the case. Today, our Nation’s ports and intermodal systems face a growing capacity crunch. We are confronted with capacity stretched to its limits, aging and decaying infrastructure, multiple demands for land and high construction costs. And when a problem occurs in one part of the system, it can have a ripple effect throughout the entire waterborne and surface transportation network. Today, there is an urgent need to address congestion’s systemic challenges. Although ports and their intermodal connections are continually making improvements, any beneﬁts can be quickly offset by the rapid pace of growth in shipments and the relatively slow and often daunting process of ﬁnancing and constructing new infrastructure. Clearly, there is a need to better manage the transportation process “end to end.” We must improve efﬁciency, reliability and cost savings and provide environmentally sustainable world class service to customers. But the decisions of today and tomorrow are much more complex than they were 20 or 30 years ago. Now, transportation decision makers in metropolitan planning organizations, cities, individual states and the Federal government must consider not only the “why” and “how” of infrastructure needs, but also their impact on the environment, local communities and quality of life of future generations. Given the enormity and breadth of these challenges, it is imperative that the United States adopt a truly national freight transportation policy. We must ensure the efﬁcient movement of goods in the domestic and global supply chains while promoting a productive and competitive U.S. economy and addressing national defense needs.

### Southeast Ports Need Dredging

#### Southeast needs dredging most - Gulf coast critical to trade

USA Today, 12- news company which is popular around the USA which covers all different aspects on the economy (“Price Tag to Dredge Eastern Ports for Big Ships: $5 Billion”, 6/21/12, <http://www.usatoday.com/money/economy/story/2012-06-21/southern-ports-expansion/55746890/1>)//JH

The [East Coast](http://content.usatoday.com/topics/topic/Places%2C%2BGeography/Regions/East%2BCoast) has only three ports —[New York](http://content.usatoday.com/topics/topic/Places%2C%2BGeography/States%2C%2BTerritories%2C%2BProvinces%2C%2BIslands/U.S.%2BStates/New%2BYork), Baltimore and Norfolk, Va. — with waterways deep enough to accept the fully loaded ships regardless of tides. The Southeast, forecast to undergo the nation's biggest growth in population and trade, remains too shallow from Virginia to [South Florida](http://content.usatoday.com/topics/topic/South%2BFlorida) and across the Gulf to Texas. The need for expanding port capacity "is likely to be most critical along the U.S. Southeast and Gulf coasts," the report said. That's because no shipping channels are at least 50 feet deep, which will be required for the ships — many from China and other Asian countries — that will begin using the Panama Canal after a major expansion is completed by the end of 2014. Savannah, Ga., Charleston, S.C., and Miami on the Southeast coast, as well as several ports in the Gulf, are already undertaking harbor-deepening projects. None have advanced beyond studies to actual dredging, however.

### A2: Maintenance doesn’t include dredging

**Maintenance dredging doesn’t include increasing channel depths**

**Allen, 12** - Judson Falknor Professor of Law, University of Washington; Visiting Professor, Yale Law School and Distinguished Visiting Professor of Maritime Studies, U.S. Coast Guard Academy (Craig, “ Future Ports Scenarios for 21ST Century Port Strategic Planning”, JOURNAL OF TRANSPORTATION LAW, LOGISTICS & POLICY, 89-91,

  [http://papers.ssrn.com/sol3/Delivery.cfm/SSRN\_ID2066661\_code334079.pdf?abstractid=1967856&mirid=2](http://papers.ssrn.com/sol3/Delivery.cfm/SSRN_ID2066661_code334079.pdf?abstractid=1967856&mirid=2" \t "_blank))//RM

“Maintenance” dredging refers to dredging operations to keep or restore the channel depth and width to its designed project dimensions. It is contrasted with dredging operations to increase the channel’s depths, widths or length beyond the original project dimensions. In late 2010, the U.S. Naval War College in Newport, Rhode Island hosted a Global Shipping Game (GSG). The Chief of Naval Operations requested the GSG to explore the strategic-level implications as a result of future changes in global shipping patterns. Taking as its departure point projected changes in shipping pat­terns as a result of the Panama Canal expansion and the opening of the Arctic, the GSG’s objectives were to identify the strategic implications of those developments, assess the impact of ratification or non-ratification of UN Convention on the Law of the Sea and provide an environment for participants to appreciate the interrelated nature of factors relative to implications of shipping pattern changes. The GSG final report was released to the public on January 28, 2011. See U.S. Naval War College, Global Shipping Game Report (Jan. 28, 2011), avail­able at http://www.usnwc.edu/getattachment/Research---Gaming/War-Gaming/Documents/Publications/Game- Reports/GSG-Report\_28Jan11\_final.pdf.

# A2: Off-Case

## A2: States CP

### Links to PTX

**State dredging causes political fights over spending in Congress**

**Barnett, 12**, reporter for Greenville News and writer for USA Today(Ron, “East Coast ports scramble to dig deep, for supersize ships,” USA Today , May 24 2012 [http://www.usatoday.com/money/economy/story/2012-05-24/deepening-harbors/55653540/1)//BL](http://www.usatoday.com/money/economy/story/2012-05-24/deepening-harbors/55653540/1%29//BL)

Ports on the Atlantic and the [Gulf of Mexico](http://content.usatoday.com/topics/topic/Places%2C%2BGeography/Bodies%2Bof%2Bwater/Gulf%2Bof%2BMexico), whose harbors have been too shallow to accommodate these behemoths, are gearing up to spend more than $40 billion over the next five years to deepen their shipping channels and make other upgrades, according to Aaron Ellis, director of communications for **the American Association of Port Authorities**.¶ The ports of Norfolk, Va., and Baltimore have completed projects that put them in position to be the first to receive the big ships, some of them 1,110 feet long with the capacity to haul up to 13,000 boxcar-size freight containers, Ellis said.¶ •The [Army Corps of Engineers](http://content.usatoday.com/topics/topic/Army%2BCorps%2Bof%2BEngineers) is expected to finish dredging a 50-foot deep channel to three terminals in [New York Harbor](http://content.usatoday.com/topics/topic/New%2BYork%2BHarbor) by the end of the year and to the main [New York](http://content.usatoday.com/topics/topic/Places%2C%2BGeography/States%2C%2BTerritories%2C%2BProvinces%2C%2BIslands/U.S.%2BStates/New%2BYork) terminal by 2014, according to New York/New Jersey Port Authority spokesman Hunter Pendarvis. The authority has committed $1 billion to raise the Bayonne Bridge by 64 feet to allow the bigger ships to pass under, he said.¶ •[Miami-Dade County](http://content.usatoday.com/topics/topic/Places%2C%2BGeography/Towns%2C%2BCities%2C%2BCounties/Miami-Dade%2BCounty) reached an agreement in April with environmental groups that had raised concerns about the Port of Miami's Deep Dredge project. It is expected to be able to handle the big ships by 2014 or soon thereafter, according to Ellis.¶ •The [Corps of Engineers](http://content.usatoday.com/topics/topic/Corps%2Bof%2BEngineers) completed a study in April finding that Savannah, Ga.'s proposed $652-million channel deepening project is viable.¶ •The Corps is in the midst of a study of Charleston harbor, said Jim Newsome, president and CEO of the South Carolina Ports Authority.¶ •Philadelphia and [Corpus Christi](http://content.usatoday.com/topics/topic/Corpus%2BChristi) are currently involved in dredging projects, according to Ellis. Boston, Jacksonville, Canaveral and Freeport, Texas, are among other ports pursuing deeper channels, he said. ¶ The association **is lobbying Congress for approval, which is required by the Constitution for** such **projects**, **and** for **funding**. But, "Because **freight doesn't really have as strong a voice as the movement of people, it's** **going** **to take a lot of heavy lifting**," **Ellis said.**¶ "We're fighting hard enough in this country just to keep our navigation channels maintained at their authorized depths and widths."¶ **South Carolina's Legislature this month designated $300 million to the Charleston project — enough to do the job even if the federal government doesn't come up with its 40% match.**¶ **"**I think everyone is starting to suspect that there may not be enough federal funding for any harbor, basically, today," Newsome said. "So **we have to operate under the assumption that we're not going to get held up by a lack of federal funding.**"¶ **There are other hurdles, both environmental and political**.¶ U.S. Sen. [Lindsey Graham](http://content.usatoday.com/topics/topic/People/Politicians%2C%2BGovernment%2BOfficials%2C%2BStrategists/U.S.%2BSenators/Lindsey%2BGraham), R-S.C., has introduced legislation that would require the Corps of Engineers to rank the ports for funding priority. ¶ **Even if federal money isn't approved, congressional authorization would be needed for the work to go ahead, said Lt. Col. Ed Chamberlayne, commander of the Corps of Engineers Charleston District.**

### Solvency Deficit

#### See Fed Key warrants in Solvency and solvency for specific advantages

## A2: Privatization CP

### CP is normal means

**Normal means is USACE contracting out to private sector**

**Frittelli, 2011** – Specialist in Transportation Policy (John, “Harbor Maintenance Trust Fund Expenditures”, Congressional ReseaCch Service, January 10, 2011, [http://www.fas.org/sgp/crs/misc/R41042.pdf)](http://www.fas.org/sgp/crs/misc/R41042.pdf%29//MM%22%20%5Ct%20%22_blank)

**Over the last decade, maintenance dredging has accounted for about seven out of every ten federal dredging dollars and about 84% of the total material dredged** (construction dredging has accounted for the remaining three dollars and 16% of total material dredged). **About 80% of maintenance dredging is performed by private contractors under the USACE’s direction. On a per cubic yard basis, construction dredging is over twice as expensive as maintenance dredging**. In constant dollars (2000), **the USACE calculates that maintenance dredging costs per cubic yard have increased from $1.53 in 1963 to $3.19 in 2008.8 The Corps dredges only the federally designated channels in harbors. Port authorities are responsible for dredging berths, which is the area next to the pier where a ship docks.**

