## PLAN

The United States Federal Governement should increase its infrastructure investments by increasing the number of public buses in operation by 50 percent and replacing the entire fleet over the next five years focusing on improving the energy efficiency and quality of the operating bus fleet

## ADVANTAGE 1 – IS THE ECONOMY

#### We’ll identify several different scenarios.

### SCENARIO 1 – FINANCIAL SPECULATION

#### The current economic viability of the manufacturing sector is grim. As the manufacturing sector is being hollowed out we are building an economy based on the risks of Wall Street speculation

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The numbers on American manufacturing are grim. In October 2009, more people were officially unemployed (15.7 million) than were working in U.S. manufacturing. That hasn't happened since the Great Depression. And much of the damage has been dealt in the past decade alone -- 5.5 million manufacturing jobs, nearly 32 percent of the U.S. total, have been lost in the United States since George W. Bush took office in 2000. Rebuilding an economy based on manufacturing makes our society less susceptible to the risks created by Wall Street speculation, and spurs further economic activity outside of manufacturing itself. We can't have a stable economy without a sturdy manufacturing base-- without it, our prosperity is dictated by the whims of big financiers. By 2007, nearly 40 percent of U.S. corporate profits were coming from finance, leaving a feeble base to support workers when Wall Street crashed. Fortunately, for each dollar invested in manufacturing, another $1.43 of economic activity in industries linked to manufacturing is created—a multiplier effect that makes the sector an efficient way to create jobs.

#### Hurricane Katrina is proof that we shouldn’t trust the market to be responsible for public infrastructure. Government investment into public infrastructure creates FASTER growth and crowds investments away from the hyper-speculation responsible for the crash of Wall Street.

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In the past few years, the real world has intervened dramatically to make the case on behalf of public investment and industrial policy. To begin with, a wide range of people had for years recognized that the stock of public infrastructure in the U.S. was deteriorating badly, and that this was holding back productivity advances. But the breaching of New Orleans' water levees in 2005 in the wake of Hurricane Katrina and the collapse of the I-35W bridge in Minneapolis in 2007 offered tragic testimony to this neglected reality. Amid these events, it became difficult to continue insisting that public infrastructure investments are a misuse of funds that could be deployed more effectively by private business investors. Moreover, the conclusions that emerge about the importance of public investments from these episodes are also supported by the weight of statistical evidence. Thus, from 1950-1974, the real growth of traditional core infrastructure averaged 4.3 percent per year. Over this same period, overall GDP grew at a slightly lower 4.1 percent average rate. By contrast, from 1975-2007, core public infrastructure investments grew at only 2.3 percent per year—i.e., at half the 1950-1969 rate—while overall GDP growth in this period also slid, to 3.1 percent. Was the high rate of public investment in the 1950-1969 period contributing to healthy overall economic growth in that period, or was it just a byproduct of the overall expansion? Similarly, was the slowdown in public investment from the 1980s onward—to a rate below even the tepid GDP growth rate—a cause, or primarily just an effect, of the overall growth slowdown? Research on this question by Professor James Heintz of the University of Massachusetts does point clearly to a positive effect of public investment on GDP growth. In particular, Heintz found that sustained increases in public investment spending generate significant gains in overall productivity, which in turn brings faster GDP growth. 2 Consider the situation as of 2007. If overall public investment had grown at an average rate of 3.8 percent in the ten years between 1998-2007, as opposed to its actual rate of 2.8 percent (but still well below the 4.3 percent average rate over 1950-1974), the cumulative additions to the public investment stock would have produced an additional $64 billion in U.S. GDP in 2007. In addition, the Wall Street collapse of 2008-2009 made clear that private investors, left to their own devices, do not allocate the economy's financial resources effectively. The 2008-2009 crisis was the culmination of a generation of financial deregulation measures in the U.S. supported by Democratic and Republican policymakers alike, following the claim that private financial managers, operating in a competitive market, will channel the economy's financial resources more effectively on their own than could be done through following government regulations and priorities. But the crisis demonstrated that the dazzling rewards of casino capitalism will always become irresistible to Wall Street operators relative to the slow, steady efforts to nurture the economy's productive investments. That is, government regulations are needed for the economy's financial resources to be crowded into productive [End Page 20] investments as opposed to being squandered on hyper-speculation.

#### Financial deregulation and the accompanying casino capitalism dilutes the possibility of economic democracy

Giroux 11 (Henry A. Giroux, Global TV Network Chair in English and Cultural Studies at McMaster University, 21 November 2011, “Occupy Colleges Now: Students as the New Public Intellectuals”)

The Occupy Wall Street protesters reject the propaganda they have been relentlessly fed by a market-driven culture: the notion that markets should take priority over governments, that market values are the best means for ordering society and satisfying human needs, that material interests are more important than social needs and that self-interest is the driving force of freedom and the organizing principle of society. Professor Fred Jameson once said, and I am paraphrasing here, that it is easier to imagine the end of the world than the end of capitalism. That no longer seems true. The cracks in the capitalist edifice of greed and unchecked power have finally split open, and while there is no guarantee that new modes of social transformation will take place, there is a vibrant collective energy on the horizon that at least makes such a possibility imaginable once again. In the spirit of Adorno's call after Auschwitz for a politics that embraces education as both an emancipatory promise and a democratic project, the Occupy Wall Street protesters are making clear that the values and practices of disposability and social death promoted by casino capitalism have replaced important elements of a democratic polity with a culture of violence in which democracy has become a pathology, and in which informed appeals to morality and justice are a cruel joke. They are arguing, forcefully and rightly with their bodies, and through the new social media, that neoliberal economics and its cruel forms of politics and public pedagogy, amply circulated in various platforms of the dominant media and in higher education, have become a register of how difficult it is for American society to make any claim on the promise of a democracy to come. As the realm of democratic politics shrinks and is turned over to market forces, social bonds crumble and any representation of communal cohesion is treated with disdain. As the realm of the social disappears, public values and any consideration of the common good are erased from politics, while the social state and responsible modes of governing are replaced by a corporate-controlled punishing state and a winner-take-all notion of social relations. Within this form of casino capitalism, social problems are placed entirely on the shoulders of individuals, just as the forces of privatization, deregulation and commodification weaken public institutions and undermine the web of human bonds and modes of solidarity that provide the foundations for a democratic politics and a political and economic democracy.

#### Speculation will force up commodity prices and derail the economic recovery

Habibi 9, Henry J. Leir professor of the Economics of the Middle East at the Crown Center for Middle East Studies of Brandeis University,

[Nader, “Shield the Commodity Markets against Excessive Speculation”, http://mrzine.monthlyreview.org/2009/habibi120509.html, 12-5]

By early 2008 the list of speculators in commodity futures market (oil in particular) included the California pension fund, the Harvard endowment, and many hedge funds. The volume of speculation in commodities rose from $13 billion in 2003 to $260 billion in March 2008. **Speculation became so prevalent that in 2008, for every barrel of oil that was actually consumed in the United States, 27 barrels were traded in the New York Mercantile Exchange**. The rapid increase in food and energy prices raised some political concerns in 2008 as it led to higher costs for many goods and services. The transport and tourism industries launched a campaign for regulations that would have constrained financial speculation in commodity markets. This campaign was also supported by agriculture and food industry. In June 2008 Representative Bart Stupak of Michigan introduced the Prevent Unfair Manipulation of Prices Act (PUMP or H.R. 6330) to limit speculation in oil and gas markets. Unfortunately this proposal did not receive enough support and was quickly forgotten after the sharp decline in price of oil in September and October. The massive commodity speculation of 2007-08 was made possible by a number of regulatory weaknesses in the U.S. and European financial systems. In the United States the speculators took advantage of a regulatory loophole in the Commodity Futures Modernization Act of 2000 which allowed the commodity futures to be traded in the unregulated Over-the-Counter market. This reduced the government's ability to monitor the market for excessive speculation. Unfortunately the U.S. and other major governments are so preoccupied with the financial crisis and the global economic recession at present that there is little appetite for proactive regulatory reforms for prevention of speculation in commodity markets. Yet the time to act is now. Large groups of investors are eagerly waiting for the economic recovery to improve the demand for basic commodities before jumping in. **The next round of speculation in commodity markets might be even more powerful than 2008. After suffering severe losses in real estate and stock markets, many investors worldwide are looking favorably at commodity markets as less risky alternatives. Even the sovereign wealth funds of oil exporting countries, which lost billions of dollars in U.S. and European real estate and equity markets, are likely to invest in commodities in the next round.** No one can blame the private investors for trying to profit from speculation. But it is up to governments to determine which markets are open to speculation and which ones are off limit. It is better to shield some essential commodities such as oil and agricultural products against speculation. **Speculation in commodity markets is a global phenomenon and major economies must act in coordination to make these markets less vulnerable to speculative activity.** Now, when the commodity markets are calm, is the best time for the U.S. government to take the lead in this effort by strengthening the government's oversight on commodity markets and calling for similar steps by other countries. **Failure to act now will force the governments worldwide to react after a new round of speculation has pushed up the commodity prices and derailed the economic recovery that everyone is so eagerly waiting for**

#### The plan is critical to create growth engines not driven by financial bubbles. Increasing public buses by 50% over the next five years is a powerful source of job creation, it incentivizes the use of public transportation, reduces the consumption of fossil fuels, boosts the auto industry and solves quick

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But equally daunting are a series of longer-term, structural challenges: Can we establish a growth engine driven by something other than financial bubbles? Can we renew the automobile industry and, more generally, reestablish a healthy manufacturing sector? Can we accomplish these various tasks while also rebuilding the economy on a new foundation of clean energy as opposed to fossil fuel energy sources? Are all of these projects also compatible with expanding decent job opportunities throughout the U.S. economy? Addressing these longer-term challenges is the overarching theme on which we focus in this paper. We begin by examining these questions within the general context of debates around public investment and industrial policy. This includes a brief review of the longstanding question as to whether public investments in the traditional areas of transportation, energy, and water management divert scarce resources that would otherwise be available to private investors, or whether these public investments create a nurturing environment that encourages more spending by private investors. We conclude from our review of this evidence that a large-scale commitment to public investment projects that are well-designed and implemented does indeed provide a crucial foundation supporting the healthy long-term growth of private investment, in addition to much higher levels of public safety and amenities. [End Page 17] We also review similar issues regarding industrial policies—that is, policies to promote research and development (R&D), moving technical innovations from R&D investments into commercial use, and raising productivity and competitiveness by getting businesses to adopt these innovations as rapidly as possible. Opponents of industrial policies in the U.S. context have long argued that government policymakers are singularly incapable of "picking winners" in the areas of technological innovations that will become commercially successful. But the historical record tells us that the U.S. government—and particularly the Pentagon—has been instrumental in developing all the most important commercially successful technologies of the last century, including jet aviation, the computer, the Internet, and bioengineering. The other factor we consider with respect to public investments and industrial policy—both in traditional areas of transportation, energy, and water management as well as new clean energy areas—is the impact of these investments on employment. In fact, investing money in anything will create at least some jobs. But as we show, spending on traditional infrastructure and clean energy development is a powerful source of job creation in the U.S. relative to major alternative spending targets, including the military and fossil fuel industries. We then lay out a more specific plan to support the revival of the manufacturing sector, including the U.S. auto industry. We sketch a program to increase, by 50 percent over the next five years, the number of public transportation buses on the streets of our communities. This project would have four major benefits. It would make public ground transportation a much more practical day-to-day commuting option, especially for lower-income people for whom auto transportation costs currently place a major burden on their family budgets. It would also make a major contribution toward reducing the consumption of fossil fuels in the U.S. and the emissions of greenhouse gases into the atmosphere. The government procurement orders for this dramatically expanded supply of buses have the potential to also boost orders for the U.S. auto industry by about 5 percent above the most recent peak sales level of 2007, assuming at least some auto manufacturers see the opportunity to convert a portion of their production lines from private cars to public buses. And finally, all of these highly desirable ends could be accomplished within a relatively rapid time frame, with the first wave of major benefits occurring within one year.Finally, we explore more briefly a longer-term project of expanding U.S. manufacturing capacity in rail transportation products and the renewable energy industry. These will certainly be major growth industries over the next twenty years, assuming U.S. and global policymakers proceed, as needed, with the epoch-defining project of creating clean energy-based economies. At present, U.S. manufacturing capacity in rail products and renewable energy lags substantially behind other countries, including Germany, Spain, Japan, South Korea, and China. But the U.S. cannot let these areas of [End Page 18] manufacturing continue to languish. We know they will be major focal points of technical innovation and global market dynamism for the coming generation. They also have the potential of providing millions of good employment opportunities over the long term.

### SCENARIO 2 – THE AUTO-INDUSTRY

#### Expanding public busing is critical to encourage more public transportation while keeping the auto industry afloat. The plan encourages the auto industry to meet the nation’s bus needs

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Upgrading rail systems is crucial for meeting the country's long-term transportation needs, since they are both the cleanest and most efficient transportation mode. The ARRA did include major new investments in rail transport upgrades. At the same time, particularly within a shorter-run framework, there are problems with relying too heavily on rail systems as the primary focus of public transportation investments. The most evident shorter-term concern is that these systems require years of planning and spending before they come on line and communities enjoy the benefits. But in addition, the United States, at present, has virtually no capacity to build mass transit systems and vehicles. Subway cars used in the U.S. are supplied by French, German, and Japanese companies. Other kinds of mass transit vehicles are built either in South Korea or Germany. As Jonathan Feldman reports, the U.S. was once a technological leader in this field and could become so again.8 But this will take years of steady support, in terms of research and development as well as public procurement contracts. Finally, to the extent that overall transportation funding is shifted to rail systems, this would represent an additional blow to the U.S. auto industry. While the transition away from the auto is needed, this has to be accomplished in a way that creates the least amount of harm to working people and communities that have already been suffering as a result of the auto industry and manufacturing sector crisis. Thus, as a short-term agenda, the most effective approach to expanding investments in public transportation would be to give immediate focus to markedly improving public bus services throughout the country. This project should be undertaken in conjunction with the continued strong commitment to also expanding rail services, as initiated with the ARRA. Over time, the most effective mass transit systems are those that integrate bus and rail systems. Public investments should therefore target the goal of building combined rail/bus public transportation systems. [End Page 27] But in the short term, it will be important to show tangible progress in raising support for public transportation. This can be done, first of all, by simply getting more buses available for service and out on the street. This would enable people to rely less heavily on their cars. It would also entail large-scale procurement contracts with the government. These procurement orders could also create a major sales boost for the U.S. auto companies as well as the firms that have traditionally manufactured buses in the U.S. In turn, combining all of these effects will be the most effective way of taking advantage of, as quickly as possible, the employment benefits available through large-scale investments in all forms of public transportation.

