# \*\*\*States Counterplan\*\*\*

## 1NC – Generic

Text: The fifty states and relevant territories, through a performance payment regime public private partnership program, should \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

State can build infrastructure while avoiding the link to politics

Edwards 11 – Director of tax policy studies at the Cato Institute and the editor of [www.downsizinggovernment.org](http://www.downsizinggovernment.org) [Chris, October 21, 2011, “Infrastructure projects to fix the economy? Don’t bank on it,” <http://www.washingtonpost.com/opinions/infrastructure-projects-to-fix-the-economy-dont-bank-on-it/2011/10/18/gIQAgtZi3L_story_1.html>]

When the federal government is paying for infrastructure, state officials and members of Congress fight for their shares of the funding, without worrying too much about efficiency, environmental issues or other longer-term factors. The solution is to move as much infrastructure funding as we can to the state, local and private levels. That would limit the misallocation of projects by Congress, while encouraging states to experiment with lower-cost solutions. It’s true that the states make infrastructure mistakes as well, as California appears to be doing by subsidizing high-speed rail. But at least state-level mistakes aren’t automatically repeated across the country. The states should be the laboratories for infrastructure. We should further encourage their experiments by bringing in private-sector financing. If we need more highway investment, we should take notes from Virginia, which raised a significant amount of private money to widen the Beltway. If we need to upgrade our air-traffic-control system, we should copy the Canadian approach and privatize it so that upgrades are paid for by fees on aviation users. If Amtrak were privatized, it would focus its investment where it is most needed — the densely populated Northeast. As for Reclamation and the Corps, many of their infrastructure projects would be better managed if they were handed over to the states. Reclamation’s massive Central Valley irrigation project, for example, should be transferred to the state of California, which is better positioned to make cost and environmental trade-offs regarding contentious state water issues. Other activities of these two agencies could be privatized, such as hydropower generation and the dredging of seaports. The recent infrastructure debate has focused on job creation, and whether projects are “shovel ready.” The more important question is who is holding the shovel. When it’s the federal government, we’ve found that it digs in the wrong places and leaves taxpayers with big holes in their pockets. So let’s give the shovels to state governments and private companies. They will create just as many jobs while providing more innovative and less costly infrastructure to the public. They’re ready.

P3s are already used in multiple states to finance infrastructure development

Brown et al 07 – National Council for Public-Private Partnerships [Matthew T. Brown, Timothy P. Cronin, Saurabh Lall, Joseph R. Lataille, and Margaret Sacks, December 2007, “The Capital Beltway And Public-Private Partnerships,” Page 9-10, <http://www.ncppp.org/councilinstitutes/capstonereport2.pdf>]

Contracting work to private companies to deliver what are traditionally considered public goods and services has a long history in the United States. As state and local governments struggle to address growing public infrastructure needs with a scarcity of funds, they are turning to the private sector for an investment of non-traditional resources. The public-private partnership (PPP), a concept now becoming increasingly popular in the United States, is essentially a contractual arrangement under which the private sector carries out some or all of a function that was traditionally the responsibility of the public sector. 3 Transportation in the United States has a history of private sector involvement dating back to the beginning of road construction and operation in the country. In fact, there were more than 2,000 private toll roads in operation in the 19th Century. Over time, as federal and state financing of road construction increased, private sector involvement in the construction and operation of roads declined. However, as state and federal highway funding has become more constrained and the demand for efficient transportation infrastructure has increased, governments are now turning to the private sector

## 1NC – Federalism

The counterplan is key to spur broader federalism

McGuigan 11 – Editor of the Free Congress Family, Law & Democracy Report and the author of The Politics of Direct Democracy (Patrick B., 07/29, “CapitolBeakOK: Transportation Federalism -- and Flexibility -- Proposed in New Bill from Coburn, Lankford,” http://lankford.house.gov/index.php?option=com\_content&task=view&id=756&Itemid=100023)