### Perm do Both

**Privatization perm solves best- Federal government expected to repay private investors**

 **IWR 6/20** – Institute for Water Resources (“U.S. Port and Inland Waterways Modernization: Preparing for Post-Panamax Vessels”, Institute for Water Resources, U.S. Army Corps of Engineers, June 20, 2012, [http://www.iwr.usace.army.mil/docs/portswaterways/rpt/June\_20\_U.S.\_Port\_and\_Inland\_Waterways\_Preparing\_for\_Post\_Panamax\_Vessels.pdf)//BL](http://www.iwr.usace.army.mil/docs/portswaterways/rpt/June_20_U.S._Port_and_Inland_Waterways_Preparing_for_Post_Panamax_Vessels.pdf%29//BL)

The **creation** **of** **Public-Private Partnerships** (PPPs) **has been proposed as a solution to supporting**¶ **infrastructure modernization** in a number of different venues. The **success in forming such**¶ **partnerships varies**, but there are successes that can be pointed to for what has been termed¶ "fixed guideway" infrastructure. **However, a basic requirement for private participation in a PPP**¶ **is** **assurance** that **there** **will be** adequate **revenues to allow the private entity to recover its costs**¶ and earn a return on investment from joining the partnership. **Therefore,** for a PPP to work in¶ the inland waterway context it would require **a commitment on behalf of the federal**¶ **government to honor payment commitments made in the PPP contracts**.¶ A PPP contract would define the sharing of risk from sources outside the control of either party¶ (e.g., unexpected technical difficulties in executing the project) and the retention of other risks¶ by the public entity (e.g., changes in regulatory rules or regulatory decisions that affect costs or¶ technical feasibility¶ 121¶ ). **Therefore, for a PPP to work in the inland waterway context would**¶ **require contracts that address the sharing and assignment of these risks**.

### Solvency Deficit

**P3’s require federal approval to change federal regulations**

**Feigenbaum, 12** - transportation policy analyst with Reason Foundation (Baruch, “Government Bureaucracy Is Sinking Port Deepening Projects,” reason.org 2/13, [http://reason.org/news/show/1012613.html](http://reason.org/news/show/1012613.html%22%20%5Ct%20%22_blank))//BL

**Most ports do not have the local funds to deepen their harbors.** The cost of deepening ranges from $600 million for the port of Savannah to $1.3 billion for the port of New York. ¶ **Ports must go through a cumbersome, lengthy, and unpredictable process to obtain federal funding that is governed by the** Water Resources Development Act of 2007 **(WRDA 2007**). The **first task in the** current federal **process** **is a reconnaissance study,** which examines the cost-benefit ratio. Conducting the study requires a Congressional authorization and an appropriation and must show a cost-benefit ratio of 1.0 or higher, where the benefits of deepening the port are greater than the costs, for the process to continue. ¶ **The feasibility study, the next step**, **includes an Environmental** Impact Study, **Design** Overview, **and Economic Analysis**. This Economic Analysis often compares one port to another port to determine if a project has a net national benefit. In the analysis the Army Corps of Engineers studies incremental increases such as deepening a harbor from 42 to 43 feet and then from 43 to 44 feet. The Corps studies each incremental increase until it finds the deepening with the greatest benefit. **After the Corps has completed the study it transmits the findings, labeled a Chief's Report, to the Assistant Secretary of the Army for Civil Works. The findings recommend proceeding - if it is appropriate - with the process**. If the Assistant Secretary of the Army for Civil Works agrees with the recommendation, **the** **plan will be forwarded to the Office of Management and Budget, which must also approve the project, and Congress**. ¶ At this stage **the project is approved, but it is not yet funded.** Currently **OMB has a freeze on funding all new port deepening projects because it is prioritizing public safety projects**. The **Port of New Jersey/New York** is the only port to have received sufficient funds -over $600 million- to deepen its harbor. And it **took** the port almost **10 years from the start of the process until the port began the dredging** process in 2008. Many other East Coast and Gulf Coast ports are on a waiting list for federal funds to permanently deepen their harbors. The following ports have expressed an interest: Boston, MA; Morehead City, NC; Charleston, SC: Savannah, GA; Jacksonville, FL; Canaveral, FL; Fort Lauderdale, FL; Miami, FL; Mobile, AL; Port Arthur, TX; Galveston, TX; Texas City, TX; Freeport, TX; Corpus Christi, TX; and Brownsville, TX. ¶ The **current situation is problematic for two reasons**. First, with the **Panama Canal opening in 2015**, other **ports cannot afford to wait** for a **10-year**-long process. Second, **with** **limited federal money available** and the prioritization of safety projects, **some ports may not receive any federal funding at all.**

**Current federal investment is unpredictable – can’t leverage private investment without a strong federal signal**

**Brinson ’12**, former president of the American Association of Ports Authorities and former president of the Port of New Orleans (Ryan, “Federal ‘reforms’ for port upgrade are long overdue”, The Post and Courier, April 21 2012, [http://www.postandcourier.com/article/20120421/PC1002/120429847/1023&source=RSS](http://www.postandcourier.com/article/20120421/PC1002/120429847/1023%26source%3DRSS%22%20%5Ct%20%22_blank)) //BL

**In 2012, as many U.S. ports plan** anxiously **for the Panama Canal expansion, the federal performance in development and maintenance of the federal channel system** **is as unpredictable and as unreliable** as ever. Today, **local port authorities pay as much as 60 per cent of the cost** of federal channel deepening.¶ With its Harbor Maintenance Tax, the government has collected nearly $6 billion more than it has spent on channel maintenance since 1986. Last year, the **Congressional Budget Office** concluded, “**Full channel dimensions are**, on average, available **less than about a third of the time at the 59 highest use U.S. harbors.**”¶ **Despite** the **promises** of the **1986 “reforms”** and the well-documented needs for wider and deeper federal channels, **there has been one new work authorization bill in the last decade** — one!¶ Of the $2.4 billion authorized for deeper channels over the last 12 years, 75 percent was designated for New York Harbor.¶

## A2: Horizon Review CP

**Executive order already coordinates export-related agencies to increase competitiveness**

**Gibbs, 2011** – Subcommittee Chairman (Bob, “Memorandum on the Hearing on “The Economic Importance of Seaports: Is the United States Prepared for 21st Century Trade Realities?” U.S. House of Representatives¶ Committee on Transportation and Infrastructure , October 21, 2011 <http://republicans.transportation.house.gov/Media/file/112th/Water/Water%20Briefing%20Memo%20%20%2010-26-11.pdf>)//BL

In his State of the Union Address in January 2010**,** President Obama announced the creation of the National Export Initiative (NEI), codifying this with an executive order signed in March 2010. The order is designed "to enhance and coordinate Federal efforts to facilitate the creation of jobs in the United States through the promotion of exports, and to ensure the effective use of Federal resources in support of these goals." The goal is to double exports in the next five years. **It creates an Export Initiatives Cabinet made up of administration officials that work in coordination with the Trade Promotion Coordinating Committee (TPCC**), an entity **created in 1993.** **Trade agreements, small business promotion, financing policies, and transportation logistics** are **all** **areas the cabinet will address** to reduce barriers to exportation.¶ According to the U.S. Committee on Marine Transportation Systems, **many Federal agencies, commissions, and offices** with**in the executive branch have a role in marine commerce**. Some of the entities related to waterborne transportation include, but are not limited to: the Department of Transportation, Maritime Administration, Army Corps of Engineers, St. Lawrence Seaway Development Cooperation, U.S. Coast Guard, Federal Maritime Commission, National Oceanic and Atmospheric Administration, National Transportation Safety Board, Department of Commerce, Department of Justice, Department of Agriculture, Department of Interior, Bureau of Ocean Energy Management and Regulation Enforcement, Military Sealift Command, U.S. Customs and Border Patrol and Environmental Protection Agency. **Each must coordinate with each other and partner with the private sector in order to achieve the President's goal.**

## Firewall CP/Ramp Act CP

### 2AC

#### Perm – do the CP

#### Perm – do both

#### [Read increased funding key to solve from solvency section

## A2: Federalism DA

#### Federal government has authority over ports channels and harbors- constitutional authority

Sherman 2 – Director of Research and Information Services American Association of Port Authorities (Rexford, “Seaport Governance in the United States and Canada”, American Association of Port Authorities, [http://www.aapa-ports.org/files/PDFs/governance\_uscan.pdf)](http://www.aapa-ports.org/files/PDFs/governance_uscan.pdf%29//MM%22%20%5Ct%20%22_blank)//JH

Introduction: To observers from abroad, even experienced port specialists, the seaport system of the United States might seem at first glance to be anything but a system. In other countries, port systems are typically small by comparison and commonly subject to direct control by national authority. The situation in the United States differs in several crucial respects. First is simply the size of the industry itself--183 commercial deep draft ports dispersed along the U.S. Atlantic, Gulf, Pacific and Great Lake coasts. Included in that number, too, are the seaports of Alaska, Guam, Hawaii, Puerto Rico, Saipan and the U.S. Virgin Islands. Here, unlike many countries, there is no national port authority. Rather authority is diffused throughout all three levels of government-federal, state and local. That stems from the federal character of the U.S. Constitution, which reserves certain powers for the national government and others strictly for the states. The Canadian system, by contrast, is subject to the general purview of the central government and more specifically to enactments of the national parliament. The enactment in June 1998 of the Canada Marine Act changed somewhat the character of the federal port system and permits the divestment of many ports previously administered by the Ministry of Transport to non-federal public and private entities. However, the nation’s major seaports are governed and managed by federal port authorities and ultimate statutory authority constitutionally remains with Parliament. Constitutional Parameters: The U.S. Constitution does grant the federal government exclusive jurisdiction over the navigable waters of the United States, including its deep draft channels and harbors--authority delegated primarily to the Coast Guard and the U.S. Army Corps of Engineers. But federal jurisdiction over harbors stops at the water's edge. Port authorities in the United States are instrumentalities of state or local government established by enactment or grants of authority by the state legislature. Neither Congress nor any federal agency has the power, or even the right, to appoint or dismiss port commissioners or staff members, or to amend, alter or repeal a port authority charter. Certain port activities are, of course, subject to federal law and jurisdiction, particularly those pertaining to foreign and interstate commerce.