#### The auto-industry is the “make it or break it” sector for our economy

Ford 8, Exec Chair Ford Motor Company, Bill, ““Why manufacturing still matters” , 9-24-‘8

Over the years, I’ve gained a reputation as being outspoken about environmental issues. I’m proud of that reputation, and happy to see the efforts to address these concerns are accelerating. But there is another critical issue that I’ve also talked about for many years, with more mixed results: the importance of manufacturing to local, regional and national economies. I’ve given what I call my “manufacturing matters” talk all over the United States, including a number of times in Washington. My main message is that manufacturing in general, and the auto industry in particular, is a major contributor to the economy. It provides jobs and tax revenue, furthers research and education, creates new products and technologies, promotes overall prosperity, and is critical to national defense. Unfortunately, this message has not resonated. There is a sense that manufacturing does not matter in the Information Age. Even those who are alarmed by America’s dependence on foreign oil seem indifferent to our growing dependence on foreign goods. Other nations where Ford does business value and protect their manufacturing sectors. They do all they can do to help their industries. What I am suggesting is that our government should work to create business conditions in which winning is possible and losing isn’t inevitable. In recent years, U.S. automakers have been taking tough actions to improve our competitiveness. Unfortunately, the U.S. auto industry is being battered by a perfect storm of economic setbacks that are causing sales to plummet to their lowest level in more than 20 years. As a result, Ford is undergoing its most rapid and far-ranging transformation since we switched to wartime production at the start of World War II. We are converting three existing truck and sport utility vehicle plants to build small cars. We are adding four-cylinder engine capacity to meet growing demand and expanding production of EcoBoost engines, sixspeed transmissions and other fuelsaving technologies. In World War II, we built the Arsenal of Democracy. Now we are building the fuel-efficient Fleet of the Future. The United States remains the world’s largest manufacturing nation. Despite everything that has happened, the automotive industry remains the single largest manufacturing industry here. No other industry generates more manufacturing employment, trade, research and development, and retail business. But we can no longer afford to take the benefits for granted. Conventional wisdom assumes we live in a borderless world where the location of a business is irrelevant and the fate of any one enterprise, or even an entire industry, is unimportant. In theory, someone from somewhere else can always step in to provide the products desired with no harm done. The problem is, in the real world, there is harm done. Factories are closed, jobs are lost, tax revenues that support universities, hospitals, social services and local schools are reduced. Over time, as the strength of its economy is eroded, the quality of life in a city, a state or an entire nation is diminished. The principles of capitalism dictate that these disruptions, however painful, are good for the global economy in the long run. However, the principles of self-preservation suggest that rooting for the home team is not a bad idea. Our home team — America — can no longer take its economic leadership for granted. Other countries have strategic plans and carefully thought-out growth policies. We don’t have a plan, and sometimes it seems as if we don’t have a clue. Our economy is troubled today and threatened tomorrow. Business-asusual is no longer acceptable. It’s time for government and business to work together for a stronger, more secure, and more prosperous nation. A good place to start is the Advanced Technology Vehicles Manufacturing Incentive Program proposed by Congress, which will help U.S. automakers accelerate their investments in fuel-efficient technologies.

#### Expanding public transportation could be an incubator for a new industrial renaissance in the US

Feldman 99 Jonathan Michael, associate professor in the department of economic history at Stockholm University, American Prospect, 3-22, http://prospect.org/article/mass-transit-new-manufacturing

With the right policies in place, an expansion of public transportation could help reindustrialize the United States. A new industrial-policy initiative for domestic production of mass-transit products could help the United States overcome multiple economic challenges. It could provide high-wage jobs, generate tax revenue, expand exports, and reduce trade deficits. This mass-transit-production strategy requires a new kind of industrial and planning policy to overcome the limits of traditional public works. It's not enough to lay more tracks and upgrade rail facilities. The government has to support domestic production of trains, signals, and related transit hardware and software. According to the Institute for Supply Management, U.S. manufacturing activity recently fell to its lowest level in 28 years. Manufacturing has also suffered across the globe. But overseas the downturn reflects mainly the recession, while in the U.S. there is a long-term manufacturing decline. Traditional public-works outlays alone won't restore American manufacturing -- but they could supply new demand if we had industrial policies in place. Mass transit could be the incubator for an industrial renaissance, based on new kinds of producers and processes. If public investment is connected to developing new industries, then government spending will not "crowd out" private investment. On the contrary, the public outlay could provide demand for new private investments. But when the market and existing firms fail to make the necessary investments, the government must fill the void. There are important niche markets in subways (the primary focus of this article), high-speed rail, local commuter rail, and the growing light-rail industry. Consultants from the firm IBISWorld, a leading business consulting firm, calculate that today, about 45 percent of revenue within the U.S. train, subway, and transit-car manufacturing sector is tied to new and rebuilt locomotives and parts, and 27 percent of revenue is tied to street, subway, and transit cars. Of all the non-defense products that government purchases, mass-transit goods are among the most technically advanced, and they rely heavily on manufacturing. Mass transit conserves energy and is one of the least polluting forms of travel. Government purchasing power, combined with heavy unionization in the transit service and producer sectors, also makes this sector amenable to public planning for good social outcomes. Government can support local production, particularly in highly unionized and population centers. The density of cities facilitates both union organizing and mass transit.

### SCENARIO 3 - JOBS

#### The plan is a quick major new source of job creation in the US

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In fact, within a short-run framework such as a stimulus program, spending more money on anything within the U.S. economy—either by the private or public sector—will increase employment, as people will be newly hired into various activities to meet the expanded level of overall demand in the economy. To assess the impact of traditional infrastructure and clean energy investments on job creation, we first have to assess how they compare with other potential uses of the same amount of money—that is, in comparing various sectors of the U.S. economy, how many jobs are likely to be created for a given amount of spending. In fact, there are sharp disparities in the relative job-creating potentials of traditional infrastructure and clean energy investments if these are compared with, for example, military [End Page 22] spending and the fossil fuel sector (i.e., oil, natural gas, and coal).4 Both traditional infrastructure and clean energy investments will generate about seventeen jobs per $1 million in new spending. Spending on the military, by contrast, generates roughly 11.6 jobs per $1 million in spending, 32 percent less than for traditional infrastructure and clean energy. Spending within the fossil fuel sector is far weaker still as a source of job creation, generating about 5.3 jobs per $1 million, roughly 70 percent less than through traditional infrastructure or clean energy investments. Why do traditional infrastructure and clean energy investments create so many more jobs than the military or fossil fuel sectors? In comparison with military spending, a much higher proportion of overall spending takes place within the United States. This is clear if we contrast building a road or upgrading the electrical grid system in, say, Ohio versus maintaining military bases and combat operations in Iraq or Afghanistan. As regards the fossil fuel industry, the low level of domestic job creation occurs for two reasons. The first is that about 50 percent of all crude oil consumed in the U.S. is imported. The domestic job creation from these crude oil imports is zero. In addition, the domestically-based oil industry activities tend to be highly capital intensive. This means less spending on people, and more on machines, buildings, supplies, and energy. For example, drilling for oil and refining crude oil requires huge amounts of sophisticated machinery, and relatively few people to operate that equipment. Building a road or bridge, upgrading an electrical grid system or—as we will later discuss in some detail—manufacturing public transportation or renewable energy equipment will also be fairly capital intensive activities, but substantially less so than the average for the oil industry. Overall then—aside from their benefits in terms of productivity, safety, and fighting climate change—investments in infrastructure and clean energy can also serve as major new sources of job creation within the U.S. As a simple illustration of this, assume that the funding for the infrastructure and clean energy investments was taken dollar for dollar out of the Pentagon and fossil fuel sectors on a proportional basis. A net increase of about 5.5 jobs would result from moving $1 million from the Pentagon into infrastructure/clean energy (17 to 11.6 jobs) and 11.5 jobs would be created through moving $1 million out of the oil industry (17 to 5.3 jobs). Given that the military and fossil fuel industries accounted for roughly $1.2 trillion in total U.S. spending in 2008, this means that taking, say, 25 percent of their total and distributing it proportionally to traditional infrastructure and clean energy investments would generate a net increase of roughly 2.5 million jobs—enough to reduce U.S. unemployment, as of 2008, by more than 1.5 percentage points. [End Page 23]

### SCENARIO 4 - ECONOMIC LEADERSHIP

#### France, Germany, Spain, and China are kicking our public transportation butts. US economic leadership is lagging

Fitzgerald et al, 10, Granquist, Khatiwada, McLaughlin, Renner and Sum 10

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Unfortunately, the United States lags behind China and many other countries both in maintaining and expanding its public transit infrastructure and in creating the high-paying manufacturing jobs that can go along with this investment. The American Recovery and Reinvestment Act of 2009 (ARRA) made a small start toward putting the country back on track. Under ARRA, the federal government committed an initial $1.3 billion for the rail operator Amtrak in addition to the $8 billion for new high-speed rail corridors and intercity passenger rail service. Many cities and states are advocating that the government commit further funds. U.S. cities are eager to upgrade and expand their transit systems to meet rising public demand for cost-effective, clean, and convenient bus and rail service.‡ Currently, there are proposals for new streetcars in more than 30 cities; some 400 light-rail projects in 78 metropolitan areas in 37 states; and subway expansions in several cities. With the federal transportation bill up for renewal, the United States has an opportunity to invest in public transportation and renew its manufacturing base. Manufacturing is essential to the U.S. economy. In 2008, it accounted for $1.6 trillion, or 12 percent, of gross domestic product (GDP)—more than real estate, finance and insurance, or health care. Manufacturing accounts for 60 percent of U.S. exports and 70 percent of private sector research and development (R&D) funding.3 Yet the U.S. goods deficit in 2008 exceeded $836 billion; the annual trade deficit with China alone that year was $266 billion, about 75 percent of the manufactured goods deficit. The United States cannot prosper with ongoing large trade deficits. Nor can it prosper while losing millions of well-paying manufacturing jobs. In just the past two years, U.S. manufacturing lost 2.1 million jobs. Blue-collar workers accounted for 74 percent of job losses between the onset of the economic recession in September 2008 and November 2009. For experienced production workers, the unemployment rate in 2009 was 14 percent.4 The United States needs to revitalize manufacturing to put people back to work, but also to stem the country’s declining position in the world economic order. Conventional wisdom says that the nation has transitioned from a goods-producing economy to a knowledge- and innovation-based economy. But the two are intricately related. An innovation-based economy relies on R&D that is connected to manufacturing hightechnology goods.5 Such goods are typically considered to be products like computers, lithium-ion batteries, and jumbo jets; however, passenger rail cars and buses also rely on high-technology systems. There is significant innovation occurring in both the bus and rail production industries. Other developed and industrializing countries have deliberate policies to link innovation to manufacturing advantage—commercializing the products resulting from R&D programs, investing in the education of skilled workers, and linking goals in other policy areas (such as transportation and energy) to develop export industries and create domestic jobs.6 Germany has invested heavily in wind and solar over the past 20 years and used demand-creation policies to gain technological leadership, employ skilled manufacturing workers, and become an export leader.7 France, Germany, Spain, and other countries have also built strong railcar manufacturing industries by aggressively expanding rail lines domestically and then moving into exports. Even relatively new entrants such as China are successfully following this model. The United States can do so as well.

#### US economic leadership is key to economic interdependence, and multilateral cooperation on all global problems. The alternative is competitive mercantilism and fractured international cooperation-ensures global conflict

Posen 09 (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)

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 overrepresented 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 shortterm 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.

US ECONOMIC LEADERSHIP PREVENTS HEGEMONIC RIVALRY

DUNN 5, Institute for Research on World-Systems, UC-Riverside,

(Christopher Chase, journal of world-systems research, xi, 2, December)

If it is true that another period of hegemonic rivalry will include a substantial risk of renewed warfare among core powers, this extremely risky situation could be avoided by a revitalization of U.S. leadership (hegemony) because the single superpower configuration is militarily stable. Without a bipolar or multipolar military configuration there will be no war among core powers. Continuing U.S. economic decline would arguably eventuate in the inability of the U.S. to serve as world policeman, and will result in the rearming of possible hegemonic contenders (e.g., Japan, Germany). If this can be prevented for another twenty or thirty years the system will have gotten through the sticky wicket of hegemonic rivalry until the next interregnum of the power cycle. A truly democratic global peacekeeping government should be the eventual goal of the family of antisystemic movements. But the problem is that the emergence of an eff ective global state within the relevant time frame (the next two or three decades) is highly unlikely. This would require that the existing core states devolve a substantial portion of their sovereignty to the global state and there will be considerable resistance to this. A comparable situation in the European Union, while it is far more advanced than at the global level, shows how slowly consolidations of this kind move forward. A more feasible alternative (within the relevant time frame) would involve the perpetuation or renewal of U.S. economic hegemony that is sufficient to prevent the reemergence of potential core military challengers.

## ADVANTAGE 2 IS CLIMATE

#### The plan encourages a shift towards greater renewable energy by getting the auto industry out of the car business and by creating a model of federal investment to support renewable energy

Pollin and Baker 10 Robert Pollin is a professor of economics and co-director of the Political Economy Research Institute (PERI) at the University of Massachusetts-Amherst. Dean Baker is the co-director of the Center for Economic and Policy Research. New Labor Forum > Volume 19, Number 2, Spring