#### Federal authority’s key to coordination – aff solves only weak link – funding disbursements.

Cook 11 - J.D. Candidate, Fordham University School of Law (Christopher T., “FUNDING PORT-RELATED INFRASTRUCTURE AND DEVELOPMENT: THE CURRENT DEBATE AND PROPOSED REFORM” 38 Fordham Urb. L.J. 1523, lexis)//JH

There is minimal dispute over the need for investment in port- related infrastructure and development. Instead, the debate focuses on how to best generate new funding mechanisms for this investment. The shipping industry has voiced two primary concerns: (1) who will absorb short-term costs and (2) which regulatory authority will administrate the funding mechanism—federal, state, or local? As to the first concern, regardless of whether port users incur immediate costs associated with general infrastructure and development fees, costs will ultimately pass through to the consumer. In Baton Rouge Marine Contractors, Inc. v. Federal Maritime Commission, the court noted: One can make the economic argument that there is no difference in the long run whether the cost of the grain elevator is charged to the stevedore rather than the vessel, because the charges will be passed on to the party, usually the vessel, employing the stevedore to load and trim the vessel. In the long run, the stevedore’s charge will be borne by the ultimate beneficiary of the services, the consumer, regardless of whether the stevedore is employed by and paid in the first instance by the vessel or shipper. But at least in the short run, different consequences will attach to differences in the immediate incidence of the charges. Industry actors could argue that, regardless of whether the consumer will ultimately shoulder rising costs, short-term costs may be sufficiently onerous to price out struggling Port Users—particularly in a protracted economic recession. Further, short-term costs tied to charges assessed by port authorities are subject to the Shipping Act’s prohibition on unreasonable or discriminatory practices. The problem with these arguments is that strict deregulatory measures have adversely affected Port Users by impeding modernization of new infrastructure and development. As to the second concern, industry actors want assurance that new fees will provide equivalent benefits, without additional onerous administrative requirements. A federal authority may be best equipped to ensure a uniform administration; however, members of Congress have in the past raised significant funds for port-related maintenance and development and subsequently failed to disburse them. As one example, Congress created the Harbor Maintenance Trust Fund (“HMTF”) for the purposes of generating revenues for harbor dredging projects. In the last six years the HMTF has accumulated a surplus in excess of $5 billion. Meanwhile, many harbor deepening projects have stalled without funding. Local port authorities, alternatively, compete for the business of MTOs and shippers who process and transport discretionary cargo (i.e., goods that are unloaded from ships and transported to locations more than 260 miles from the port). In a market with high elasticity, such as with discretionary cargo, the business flows to the most efficient bidder.

## A2: Politics

### Ports Popular - Republicans

#### Republican’s support plan, even as they bash other budget items

Bowers, 12 – A reporter for Charleston City Paper (Paul, “Lindsey Graham loves port deepening funds, hates budget,” Charleston City Paper, 2/14/12, [http://www.charlestoncitypaper.com/RockBottom/archives/2012/02/14/lindsey-graham-loves-the-port-deepening-funds-hates-the-budget)//SS](http://www.charlestoncitypaper.com/RockBottom/archives/2012/02/14/lindsey-graham-loves-the-port-deepening-funds-hates-the-budget%29//SS)

Sen. Lindsey Graham held a conference call Monday to praise President Barack Obama's inclusion of $3.5 million for a Charleston harbor-deepening study in his proposed 2013 budget. Sen. Graham thanked the president for the budget item, which he said would prevent his having to earmark the funds, but harshly criticized the rest of the $3.8 trillion budget. "The president's budget as a whole is more a political document than it is a solution," said Graham, an Upstate Republican. He added that most of the proposed budget is "not going anywhere," even in the Democratic-majority Senate.

Officials from the S.C. State Ports Authority have called for a deepening of the harbor from its current mean low-tide depth of 45 feet to accommodate the bigger cargo ships that will be headed for East Coast ports once the planned expansion of the Panama Canal is completed in 2014. According to one estimate from the SCSPA, each additional foot of harbor depth would allow ships to carry an additional 100 loaded containers. The $3.5 million budget proposal comes on the heels of the U.S. Army Corps of Engineers' announcement last week that that it would set aside $2.5 million for the same port-deepening study. Mayor Riley met with President Obama twice regarding the port project, in January 2011 and January 2012. Sen. Graham thanked Riley, as well as U.S. Reps. Tim Scott and Jim Clyburn, who he said had also appealed directly to Obama about the project. According to a timeline issued by the SCSPA, the harbor project is entering a five- to eight-year feasibility study phase to assess economic and environmental impact, to be followed by about six years of engineering, design, and construction. Sen. Graham said that schedule was far too slow. "It'll take us longer to go from 45 to 50 feet than it did to build the Panama Canal," Graham said. "That's ridiculous." Sen. Graham, who is a member of the Senate Appropriations Committee, said he was confident that the $3.5 million allocation would survive even during a hotly contested election-year budget process. "I think everybody in the House knows how important it is," Graham said. "And I'd hate to be the House member that told me no."

### Popular – Senate

#### Port Dredging has Senate Support

Press Release, 12 Press Release of Senator Cantwell (“Senators Urge Support for Dredging of Small Ports, Including Swinomish Channel, Port of Ilwaco,” Press Release, 3/22/12, <http://www.cantwell.senate.gov/news/record.cfm?id=336374>)//DG

WASHINGTON, D.C. – Today, U.S. Senator Maria Cantwell (D-WA) joined a group of Senators in urging key appropriators to include funding for dredging small and low-use ports in the fiscal year (FY) 2013 budget. Small and low-use ports are ports that don’t have enough tonnage to meet the Army Corps of Engineers’ threshold to qualify for annual dredging support but represent important economic engines of the communities they serve. Several Washington small ports and waterways require dredging to stay open, including the Swinomish Channel in Skagit County, the Kenmore channel in King County, and the ports of Ilwaco and Chinook at the mouth of the Columbia River in Pacific County. Senator Cantwell supported the inclusion of $30 million in the FY2012 Energy and Water Appropriations bill last year and followed up with a letter to the Army Corps in February advocating that projects in Washington state receive sufficient support. Swinomish Channel was [allocated](http://cantwell.senate.gov/news/record.cfm?id=335941&" \t "_blank) $2.28 million of for dredging. **“**As you work to fund our nation’s navigation infrastructure, we ask that you take into consideration the needs of small coastal**, including Great Lakes, waterways,”** the Senators wrote in a [letter](http://cantwell.senate.gov/news/032212_Small_Ports_Funding.pdf%22%20%5Ct%20%22_blank) sent today to key appropriators. **“Our nations’ small ports and harbors serve as the lifeblood of their communities and greatly contribute to the nation’s economic vitality. …**Without adequate funding, the navigation channels leading to these ports will silt in and the jetties protecting these communities will crumble**.” “We urge you to include at least $30 million in additional O&M [**Operations & Maintenance] **for small ports in the FY2013 Energy and Water Development Appropriations bill,”** the Senators continued**. “**Leaving our nation’s small port needs unmet threatens the jobs of our citizens and weakens our nation’s economic competitiveness. We look forward to working with you to address this issue, and to continuing the effort to allow our small, remote and subsistence harbors to remain open for business**.”** Senators Jeff Merkley (D-OR), Carl Levin (D-MI), and Debbie Stabenow (D-MI) also signed onto the letter sent today, which was led by Senator Ron Wyden (D-OR). Cantwell has long encouraged the Army Corps to support small and low-use waterways in Washington state, which provide critical economic and safety functions to the communities that rely on them. The Swinomish Channel provides a critical link for the Coast Guard, commercial and private vessels between Saratoga passage and the San Juan Islands, by a faster and safer route than Deception Pass or around Whidbey Island. Deception Pass, with its narrow waterway and very strong currents, is often too hazardous to navigate, and navigating around the south end of Whidbey Island requires vessels to travel a significantly longer distance. The Channel provides access to the La Conner waterfront, Swinomish Tribal commercial facilities and several marinas and is used by recreational boaters and for log and barge towing. Marine businesses and boaters utilizing the Swinomish Channel generate approximately $92 million per year. More than 500 jobs depend directly on the waterway as a transportation corridor, according to the Port of Skagit. The Port of Ilwaco last year received approximately 40 million pounds of fish, with an estimated value of $14 million. The Port supports an 850 slip marina, seafood processing, light industrial land, and 25 marina-dependent commercial tenants. Dredging of the Ilwaco Entrance Channel is scheduled to begin on Monday, March 26th. The Port of Chinook supports a 300 slip marina – 30 commercial and 270 recreational. The Port supports seafood processing, including 3.6 million pounds of crab valued at $8.5 million, and 15 port-dependent businesses. The United States Coast Guard Station Cape Disappointment depends on this channel to access the Columbia River and Pacific Ocean, and respond to 200 to 300 calls for assistance annually.

### Ports Popular - Lobbies

#### Port lobbies support plan

**Ngai, 12** - commodities reporter covering the metals and mining industry (Catherine, “Dredging, infrastructure spending must top US priorities: AAPA chief”, Metal Bulletin Weekly, 1/16, [http://proxy.lib.umich.edu/login?url=http://search.proquest.com.proxy.lib.umich.edu/docview/926219023?accountid=14667](http://proxy.lib.umich.edu/login?url=http://search.proquest.com.proxy.lib.umich.edu/docview/926219023?accountid=14667" \t "_blank), ProQuest)//SS

Dredging maintenance and infrastructure spending issues should be addressed before initiating discussions on growing the economy, according to the head of the American Association of Port Authorities (AAPA)."We talk a lot about wanting to increase trade and exports to boost the economy, but we need to first recognize that we must invest in our infrastructure so trade will be competitive," AAPA president and chief executive officer Kurt Nagel told AMM. "The last cycle of dredging funding was the highest level it has been, and it was barely half of what should have entered the system."

Speaking on the sidelines of AAPAaeuro (TM)s Shifting International Trade Routes Conference in Tampa, Fla., Nagel said that money collected through the federal Harbor Maintenance Tax, a levy on goods shipped into the country, is not properly routed to maintain dredging needs at U.S. ports. As a result, he said, importers who bring in such heavy products as steel are unable to do so efficiently. The U.S. Army Corps of Engineers said that $2.37 billion was allotted for operation and maintenance in the fiscal 2011 budget, with another $264 million set aside for the Mississippi River and its tributaries. But some say that isnaeuro (TM)t enough.

"We realize thereaeuro (TM)s a general need to rebuild our transportation infrastructure throughout the country. In our overall system, half of the navigation channels are dredged to their authorized depth only 35 percent of the time," Nagel said. "That means youaeuro (TM)re obviously going to increase costs for cargo by reducing the capacity of the channels."

The AAPA said its top priority in Washington will be to get President Obama to propose a budget next month that includes a significantly higher level of funding for maintenance dredging. "Weaeuro (TM)re also working with Congress to propose legislation that will require the government to fully utilize the tax thataeuro (TM)s being collected," Nagel said.

But with the nation headed towards federal elections in November, it will be difficult to convince Congress that investments in infrastructure projects are a necessity, Nagel said. "Weaeuro (TM)re making some significant inroads, but weaeuro (TM)re faced with the upcoming elections and the federal budget situation. We live in an environment where the question is always aeuro ~Where do we cut?aeuro (TM) because no one wants to spend."

### Ports Popular – Bipart

**Ports bipart - RAMP Act proves**

**Gibbs 11** – Legislative Hearing on RAMP Act with the House of Representatives, Subcommittee on Water Resources and Environment, Committee on Transportation and Infrastructure, Bob Gibbs is the chairman of the subcommittee (Bob, “Legislative Hearing on the RAMP Act”, Legislative Hearing, 7/8/11, [http://www.gpo.gov/fdsys/pkg/CHRG-112hhrg67286/pdf/CHRG-112hhrg67286.pdf](http://www.gpo.gov/fdsys/pkg/CHRG-112hhrg67286/pdf/CHRG-112hhrg67286.pdf%22%20%5Ct%20%22_blank))MK

Early in the 112th Congress, Representative Boustany (R-LA) introduced us to H. R. 104, the Realize America’s Maritime Promise (RAMP) Act. The proposed legislation ties HTMF revenue to expenditures. It would require the total budget resources for expenditures for the HTMF for harbor maintenance programs to equal the level of receipts plus interests credited to HTMF for that fiscal year. The Airport and Airways Trust Fund operates in a similar manner. The RAMP Act is able to achieve these goals by declaring that it shall be out of order by the House of Representatives or the Senate to consider any bill, joint resolution, amendment, motion, or conference report that would cause total budget resources for the Fund in a fiscal year for harbor maintenance programs to be less than the level of receipts plus interests credited to the Fund in that fiscal year. **The RAMP Act has gained wide bipartisan support in Congress and has more than 100 bipartisan cosponsors. A companion bill has been introduced in the Senate. If enacted, the legislation could significantly change maritime shipping in the United States and worldwide.** Based on the Corp’s estimate that maintenance dredging costs $3.19 per cubic yard, the HMT revenues from FY10 alone would provide for approximately 410 million cubic yards to be dredged if the HTMF were dedicated to operation and maintenance activities**. Benefits of increased dredging include wider, deeper and safer channels; more consistent channel availability; the ability to accommodate larger vessels; and growth in shipping and dredging industry. Additionally, because the tax is an ad valorem tax, as the value of cargo increases with the size of the ships, so will revenue, reinforcing a cycle of harbor maintenance.**

**Plan has bipartisan support**

**Mulé, 12**— Communications Director for Senator Jeff Landry (Millard, “Congressman Landry Leads Bipartisan Alliance for Port Dredging,” Homepage of Senator Jeff Landry, March 14th, 2012. [http://landry.house.gov/press-release/congressman-landry-leads-bipartisan-alliance-port-dredging](http://landry.house.gov/press-release/congressman-landry-leads-bipartisan-alliance-port-dredging%22%20%5Ct%20%22_blank))//SS

WASHINGTON, DC – Fighting to protect American jobs and ports, Congressmen Jeff Landry (R, LA-03) and Tim Bishop (D, NY-01) led a huge bipartisan coalition of 72 House Members calling for proper port dredging. The Landry coalition sent a letter today to the U.S. House Budget Committee requesting the Committee apportion all Harbor Maintenance Trust Fund (HMTF) proceeds for its stated legal purpose: harbor dredging. “At a time when the national unemployment rate continues to exceed eight percent, we believe it is imperative that all the revenue generated by the HMT be fully committed towards dredging our nation’s ports, an activity that will put Americans back to work and return economic prosperity to our manufacturing, agriculture and energy sectors,” wrote Landry and his colleagues.

Landry, whose district has the most domestic maritime industry jobs in the nation, is hopeful the widespread support will create jobs nationwide and protect the vitality of America’s commercial waterways. “I thank Ranking Member Bishop for his steadfast leadership on this issue and recognizing the way to solve problems in Washington is by building coalitions. I also thank the 70 members who joined us in signing this important letter and the members that followed our lead by sending their own letter to the Budget Committee on this important issue. Together, we can properly solve the Harbor Maintenance Trust Fund boondoggle.” Congressman Tim Bishop, who co-led the letter and serves as the Ranking Member on the U.S. House Transportation & Infrastructure Committee’s Subcommittee on Water Resources and Environment, said: “Maintaining our nation's ports, harbors and beaches is an economic imperative**,** andfunds collectedfrom the users of waterways specifically for dredging should be used only for dredging, not to offset other spending. We must change the budgeting process to guarantee the Harbor Maintenance Trust Fund is devoted solely to the purpose of maintaining our infrastructure, and I thank Congressman Landry for working with me on this critical issue for our economy.”

#### Plan’s bipartisan and not perceived as expensive

**Hurst 12** – Staff writer for CQ (Nathan, “Dredging Up More Money for Maintenance,” 6-16-12, CQ Weekly, [http://public.cq.com/docs/weeklyreport/weeklyreport-000004107500.html](http://public.cq.com/docs/weeklyreport/weeklyreport-000004107500.html%22%20%5Ct%20%22_blank))//SS

The good news is that there’s plenty of money available to address the upkeep problem — at least on paper. The Harbor Maintenance Trust Fund, supported by a tax of $1.25 per $1,000 on imported and domestic cargo, boasts a growing surplus that exceeds $7 billion. But the trust fund is not a separate, off-budget account, so expenditures are set by appropriators and subject to Corps of Engineers budget ceilings. That encourages congressional budget writers to hang on to much of the money to mask overall budget deficits. “We don’t fund dredging enough for maritime commerce,” Sen. David Vitter, aLouisiana Republican, lamented during the opening session of the House-Senate highway bill conference. “We allow that trust to be stolen from, and we really need to stop that.” Rep**.** Charles Boustany Jr., a Louisiana Republican, included language in the House-passed highway bill extension to require that all trust fund tax receipts and any interest credited to the fund be appropriated annually for dredging and harbor maintenance. Sen. Carl Levin, a Michigan Democrat, has introduced companion legislation in the Senate, and supporters hope the provision will be part of a highway bill conference report. That legislation by itself wouldn’t prepare harbors for the New Panamax shipping, since the law allows Harbor Maintenance Trust Fund money to be spent only on maintenance dredging — not new excavation. The Corps of Engineers is preparing a congressionally mandated report due later this month on strategies for modernizing ports and inland waterways. Raising the fees currently charged shippers and then extending use of the trust fund to pay for dredging deeper channels is among the financing options under review.

### Ports Unpopular – Port Spending

**High costs make port investment unpopular – private sector bypasses this**

**Spivak, 11** - senior research analyst at the HNTB Corporation, a transportation design and engineering firm (Jeffrey, "The Battle of the Ports," American Planning Association, May/June, [aapa.files.cms-plus.com/Battle%20of%20the%20Ports%20-%20Planning%20mag%20-%20May\_June%202011.pdf](http://aapa.files.cms-plus.com/Battle%20of%20the%20Ports%20-%20Planning%20mag%20-%20May_June%202011.pdf%22%20%5Ct%20%22_blank))//SS

Major port projects typically require congressional approval and federal funding, and several port authorities were counting on the federal government's proposed fiscal year 2012 budget to kick-start their expansion plans. The ports of Savannah and Miami requested $105 million and $75 million, respectively. The two received a total of $600,000. The Port of Charleston couldn't even get $400,000 for a dredging feasibility study. The fact is, with the federal deficit-cutting climate in Washington D.C., getting funding for port projects could become more difficult. For one thing, the Harbor Maintenance Trust Fund is tapped every year to help offset the federal deficit. For another, Congress has sworn off the earmarks, or individual projects requested by lawmakers, that were a major source of port funding. "There is too

much competition for scarce federal dollars," says Russell Held of the Virginia Port Authority.

In response, port authorities are turning to the private sector, with some success. New terminals are being developed as public-private partnerships, with public agencies contracting with shipping companies to build and then manage the operations. Some infrastructure improvements also involve private investors. The $1.1 billion Port of Miami tunnel, a road intended to bypass downtown congestion by linking the port to an interstate highway, is being financed through the state of Florida, Miami-Dade County, a federal government loan program, and a consortium of banks organized by Meridiam Infrastructure, an international private infrastructure fund.