Based on this roughly thirty-to-one cost differential between buses and autos, for auto manufacturers to receive a procurement order of 15,000 buses per year would mean the equivalent of 450,000 in new automobile production orders. Total U.S. auto production was 10.8 million in 2007 but fell to 8.7 million in 2008. Therefore, an order of 450,000 new cars would be the equivalent of an increase in car orders of about 5 percent relative to the 2008 level. It would mean that the equivalent of about 9.2 million cars would be produced, which would still be 1.6 million fewer than in 2007. In short, depending on the details, the program could provide a major increase in sales for the car companies as well as the existing bus manufacturers. It could also encourage the auto companies to become focused around the idea of converting a segment of their overall operations to manufacturing products other than automobiles. Moreover, once they have obtained experience in converting part of their production line to buses, they should then be better equipped to undertake additional conversion projects—for example, rail production or even clean energy-generating equipment, such as wind turbines and various sorts of solar energy systems. Manufacturing 20,000 new buses per year would also generate a total of about 80,000 jobs, including nearly 30,000 in manufacturing, as we show in the lower panel of Table 2. Of course, returning to a point emphasized earlier, spending $8.5 billion per year on anything will produce thousands of jobs. Moreover, as Table 2 shows, the overall employment impact of manufacturing buses would not be significantly different from putting the same [End Page 30] amount of money into producing tanks or missile components for the U.S. military. But the overall economic impact would obviously be dramatically different—for the environment, for low-income households, as well as for reviving our manufacturing base through conversion to clean energy investments. The connections we have seen between bus procurement as a shorter-term public investment focal point and rail investments as a longer-term project also offer useful parallels for advancing U.S. manufacturing opportunities in the area of renewable energy. It is clear, to begin with, that the U.S. needs to build a competitive renewable energy manufacturing sector. Over the long term, the U.S. is going to be a major consumer, perhaps the largest market in the world, of manufactured renewable energy products. These products will be a cornerstone of the clean energy economy. At the same time, similar to the situation with the rail sector, U.S. producers, at present, are well behind European and Asian manufacturers as competitive suppliers.11 For example, at the major new wind and solar energy project sites in the states of Washington and Nevada, all the major capital equipment was imported from Europe and Southeast Asia. Of course, the installation work on these projects could only be handled on site. Still, roughly half of the jobs directly associated with these projects occur at the manufacturing stage.12 Therefore, for renewable energy to serve as an engine of U.S. job creation, it needs to also be focused on reviving manufacturing activity within the U.S. The clean energy components of the 2009 ARRA program did include roughly $8 billion to subsidize renewable energy manufacturing projects throughout the country, including investments in solar thin-film technology, wind turbine plants, and advanced batteries for electrical cars. An example of a very large-scale renewable energy project with enormous potential is the still preliminary effort to develop the offshore wind potential of the Great Lakes.13 The National Renewable Energy Lab estimates that, technically, up to 250,000 megawatts of wind power can be developed in the Great Lakes region. This represents twelve times the amount of already installed wind-energy capacity throughout the U.S. The level of investment needed to develop the site ranges between $500 billion and $1 trillion. Assuming the work would be conducted over about ten years, the total number of jobs generated per year would range between about 660,000 (spending $50 billion per year for ten years) and 1.3 million jobs (spending $100 billion per year for ten years). These figures include both the jobs directly associated with the project, as well as the "indirect" job creation (jobs created for businesses supplying materials for the project) and "induced" job creation (the job expansion that occurs when workers who are newly employed by the project spend their additional income). The total number of manufacturing jobs generated—including direct, indirect, and induced job creation—would range between about 165,000 (at $50 [End Page 31] billion per year in spending) and 325,000 (at $100 billion per year.) In short, a project like this could serve as a major new engine of job creation throughout the Midwest. But this can happen only if there are business firms in the Midwest willing and able to build the needed equipment. Certainly today's auto manufacturers have the technical capacity and scale to participate in such a project. General Motors itself, perhaps especially operating under its present arrangement with the government as the major shareholder of the firm, would be well positioned to take the lead here. Of course, major challenges would have to be overcome in converting the auto production lines into building wind turbines, just as there would be comparable challenges in converting the auto lines into manufacturing buses, subway cars, and trains. We would expect that converting auto production lines into manufacturing competitive renewable energy products would proceed relatively slowly—less like converting to bus production and more similar to producing various sorts of rail cars and equipment.

#### Greater public transportation reduces carbon emissions by 45 percent per passenger mile

Pollin 10 Robert, Robert Pollin is a professor of economics and co-director of the Political Economy Research Institute (PERI) at the University of Massachusetts-Amherst. New Labor Forum, Industrial Policy and the Revival of U.S. Manufacturing, Jan

In principle, this combination could be replicated under some auspices other than the Pentagon. An obvious priority here would be to build manufacturing capacity around clean energy technologies, including green buses and rail cars, as well as automobiles. Investments in these areas could be the basis for a revival of a transformed U.S. auto industry. A program to dramatically improve public bus services throughout the country well illustrates the broader possibilities and approach. Let’s say, for example, the federal government commits to doubling the number of buses now operating throughout the country, and requires that all the new buses operate at high energy efficiency levels. Such a program could produce major environmental and social benefits: even at current fuel-efficiency standards, transporting people via public transportation, as opposed to private cars, produces a net reduction in carbon emissions of about 45 percent per passenger mile, while the average costs for passengers of public transportation are about half those of people traveling by car.

#### Public transportation puts us on track to lessen global warming

Paine 9 Carli is the transportation program director for TransForm. TransForm (formerly the Transportation and Land Use Coalition) works for world-class transportation and walkable communities in the Bay Area and beyond. NEW AMERICAN MEDIA, 1-19, http://news.newamericamedia.org/news/view\_article.html?article\_id=c8e0e1762f7f96230c834a3dd4f73a21

Public transportation produces 95 percent less carbon monoxide (CO), 90 percent less in volatile organic compounds (VOCs), and about half as much carbon dioxide (CO2) and nitrogen oxide (NOx), per passenger mile, as private vehicles. Investing in public transportation improves local air quality and health by reducing asthma-inducing and smog-forming pollution. In addition, public transportation reduces dependence on fossil fuels and puts us on track to fighting global warming. Expanding roads and highways undoubtedly leads to higher driving-related pollution in the long term.

#### Public transportation is the MOST effective strategy for combatting global warming

Shapiro 2 Robert J., Kevin A. Hassett and Frank S. Arnold; July

Dr. Robert J. Shapiro: non-resident Fellow of the Brookings Institution and the Progressive Policy Institute and Economic Counselor to the U.S. Conference Board, and Under Secretary of Commerce for Economic Affairs; Dr. Kevin A. Hassett: Resident Scholar of the American Enterprise Institute; Dr. Frank S. Arnold: President of Applied Microeconomics, Inc. columnist for The Environmental Forum. “Conserving Energy and Preserving the Environment: The Role of Public Transportation” http://www.apta.com/research/info/online/documents/shapiro.pdf

The role of transportation in our nation’s energy consumption and environmental quality is Immense. Americans use more energy and generate more pollution in their daily lives than they do in the production of all the goods in the economy, the operations of all commercial enterprises, or the running of their homes. Any serious effort to reduce our dependence on foreign oil and make significant environmental progress must address the way Americans travel. The vital role of public transportation in improving energy efficiency and the environment is often under-appreciated. With its fuel and pollution advantages, increased use of transit offers the most effective strategy available for reducing energy consumption and improving the environment without imposing new taxes, government mandates, or regulations on the economy or consumers.

#### Warming causes extinciton

Tickell, journalist, author and campaigner on health and environment issues, and author of the Kyoto2 climate initiative, in ‘8

[Oliver, “Comment is free On a planet 4C hotter, all we can prepare for is extinction”, The Guardian, Sunday 10]

We need to get prepared for four degrees of global warming, Bob Watson told the Guardian last week. At first sight this looks like wise counsel from the climate science adviser to Defra. But the idea that we could adapt to a 4C rise is absurd and dangerous. Global warming on this scale would be a catastrophe that would mean, in the immortal words that Chief Seattle probably never spoke, "the end of living and the beginning of survival" for humankind. Or perhaps the beginning of our extinction. The collapse of the polar ice caps would become inevitable, bringing long-term sea level rises of 70-80 metres. All the world's coastal plains would be lost, complete with ports, cities, transport and industrial infrastructure, and much of the world's most productive farmland. The world's geography would be transformed much as it was at the end of the last ice age, when sea levels rose by about 120 metres to create the Channel, the North Sea and Cardigan Bay out of dry land. Weather would become extreme and unpredictable, with more frequent and severe droughts, floods and hurricanes. The Earth's carrying capacity would be hugely reduced. Billions would undoubtedly die. Watson's call was supported by the government's former chief scientific adviser, Sir David King, who warned that "if we get to a four-degree rise it is quite possible that we would begin to see a runaway increase". This is a remarkable understatement. The climate system is already experiencing significant feedbacks, notably the summer melting of the Arctic sea ice. The more the ice melts, the more sunshine is absorbed by the sea, and the more the Arctic warms. And as the Arctic warms, the release of billions of tonnes of methane – a greenhouse gas 70 times stronger than carbon dioxide over 20 years – captured under melting permafrost is already under way. To see how far this process could go, look 55.5m years to the Palaeocene-Eocene Thermal Maximum, when a global temperature increase of 6C coincided with the release of about 5,000 gigatonnes of carbon into the atmosphere, both as CO2 and as methane from bogs and seabed sediments. Lush subtropical forests grew in polar regions, and sea levels rose to 100m higher than today. It appears that an initial warming pulse triggered other warming processes. Many scientists warn that this historical event may be analogous to the present: the warming caused by human emissions could propel us towards a similar hothouse Earth.

## CONTENTION 2: SOLVENCY

#### Increasing public buses by 50% over the next five years is a powerful source of job creation, it incentivizes the use of public transportation, reduces the consumption of fossil fuels, boosts the auto industry and solves quick

Pollin and Baker 10 Robert Pollin is a professor of economics and co-director of the Political Economy Research Institute (PERI) at the University of Massachusetts-Amherst. Dean Baker is the co-director of the Center for Economic and Policy Research. New Labor Forum > Volume 19, Number 2, Spring

The other factor we consider with respect to public investments and industrial policy—both in traditional areas of transportation, energy, and water management as well as new clean energy areas—is the impact of these investments on employment. In fact, investing money in anything will create at least some jobs. But as we show, spending on traditional infrastructure and clean energy development is a powerful source of job creation in the U.S. relative to major alternative spending targets, including the military and fossil fuel industries. We then lay out a more specific plan to support the revival of the manufacturing sector, including the U.S. auto industry. We sketch a program to increase, by 50 percent over the next five years, the number of public transportation buses on the streets of our communities. This project would have four major benefits. It would make public ground transportation a much more practical day-to-day commuting option, especially for lower-income people for whom auto transportation costs currently place a major burden on their family budgets. It would also make a major contribution toward reducing the consumption of fossil fuels in the U.S. and the emissions of greenhouse gases into the atmosphere. The government procurement orders for this dramatically expanded supply of buses have the potential to also boost orders for the U.S. auto industry by about 5 percent above the most recent peak sales level of 2007, assuming at least some auto manufacturers see the opportunity to convert a portion of their production lines from private cars to public buses. And finally, all of these highly desirable ends could be accomplished within a relatively rapid time frame, with the first wave of major benefits occurring within one year.

#### Our advantages are a way of mobilizing public support. The plan reduces carbon emissions by 45 percent per passenger mile and produces reduces household spending by 60 percent. This frame of cleaner energy and reviving the manufacturing sector in the US are necessary to build long-term support

Pollin and Baker 10 Robert Pollin is a professor of economics and co-director of the Political Economy Research Institute (PERI) at the University of Massachusetts-Amherst. Dean Baker is the co-director of the Center for Economic and Policy Research. New Labor Forum > Volume 19, Number 2, Spring

Of course, in meeting the U.S. economy's long-term needs, we cannot simply frame the issue in terms of maintaining the existing priorities in public infrastructure. It is even more imperative that the next generation of public and private infrastructure be constructed on a clean energy foundation. Our public investments also need to be targeted toward reviving our manufacturing sector and auto industry, in particular. One obvious initiative that is capable of combining these aims is to dramatically increase investments in public ground transportation systems. The environmental benefits of public ground transportation are strong. Transporting people via public transportation as opposed to private cars produces a net reduction in carbon emissions of about 45 percent per passenger mile. Increasing the availability of public transportation can also substantially reduce overall household spending needs since, on average, it costs a passenger about twenty-two cents to travel one mile by public transportation, while a private car costs about fifty-four cents per mile. That is, on average, public transportation is about 60 percent cheaper for passengers than traveling by private car.6 Despite these advantages of public over private transportation, public transportation accounts for an extremely low share of total travel in the United States. As of 2007, the average U.S. household spent about 94 percent of its total transportation budget on private automobiles, and only 6 percent on public transportation. This is even after including air travel as a component of households' overall public transportation budget. The share of public transportation spending by lower-income households is even less, with the lowest 20 percent income group spending only 5 percent, and the 21-40 percent income group spending a still lower 4 percent of their respective transportation budgets on public transportation.

#### Building political will is necessary to solve our advantages – it’s critical for long-term success o public infrastructure and renewable energy

Pollin and Baker 10 Robert Pollin is a professor of economics and co-director of the Political Economy Research Institute (PERI) at the University of Massachusetts-Amherst. Dean Baker is the co-director of the Center for Economic and Policy Research. New Labor Forum > Volume 19, Number 2, Spring

Yet all of these institutions will no doubt need to evolve—and perhaps even develop into new, recombined structures—to successfully meet the interlocking challenges of reviving manufacturing, building a clean energy economy, and creating tens of millions of decent new job opportunities. But the only way we will know how to develop the institutional support structure behind such a scaling-up of public investments and industrial policies will be through practice—that is, through attempting to address the specific requirements of the various projects as they emerge. The fundamental concern for the moment should therefore, again, be about building and [End Page 32] sustaining political will—the will to advance public investments and industrial policies that are capable of delivering a revived manufacturing sector and a clean energy economy, and to ensure that these epoch-defining projects serve the interests of working people throughout the country.

#### Developing an effective political movement is critical to revamping industrial policy

Pollin 10 Robert, Robert Pollin is a professor of economics and co-director of the Political Economy Research Institute (PERI) at the University of Massachusetts-Amherst. New Labor Forum, Industrial Policy and the Revival of U.S. Manufacturing, Jan

Meanwhile, the government orders for clean-energy buses would establish a guaranteed market for manufacturers. Some of these orders could be filled by the current suppliers, all of whom now operate in the U.S. The rest could be supplied by U.S. auto firms, including GM and Chrysler, assuming these companies see the opportunities open to them through converting part of their unprofitable auto manufacturing operations into a newly-expanding market for clean-energy buses. Similar programs could be advanced for public investments in public rail transportation as well as renewable energy projects, such as developing the offshore wind energy potential of the Great Lakes region. The major question is whether the government can justify the combination of large-scale R&D spending and procurement that would be necessary for such initiatives to succeed. The only basis on which this can occur is in terms of some standard of broadly-shared social welfare. The issue of developing an effective set of industrial policies around an agenda of clean energy, transportation, and manufacturing at this point becomes political. For example, can a strong enough political movement be mounted to mobilize the government’s capacities to build widely accessible public transportation systems and large-scale wind farms in a manner similar to what it has already accomplished so spectacularly through the Pentagon?

# EXTENSIONS

## THE PLAN SAVES THE AUTO-INDUSTRY EXTENSIONS

#### We need to give the auto industry a stake in public transportation to secure support for public transportation

Goetz 12 Mario, University of Michigan - Ann Arbor, Roosevelt Institute, Public Transportation Vital for Revitalization of Detroit, 3-6, http://www.rooseveltcampusnetwork.org/blog/public-transportation-vital-revitalization-detroit

The auto industry must take a central role in the development of public transportation for it ever to succeed in Detroit. The problem is that the auto industry has spent a century trying to promote cars, which seem to compete with public transportation. So, how can the auto industry support a system of public transit when it threatens their business? The answer is to give them a piece of the business. During WWII, Detroit became the nation’s arsenal, cranking out tanks, planes, guns, bullets, and everything else needed to equip America for victory. This shows the industry’s versatility in its manufacturing. As a corporation, the auto industry’s (and by auto industry I mean the Big 3: Chrysler, Ford, and General Motors) most important incentive is profit. In order to get the auto industry involved, they need a share of the profit that public transportation could potentially bring. I propose that the Big Three, or even one of them, become havens for building the trains and buses that transport public. This way, instead of representing competition against cars, they will benefit from the development of public transportation in Detroit. The new industry will also bring manufacturing jobs back to Detroit, bettering the economy further. This is just one step in the eventual revitalization of manufacturing, which defines Detroit’s future ultimately. Public transportation must come to Detroit for any type of revitalization to be sustained. It is an essential piece of the puzzle because it connects people to the rest of the city, creating the culture, jobs, and vibrancy that we would associate with cities like New York and Chicago. Through the investment in industry and manufacturing, the racial and economic boundaries that are impeding the growth of public transportation, and the reemergence of Detroit, can be overcome.