#### Port spending not popular - perceived as a luxury

**Anderson,** **11 –**Chief Executive Officer of the Jacksonville Port Authority (JAXPORT) (A. Paul, “testimony of A. Paul Anderson Chief Executive Officer of the Jacksonville Port Authority (JAXPORT) for the Record of the united States House of Representatives Transportation and Infrastructure Committee Subcommittee on Water Resources and the Environment Hearing: ‘The Economic Importance of Seaports: Is the United States Prepared for 21st Century Trade Realities?,”’ October 26, 2011, [http://republicans.transportation.house.gov/Media/file/TestimonyWater/2011-10-26%20Anderson.pdf)](http://republicans.transportation.house.gov/Media/file/TestimonyWater/2011-10-26%20Darcy.pdf%29/MM%22%20%5Ct%20%22_blank)//SS

Seaports have never been especially high on the federal government’s list of visionary investments. For some reason, it has rarely resonated with our leadership that the roots of this nation are firmly grounded in seafaring and our economy is inescapably linked to our waterways and international trade. Perhaps that’s because spending money on modernizing docks and equipment, maintaining the nation’s waterways and digging deeper to accommodate today’s larger ships seems like so much housekeeping. Certainly, on the surface, it doesn’t sound as forward thinking as spending $53 billion on a high‐speed

rail system. Or perhaps it’s because the individual lawmaker’s constituent, the average American consumer, gives little thought to how products move to the shelf at their local supercenter or mega grocery or mom and pop; how the item we need is ready for purchase as we dash in to grab that container of coffee or computer part or whatever necessity of modern life is absolutely essential at that very moment.  And on top of it all, we select from an assortment of products, price points and bells and whistles; so much variety – delivered daily courtesy of the nation’s seaports – that it staggers the mind.

We are so accustomed to our reliable delivery system for goods that we take it for granted. I shudder to think of the outcry should our consumer products get stuck on the docks because we no longer have the infrastructure to move them…or worse, because of catastrophic failure from lack of investment, such as the I‐35W Mississippi River bridge collapse in 2007.

Despite the stepchild status typically afforded ports, the fact is, with proper strategic investment now, our national recovery will come by sea. Every dollar invested in port facilities returns seven‐fold.[10] Nearly all U.S. cargo, imports and exports, is carried by ship. Are we really going to beef up domestic manufacturing and increase export volumes in the next decade?  How will we move it to the rest of the world without investing significantly in our nation’s gateway infrastructure? Many of America’s most critical port projects – and the new jobs these improvements guarantee – are stuck in neutral because of inefficient and overlapping bureaucracy and lack of commitment from our

nation’s leaders. Harbor improvements are not “pork barrel” legislative gifts. The nation’s deepwater ports system is fundamental to trade, and our individual port gateways are vital to the logistics supply chains of U.S. importers and exporters. To realize the maximum, positive economic impact from these global shifts in trade patterns, the United States must invest in its gateway infrastructure.

### Ports Unpopular – Environmentalists

#### Environmentalists hate the plan – New Jersey Proves

**Johnson, 12 -** Tom Johnson is a journalist with 34 years of experience in reporting and editing at New Jersey newspapers. Johnson worked in the Statehouse covering energy, environmental and telecommunications issues. (Tom, “Appeals Court Gives Army Go Ahead to Dredge Deleware River,” NJ Spotlight, July 5, 2012, <http://www.njspotlight.com/stories/12/0704/1535/?utm_source=Sailthru&utm_medium=email&utm_term=Wake%20Up%20Call%20NJ&utm_campaign=Wake%20Up%20Call>)//SS

The Christie administration said it plans to review its options in the wake of a federal appeals court ruling that allows the U.S Army Corps of Engineers to deepen a 102-mile stretch of the Delaware River from the mouth of the bay to Camden. The U.S. Court of Appeals on Tuesday affirmed lower court rulings saying that the agency had complied with federal environmental laws in moving ahead with the much delayed project, which had been challenged by the state of New Jersey and environmental groups.

The issue has been source of much contention, pitting environmentalists who fear toxins buried in sediments will spread throughout the river and proponents who view it as crucial to bringing economic activity to ports in Pennsylvania and New Jersey. “Gov. Christie and I have remained steadfast in our position that the Army Corps of Engineers must be compelled to openly and thoroughly assess the impacts that deepening the shipping channel would have on the ecology of the river, including impacts to South Jersey’s ecologically sensitive wetlands,’’ said New Jersey Department of Environmental Protection Commissioner Bob Matrin. “The administration will review its options.’’

In its 67-page ruling, the court rejected the state’s demand for new studies necessary to protect the environment. In their filings, environmentalists argued the dredging to make the main shipping channel of the river five feet deeper -- from 40 to 45 feet -- could affect the water quality of the waterway and pose threats to fish species, such as the shortnose sturgeon, which is on the federal Endangered Species list. The court noted, however, that studies by the Corps found the project would likely affect no more than 57 shortnose sturgeon, a very small number of the population of the fish in the Delaware River. The project, first authorized by Congress in 1992, will result in more than 232 million cubic yards of sediments being dumped in confined disposal facilities along ecologically sensitive creeks and wetlands in Gloucester and Sale counties. Testing by the DEP shows that the sediments contain elevated levels of PCBs, metals, and other contaminants. The state agency maintained that the Army Corps relied on limited and outdated data, largely of sediment samples taken from routine maintenance dredging, and did not take samples from areas that are more likely to be the most contaminated.

**Environmentalists hate dredging**

**Leach, 11** – Senior Researcher at the Journal of Commerce (Peter T. ,“Environmentalists Try to Stop Miami Port Deepening,” Journal of Commerce, 12/1/11, <http://www.joc.com/portsterminals/environmentalists-try-stop-miami-harbor-deepening>)//SS

The U.S. Army Corps of Engineers has a permit to widen the entrance to the main channel by some 300 feet and deepen much of the port to 52 feet. The [project is necessary](http://www.joc.com/maritime/competition-dig-deeper) for the port accommodate the much-larger ships that will start coming through the Panama Canal after it completes its new set of locks in 2014. Miami is the only port in the Southeast with the permits, Congressional approval and funding needed to start deepening its harbor, which the Army Corps planned to undertake this summer. But the petition by a group of environmentalists could put the project on hold. “The concept of blasting a hole in the bottom of the Biscayne Bay Aquatic Preserve is just something my clients couldn’t live with,” said James Porter, the attorney representing the Tropical Audubon Society, Biscayne Bay Waterkeeper and Miami Beach boat captain Dan Kipnis. The project calls for as much as 600 days of “confined blasting,” which Porter said would remove five to six million cubic yards of material from Miami’s harbor. Miami Port Director Bill Johnson stood by the findings of state reviews that said the project would not destroy the bay**.** “The project has undergone extensive studies and reviews by numerous agencies to ensure that stringent environmental safeguards are in place to preserve the surrounding waters, ecosystems and marine life,” Johnson said in a statement. “We respect the permitting process and look forward to a speedy resolution.” Florida’s DEP said it is reviewing the environmentalists’ petition to ensure it passes legal muster, which would take about two weeks. If the DEP’s attorneys find the petition “legally sufficient,” the state can set a hearing. If deemed insufficient, the DEP will dismiss the petition, at which point the environmentalists’ attorney Porter can file an amended copy.

### Ports Controversial

#### Ports bills become politicized – navy proves

**O’Rourke 4/6**—specialist in naval affairs at the Congressional Research Office (Ronald, “Navy Nuclear Aircraft Carrier (CVN) Homeporting at Mayport: Background and Issues for Congress,” Congressional Research Service [http://www.fas.org/sgp/crs/weapons/R40248.pdf](http://www.fas.org/sgp/crs/weapons/R40248.pdf%22%20%5Ct%20%22_blank))//SS

The Navy’s desire to homeport a CVN at Mayport has become an issue of strong interest to

certain Members of Congress from Florida and Virginia. Certain Members of Congress from

Florida have expressed support for the Navy’s desire to homeport a CVN at Mayport, arguing (as

have DOD and the Navy) that the benefits in terms of mitigating risks to the Navy’s Atlantic Fleet

CVNs are worth the costs associated with moving a CVN to Mayport. Certain Members of

Congress from Virginia have expressed skepticism regarding, or opposition to, the Navy’s desire to homeport a CVN at Mayport, arguing that the benefits in terms of mitigating risks to the

Navy’s Atlantic Fleet CVNs are questionable or uncertain, and that the funding needed to

implement the proposal could achieve greater benefits if it were spent on other Navy priorities.

For examples of Member views on the issue, see Appendix E.

Since a key reason the Navy wants to transfer a CVN to Mayport is to hedge against the risk of a

catastrophic event that could damage the Navy’s CVN homeporting facilities in the Hampton

Roads area of Virginia, potential questions for Congress to consider include the following:

#### Port dredging causes inter-state congressional fights

**Barnett, 12**(Ron, “East Coast ports scramble to dig deep, for supersize ships,” USA Today, 5/24, [http://www.usatoday.com/money/economy/story/2012-05-24/deepening-harbors/55653540/1)](http://www.usatoday.com/money/economy/story/2012-05-24/deepening-harbors/55653540/1%29/DH%22%20%5Ct%20%22_blank)//SS

South Carolina's Legislature this month designated $300 million to the Charleston project — enough to do the job even if the federal government doesn't come up with its 40% match.

**"**I think everyone is starting to suspect that there may not be enough federal funding for any harbor, basically, today," Newsome said. **"**So we have to operate under the assumption that we're not going to get held up by a lack of federal funding**."** There are other hurdles, both environmental and political.

U.S. Sen. [Lindsey Graham](http://content.usatoday.com/topics/topic/People/Politicians%2C%2BGovernment%2BOfficials%2C%2BStrategists/U.S.%2BSenators/Lindsey%2BGraham), R-S.C., has introduced legislation that would require the Corps of Engineers to rank the ports for funding priority. Even if federal money isn't approved, congressional authorization would be needed for the work to go ahead, said Lt. Col. Ed Chamberlayne, commander of the Corps of Engineers Charleston District. Meanwhile, West Coast ports that have had the big-ship business to themselves for the most part are pointing out their advantages in a **fight** to keep from losing their largest customers. Among those are the time factor, said Kraig Jondle, director of business and trade development for the [Port of Los Angeles](http://content.usatoday.com/topics/topic/Port%2Bof%2BLos%2BAngeles). It takes 17 days to ship goods from Shanghai to New York by transferring to rail in [Los Angeles](http://content.usatoday.com/topics/topic/Places%2C%2BGeography/Towns%2C%2BCities%2C%2BCounties/Los%2BAngeles), he said. On the other hand, using the all-water route takes 26 days, he said. Ships also must pay a toll of about $375,000 to pass through the Panama Canal, a sum Jondle figures will rise once the new locks are complete. **"**We feel we're in a real good position," he said. But he added, "We certainly see the Panama Canal as a threat, no doubt about it."