#### Synergy! Diversifying production produces flexibility

Feldman 99 Jonathan Michael, associate professor in the department of economic history at Stockholm University, American Prospect, 3-22, http://prospect.org/article/mass-transit-new-manufacturing

Second, more skilled system-integrator firms in these nations have used subway and rail-transit markets to enter or support their activities in non-rail markets and promote trade and innovation gains in those markets as well. In some cases, companies are part of well-functioning conglomerates that use supply-side capacities (like military or automotive divisions) to both support subway production and diversification efforts. Mitsubishi, for example, uses its orders for commuter-rail propulsion systems in the U.S. to help extend its market for highly profitable products like air conditioners. Mitsubishi exploits what could be called "economies of scope in marketing," i.e. leveraging the supply of one good to build a market for another good. These diversification effects and synergies illustrate why policies to support a domestic rail system have benefits far greater than just the domestic rail market. One U.S.–based systems integrator, Oregon Iron Works (OIW), is a new developer of street cars. In an interview last year with Rail Magazine, Chandra Brown, president of the OIW's United Streetcar company, explained why she believes her firm can survive the initial volatile market: "The company has enough work and projects underway that it isn't dependent upon a certain number of streetcar orders. We have a big and diverse job shop. So we don't have to have the line running for any specified duration in order to survive financially. ... If we win three car orders one year, 30 the next, and then seven the following year, we can handle it." As Brown explained to me, diversified production produces flexibility.

## AUTO-INDUSTRY CRITICAL TO THE ECONOMY

#### Auto industry is key to a broader area of industries

Mathur and Kenyon 2 [Shiv and Alfred, “Creating Value: Successful Business Strategies” Oxford: Butterworth-Heinemann <http://www.blackwellpublishing.com/grant/pdfs/CSA5eC03.pdf>]

**The case for** retaining a more **broadly-based approach to industry** analysis **rests on** the objective of understanding and predicting medium-term profit trends (periods of over one year). Here the conventional Five Forces analysis of fairly broadly-defined **industries** has two virtues. **First**, it allows us to consider competition in two markets simultaneously – **the market for outputs and markets for inputs. Second**, it takes account of **supply-side substitution**. Even though Ford’s different brands – Land Rover, Jaguar, Volvo and Lincoln – compete for different customers with different sets of competitors, they utilize many common components and can (with some reequipping) be produced at different Ford plants**. Other car manufacturers** can similarly **switch production capacity between their different models**. Hence, although heavily segmented, **we can conceive of the automobile industry as a single industry subject to some common trends that will influence profitability similarly throughout the many different market segments.**

#### The auto industry is intertwined – benefits spill over through manufacturing and distributing plants

Grant 7, Eni Professor of Strategic Management at Bocconi University in Milan as well as a Visiting Fellow at Georgetown University,

[Robert M., Contemporary Strategy Analysis, <http://www.blackwellpublishing.com/grant/pdfs/CSA5eC03.pdf>]

But this fails to take account of substitutability on the supply side. If manufacturers find it easy to switch their production from luxury cars to family sedans to sports cars and the like, such supply-side substitutability would suggest that Jaguar is competing within the broader automobile market. **The ability of Toyota, Nissan, and Honda to penetrate the luxury car market suggests that supply-side substitutability between mass-market autos and specialty autos is moderately high**. Similarly, **the automobile industry is** frequently **defined to include vans and light trucks**, since **these can be manufactured at the same plants as automobiles** (often using the same platforms and engines). So too with “major appliance” manufacturers. **They tend to be classified as a single industry**, not because consumers are willing to substitute between refrigerators and dishwashers, but **because the manufacturers can use the same manufacturing plants and distribution channels for different appliances.**

## CLIMATE EXTENSIONS

#### Public Transportation reduces fossil fuel pollution and prevents global warming

Paine 9 Carli - transportation program director for TransForm. TransForm works for world-class transportation and walkable communities – January 19, 2009 (“Public Transit Investment Fuels More Jobs”; <http://www.urbanhabitat.org/node/2936>)

If the recovery package is going to be truly green, it must support and enhance local air quality, energy efficiency, and reduce global warming pollution. With transportation contributing one-third of all global warming pollution nationally, it's clear that we need transportation solutions that give people reliable, affordable alternatives to driving for every trip. Public transportation produces 95 percent less carbon monoxide (CO), 90 percent less in volatile organic compounds (VOCs), and about half as much carbon dioxide (CO2) and nitrogen oxide (NOx), per passenger mile, as private vehicles.   Investing in public transportation improves local air quality and health by reducing asthma-inducing and smog-forming pollution. In addition, public transportation reduces dependence on fossil fuels and puts us on track to fighting global warming. Expanding roads and highways undoubtedly leads to higher driving-related pollution in the long term.

#### Public Transportation would cut our CO2 emissions by 20%

Shapiro 2 Dr. Robert– fellow at the Brookings Institution and Progressive Policy Institue, Dr. Kevin Hasset – resident Scholar at the American Enterprise Institute, and Dr. Frank Arnold – president of Applied Microeconomics – American Public Transportation Association – July 2002 (“Conserving Energy and Preserving the Environment”; <http://www.apta.com/research/info/online/shapiro.cfm>)

Turning to global warming, the use of public transportation reduces potential CO2 emissions by 7,405,856 metric tons. If we used public transit at the rate Canadians do, we would save more than 50 million metric tons of CO2; and if we matched the Europeans, we could cut CO2 emissions by about 74 million metric tons. At the Canadian rate, the benefits for global warming in the United States would equal nearly 20 percent of all CO2 emitted from fuel burned for residential uses and more than 20 percent of the CO2 emitted by commercial enterprises. If we used public transit as often as Europeans do, the gains for climate change would equal nearly one-fourth of the reductions mandated by the Kyoto agreement.

## CARDS FOR K AFF

#### The current financial crisis is actually an opportunity to reverse the 600-year-old trend in favor of blind corporatism and to begin to create cultures and economies based on principles that serve humanity rather than killing life.

#### We've become disconnected from our world, and how we can reconnect to our towns, to the value we can create, and mostly, to one another. As the speculative economy collapses under its own weight, this moment of financial crisis is actually an opportunity to reinstate commerce and communities based in creating value for one another.

#### The aff is necessary to challenge dominant views amongst economists that businesses should be allowed to operate un-regulated. The negative’s crowd-out arguments are untrue. Federal spending on infrastructure “crowd-in” private investments

Pollin and Baker 10 Robert Pollin is a professor of economics and co-director of the Political Economy Research Institute (PERI) at the University of Massachusetts-Amherst. Dean Baker is the co-director of the Center for Economic and Policy Research. New Labor Forum > Volume 19, Number 2, Spring

For the past generation, the dominant view among economists was that giving businesses a free hand—that is, little regulation and low taxes—was the most important contribution governments could make to encouraging productive investments. The corollary to this view was that, as much as possible, overall investments in the economy should be undertaken by the private sector, as opposed to any sort of government entity. After all, according to this view, the private sector is where innovation occurs. Moreover, private investment decisions have to meet the test of the market. Sound investment decisions are rewarded by high levels of market demand and healthy profits, while bad investment decisions are punished by failure. By contrast, public investments are dominated by slow, ineffective, bureaucratic decision-making, and are not subject to the test of the market. To the contrary, public investments are financed by tax revenues. This means that tax burdens have to rise to pay for public investments. These considerations undergird the view that public investments "crowd out" private investments, since funds spent on public investments will drain away money, people, and equipment that could be better utilized by private business firms. The case for private investment over public investment has a parallel in discussions around industrial policy—whether the U.S. government should be actively engaged in promoting technologies and business competitiveness. Since governments are not capable of "picking winners," at least not on a consistent basis, industrial policy is therefore just a means for governments to distort both the investment decisions of private businesses and the primary role of competition to separate winners from losers in the investment market. Serious counterarguments and contrary evidence suggest an alternative perspective. First, that a strong public infrastructure is a necessary foundation for promoting private [End Page 19] sector productivity—that is, having roads, bridges, airports, rail and bus systems, as well as water management, energy transmission, and communications systems operating effectively all lower the costs that private firms have to incur to operate their businesses. These productivity benefits and corresponding cost reductions for business are often substantial. As such, public investments do not, in fact, "crowd out" but actually "crowd in" private investments. And second, that industrial policy is the instrument through which we incubate new technologies and help private businesses make these innovations effective in the marketplace.

#### A corporate state will enable the success of right wing movements

Giroux 10, Henry A. Global TV Network Chair Professorship at McMaster University in the English and Cultural Studies Department. t r u t h o u t, Living in the Age of Imposed Amnesia: The Eclipse of Democratic Formative Culture, 11-16, http://archive.truthout.org/living-age-imposed-amnesia-the-eclipse-democratic-formative-culture65144

The financial elite scorn the social costs of their actions; they focus on an unflagging desire to make a profit at any expense. The new global elite no longer has any allegiance to the nation state, its people or its cultures. Negative globalization has made local politics irrelevant as financial power now travels unhampered by the boundaries or obligations of nation states. The flight from political accountability and state regulation has been matched by the flight from moral, social and political responsibility on the part of the rich and powerful. If progressives, radical social movements, religious institutions and major unions don't address these issues as crucial pedagogical concerns and build the cultural apparatuses to challenge them, I fear that any vestige of democratic politics and knowledge will further disappear, while populist resentment will be almost completely harnessed to a pedagogical and political project that ironically restores class power to the mega-rich.(13) With 17 million Americans unemployed, three million losing their homes and over 51 million without health insurance, people are desperate for jobs, mortgage relief and health care they can afford. Without the necessary formative culture that can provide Americans with a language that enables them to recognize the political, economic and social causes of their problems, a politics of despair, anger and dissatisfaction can easily be channeled into a politics of violence, vengeance and corruption, feeding far right-wing movements willing to trade in bigotry, thuggery and brutality. As the corporate state shreds all of the nation's social protections, it will take on the form of a punishing state and become more than willing to impose harsh disciplinary measures on those populations now considered disposable. The result will be a form of authoritarianism that brings about the utter collapse of democracy as a collective aspiration.

#### LIBERATING THE ECONOMIC SPHERE FROM GOVERNMENT CONTROLS IS A RECIPEE FOR THE MOST BRUTAL FORCES OF CAPITALISM AND PROTO-FACISM. OUR ARGUMENT IS A CRITICISM OF THE IDEOLOGY THAT CONVINCES US TO BELIEVE IN DEREGULATION AND PRIVATIZATION AS AN EXCUSE TO HAND OVER SOCIAL LIFE TO THE GODS OF PROFIT.

Giroux 04 [Henry, Global TV Network Chari in Communications at McMaster University Proto-Fascism in America: Neoliberalism and the Demise of Democracy]

In its capacity to dehistoricize and depoliticize society, as well as its aggressive attempts to destroy all of the public spheres necessary for the defense of a genuine democracy, neoliberalism reproduces the conditions for unleashing the most brutalizing forces of capitalism and accentuating the most central elements of proto-fascism. As the late Pierre Bourdieu argued, neoliberalism is a policy of depoliticization, attempting to liberate the economic sphere from all govern­ment controls. Drawing shamelessly on the lexicon of liberty, liberal-ism, and deregulation, it aims to grant economic deter­minisms a fatal stranglehold by liberating them from all controls, and to obtain the submission of citizens and governments to the economic and social forces thus liberated. . . . [T]his policy has imposed itself through the most varied means, especially juridical, on the liberal — or even social democratic — governments of a set of eco­nomically advanced countries, leading them gradually to divest themselves of the power to control economic forces.182 At the same time, neoliberalism uses the breathless rhetoric of the global victory of free-market rationality to cut public expenditures and undermine those non-commodified public spheres that serve as the repository for critical education, lan­guage, and public intervention. Spewed forth by the mass media, right-wing intellectuals, and governments alike, neo-liberal ideology, with its ongoing emphasis on deregulation and privatization**,** has found its material expression in an all-out attack on democratic values and on the very notion of the public sphere. Within the discourse of neoliberalism, the notion of the public good is devalued and, where possible, eliminated as part of a wider rationale for a handful of private interests to control as much of social life as possible in order to maximize their personal profit. Public services, such as healthcare, child care, public assistance, education, and transportation, now are subject to the rules of the market. Construing the pub­lic good as a private good and the needs of the corporate and private sector as the only source of investment, neoliberal ide­ology produces, legitimates, and exacerbates the existence of persistent poverty, inadequate health care, racial apartheid in the inner cities, and the growing inequalities between the rich and the poor.183

#### WE SHOULD RESIST THE PRIVATIZATION OF LIFE AT ALL COSTS. GIVING OURSELVES UP TO THE FREEDOM FROM MARKET REGULATION IS AN IDEOLOGY THAT PRIVATIZES EVERYTHING: SOCIAL CONTRACTS BECOME MEANINGLESS AS LIFE, DEMOCRACY AND MORALITY ONLY MAKES SENSE WITHIN THE NARROW LANGUAGE OF THE MARKET. THIS IS THE JUNGLE, A FORM OF THE SURVIVAL OF THE SLICKEST AND A BRUTAL FORM OF LIFE

Giroux 04 [Henry, Global TV Network Chari in Communications at McMaster University Proto-Fascism in America: Neoliberalism and the Demise of Democracy pg. 70-71]

Neoliberalism is not simply an economic policy designed to cut government spending, pursue free-trade policies, and free market forces from government regulations; it is also a polit­ical philosophy and ideology that affects every dimension of social life.Neoliberalism has heralded a radical economic, political, and experiential shift that now largely defines the citizen as a consumer, disbands the social contract in the inter­ests of privatized considerations, and separates capital from the context of place**.** Within this discourse, as Jean and John Comaroff have argued, "the personal is the only politics there is, the only politics with a tangible referent or emotional valence. It is in these privatized terms that action is organized, that the experience of inequity and antagonism takes mean­ingful shape."197 Under such circumstances, neoliberalism portends the death of politics as we know it, strips the social of its democratic values, reconstructs agency in terms that are utterly privatized, and provides the conditions for an emerg­ing form of proto-fascism that must be resisted at all costs. Neoliberalism not only enshrines unbridled individualism as a central feature of proto-fascism, as Herbert Marcuse reminds us,198 it also destroys any vestige of democratic society by un­dercutting its "moral, material, and regulatory moorings."199 In doing so, it offers no language for understanding how the future might be grasped outside of the narrow logic of the market**.** But there is even more at stake here than the obliter­ation of public concerns, the death of the social, the emer­gence of a market-based fundamentalism that undercuts the ability of people to understand how to translate the privately experienced misery into collective action, and the elimination of the gains of the welfare state. There is also the growing threat of displacing "political sovereignty with the sovereign­ty of the market, as if the latter has a mind and morality of its own."200 As democracy becomes a burden under the reign of neolib­eralism, civic discourse disappears and the reign of unfettered social Darwinism, with its survival-of-the-slickest philosophy, emergesas the template for a new form of proto-fascism. None of this will happen in the face of sufficient resistance, nor is the increasing move toward proto-fascism inevitable; but the conditions exist for democracy to lose all semblance of meaning in the United States. Against this encroaching form of fascism, a new language is needed for redefining the mean­ing of politics and the importance of public life.

#### ANTIGOVERNMENT ARGUMENTS DISTORT THE POSSIBILITY FOR CREATING DEMOCRATIC PUBLICS, FEEDING THE PRIVATIZATION OF SOCIAL LIFE AND INTOLERANCE TOWARDS OTHERS.

STATE REGULATIONS TO ENHANCE PUBLIC SPACE ARE NOT THE SAME AS CORRUPT GOVERNMENT. THE WESTERN DEMOCRATIC VERSION OF PUBLICNESS ALSO PROVIDES THE TOOLS FOR ITS OWN KRITIK. OUR CONCEPT OF PUBLICNESS IS A WAY OF DISCIPLINING BOTH CAPITAL AND PATRIARCHY.

EISENSTEIN 98, Professor and Chair of Politics at Ithaca College,

(Zillah R., Global Obscenities: Patriarchy, Capitalism, and the Lure of Cyberfantasy, http://search.barnesandnoble.com/booksearch/isbninquiry.asp?ean=9780814722053&displayonly=CHP)

The bourgeois nation-state was in part justified and authorized by the western/liberal-democratic version of publicness. This discourse, which is *also* a patriarchal and racialized discourse, has—often inadvertently—provided the tools for its own critique. The commonality of the public and the sharedness of citizenship allow those who are left behind to critique exclusionary and undemocratic notions of publicness and citizenship. The racialized and engendered aspects of nation and its notion of public are exacerbated as the economic bourgeois nation-state is undermined by global capital and its cybermedia complex. Public/private domains are renegotiated in real and virtual space. The transnational sexual division of labor is highlighted against this backdrop even while it is not represented in the discourses of virtual reality. Girls, especially, are exploited in the global factory, with little recognition of the global facets of the patriarchal power of transnational capital. As early as 1923 Walter Lippmann argued that there is really no such thing as `a' public—it is a construction of politics. Government as "the will of the people is a fiction," the public "is a mere phantom." The phantom public is neither public nor informed, but rather "a bewildered herd." As a result, Lippmann put no great stock in what can be done by "public opinion" or the "masses." When the notion of public is positioned hostilely against difference and radical pluralism, it negates the possibility of a liberatory democracy. The problem of publicness also appears when the state governs corruptly rather than regulating and enhancing public space democratically. A liberatory publicness must engage in open dialogue with multiple and different interests while protecting as well as empowering individuals within this domain. Postcommunist states can also be privatized in the hopes of creating "public participation." The process of privatization in this case is to create a "civic morality" where individual freedom will flourish. The goal of this participation is not merely to bring capitalist markets to eastern europe, but to use privatization to minimalize governmental authoritarianism. This process may necessitate destroying and eliminating authoritarian governments while embracing the idea of publicness in new ways. A full democratization of public life means envisioning the needs of all people—especially girls and women across the color divide—while displacing the logic of consumer capital. This demands an assault against the racialized patriarchal discourses and practices of global capital and its privatized notion of the transnational state. New ways of thinking and imagining are needed to reclaim the idea of publicness. How does one establish trust and concerns across time and space? According to Anthony Giddens, this will require a "transformation of intimacy." After all, the nuclear plant disaster at Chernobyl demonstrated just how small the globe is. Women from across the globe meeting in Beijing began to draw these new lines: of a public of women and girls across and through different cultures and values speaking against global poverty, sexual violence, and discrimination of all kinds. This new notion of citizenship does not use the borders of nation/family, public/private, or government/economy. As long as we are able to creatively imagine a community at odds with capital's use of racialized patriarchy, the very idea of publicness can be used as a start to discipline transnational capital. This process of `imagining' requires an assault on mediated, antigovernment imaginaries. The rhetoric of privatization—that government can do no right—distorts the possibilities available for creating democratic publics by assuming that all government, not just bad government, is the problem. Actually, government largesse has a significant history of success. Through research and development, the u.s. government has funded fossil fuels and the "renewables revolution" with positive effects in developing energy alternatives, environmental protection, and a growth economy. Present cuts in research and development have a double-edged effect, especially in areas such as biofuels, bioenergy crops, and electric cars. Many tools of government—including taxing, licensing, public works, and anti-trust laws—let individuals get what they want: parks to walk in, roads to drive on and so on. It was government investment that put a man on the moon, footed the G.I. bill, and built Boulder Dam. The internet owes its life to government funding. U.S. corporate dominance in computers and software is due in large part to the pentagon's advanced research projects. Most of the computer technology used for the internet was developed by and for the military and now is being completely taken over by private corporations, as they reap the profits of public investment. Today's continued privatization of the u.s. government means large cuts in social services and much smaller cuts in corporate welfare. The latter cuts are more indirect, but they nevertheless affect individuals by the air we breathe, the medicines that are not researched and developed, and so on. Similar cutbacks are part of most first-world politics today. Canadians took to the streets in October 1996 to demonstrate against the destruction of their governmentally subsidized safety net. Many regard this social safety net as quintessentially canadian, a defining component of their "caring society." The privatization of and cutbacks in the welfare state continue to devastate. By 1992, less than 1 percent of the u.s. GNP was spent on human welfare. By 1996, 20.8 percent of all u.s. children were defined as poor. Yet, billions of dollars continue to subsidize corporate interests. Welfare caseloads shrink, homelessness escalates, and shelters overflow. Utter destitution is the order of the day in the streets of most large cities, while Wall Street bonus babies cruise the Hamptons in their shiny new muscle cars. Ending welfare as the united states has known it also kills the idea that we share a public responsibility for one another. The extreme forms of this new poverty constitute the other side of the process of privatization begun a quarter century ago. A new selfishness denies welfare benefits to immigrants and public education to the children of illegal immigrants. Nations point to the "limitations of the state" and the constraints of global capital to justify the abandonment of equality as a goal. This abandonment creates new loopholes to help the very rich become even richer. It lessens capital investment in physical infrastructure, while those who have the means access services on the net. Meanwhile, former chief of staff General Colin Powell, along with several former u.s. presidents, generate a campaign "to privatize compassion" through volunteerism in the corporate sector. Good luck to us all. It feels like I have settled between a rock and a hard place. We need to imagine and then claim a public-regarding politics that stands against BOTH global capital and a simple reactivation of previous forms of the social-welfare state. AND this dialogue must move toward a notion of publicness that embraces the needs of all people and their global environments.

The short term demand of developing infrastructure for the people is part of a larger struggle for social responsibility

Giroux 11 (Henry A. Giroux, Global TV Network Chair in English and Cultural Studies at McMaster University, 21 November 2011, “Occupy Colleges Now: Students as the New Public Intellectuals”)

#### At the same time, there are some crucial short-term demands that are worth pursuing, such as ending student debt, funding programs to eradicate the scourge of poverty that affects 22 percent of American children, developing much needed infrastructure, offering mortgage relief for the 50 million people living with the "nightmare of foreclosures,"[6] increasing taxes on the wealthy and corporations and putting into place a public works program for the 25 million unable to find jobs. These calls for change represent only a handful of the policy reforms that will surely continue to be articulated as part of a larger strategy of long-term structural change and political transformation. It is important to recognize that what young people and many others are now doing is making a claim for a democratically informed politics that embraces the public good, economic justice and social responsibility. Central to this struggle is the need to affirm the social in governing, while defining freedom not simply through the pursuit of individual needs and the affirmation of self-interests but also as part of a social contract that couples individual and political rights with social rights. Political and individual freedoms are meaningless unless people are free from hunger, poverty, needless suffering and other material deprivations that undercut any viable possibility of dignity, agency and justice. The capacity for individual and political freedom has to take a detour through the social, which provides the economic foundation, public infrastructures and social supports for making private joys possible and individual dreams realizable. The public good is the basis for any real understanding of freedom, at least one that believes in shared responsibilities, liberty, equality and justice. As sociologist Zygmunt Bauman points out, political rights lose their viability without social rights. He writes: Little or no prospect of rescue from individual indolence or impotence can be expected to arrive from a political state that is not, and refuses to be, a social state. Without social rights for all, a large and in all probability growing number of people will find their political rights of little use and unworthy of their attention. If political rights are necessary to set social rights in place, social rights are indispensable to make political rights "real" and keep them in operation. The two rights need each other for their survival; that survival can only be their joint achievement.[7] The Occupy Wall Street protests are rejecting a notion of society which embraces a definition of agency in which people are viewed only as commodities, bound together in a Darwinian nightmare by the logic of greed, unchecked individualism and a disdain for democratic values (as linguistic theorist and writer George Lakoff recently pointed out in Truthout). The old idea of democracy, in which the few govern the many through the power of capital and ritualized elections, is being replaced with a new understanding of democracy and politics in which power and resources are shared and economic justice and democratic values work in the interest of the common well-being and social responsibility.

# AT: TO OFF CASE ARGUMENTS

## AT: SPENDING

#### Only the fed can run temporary deficits and TURN – federal spending lowers the deficit by reducing unemployment

Bennett and Walker 11 Martin Bennett teaches American history at Santa Rosa Junior College and is co-chair of the Living Wage Coalition of Sonoma County. Richard Walker is a professor of geography at UC Berkeley and co-director of the California Living New Deal Project. Labor's Edge: Views from the California Labor Movement, 10-20, http://www.irle.berkeley.edu/press/20111020\_newdeal.html

First, the federal government can run temporary deficits. While the federal deficit is relatively high at 10 percent of GDP in 2010, it is still dramatically lower than the peak of 30 percent of GDP during World War II. Contrary to popular thinking, government spending in a recession can lower the deficit by taking people off the unemployment roles and putting money in the hands of ordinary people to bolster consumer demand, which stimulates business and returns more tax revenues.

#### Money is already allocated – current agencies can just use current budgets

Pollin and Baker 10 Robert Pollin is a professor of economics and co-director of the Political Economy Research Institute (PERI) at the University of Massachusetts-Amherst. Dean Baker is the co-director of the Center for Economic and Policy Research. New Labor Forum > Volume 19, Number 2, Spring

As the top panel of Table 2 shows, as of 2007, the average cost to produce a bus in the United States was $425,000. Thus, the overall cost to build 100,000 new buses would be about $42.5 billion, or $8.5 billion per year for five years. But only 35,000 of the new purchases—7,000 per year—would be for expanding beyond the existing supply of buses. The expansion of bus service would therefore cost about $15 billion total, or $3 billion per year over five years. The remaining $5 billion per year in expenditures, to build 13,000 replacement buses per year, would represent a somewhat accelerated depreciation expense, most of which would already have been incorporated into the budgets of the government [End Page 28] agencies administering the country's various public transportation systems.

## AT: POLITICS

#### Your link arguments are NU – the GOP has been bashing Obama for the last year on transportation

Freemark 12 Yonah, urbanist who has worked in architecture and planning and who has written for a number of media outlets. The Transport Politic, Time to Fight, February 6th, | http://www.thetransportpolitic.com/2012/02/06/time-to-fight/

The House’s effort to move forward on a new multiyear federal transportation bill — eagerly awaited by policy wonks for three years — follows intense and repeated Republican obstructions of the Obama Administration’s most pioneering efforts to alter the nation’s transportation policy in favor of investments that improve daily life for inhabitants of American metropolitan areas. As part of that process, federally funded high-speed rail, streetcar, and transit center projects have been shot down by local politicians as a waste of money, even as road construction has continued apace.

#### The link would only happen in the House – there’d be no loss of PC in the Senate

Freemark 12 Yonah, urbanist who has worked in architecture and planning and who has written for a number of media outlets. The Transport Politic, Time to Fight, February 6th, | http://www.thetransportpolitic.com/2012/02/06/time-to-fight/

The House’s effort to move forward on a new multiyear federal transportation bill — eagerly awaited by policy wonks for three years — follows intense and repeated Republican obstructions of the Obama Administration’s most pioneering efforts to alter the nation’s transportation policy in favor of investments that improve daily life for inhabitants of American metropolitan areas. As part of that process, federally funded high-speed rail, streetcar, and transit center projects have been shot down by local politicians as a waste of money, even as road construction has continued apace. The strange and laudable part of the Senate side of the story — at least as compared to the House — is the bipartisan nature of decision-making there. Why are Republicans in the Senate promoting a transportation bill that explicitly would promote multimodalism as a goal, in a contrast to the highway focus of their peers in the House? Why are they accepting environmental criteria as appropriate measures of quality in transportation policy? Perhaps the Democratic Party’s control of the Senate makes fighting such ideas a waste of time. Or perhaps longer Senate terms in office allow clearer, more reasonable thinking. Whatever the reason, in the long-term, it is hard to envision reversing the continued growth of the GOP’s strident opposition to sustainable transportation investments in the House. As I have documented, density of population correlates strongly and positively with the Democratic Party vote share in Congressional elections; the result has been that the House Republicans have few electoral reasons to articulate policies that benefit cities.

#### The plan would be viewed as recession cure

Wachs 11 Martin, Professor Emeritus –Civil and Environmental Engineering at UC Berkeley, ACCESS, Transportation, Jobs, and Economic Growth, Spring 2 #3

American politicians are bitterly divided on many matters of public policy, yet they seem to agree that spending on transportation programs creates jobs and thus constitutes a path out of the nation's long and deep recession. Infrastructure investments are prescribed to stimulate the economy in the short term by creating construction employment, and to foster longer-term economic growth by making the transportation system more efficient and reliable. Democrats and Republicans, liberals and conservatives, rural and urban elected officials—all seek funding for roads and transit projects in their districts, asserting repeatedly that these expenditures will create jobs. President Obama vigorously sought to create jobs through transportation spending in the recent economic stimulus package.

#### The plan’s domestic sourcing requirements are broadly supported in the Congress

Alliance for American Manufacturing 10 Buy America Works: Longstanding United States Policy Enhances the Job Creating Effect of Government Spending, FEBRUARY

For more than 70 years, the United States has had domestic sourcing or “Buy America” laws on the books to ensure that American-made goods and materials have preference over imported products with respect to government procurement and infrastructure projects. Including domestic sourcing requirements in job creating legislation would be the most effective way to ensure taxpayer dollars are used to create and maintain jobs and manufacturing capacity to the maximum extent possible, thereby vastly improving the stimulative effect of government spending. Under current law, domestic sourcing requirements apply to general government procurement, materials for highway and transit infrastructure investments, projects funded by the American Recovery and Reinvestment Act of 2009 (the Recovery Act), and elsewhere. “Buy America” is a proven job creation tool that is broadly supported by Congress, the American people, and hundreds of local governments throughout the United States. Domestic sourcing laws comply with our international trade obligations and are utilized by numerous foreign governments. For all of these reasons, “Buy America” provisions should continue to be utilized in infrastructure and other spending bills so that our manufacturing base can thrive and so that more Americans can earn a paycheck and contribute to the overall welfare of the nation.