### Spending Unpopular – Generic

#### Despite presidential support, high costs make spending unpopular

**FT 11** – global news agency for business news and analysis (Anna Fifield, “US: Obstacles to progress,” The Financial Times, August 1, 2011, [http://www.ft.com/cms/s/0/01ff75ec-bc6c-11e0-acb6-00144feabdc0.html#axzz1yTIfa77A](http://www.ft.com/cms/s/0/01ff75ec-bc6c-11e0-acb6-00144feabdc0.html%22%20%5Cl%20%22axzz1yTIfa77A%22%20%5Ct%20%22_blank))//SS

Certainly, Mr [Obama has tried to think big](http://www.ft.com/intl/indepth/obama-presidency), portraying a vision of an America with the fast trains of France, the smooth highways of Germany and the internet connectivity of South Korea. Just as Abraham Lincoln had transcontinental railroads, Franklin Delano Roosevelt had the New Deal public works programme and Dwight Eisenhower oversaw the creation of the interstate highway system, Mr Obama saw scope for a post-recession infrastructure boom. But increasingly partisan politics and a stubbornly weak economy have conspired to force him to act small. The impact of [the $787bn Recovery Act](http://www.ft.com/intl/cms/s/0/1f4caf04-b9c8-11df-968f-00144feabdc0.html#axzz1TmqnIrAG), the package of tax cuts and “shovel-ready” infrastructure projects Mr Obama introduced when he took office, is petering out; and the wrangle over raising the federal borrowing limit has made any talk of spending almost impossible. “It’s a different time in Washington right now,” Robert Puentes, an infrastructure expert at the Washington-based Brookings Institution, says of the way deficit cuts dominate discussion. “Today everything is on the back burner.” The president, who last year set an ambitious goal of doubling exports within five years, has signalled he will refocus once the[debt ceiling debacle is over](http://www.ft.com/intl/indepth/us-budget). “If we have a plan to get that done, then the next step is looking at bolder plans like infrastructure,” he said in a television interview last month. “Putting people to work, rebuilding. Not just our roads and bridges, but also broadband lines, high-speed rail – putting all those construction workers that used to be in housing to work.”

### Transportation Spending Unpopular

#### No support – too expensive even if both sides support certain aspects of the plan

**FT 11** – global news agency for business news and analysis (Anna Fifield, “US: Obstacles to progress,” The Financial Times, August 1, 2011, [http://www.ft.com/cms/s/0/01ff75ec-bc6c-11e0-acb6-00144feabdc0.html#axzz1yTIfa77A](http://www.ft.com/cms/s/0/01ff75ec-bc6c-11e0-acb6-00144feabdc0.html%22%20%5Cl%20%22axzz1yTIfa77A%22%20%5Ct%20%22_blank))//SS

Infrastructure should be a promising area for bipartisan compromise, says Ryan McConaghy of the Third Way, a left-leaning think-tank. “For the left it’s a job creator with immediate effects, like FDR’s New Deal or Eisenhower’s highway system. And the business community supports it because it makes investment decisions more attractive.”Both the labour unions and the Chamber of Commerce, seldom on the same side of an issue, [support greater infrastructure spending](http://www.ft.com/intl/cms/s/0/4524ad80-773c-11e0-aed6-00144feabdc0.html#axzz1TjRydRQi). The chamber has criticised Mr Mica’s $230bn bill for being too small.The problem is not about the rationale but the revenue. American infrastructure investment has historically followed a user-pays model. Money for roads, for example, comes from the Highway Trust Fund, by way of a fuel tax of 18.4 cents a gallon and 24.4 cents per gallon on diesel. But revenue from petrol and diesel taxes has shrunk, particularly as high pump prices cause drivers to economise, while the cost of building and maintaining roads has risen. The fund will run dry in 2013 if left unaddressed.The tax is low by international standards, and has not risen since 1993. But every elected official in Washington knows that messing with it is political suicide. “So the question is, how do you pay?” says Mr McConaghy of Third Way. “Banks get you only part of the way, bonds get you only part of the way, but ultimately you need a new revenue stream.”

### LNG Controversial

**LNG is politically controversial – lower prices scare producers**

**Rascoe 12** – Reuters reporter covering energy policy and regulations (Ayesha, “Lawmakers press DOE to speed LNG export review,” 6-29-12,[http://www.chicagotribune.com/news/politics/sns-rt-us-usa-lng-lawmakersbre85s1ik-20120629,0,4357513.story](http://www.chicagotribune.com/news/politics/sns-rt-us-usa-lng-lawmakersbre85s1ik-20120629%2C0%2C4357513.story%22%20%5Ct%20%22_blank))//SS

Until now, lawmakers have mostly stayed on the sidelines regarding the issue of selling gas abroad, a prospect that has come to the forefront due to the booming U.S. natural gas sector, but potentially pits manufacturers against the oil and gas industry. The few lawmakers that had been vocal about exports, including Congressman Edward Markey and Senator Ron Wyden, raised concerns that the United States might be at risk of trading away its newfound energy security advantage and raising prices for consumers.

STALLED PROCESS

Drilling innovations have allowed companies to tap vast shale gas reserves in places not traditionally associated with oil and gas production, such as Pennsylvania and Ohio. The rapid expansion has also led to a gas glut that has pushed gas prices down to levels producers say are unsustainable.

"One answer to the growing supply and demand imbalance is to allow American producers to capture a share of a growing global LNG market," the lawmakers said in their letter. The letter in support of exports was spearheaded by Ohio congressmen Bill Johnson, a Republican, and Tim Ryan, a Democrat. "We're certainly encouraged to see Congress weighing in on the issue at the Department of Energy," said Bill Cooper, head of the Center for Liquefied Natural Gas, a trade group for the industry. "We hope it's the start of a groundswell of support." Critics of exports argue cheap gas prices have helped spur a manufacturing resurgence that is threatened by moves to sell U.S. gas to overseas. [Dow](http://www.reuters.com/finance/markets/index?symbol=us!dji) Chemical has argued that the government should not allow unlimited gas exports.

### Earmarks Unpopular – Republicans

#### Republicans hate earmarks

**Owens, 11** – Managing editor at the Charleston Regional Business Journal (“Clyburn won’t support earmarks for port deepening,” Charleston Regional Business Journal, 2/16/11, <http://www.charlestonbusiness.com/news/38296-clyburn-won-rsquo-t-support-earmarks-for-port-deepening>)//SS

Congressman Jim Clyburn said two members of the S.C. congressional delegation likely derailed efforts to secure money for deepening Charleston Harbor. When President Barack Obama [unveiled his budget](http://www.whitehouse.gov/omb/) this week, the $400,000 that would have paid for the first year of a harbor study was noticeably missing, leaving port officials and lawmakers concerned. U.S. Sen. Lindsey Graham, R-S.C., said he would consider backing an earmark specifically targeted toward the project. With U.S. Sen. Jim DeMint from South Carolina leading the way, Republicans in Congress have vowed to fight anything that looks like an earmark. Clyburn, the assistant Democratic leader in the House, said he has supported earmarks in the past but would not support such a move now because the president made it clear that he would veto any earmarks sent to his desk by Congress. “And I am not going to be a part of sending an earmark to the president solely for the Port of Charleston,” Clyburn said in a conference call Tuesday. “I have made it very clear over the years, and I have demonstrated over the years, that I am a big supporter of the port.” Clyburn said partisan politics is splitting the delegation on the dredging issue. “We passed this $400,000 in the House three times. I put it in there three times, it passed three times, it went to the Senate, and the Republican filibuster killed it three times,” Clyburn said.The S.C. congressional delegation, made up of U.S. House and Senate members from South Carolina, decided to make a push for the money in Obama’s budget by writing a unified letter, he said.

“We all got together, the delegation, we said we were all going to do a letter, the whole delegation was going to do a letter to the president, asking the president to put it in his budget,” Clyburn said. “Now, there are eight members in the delegation. Two members in the delegation, I understand, refused to sign the letter.”

### A2: Ports Popular/Lobbies

#### Government support just lip service – even with lobbies

Polansky 10 – Staff writer for Miami today (Risa, “Leaders turn desires to port dredging as needed tie-in with tunnels' impact,” Miami Today,

7-10-10,[http://www.miamitodaynews.com/news/100610/story3.shtml](http://www.miamitodaynews.com/news/100610/story3.shtml%22%20%5Ct%20%22_blank))//SS

With construction on hard-fought tunnels to the Port of Miami under way, local leaders have turned their attention to dredging, another project considered crucial to Miami's future as a cargo hub — and one they say could require just as big a collective push as the clock ticks toward a fiscal 2012 deadline for federal funding. Deepening the channel to the seaport to make way for larger ships and potentially double cargo volume has been on the books since 2007, when Congress gave the go-ahead, but not the money, to make it happen. Since, port leaders and others have consistently but relatively quietly lobbied for the needed $75 million in federal dollars, the pledged match for the total $150 million project. The port is to finance the rest through bonds. Meanwhile, it was the on-again, off-again $1 billion-plus tunnels project that took top priority and center stage in recent years as its fate was threatened over and over. Local leaders joined forces last year in what became the final fight for the project designed to relieve downtown truck traffic and improve access to the port. Now the tunnels are a go, with roadwork under way — but the timeline for the dredging is getting tight. To make room for the massive ships expected to head this way when an expanded Panama Canal opens in four years, the channel must be dredged to 50 feet by 2014, the same year the underwater tunnels are expected to be finished. But to let bids and begin digging, half the federal money must be in the bank. That's $37.5 million needed by fiscal 2012. The preliminary engineering and design is expected to be completed about a year from now.  From there, the Army Corps of Engineers could begin the process of drawing up a contract — but to do it, a "symbolic amount" somewhere in the $100,000 range must be in hand first. That's got to happen this year, Deputy Port Director Juan Kuryla said at the Greater Miami Chamber of Commerce's Goals Conference last week, where what is shaping up to be a big public push for the project began. Both private and public-sector leaders plugged the project every chance they could during the two-day summit. Lobbying for the funding made the list of the Transportation and Infrastructure Committee's goals for the year, and several participants named the project as a main concern during the Government Affairs session.