#### BUY AMERICA ENJOYS STRONG SUPPORT

Alliance for American Manufacturing 10 Buy America Works: Longstanding United States Policy Enhances the Job Creating Effect of Government Spending, FEBRUARY

Domestic Sourcing requirements enjoy broad support from the American public and from all levels of government. A February 4, 2009, Harris Interactive poll, commissioned by the Alliance for American Manufacturing, found that 84 percent of Americans favored “Buy America” requirements in The Recovery Act (66 percent strongly, 18 percent somewhat) and only 11 percent of Americans opposed. Congress adopted strong domestic sourcing requirements within The Recovery Act on a bipartisan basis. The Senate provision was added with no objection in the Appropriations Committee, and on February 4, 2009, the full Senate voted 31-65 against a McCain amendment (vote #44) to strip out the language. Meanwhile, the House Appropriations Committee voted 55-0 to include the provision in its version of the bill. To date, more than 500 local, state and municipal governments have passed “Buy America” resolutions of their own, pledging to ensure that American-made materials are used to the fullest extent possible in infrastructure projects funded by the Recovery Act.

#### The Tea Party cares more about China than the plan

Elk 10 Mike Elk is a third-generation union organizer and journalist whose work appears frequently in In These Times. He previously worked for Campaign for America's Future and the United Electrical, Radio, and Machine Workers (UE). AlterNet, 8-26, http://www.alternet.org/story/147957/despite\_fresh\_rhetoric\_about\_saving\_u.s.\_manufacturing%2C\_obama\_is\_quietly\_pushing\_failed\_bush\_trade\_policies

The poll revealed that 74 percent of self-described Tea Party supporters would support a "national manufacturing strategy to make sure that economic, tax, labor, and trade policies in this country work together to help support manufacturing in the United States." The top concerns of most Americans, including Tea Party supporters, is not the size of the federal budget deficit, but our relationship with China, which includes a massive trade imbalance that neither major political party is directly challenging.

## AT: PPP CP

#### Their CP can’t solve our financial speculation bad arguments – they continue to prop up bad structures of growth based on profit

#### A. Their CP reduces transit to a form of development – only the plan sees mass transit as a obligation for re-distribution.

Freemark 10 - Yonah, independent researcher currently working in France on comparative urban development as part of a Gordon Grand Fellowship from Yale University, Transport Politic, 6-11, http://www.thetransportpolitic.com/2010/06/11/reversing-roles-should-washington-cover-operations-costs/

If we take these assumptions as more or less true, what implications do they have for public transportation? The answer comes down to both whether we define transit operations as a redistributive resource or as a developmental one and whether the tax base of a transit district is sufficiently broad as to be able to ensure long-term revenue sources from middle and high-income populations. The first question — whether transit operations are redistributive or developmental — is not easy to answer. If a bus or rail system serves almost entirely as mobility of last resort, used only by people in the lower class to get around, it is almost assuredly redistributive. Cities that provide such services are, according to Peterson, investing in something that will ultimately lower the local tax base (I’m not sure if I would go that far, but the argument still makes some since). In these situations, it would make complete sense for the federal government to pay for operations, because it is unfair to burden already poor cities with the need to raise local funds to cover social services. The more progressively oriented Washington’s political climate is, in other words, the more local transit operations would be subsidized. The question of how many services to provide comes down to how much we want to help the lower class.

#### B. PPPs track record is horrible – you’re trusting the same people who caused the recession

Reichel 12 - Matt, AlterNet, The New Wall Street Racket Looting Your City, 5-7, http://www.alternet.org/story/155276/the\_new\_wall\_street\_racket\_looting\_your\_city%2C\_one\_block\_at\_a\_time

While the mayor bills his plan as “bold” and “innovative,” the reality could not be further from the truth. Public-private partnerships (PPPs) have been around for decades in various forms and their track record is replete with delays, cost overruns and prolonged legal battles. What’s more, the beneficiaries of these investment mechanisms are the same rapacious Morgan Stanleys and Goldman Sachs that gave us the mortgage-backed securities scandal and the ensuing recession. Using the economic malaise they created as cause, they have ratcheted up their advocacy of PPPs as a means of helping cash-starved public entities finance capital-intensive projects. The upshot is that they are holding us hostage all over again. They are using infrastructure built over decades with public monies as collateral to extract profit off of the back of taxpayers. A cursory look at some past projects of this nature demonstrates that PPPs are often inefficient, overly costly and inherently unjust. The London Tube Nightmare The granddaddy of all PPP debacles is the London Underground. Metronet PPP is the brainchild of former Prime Minister Gordon Brown. The contract design kept London Underground in public hands while privatizing the renovation and renewal elements to the system. As with the Chicago parking meter deal, the contract was replete with virtually unintelligible legalese designed to give the private partners an advantage in court, while also rendering public scrutiny of the contract exceedingly difficult. Bureaucratic costs related to drawing up contracts with external bidders ultimately surpassed 500 million pounds. In the Guardian, Christian Wolmar notes that “the idea that the PPP would keep costs down has also proved fanciful. It is a recipe for disputes, which often end up in the hands of expensive lawyers. During the first contract, there is a mega dispute brewing over Tube Lines' failure to complete the resignalling of the Jubilee Line which should have been finished this month and is now set to take until the autumn, with numerous extra weekend closures. In addition, the arbiter's report says that claims involving a staggering £727m have been laid by Tube Lines, £500m of which are still outstanding.” As bloated contractual costs and project overruns spun out of control, Metronet ultimately collapsed in 2008. A year later, the entire PPP went down with it after an arbiter refused to allow funds for the other private partner, Tube Lines, to do further renovations. The final cost to taxpayers is estimated at somewhere between 170 million and 410 million pounds, which does not account for the inconvenience of relentless service stoppages and construction delays. Former London Mayor Ken Livingstone complained at the time: “We are being asked to write a blank cheque in order to prop up failing Tube Lines. In other countries this would be called looting, here it is called the PPP.”

#### C. Profit is a poor lens to understand infrastructure

Reichel 12 - Matt, AlterNet, The New Wall Street Racket Looting Your City, 5-7, http://www.alternet.org/story/155276/the\_new\_wall\_street\_racket\_looting\_your\_city%2C\_one\_block\_at\_a\_time

Nonetheless, the two shortcomings of this project are particularly instructive. Its primary problem was the failure to meet the initial high-shooting projections initially set out. Traffic patterns are extremely difficult to accurately anticipate: a situation not helped by the backdrop of the worldwide recession and the location of this road in a region that was particularly burdened by the foreclosure crisis. The intrinsic uncertainty of usage of public infrastructure renders it a poor focal point for private, profit-driven investment. The reality is that parks, roadways and bridges require periodic capital investment irrespective of profitability. Public entities are far more well-equipped to finance these unreliable projects for the very reason that government is not motivated by profit.**\**

#### D. Localism kills redistribution

Freemark 10 - Yonah, independent researcher currently working in France on comparative urban development as part of a Gordon Grand Fellowship from Yale University, Transport Politic, 6-11, http://www.thetransportpolitic.com/2010/06/11/reversing-roles-should-washington-cover-operations-costs/

Paul E. Peterson — the urban political theorist whose views on most issues I hardly share — nevertheless provides an interesting approach to considering this question. In his seminal 1981 book City Limits, Peterson addresses the issue of what role urban governments should have within the U.S. federal system. He argues relatively persuasively that cities and their leaders should have only a minor interest in promoting policies that are designed to move wealth from that city’s wealthiest residents to its poorest; “The local interest in economic growth all but precludes a commitment to redistribution,” he suggests (93). “Broad-scale redistributive policy proposals are inappropriately addressed to local governments. For example, if a city-wide minimum wage is passed, it will drive business outside the city’s boundaries. If good quality, subsidized housing is built with local funds, not only must it be paid for out of local tax dollars, but it might very well attract low-income families from other places” (173). The suggestion is that cities cannot in their own budgets commit to politics that aid the poor; these policies generally have the tendency to encourage the wealthy to leave cities and the poor to stay, ultimately resulting in a declining tax base. Rather, Peterson argues, cities will produce more benefit by investing in developmental projects that increase attractiveness and expand the tax base. Obviously, all of these arguments must be understood with a grain of salt — they’re not all-encompassing, and cities are affected by trends outside of their own making. We also must assume that it is in a city’s primary political interest to want to increase its tax base. Also, Peterson does not argue against redistribution entirely — City Limits does leave room for higher levels of government to be involved in funding services designed specifically for the poor — he simply points out that it is not in a city‘s long-term interest to use locally raised funds on the lower class. After all, the net migration in and out of a city can be quite significant (the city of Baltimore, just to take an example, has lost a third of its population since 1950), while the country as a whole, and its tax base, will mostly remain constant.

#### State dependence on federal funds is too engrained for the CP to solve

Freemark 11 - Yonah, independent researcher currently working in France on comparative urban development as part of a Gordon Grand Fellowship from Yale University, Transport Politic, 9-2, http://www.thetransportpolitic.com/2011/09/02/spurring-jobs-through-infrastructure/

For the average rider, dependent on transit service recession or not, this would be an improvement, since the federal government is able to assume a deficit during economic declines, while local governments are not. For sure, at the moment big improvements like new rail lines are unlikely to be pursued just about anywhere in the United States without an infusion of new dollars from the feds. With its large receipts from the nationwide gas tax, Washington is able to distribute funds to projects across the country and allow construction to occur far more quickly than would be possible were states and localities to go at it alone. The use of federal funds prevents a fight to the bottom in which a competition over lower and lower taxes intended to attract business from other parts of the country create a less-than-optimal provision of public services. In addition, the concept that the federal government is the primary investor in the funding of roads and transit projects is too engrained for a quick transition to another model.

#### Federal money is bound by the Buy American Act – the CP would create less incentives to increase US jobs

Pollin and Baker 10 Robert Pollin is a professor of economics and co-director of the Political Economy Research Institute (PERI) at the University of Massachusetts-Amherst. Dean Baker is the co-director of the Center for Economic and Policy Research. New Labor Forum > Volume 19, Number 2, Spring

Expanding U.S. bus transportation services saves the auto-industry by diversifying their operations away from cars How would such an initiative impact the overall situation in the auto and bus production industry, and manufacturing more generally, including the creation of new job opportunities in manufacturing? The Buy American Act requires that all federally-funded transit investments be built with at least 60 percent of their components produced in the U.S., and that the assembly also be performed within the U.S. As such, any initiative such as this to expand bus production and bus service throughout the United States would necessarily mean most of the production will be done by U.S. workers.10 [End Page 29] At present, the major suppliers of buses in the U.S. are the U.S. companies Gillig and North American Bus, and two Canadian companies with major U.S. operations, New Flyer and Orion. Given that these existing companies produced only about 3,600 buses in 2007, it would be unrealistic to assume they could expand up to 20,000 buses per year in a brief period of time. As a rough estimate, we assume that the existing producers could, at most, increase their rates of production by 50 percent above their 2007 levels, to 5,400 buses per year. For simplicity, we assume the existing bus manufacturers would increase their production to 5,000 buses per year—i.e., 25 percent of the overall procurement order of 20,000. The remaining roughly 15,000 new buses per year would then be built by the automobile manufacturers in the U.S. To begin with, we include here all thirteen companies manufacturing cars in the U.S. as potentially eligible to undertake this project of converting part of their auto production operations into building buses. Of these firms, the U.S. firms General Motors, Ford, and Chrysler accounted for 60 percent of all cars built in the U.S. as of 2007. The remaining manufacturers producing in the U.S. are Japanese, German, and South Korean firms. With auto companies, in general, facing a severe slump—with a high percentage of both their productive equipment and labor force sitting idle or underutilized—we would anticipate that at least some of the companies would eagerly compete to obtain a major government procurement order, even if fulfilling the order means converting some of their production facilities from autos to buses. What would be the impact, for the car companies, of receiving a procurement order to produce 15,000 buses per year for the next five years? To estimate this, we have to compare the production costs of the average bus, at $425,000, with the production costs of the average automobile, which are about $13,000 (as shown in the middle panel of Table 2). This means that producing one bus would have an impact on domestic manufacturing equal to producing about thirty-three new autos. For simplicity, we round this cost difference to thirty-to-one. Based on this roughly thirty-to-one cost differential between buses and autos, for auto manufacturers to receive a procurement order of 15,000 buses per year would mean the equivalent of 450,000 in new automobile production orders. Total U.S. auto production was 10.8 million in 2007 but fell to 8.7 million in 2008. Therefore, an order of 450,000 new cars would be the equivalent of an increase in car orders of about 5 percent relative to the 2008 level. It would mean that the equivalent of about 9.2 million cars would be produced, which would still be 1.6 million fewer than in 2007. In short, depending on the details, the program could provide a major increase in sales for the car companies as well as the existing bus manufacturers. It could also encourage the auto companies to become focused around the idea of converting a segment of their overall operations to manufacturing products other than automobiles. Moreover, once they have obtained experience in converting part of their production line to buses, they should then be better equipped to undertake additional conversion projects—for example, rail production or even clean energy-generating equipment, such as wind turbines and various sorts of solar energy systems. Manufacturing 20,000 new buses per year would also generate a total of about 80,000 jobs, including nearly 30,000 in manufacturing, as we show in the lower panel of Table 2. Of course, returning to a point emphasized earlier, spending $8.5 billion per year on anything will produce thousands of jobs. Moreover, as Table 2 shows, the overall employment impact of manufacturing buses would not be significantly different from putting the same [End Page 30] amount of money into producing tanks or missile components for the U.S. military. But the overall economic impact would obviously be dramatically different—for the environment, for low-income households, as well as for reviving our manufacturing base through conversion to clean energy investments.

#### The solvency deficit is 33% less jobs

Alliance for American Manufacturing 10 Buy America Works: Longstanding United States Policy Enhances the Job Creating Effect of Government Spending, FEBRUARY

Indeed, a 2008 Government Accountability Office (GAO) study describes the benefits of “Buy America” policies, noting that potential benefits include “protecting domestic employment through national infrastructure improvements that can stimulate economic activity and create jobs…” (GAO-09-36; December 12, 2008) [emphasis added]. Likewise, a report released by the Alliance for American Manufacturing (AAM) in January of 2009, How Infrastructure Investments Support the U.S. Economy: Employment, Productivity and Growth, shows that roughly 18,000 new jobs would be created for every $1 billion in new infrastructure spending on our nation’s transportation, energy, water systems, and public schools. To adequately meet the nation’s assessed infrastructure needs over the next five years, the report estimates that a minimum of $87 billion per year is needed, of which $54 billion would come from the public and $33 billion would be private investment. Importantly, according to that report, manufacturing employment gains from infrastructure investment can increase by up to 33 percent when the amount of domestic materials purchased are maximized with the inclusion of strong domestic sourcing provisions. We must recognize that we no longer live in a closed economy. Thus, substantial sums of taxpayer funding intended for investment and job creation here at home could instead wind up going overseas into the hands of foreign producers and governments unnecessarily unless we ensure that domestic sourcing rules are incorporated into federal procurement for a wide range of infrastructure projects. It would be a very unwelcome outcome for the American people if manufacturing jobs and capacity instead were created overseas. China, European nations, and many other foreign governments have already made commitments to heavily invest in their industrial base, which is an important step in capturing the technology that will support sustained employment in the 21st century. We must do the same if the United States is to successfully compete now and in the years to come.

### Fed is better

#### A. Specific sector expertise

Pollin and Baker 10 Robert Pollin is a professor of economics and co-director of the Political Economy Research Institute (PERI) at the University of Massachusetts-Amherst. Dean Baker is the co-director of the Center for Economic and Policy Research. *New Labor Forum* > Volume 19, Number 2, Spring

#### In recent years, various federal governmental agencies have developed assessments of the long-term infrastructure investments needed to close the gaps created by inadequate investment levels over the previous thirty years. Focusing on their specific areas of jurisdiction, these agencies include the U.S. Department of Transportation, Association of American Railroads, Federal Aviation Administration, Army Corps of Engineers, Environmental Protection Agency, and Energy Information Agency.

#### B. Fed ability is proven – could also be a public review good argument, replaces military influence adv

Pollin 10 Robert, Robert Pollin is a professor of economics and co-director of the Political Economy Research Institute (PERI) at the University of Massachusetts-Amherst. New Labor Forum, Industrial Policy and the Revival of U.S. Manufacturing, Jan

Not surprisingly, reaching that level of political influence poses numerous challenges of its own. To begin with, few people outside of elite policymaking circles in the U.S. appreciate the extent to which the federal government has been successful in conducting industrial policies. Instead, as Professor Fred Block argues, U.S. industrial policies have operated as what he terms a “hidden developmental state,” under the umbrella of the Pentagon’s national security agenda, not as an open public policy effort to advance technical innovation, productivity, competitiveness, and jobs. Conducting industrial policies in the U.S. in this way has meant that the military has exercised disproportionate influence over what passes as legitimate aims of such policies. And precisely because Pentagon-based industrial policies have been sheltered from the normal standards of public review, an adequate system of carrots and sticks has never emerged to regulate the private businesses that benefit most directly from these policies through contracts and subsidies. The egregious non-competitive, gold-plated, cost-plus contracts handed out to weapons suppliers are the most well-known examples of this broader problem. Here, then, is the overarching challenge in trying to design industrial policies to advance clean energy, a reconfigured transportation system, a renewed manufacturing sector, and, yes, a revived Detroit. As a technical matter, the federal government has the capacity today to dramatically expand the markets for clean public transportation and renewable energy systems, just as the Pentagon spent forty years nurturing the Internet. But we lack the experience and political will to advance this agenda outside of the Pentagon. The question is whether we can build such capacities over time.

#### C. Renewables. Dept of Energy has a better track record for stimulating renewable energy investments

Pollin and Baker 10 Robert Pollin is a professor of economics and co-director of the Political Economy Research Institute (PERI) at the University of Massachusetts-Amherst. Dean Baker is the co-director of the Center for Economic and Policy Research. New Labor Forum > Volume 19, Number 2, Spring

As we have discussed, the basic outlines of how to proceed with such large-scale initiatives have already been developed and proven successful by U.S. policymakers, particularly within the Pentagon. That is, the U.S. government needs to be committed to providing support for research, development, and commercialization for these projects, within government labs, at universities, and in private businesses, as has been done by the Pentagon. The government also needs to ensure that robust markets are ready and waiting with their own procurement orders. Without each of these levels of support, the overall enterprise could face insurmountable obstacles. At the same time, the institutional infrastructure already exists for pursuing major new initiatives in public investment and industrial policies outside the Pentagon. For example, the U.S. Department of Energy is already effectively operating as the nerve center for public investments and industrial policies tied to the green economy, starting with the clean energy investment programs flowing out of the ARRA.

#### D. Demand. Fed key to stimulate demand – and demonstrate we care as much as other countries

Fitzgerald et al, Granquist, Khatiwada, McLaughlin, Renner and Sum 10

Joan Fitzgerald is professor and director of the graduate program in Law, Policy and Society and a Senior Research Fellow at the Kitty and Michael Dukakis Center for Urban and Regional Policy at Northeastern University. Lisa Granquist is a Ph.D. student in the Law, Policy and Society Program in the School of Public Policy and Urban Affairs at Northeastern University. Ishwar Khatiwada is a Senior Research Associate at the Center for Labor Market Studies at Northeastern University. Joseph McLaughlin is a Senior Research Associate at the Center for Labor Market Studies at Northeastern University. Michael Renner is a Senior Researcher at the Worldwatch Institute. Andrew M. Sum is Professor of Economics and Director of the Center for Labor Market Studies at Northeastern University. Reviving the U.S. Rail and Transit Industry: Investments and Job Creation, Sept

If U.S. manufacturing is to experience a serious revival that produces more than fragmented showcase projects and scattered jobs, the federal government needs to take much bolder policy action that creates demand and supports research and development in key industries. “U.S. manufacturers are not likely to decide to reenter the market and manufacture railcars unless the U.S. Government (like other major Western countries and Japan) assures a stable, predictable, and planned rail equipment market that spreads orders out more or less evenly and in manageable sizes.” 1

#### We solve quicker -

Wachs 11 Martin, Professor Emeritus –Civil and Environmental Engineering at UC Berkeley, ACCESS, Transportation, Jobs, and Economic Growth, Spring 2 #38

To create or preserve jobs in the short term, it might be more effective to use federal dollars to subsidize the operations and maintenance of transportation systems. Dollars spent on operating bus lines, for example, are spent largely on labor and thus quickly recirculate in the local economy.

#### E. Environmental movements: Only federal action motivates environmental leaders

Stoddart and Tindall 12 Mark C. J. - Memorial University of Newfoundland, St. John’s, Newfoundland and Labrador, Canada, D. B. University of British Columbia, Vancouver, British Columbia, Canada, Organization & Environment, XX(X) 1–2

For these environmental movement participants, the federal government is seen as most responsible for addressing climate change. Government leadership is necessary because it has the power to set regulations and lead corporations and citizens toward pro-environmental behavior. However, a substantial number of participants also assert that “individuals are the driving force” in dealing with climate change. In this framework, individuals can take responsibility either through making lifestyle changes, or through applying pressure to government and businesses as citizens and consumers. Corporations are interpreted as unwilling to change on their own but must be coerced into becoming more environmentally sustainable by a strong state. Over the past several years, climate change has been transformed from an object of scientific inquiry into one of the most visible environmental problems on the public agenda (Cohen & Waddell, 2009; Lever-Tracy, 2010; Paehlke, 2008; Weart, 2003). Though awareness of the problem among environmental scientists and environmentalists dates back to the 1980s, there has been a recent explosion in media and political attention to the issue. Record warm temperatures around the globe in the late 1990s, extreme weather events such as Hurricane Katrina and the success of films such as Al Gore’s documentary An Inconvenient Truth or the science fiction The Day After Tomorrow helped translate global climate change into one of the most visible problems of contemporary environmental politics. Although the exact consequences of climate change are difficult to predict, the impacts will likely be severe if the world’s population does not reduce its production of greenhouse gas emissions. Potential consequences include rising sea levels and flooding of coastal areas, the spread of diseases into new regions of the globe, and devastating transformations of animal and plant habitat. Responsibility for addressing this problem is variously ascribed to governments, to the private sector, and to individuals as citizens and consumers. Debate over climate change responsibility also focuses on who should bear the costs for addressing this problem. Climate change is often framed as “everybody’s problem,” with responsibility shared among all nations. However, those who adopt a “climate justice” perspective suggest that the wealthy nations of the global North, which have historically been responsible for a disproportionate amount of carbon dioxide and other greenhouse gas emissions, should bear a greater degree of responsibility than less developed countries (Parks & Roberts, 2006; Roberts, 2011; Roberts & Parks, 2007). Proposed solutions for mitigating climate change variously target individuals and governments. As consumers, individuals are encouraged to buy hybrid cars, turn down their thermostats, replace light bulbs, and improve their home insulation. In contrast, governments are encouraged to address climate change by enacting policy that manages energy use by corporations and citizens at a macrosocial scale. Drawing on responses to open-ended questions included in a self-administered survey completed by 1,227 “rank-and-file” members of nine Canadian environmental organizations, we answer two research questions. First, who do environmental organization members believe should be responsible for addressing climate change? Second, according to environmental organization members, what solutions should be adopted in addressing climate change? Sociological research on attitudes and beliefs about climate change often focuses on the general public, rather than on the interpretive frameworks of specific subpopulations (Brechin, 2003; Dietz, Dan, & Shwom, 2007; Dunlap, 1998; Henry, 2000; McCright & Dunlap, 2011; Norgaard, 2006, 2011; O’Connor, Bord, Yarnal, & Wiefek, 2002; Zahran, Brody, Grover, & Vedlitz, 2006). Instead, we adopt a narrower focus on Canadian environmentalists’ attribution of responsibility for addressing climate change and their beliefs about the necessary solutions to this problem. This study not only builds on research on cultural interpretations of climate change but also speaks to questions raised in the climate governance and climate justice literatures about who is responsible for addressing this problem and what should be done about it (Bell, 2010; Betsill & Bulkeley, 2006; Blühdorn, 2011; Compston, 2009; Fisher, 2004; Giddens, 2009; Hale, 2010; Harris, 2008; Kondoh, 2009; Parks & Roberts, 2006; Roberts, 2011; Roberts & Parks, 2007). Though public opinion and support for particular policy options are not the only factors that determine the actions of governments, governments in liberal democracies pay some attention to public opinion and to social movement activities, such as protest demonstrations. The greater the support for particular policy positions among the public, and the greater the participation in protest demonstrations, the more likely governments are to adopt policies that respond to movement goals and objectives.1 Several studies have shown that social network ties from environmental organization members to others can serve to diffuse values and attitudes to the wider public. This can be seen as one type of social movement outcome (Giugni, 1998, 1999). For example, Author Tindall (2008) found that members of the general public in Canada who were not members of an environmental organization were more likely to have a plan to deal with climate change if they have a social network tie to someone who belonged to an environmental organization. (This effect persisted when value orientation—as measured by the NEP scale, see Dunlap, Kent, Van Liere, Mertig, & Jones, 2000—was statistically controlled.) Similarly, members of the general public in British Columbia who had a tie to someone who belonged to an environmental organization were significantly less satisfied with forest management in British Columbia (Tindall, Harshaw, & Taylor 2011). It is our contention that rank-and-file environmental organization members are potential opinion leaders whose views are politically significant, as they have the potential to spread to the wider public (Earl, 2004; Giugni, 1998; Rochon, 1998; Strang & Soule, 1998). Similar processes have arguably occurred in domains such as civil rights, feminism, and gay and lesbian rights.

#### F. The fed has experience in developing low-income friendly public transportation

Pollin, Wicks-Lim, and Peltier 9 Robert, Jeannette and Heidi, Department of Economics and Political Economy Research Institute University of Massachusetts, Amherst, Prepared under commission from the Natural Resources Defense Council & Green For All, GREEN PROSPERITY: How Clean-Energy Policies Can Fight Poverty and Raise Living Standards in the United States, Jun

The ARRA is certainly a major step in the right direction, but a continued large-scale commitment will be needed beyond the two years budgeted through the ARRA. We do have useful experiences on which to draw from the federal government’s current program that is aimed at improving public transportation services available to low-income people and reducing the fares of such services. This is the Job Access and Reverse Commute Program (JARC), which was established in 1998, “to address the unique transportation challenges faced by welfare recipients and lowincome persons seeking to obtain and maintain employment,” according to the U.S. Federal Transit Administration. When the country’s welfare policies were overhauled in 1997, JARC was created specifically to assist welfare recipients to connect with job opportunities by making transportation to jobs much more accessible.

#### G. The fed owns the auto-industry

Pollin and Baker 10 Robert Pollin is a professor of economics and co-director of the Political Economy Research Institute (PERI) at the University of Massachusetts-Amherst. Dean Baker is the co-director of the Center for Economic and Policy Research. New Labor Forum > Volume 19, Number 2, Spring

In short, a project like this could serve as a major new engine of job creation throughout the Midwest. But this can happen only if there are business firms in the Midwest willing and able to build the needed equipment. Certainly today's auto manufacturers have the technical capacity and scale to participate in such a project. General Motors itself, perhaps especially operating under its present arrangement with the government as the major shareholder of the firm, would be well positioned to take the lead here.

#### 5. The CP can’t solve the federal signal. The federal government is uniquely sending a signal in support of de-regulation, which the CP can’t solve and the state’s are too pro-highways to ever really follow through with the CP

Freemark 12 Yonah, urbanist who has worked in architecture and planning and who has written for a number of media outlets. The Transport Politic, Time to Fight, February 6th, | <http://www.thetransportpolitic.com/2012/02/06/time-to-fight/>

With a House like this, what advances can American transportation policy make? Actions by members of the U.S. House over the past week suggest that Republican opposition to the funding of alternative transportation has developed into an all-out ideological battle. Though their efforts are unlikely to advance much past the doors of their chamber, the policy recklessness they have displayed speaks truly poorly of the future of the nation’s mobility systems. By Friday last week, the following measures were brought to the attention of the GOP-led body: The Ways and Means Committee acted to eliminate the Mass Transit Account of the Highway Trust Fund, destroying public transportation’s source of steady federal financing for capital projects, first established in the 1980s. The members of the committee determined that to remedy the fact that gas taxes have not been increased since 1993,\* the most appropriate course was not to raise the tax (as would make sense considering inflation, more efficient vehicles, and the negative environmental and congestion-related effects of gas consumption) but rather to transfer all of its revenues to the construction of highways. Public transit, on the other hand, would have to fight for an appropriation from the general fund, losing its traditional guarantee of funding and forcing any spending on it to be offset by reductions in other government programs.\*\* This as the GOP has made evident its intention to reduce funding for that same general fund through a continued push for income tax reductions, even for the highest earners. The House Transportation and Infrastructure Committee approved a transportation reauthorization bill on partisan lines (with the exception of one Republican who voted against it, Tom Petri of Wisconsin) that would do nothing to increase funding for transportation infrastructure in the United States over the next five years despite the fact that there is considerable demand for a large improvement in the nation’s road, rail, and transit networks just to keep them in a state of good repair, let alone expand them to meet the needs of a growing population. The committee voted to eliminate all federal requirements that states and localities spend 10% of their highway funding on alternative transportation projects (CMAQ), such as Safe Routes to School, sidewalks, or cycling infrastructure, despite the fact the those mandated investments are often the only ones of their sort that are actually made by many states. The committee eliminated the Obama Administration’s trademark TIGER program, which has funded dozens of medium-scale projects throughout the country with a innovative merit-based approach. Instead, virtually all decisions on project funding would be made by state DOTs, which not unjustly have acquired a reputation as only interested in highways. Meanwhile, members couldn’t resist suggesting that only “true” high-speed rail projects (over 150 mph top speed) be financed by the government — even as they conveniently defunded the only such scheme in the country, the California High-Speed Rail program. The same committee added provisions to federal law that would provide special incentives for privatization of new transportation projects — despite the fact that there is no overwhelming evidence that such mechanisms save the public any money at all. And under the committee’s legislation, the government would provide extra money to localities that contract out their transit services to private operators, simply as a reward for being profit-motivated.