## A2: Spending

#### US Ports Are Failing- surplus of $5.65 Billion in HMTF

Beacon 11 – Maritime Exchange newspaper services serving Delaware, New Jersey, and Pennsylvania (The Beacon, “Ramping up RAMP”, Maritime Exchange, 12/11, <http://www.maritimedelriv.com/Publications/Beacon/issues/Winter2011/Winter_2011_Beacon.pdf>)//JH

There is a maintenance dredging crisis in this country, and a coalition of maritime companies and organizations has been hard at work to find a solu- tion. While the road has been a long one, the RAMP (Realize America’s Maritime Promise) Coalition has achieved a measure of success. At issue is the backlog of maintenance dredging work not being completed. Amazingly, there is money to pay for it. So why isn’t the work being done? The Harbor Maintenance Trust Fund (HMTF) was established specifically as a vehicle to collect the 0.125% ad valoremHarbor Maintenance tax levied on cargo imported or domestically moved through federally maintained waterways. Established in 1986, the trust fund grows based on the value of cargo moving through the nation’s ports. “However, the revenues collected are not automatically available for dredging activities,” said Exchange President Dennis Rochford. “The money can only be spent if the funding is actually appropriated by Congress. This just isn’t happening.” Army Corps of Engineers expenditures from the trust fund for maintenance dredging, dredged material disposal areas, jetties, and breakwaters have lagged behind revenues into the fund for several years, resulting in a surplus of approximately $5.65 billion at the end of FY10. This surplus continues to grow by hundreds of millions of dollars each year – in 2010, it grew by $1.3 billion. Yet only $828.5 million was spent, and the balance was diverted to the federal operating budget. “As a result, many of the country’s most valuable navigation channels are under maintained, reducing the cost effectiveness, global competitiveness, and efficiency of maritime trade,” said Barry Holliday, Chairman, HMTF Fairness Coalition, and Executive Director, Dredging Contractors of America. The problem is clear: due to inadequate appropriations from the trust fund, navigation channels are getting narrower and shallower because of sediment accumulation. The Corps of Engineers recently reported that almost 30% of commercial vessel calls at U.S. ports are constrained due to inadequate channel depths. Consequently, ships with cargoes destined for the U.S. market cannot be fully loaded because they cannot get through inadequately maintained channels. The ramifications hit both economically in the form of increased costs to move cargos and on the safety front, with the increase in potential for vessel groundings. The RAMP Coalition is working to correct this injustice. It has garnered significant support among members of Congress to ensure that the tax revenue is spent for its intended purpose.

#### Southeast dredging is cheap- Costs 3 to 5 Billion Dollars

Chapman 12- a journalist for The Atlanta Journal- Constitution (Dan, “Federal Study: Southern Posts Need Money to deepen”, The Atlanta Journal- Constitution, 6/21, http://www.ajc.com/business/federal-study-southern-ports-1462299.html)//JH

Savannah and other southern ports have "the most critical" need for money to deepen harbors for super-sized cargo ships expected to ply the world's oceans by late 2014, according to a federal maritime agency report released Thursday. But the study, done for Congress by the research arm of the Army Corps of Engineers, doesn't conclude which ports deserve federal dollars to handle the huge container ships. Nor did the Institute of Water Resources say where the money should come from -- the federal government, states, port authorities or shipping lines. Savannah expects final federal approval this fall to deepen 38 miles of river and harbor so that bigger ships can reach its docks and warehouses. Georgia has committed $180 million of the proposed $652 million cost. Washington, theoretically, would pay the rest. Charleston also wants to deepen its port, and South Carolina has set aside $180 million to deepen the harbor there to 50 feet. Savannah's project would likely go to 47 feet , a depth that could restrict larger, fully laden vessels from calling on the port. "The Southeast is projected to be the fastest growing demographic region in the U.S. (so) the country's most urgent need in support of the canal expansion lies here in the Southeast," said Curtis Foltz, executive director of the Georgia Ports Authority. "Southeastern ports, collectively, including both Savannah and Charleston, need greater capacity, expanded harbor ways and road and rail improvements." U.S. Sen. Lindsey Graham (R-S.C.) asked the Corps six months ago to help determine which ports should get federal deepening dollars. By 2014, at the earliest, the Panama Canal will have expanded its passageways so that "super post-Panamax" ships sailing from Asia can more readily reach East Coast ports. Graham's request followed Congress' public disavowal of earmarks, the legislative practice of financing pet projects outside the full appropriations process. Graham, who couldn't be reached Thursday, enlisted the Corps to help lay the groundwork for a national port strategy that would pick winners and losers. At the time, Graham told the AJC: "We're trying to create a merit-based system where ports can make their case for funding that's not based on the politics of the Obama administration or parochial politics." The Corps' report noted that 17 ports nationwide are in various stages of harbor deepening studies. The ideal depth, according to the Corps, is 50 feet. West coast ports naturally reach that depth. On the East Coast, only Norfolk and New York are that deep, while Baltimore will soon get there. "There is currently a lack of post-Panamax capacity at U.S. Gulf and South Atlantic ports – the very regions geographically positioned to potentially be most impacted by the expected changes in the world fleet," wrote Robert Pietrowsky, director of the Institute for Water Resources. The Corps, which is determining whether the 17 ports should be deepened, pegs the cost of expansions in the Southeast alone -- mainly Charleston, Savannah, Miami and Jacksonville -- at $3 billion to $5 billion.

#### Port Dredging with HMTF is key- Using HMTF Can Double US Exports

Wall Street Journal 11 – ( “Legislative Hearing on H.R. 104, the Realize America's Maritime Promise (RAMP) Act”, ProQuest Congressional, July 5th)

Between fiscal years 2003 and 2011, the appropriations for the Calcasieu ship channel have been about 51 percent of the amount needed to fully fund maintenance of the waterway. This example at the Port of Lake Charles is identical to examples all over the country, ports large and small, facing inadequate maintenance dredging, and oftentimes when an emergency arises, we further rob Peter to pay Paul. We have seen this recently on the Mississippi. As the conversation continued, General Strock stated to me that the Corps could dredge all federally maintained ports and waterways to the authorized depth and width should they get full allocation of the Harbor Maintenance Trust Fund that is collected annually, just as Congress intended when this harbor maintenance tax was created. This includes small harbors and ports, because basically the allocation would double and the money coming in annually is more than sufficient to take care of all of the federally authorized ports to meet their authorized depth and width. Keep in mind, General Strock referenced just future revenues, those incoming revenues, not the existing $6.1 billion surplus in the trust fund. So in order to address this situation, I introduced H.R. 104. This strongly bipartisan bill seeks full access for our ports to the annual revenues deposited in the Harbor Maintenance Trust Fund, without creating mandatory spending, which would trigger budget im- plication. The RAMP Act, with bipartisan cosponsorship of 101, includes a guarantee requiring the total amount available for spending from the Harbor Maintenance Trust Fund each year be equal to the trust fund receipts, plus interest, as annually estimated by the President’s budget. If an appropriations bill spending trust fund revenue is brought to the House or Senate floor not meeting this requirement, any Member would be able to make a point of order against it and the bill would not be allowed to be considered in that form. While the intent of the RAMP Act is to increase harbor maintenance and spending, it does not make increased mandatory spending. The Congressional Budget Office has confirmed the bill does not have any scoring impact. That is because of the way this bill has been written. Responsible for moving more than 99 percent of the country’s overseas cargo, U.S. ports and waterways handle more than 2.5 billion tons of domestic and international trade annually, and the volume is projected to double within the next 15 years, especially after the expansion of the Panama Canal. In 2007, there were 13.3 million port-related jobs, 9 percent of all the jobs in the United States, accounting for $649 billion in personal income. A $1 billion increase in exports creates an estimated 15,000 new jobs. And that is just what this bill is intended to do: strengthen our infrastructure, create jobs, double our exports, as the President wants to do, and stimulate our economy.