#### California couldn’t afford the CP

Paine 9 Carli is the transportation program director for TransForm. TransForm (formerly the Transportation and Land Use Coalition) works for world-class transportation and walkable communities in the Bay Area and beyond. NEW AMERICAN MEDIA, 1-19, http://news.newamericamedia.org/news/view\_article.html?article\_id=c8e0e1762f7f96230c834a3dd4f73a21

It's not enough, though, to direct economic recovery funding to the metal and nuts and bolts that make public transportation a reality. To get the highest return on this investment, we must make sure that there's sufficient funding to operate the new trains and buses. There are huge shortfalls to operate the existing public transportation operations in the United States. This is more true than ever as states like California move to eliminate funding for transit operations and as local sales tax revenues-- frequent sources of transit operation funding-- decline nationwide. Adding new routes and lines without providing funds to fuel, staff, and maintain them will spread the insufficient operating funds even thinner. Only by pursuing capital improvements along with operations support can we realize the full economic and environmental benefits of recovery investments in public transportation. The national economy is faltering badly. It is time the federal government recognized and supported public transportation's role in propelling our economy into the 21st century.

#### Inconsistent application of industrial policy puts the states in competition with each other. Federal implementation is better than ad hoc implementation by the states – airplane commercialization, the Internet, health care and agricultural sectors prove that the federal government is better at encouraging private sector investments

Pollin and Baker 10 Robert Pollin is a professor of economics and co-director of the Political Economy Research Institute (PERI) at the University of Massachusetts-Amherst. Dean Baker is the co-director of the Center for Economic and Policy Research. New Labor Forum > Volume 19, Number 2, Spring

The collapse and bailout of General Motors and Chrysler in 2009 underscored another related point—that, rhetoric aside, both the federal government, as well as state-level governments, are now, and have long been, practicing something that closely resembles a U.S. industrial policy. For example, the federal government first bailed out Chrysler in 1979 to prevent the firm from collapsing then. More generally, auto companies and other large manufacturers have regularly received favorable tax treatment and related concessions from state governments as a means of attracting the companies to their states. The problem with this approach to industrial policy is not the fact that it is being practiced per se, but rather that it is undertaken in an ad hoc manner—responding haphazardly amid crises, as with the auto companies in 2009; or seeking to promote jobs and economic growth in one state by attracting businesses away from locating in neighboring states. At the same time, as we noted earlier, the U.S. federal government does also practice a long-term, consistent industrial policy to promote U.S. commercial technology. But this industrial policy is conducted primarily through the Pentagon. Indeed, a long, steady flow of new technological developments has been heavily supported by the Pentagon, then turned over to private business firms when these technologies had matured to the point where they could be successfully applied commercially. The Pentagon supported R&D activities within government labs, at universities, as well as at private business firms. Such arrangements have led to some spectacular successes, including the development and commercialization of jet airplanes and the Internet. The key factor of Pentagon-centered industrial policy is the combination, on a massive scale and over a sustained time period, of R&D investment spending plus the maintaining of a guaranteed market through procurements. This idea is the main theme in the important 2006 book by the late Professor Vernon Ruttan, Is War Necessary for Economic Growth?: Military Procurement and Technology Development.3 Ruttan emphasizes that R&D alone would not have brought new technologies to the point of commercial success. It was also necessary that, over the course of decades, the military provided a guaranteed market for new technologies. This enabled the technologies to incubate over time without having to prematurely face the test of the market. There have been similar successes with industrial policy in the U.S. in the health care and agricultural sectors. The National Institute of Health and the agricultural extension colleges, respectively, have provided major support both for long-term basic research projects in the areas of health and agriculture, and for bringing the results of this research to the point where they are usable by private businesses.

## AT: PPPs EXTENSIONS

#### Financiers know PPPs fail

Sledge 12 - Matt, Reporter for the Huffington Post based in New York. A graduate of Brown University, he was previously the Rhode Island director for FairVote. HUFFINGTON POST, 2-2

But capital doesn't simply flow from a spigot, and some financiers in the sector scoff at the notion that PPPs are a panacea. Edward Fanter, director of infrastructure banking at BMO Capital Markets, told a crowd of industry players and state officials at the Bond Buyer's November public-private partnership conference that there "seems to be a misconception, that Wall Street's just going to raise cash and then, you know, take it to the next level." Despite such hopes, he warned, "you're not just creating cash flow out of nowhere."

#### PPPs cause spending tradeoffs

Reichel 12 - Matt, AlterNet, The New Wall Street Racket Looting Your City, 5-7, http://www.alternet.org/story/155276/the\_new\_wall\_street\_racket\_looting\_your\_city%2C\_one\_block\_at\_a\_time

PPPs are purported to make additional resources available for public expenditure on capital-intensive infrastructure projects. However, the opposite tends to be the case. A report published by the Public Services International Research Unit notes: “The great majority of PPP’s rely on a stream of income from payments by government – i.e. public spending...In a context where there are political demands to cut public spending, the existence of PPP’s creates greater threats to other spending on public services. This is because PPP’s create long-term contractual rights to streams of income, and so governments are legally constrained from reducing payments to PPPs.” Even the International Monetary Fund warns that public investment in PPPs should be subject to strict scrutiny in a July 2009 publication: “Intervention measures should be consistent with the wider fiscal policy stance, be contingent on specific circumstances, and be adequately costed and budgeted.” The IMF also argues that PPPs related to weathering the economic crisis should include a “turn off” mechanism. A green paper published by the Commission of the European Communities in April 2004 even went further, recommending against PPPs as a tool to close any budget deficits. They argue that the mechanism should be employed primarily when the private entity is providing a specific field of expertise. After all, why should anyone trust the same racketeers who precipitated the global economic crisis to make acute investment decisions on behalf of the people?

#### The federal government is critical because of its purchasing power – they create a unique signal that provides a guaranteed market for manufacturers

Feldman 99 Jonathan Michael, associate professor in the department of economic history at Stockholm University, American Prospect, 3-22, http://prospect.org/article/mass-transit-new-manufacturing

In a potential coalition linking labor, local government, business groups and universities, the government is a key actor because of government's procurement power. A leading official at the MTA recently suggested to me that if New York state and the federal government could cover the increased costs of domestic production, the agency would consider supporting greater domestic content in subways.

#### USER FEES FAILS – MASS TRANSIT PROVES

Sledge 12 - Matt, Reporter for the Huffington Post based in New York. A graduate of Brown University, he was previously the Rhode Island director for FairVote. HUFFINGTON POST, 2-2

User fees can't support all infrastructure endeavors, however. Mass transit, for instance, is almost never able to recover its operating expenses at the farebox, according to a report from the Washington State Department of Transportation.

#### Foreign sourcing limits the CPs ability to create wealth and employment in the US

Feldman 99 Jonathan Michael, associate professor in the department of economic history at Stockholm University, American Prospect, 3-22, http://prospect.org/article/mass-transit-new-manufacturin

The problem, however, is that in key parts of the mass-transit industry, domestic suppliers have exited the business, so public capital investments in mass transit become significantly captured by imports. There is no longer any U.S.–based producer of subways, although assembly operations owned by foreign firms exist and are clustered in New York state. The main foreign suppliers of subways to the U.S. are Alstom, Bombardier, and Kawasaki (principally based in France, Canada, and Japan respectively). South Korean–based Hyundai Rotem and German-based Siemens supply transit vehicles. These firms provide a valuable service to U.S. transit agencies. Nevertheless, foreign sourcing limits the wealth and employment dividend of public investments in subway cars, despite some local assembly. Fully 100 percent of final assembly of subway cars is done by U.S. workers employed at local affiliates of foreign manufacturers. Yet, this contribution to a subway car represents only about 10 percent of the total value added. In contrast, only 50 percent of the engineering work for a subway car is done domestically. Yet, such engineering represents about 25 percent to 40 percent of value added.

## AT: BUY AMERICA DA

#### Transit procurement is exempt from international trade agreements – the plan wouldn’t create an actionable case that the US was violating the WTO

Alliance for American Manufacturing 10 Buy America Works: Longstanding United States Policy Enhances the Job Creating Effect of Government Spending, FEBRUAR

International Trade Agreements and Buy America. America rules, as it always has, in full compliance with its obligations under international trade agreements. It is important to note, that such negotiated trade agreements already allow for domestic preferences under a number of circumstances. These preferences were carefully negotiated and it would be unwise not to utilize them to the fullest extent possible, just as our trading partners do. For example, funding for highway and transit programs is exempt under all international agreements. It is also worth noting that the United States does not have any trade agreements with many trading partners, including the so-called BRICK countries (Brazil, Russia, India, China, and Korea). These issues are examined in more detail below with respect to our NAFTA and WTO obligations. Buy America Requirement and NAFTA and WTO. As described below, neither of these agreements apply where the federal government provides grants and other funding to state and local authorities for highway, transit or airport projects. Other exceptions and limitations in the WTO Procurement Code substantially limit its application.

#### Domestic procurement is WTO compliant and your backlash links are just scare tactics designed by state managed capitalists

Stumo 11 Michael, lawyer and former farmer. Coalition for a Prosperous America, Trade Reform, 9-23, http://www.tradereform.org/2011/09/disgusting-anti-buy-america-editorial-from-wapo/

The Very Smart People at the Washington Post wrote an editorial (below) bashing the Buy American provision in the Obama 2011 jobs bill. They believe we must spend taxpayer money on Chinese products or we might “anger our trading partners.” The government spends money every day, and will do so regardless of any spending cuts or stimulus. Whatever one thinks about any government spending or stimulus bills, we should buy U.S. products with our money. Paying taxes to stimulate the economies of China, Japan and Germany makes no sense… actually its stupid if not insane. John McCain introduced an amendment during the 2009 stimulus bill debate to remove the Buy American provision. That amendment failed, but McCain and 30 other Senators voted to remove that language. (Note that the language is WTO compliant because it complies with the Government Procurement Agreement signed by the U.S. and some countries). There is no credible argument to be against Buy American, especially in this age when state-managed capitalists are gutting our economy with their own protectionism. The Washington Post editorial is disgusting. And it reveals how drunk on Kool Aid these people are.

#### Encouraging local production is not the same thing as prohibiting imports

Merco Press 11 8-3, http://en.mercopress.com/2011/08/03/buy-brazil-act-and-super-real-are-here-to-stay-says-minister

“The criticism of protectionism is a very easy criticism to make and can be leveled at any measure,” Pimentel said. “We're implementing, with many years of delay, the Buy America Act. That isn't protectionism”. The Buy America Act was signed into law in the U.S. by President Franklin Roosevelt in 1933. “Protectionism would be if we prohibited imports. For example, we aren't going to prohibit car imports, but we are going to encourage those that produce locally,” Pimentel said.

#### Even if Canada gets pissed, the US will use Buy America expansions as negotiating leverage for greater market access

Rayner May 8th -- Martin is an independent consultant with more than 27 years of experience working in customs brokerage and international trade logistics -- held executive-level positions with a number of leading trade service providers across Canada, International Trade Compliance Strategies, 5-8, http://tradecompliance.ghy.com/2012/05/buy-america-exceptionalism/

Pressured by Canadian exporters complaining that the latest “Buy America” measures violated market access exemptions under the North American Free Trade Agreement and were therefore unfairly costing them business and jobs, the Harper government entered into negotiations with the Obama administration that eventually reached a procurement agreement in early 2010 which provided limited relief and access to some Recovery Act projects for Canadian goods. Key to the accord was persuading the Canadian provinces and territories to finally open up their procurement markets to U.S. suppliers by signing onto the WTO’s Government Procurement Agreement (GPA); a multilateral arrangement mandating that member countries provide reciprocal access to federal procurement projects and, in some cases, at the sub-federal level (i.e. states, provinces and cities).

#### Turn – US/Canada Buy America disputes created a fast track consultation process

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One of the more clearly positive outcomes of the dispute regarding the “Buy America” measures in the Recovery Act was a provision in the Canada-US Procurement Agreement offering a “fast track” consultation process to address future concerns related to procurement issues, such as new legislation. While yet to be put to the test, in the case of the American Jobs Act and its scaled-down Rebuild American Jobs sequel, the Canadian government immediately declared its readiness in both instances to utilize this expedited process to obtain waivers for Canadian exporters from the “Buy America” exclusions similar to those secured with respect to the Recovery Act (only sooner and, presumably, with more practical effect).

#### Non-domestic procurement rewards businesses who flee the US, allowing them to disregard environmental and safety regulations

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As Scott Boos, Deputy Director of the Alliance for Manufacturing testified recently, “when tax dollars are used to purchase products made overseas – our governments reward those companies who moved their operations, investment dollars, and jobs to foreign countries where they can disregard environmental and safety regulations with impunity and where inefficient energy processes are the norm.”

#### This DA is not a net benefit: States will be more protectionist

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Further complicating matters are various “Buy America” measures at the state level that continually arise in response to pressure by organized labour and industry lobby groups such as the Alliance for American Manufacturing. An example of one such action is California’s Assembly Bill 1097 signed into law by incoming Governor Jerry Brown last October that allows public transit systems in the state to set their own requirements for the minimum percentage of American-made content and components in federally funded buses and rail cars. As a result, transit agencies in California can now impose a higher U.S. content minimum, in addition to the federal requirement of 60 per cent (provided they don’t increase the purchase price beyond certain thresholds). “With our economy still feeling the effects of ‘the great recession,’ we need to keep working to create every job we can,” said Democratic representative Nancy Skinner, the author of the bill. “AB 1097 supports American jobs and the recovery of manufacturing at no cost to state or local governments.” Many other examples could be cited of similar protectionist initiatives in various states across the country within the past year. In light of the foregoing patchwork of laws, it’s little wonder so much confusion exists in the U.S. supply and distribution chain these days about what is or is not subject to “Buy America” requirements.

#### AND The CP won’t be perceived as upholding international trade obligations

Washington Post 11 9-21, http://www.tradereform.org/2011/09/disgusting-anti-buy-america-editorial-from-wapo/

Yes, the president’s new bill includes another pledge that international treaties will be respected. But, as was the case with the Recovery Act, most of the funds will be channeled through state governments, and most U.S. international trade obligations do not apply when states and municipalities are the procuring entities.