## A2: Topicality

### Transportation

#### Seaports are an integral part of the transportation system

**Allen, 12** - Judson Falknor Professor of Law, University of Washington; Visiting Professor, Yale Law School and Distinguished Visiting Professor of Maritime Studies, U.S. Coast Guard Academy (Craig, “ Future Ports Scenarios for 21ST Century Port Strategic Planning”, JOURNAL OF TRANSPORTATION LAW, LOGISTICS & POLICY, 89-91,

  [http://papers.ssrn.com/sol3/Delivery.cfm/SSRN\_ID2066661\_code334079.pdf?abstractid=1967856&mirid=2](http://papers.ssrn.com/sol3/Delivery.cfm/SSRN_ID2066661_code334079.pdf?abstractid=1967856&mirid=2" \t "_blank))//RM

Seaports are an integral component of the marine transportation system; one that pro­vides the vital link between producers and consumers, importers and exporters and military logisticians and deployed forces. Ports are often a leading catalyst and engine for regional economic growth and prosperity. The health of the region’s and even the nation’s economy can therefore turn on the care, skill and vision that public port commissioners, managers and planners bring to the strategic planning process. Despite the best of intentions, government attention to and support for the nation’s public ports in the United States has generally lagged behind the demands imposed by the growth in maritime trade and transportation. The neglect is all the more apparent when the U.S. approach is compared to that of our two NAFTA partners, Canada and Mexico, and to Panama, which is in the middle of a major lock expansion project that has the potential Judson Falknor Professor of Law, University of Washington; Visiting Professor, Yale Law School and Distinguished Visiting Professor of Maritime Studies, U.S. Coast Guard Academy (2011-2012). The views expressed are the author’s alone. Canada’s Asia-Pacific Gateway and Corridor Initiative will reportedly increase Canada’s container capacity at the deep water ports of Vancouver and Prince Rupert by 3.6 million twenty-foot equivalent container units (TEUs) and speed delivery via a high speed transit corridor to Midwest and eastern cargo destinations in Canada and the U.S. See Canada’s Asia Pacific Gateway and Corridor Initiative, available at. To the south, Mexico’s planned Punta Colonet and Lázaro Cárdenas container ports would reportedly accommodate the largest container ships and boost Mexico’s container capacity by some 8 million TEUs. Planners foresee much of that traffic servicing U.S. cargo traders. By comparison, container traffic through all U.S. ports in 2009 was just under 25 million TEUs via some 18,000 vessel calls. U.S. Department of Transportation, RITA, Bureau of Transportation Statistics, America’s Container Ports: Linking Markets at Home and Abroad (Jan. 2011), at 6, available at to dramatically affect U.S. traffic and port volumes. The persistent global financial and economic crisis of the early 21st century, long ne­glected port infrastructure and waterway maintenance projects, existing and forecasted effects of climate change, legal constraints on port development or operations and shifts in trading and shipping patterns will present port authorities with a growing list of chal­lenges in the coming decades.4 Those challenges are compounded by a series of recent natural disasters and mounting port and vessel security costs in the wake of resurgent piracy and terrestrial terrorist attacks in India, Indonesia, the United Kingdom, Spain and the United States and on shipping in the Gulf of Aden. For some, those challenges war­rant careful reconsideration of the port’s very identity, as reflected in its mission and vision statements. One tool that might prove useful to port authorities in the coming years as they approach those planning efforts is Future Ports Scenarios (FPS). The FPS approach seeks to construct an array of possible “futures” for the port, which when taken together provide port policymakers and strategic planners with a comprehensive and coherent inventory of factors to be considered in decisions regarding their ports’ desired future direction. A FPS exercise can therefore be an invaluable preparatory step for initial or recurrent strategic planning for ports. U.S. PORTS AND THEIR STRATEGIC PLANNING ENVIRONMENT **Although U.S. ports are administered at the state and local level, as a vital element of the nation’s overall transportation system and its interstate and foreign commerce, they make a significant contribution to the nation’s economic well-being, security and our qual­ity of life. Therefore, it is in the national interest to make U.S. ports safe, efficient, secure, globally competitive and environmentally responsible**. Unfortunately, as parts 3 and 4 of this paper demonstrate, the port operating environment in the U.S. suffers from progressive institutional fragmentation and a lack of operationally-specific national goals and objec­tives. The U.S. Marine Transportation System5 The U.S. marine transportation system has been thoroughly catalogued and studied over the past two decades. According to the Committee on the Marine Transportation System (CMTS),6 the U.S. has more than 95,000 miles of coastline. Its domestic marine transportation system consists of some 25,320 miles of navigable waterways, including rivers, bays and channels and many thousands of additional miles on the Great Lakes-Saint Panama is adding a third set of locks that will double the canal’s overall capacity while also accom­modating ships of up to 13,000 TEUs, with drafts up to 60 feet (existing locks limit container vessels to 5,000 TEUs and 39.5 feet drafts). The third lock is expected to open in 2014. In 2011, two key thresholds were crossed. First, the world’s human population went over 7 billion, most of whom compete with ports for space in an already congested coastal zone. Second, the national debt of the United States broke the $15 trillion mark, severely limiting the federal government’s public works programs. Note: to promote consistency with the 2008 National Strategy for the Marine Transportation System, this section incorporates and integrates materials from that strategy document, particularly those describing the MTS.

### Infrastructure

#### Ports are a vital part of Infrastructure

Kenya Port Security 06 (“PORTS VITAL IN IMPROVING REGIONAL TRADE “<http://www.kpa.co.ke/INFOCENTER/NEWS/Pages/PORTSVITALINIMPROVINGREGIONALTRADE.aspx>)//RM

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|  **The East Africa Community secretariat has pledged to address infrastructural bottlenecks along the corridors** to improve regional trade. This comes barely weeks after the official commencement of the East Africa common market agreement signed in Nairobi recently. EAC **Secretary General** Amb. Juma Mwapachu **said it was necessary to integrate all ports in the union** to adequately respond to the rising demand of cargo. “**Development of these ports is vital and there is need to make a linkage with railway, road and ports to improve the network serving the whole region,” he said.¶**  He was leading the EAC secretariat technical team on an information gathering tour of the port of Mombasa last week where he was received by the KPA Ag. Managing Director Mr. Gichiri Ndua. Amb. Mwapachu was impressed with the ports performance over the years and its relations with stakeholders saying it was excellent to understand and learn challenges facing the port and work towards mitigating them. He urged both Kenya Ports Authority and Tanzania Ports Authority to encourage complimentary roles between the ports of Mombasa and Dar es Salaam instead and work towards maintaining standard respective efficiency levels. Kenya Ports Authority has initiated and implemented development programmes geared towards making the port of Mombasa among the best ports in the world. Mr. Ndua said that cargo interveners were required to unite to reduce cargo off-take period, increase fluidity of movement of cargo along the corridor and improve rail transport. Mr. Ndua also said that the East Africa Community **was expected to fuel development of proper infrastructure and in the long run increase port traffic and enable the port to serve the region better.¶**  Amb. Mwapachu said **the region could not achieve growth in its industry and agricultural sectors without reliable and robust infrastructure. “This is why we need a holistic approach to address issues of ports, road, rail, security and energy that will send a right signal to the world for potential investments**,” he added.¶ EAC is expected to open up the regional market, establish a unique market to attract investors and spur the economic growth in the region. The region is currently endowed with successful international economic system with 40% increase in regional trade and 12 % share of global trade. The Secretary General, however, said it was time member states capitalized on the common market agreement.¶ The customs procedures in the region are scheduled to change with the establishment of a fully fledged customs union expected to enable the collection of tax at the first point of entry for goods. This, according to EAC, will allow goods to circulate freely in the common market.¶ The port of Mombasa has witnessed increased growth in container traffic over the years and had last year registered record container traffic of 618,816 TEUs. The construction of the second container terminal is expected to double port’s handling capacity once completed with Phase one of the project scheduled to be fully operational by 2013 and will handle 450,000 TEUs.¶ Other projects the EAC is spearheading include the development of Malindi - Bagamoyo road that will link Lamu, Northern and Central corridor and construction of Taveta – Voi road. The development projects are expected to increase fluidity of cargo and improve efficiency in handling of the regional bound goods. InvestmentInvestment means investment in timeDictionary.com, 12 (“Define Invest”, <http://dictionary.reference.com/browse/invest>, 2012) to use, give, or devote (time, talent, etc.), as for a purpose or to achieve somethingInterpretation of Infrastructure **Organization for Economic Co-operation 11** (Organization for Economic Co-operation and Development (OECD) website, <http://www.imtgt.org/Documents/Data/ITITD-Definitions.pdf>) (http://www.oecd.org)//RMInfrastructure Quality, Port Infrastructure refers to effective port \infrastructure for transport of goods, people, and services that enable entrepreneurs to get their goods to market in a secure and timely manner, and facilitate the movement of workers to the most suitable jobs.  |

### 2AC Extra-Topicality Legit

#### Extra-T legitimate -

#### 1) Extra-T justified - Absent a resolutional mandate aff has the right to choose

Rowland, 86-Director of Forensics at Baylor University (Robert C., JOURNAL OF THE AMERICAN FORENSICASSOCIATION, Winter, 1986, P. 130, [http://www.scribd.com/doc/50983055/136/EXTRA-TOPICAL-PLAN-PROVISIONS-ARE-LEGITIMATE)//RM](http://www.scribd.com/doc/50983055/136/EXTRA-TOPICAL-PLAN-PROVISIONS-ARE-LEGITIMATE%29//RM)

The affirmative might be unreasonable about claiming advantages from the means through which the resolution is implemented, but the negative might be unreasonable in claiming that those means are not strictly part of the topic. This argument is unreasonable because any resolution is necessarily silent on some points. A resolution that requires the affirmative to guarantee water quality is silent on the means by which the guarantee is established. So long as the means of implementing the plan are not specified by the resolution, the affirmative has the right to select the method of plan implementation.

#### 2) Only impact is severence

Rowland, 86-Director of Forensics at Baylor University (Robert C., JOURNAL OF THE AMERICAN FORENSIC ASSOCIATION, Winter, 1986, p. 127, <http://www.scribd.com/doc/50983055/136/EXTRA-TOPICAL-PLAN-PROVISIONS-ARE-LEGITIMATE>)//RM

In addition, it is unclear what happens to extra-topical plan provisions. Some theorists say that, because the affirmative is limited to the resolution, extra-topical plan provisions simply drop out of the debate or are severed from the remainder of the plan. This view is consistent with realistic legislative rules. Congressional committees cannot consider legislation outside of their jurisdiction.

#### 3) Extra-T inevitable –

The affirmative should be allowed to include anything in their plan. Therefore, the affirmative is allowed try and take out the possible disadvantages, although, most plans always open up a potential disadvantages. And, because the aff can include a provision in the plan, they should be allowed to claim the advantages from those parts of the plan that are in the resolution.

#### 4) Extra-topicality standards exclude plan provisions -

such as “funding” or “enforcement through normal means” or “affirmative speeches will clarify intent” - These can be necessary for proper implementation of the plan.

#### 5) Infinitely regressive –

There is no briteline for determining what is extra-topical. It is unclear when a plan provision is necessary to the resolution as opposed to a plan spike that is illegitimate to the resolution.