In his statement, sent to CapitolBeatOK, Sen. Coburn said, “Washington’s addiction to spending has bankrupted the Highway Trust Fund. For years, lower-priority projects like earmarks have crowded out important priorities in our states, such as repairing crumbling roads and bridges. “Instead of burdening states and micromanaging local transportation decisions from Washington, states like Oklahoma should be free to choose how their transportation dollars are spent. I have no doubt that Oklahoma’s Transportation Director Gary Ridley will do a much better job deciding how Oklahoma’s transportation dollars are spent than bureaucrats and politicians in Washington.” Lankford applauded Coburn's leadership in the matter, observing, “This has been one of my top priorities since coming to Congress, and I’m happy to join Senator Coburn in this effort. This bill is a giant step for states by increasing transportation flexibility while improving efficiency. “By allowing states to opt-out of the federal bureaucracy, they will be able to take more control of their own resources. It will free Oklahoma to keep our own federal gas taxes and to fund new projects at our own discretion.” Joel Kintsel, executive vice president at OCPA, told CapitolBeatOK, "I am so proud of the leadership shown by Senator Coburn and Congressman Lankford. Hopefully, this is the beginning of a broader effort by Congress to return to federalism and withdraw from areas of activity rightfully belonging to the States.” Sen. McCain, the 2008 Republican nominee for president, said, “As a Federalist, I have long advocated that states should retain the right to keep the revenue from gas taxes paid by drivers in their own state. This bill would allow for this to happen and prevent Arizonans from returning their hard earned money to Washington. Arizonans have always received 95 cents or less for every dollar they pay federal gas taxes. This continues to be unacceptable, and for that reason I am a proud supported of the State Highway Flexibility Act.” Sen. Vitter asserted, “It’s very apparent how badly Congress can mismanage tax dollars, especially the Highway Trust fund which has needed to be bailed out three times since 2008. The states know their transportation needs better than Congress, so let’s put them in the driver’s seat to manage their own gas tax.” Hatch contended, “The federal government’s one-size-fits all transportation policies and mandates are wasting billions of taxpayer dollars and causing inexcusable delays in the construction of highways, bridges and roads in Utah and across the nation.

The impact is escalating warfare

Calabresi 95 – Assistant Professor, Northwestern University School of Law (Steven G., December, “Reflections on United States v. Lopez: ‘A GOVERNMENT OF LIMITED AND ENUMERATED POWERS’: IN DEFENSE OF UNITED STATES v. LOPEZ,” Lexis)

Small state federalism is a big part of what keeps the peace in countries like the United States and Switzerland. It is a big part of the reason why we do not have a Bosnia or a Northern Ireland or a Basque country or a Chechnya or a Corsica or a Quebec problem. 51 American federalism in the end is not a trivial matter or a quaint historical anachronism. American-style federalism is a thriving and vital institutional arrangement - partly planned by the Framers, partly the accident of history - and it prevents violence and war. It prevents religious warfare, it prevents secessionist warfare, and it prevents racial warfare. It is part of the reason why democratic majoritarianism in the United States has not produced violence or secession for 130 years, unlike the situation for example, in England, France, Germany, Russia, Czechoslovakia, Yugoslavia, Cyprus, or Spain. There is nothing in the U.S. Constitution that is more important or that has done more to promote peace, prosperity, and freedom than the federal structure of that great document. There is nothing in the U.S. Constitution that should absorb more completely the attention of the U.S. Supreme Court

## 2NC - Fed Fails

Federal government is inefficient –subsidies, politics and regulations prevent effective solvency

Edwards 11 – Director of tax policy studies at the Cato Institute and the editor of [www.downsizinggovernment.org](http://www.downsizinggovernment.org) [Chris, November 16, 2011, “Federal Infrastructure Investment,” http://www.cato.org/publications/congressional-testimony/federal-infrastructure-investment]

Perhaps the biggest problem with federal involvement in infrastructure is that when Washington makes mistakes it replicates those mistakes across the nation. Federal efforts to build massive public housing projects in dozens of cities during the 20th century had very negative economic and social effects. Or consider the distortions caused by current federal subsidies for urban light-rail systems. These subsidies bias cities across the country to opt for light rail, yet rail systems are generally less efficient and flexible than bus systems, and they saddle cities with higher operating and maintenance costs down the road.10 When the federal government subsidizes certain types of infrastructure, the states want to grab a share of the funding and they often don't worry about long-term efficiency. High-speed rail is a rare example where some states are rejecting the "free" dollars from Washington because the economics of high-speed rail seem to be so poor.11 The Obama administration is trying to impose its rail vision on the nation, but the escalating costs of California's system will hopefully warn other states not to go down that path.12 Even if federal officials were expert at choosing the best types of infrastructure to fund, politics usually intrudes on the efficient allocation of dollars. Passenger rail investment through Amtrak, for example, gets spread around to low-population areas where passenger rail makes no economic sense. Indeed, most of Amtrak's financial loses come from long-distance routes through rural areas that account for only a small fraction of all riders.13 Every lawmaker wants an Amtrak route through their state, and the result is that investment gets misallocated away from where it is really needed, such as the Northeast corridor. Another problem is that federal infrastructure spending comes with piles of regulations. Davis-Bacon rules and other federal regulations raise the cost of building infrastructure. Regulations also impose one-size-fits-all solutions on the states, even though the states have diverse needs. The former 55-mph speed limit, which used to be tied to federal highway funds, is a good example. Today, federal highway funds come with requirements for the states to spend money on activities such as bicycle paths, which state policymakers may think are extraneous.14

Bad policies go national

Edwards 11 – Director of tax policy studies at the Cato Institute and the editor of [www.downsizinggovernment.org](http://www.downsizinggovernment.org) [Chris, October 21, 2011, “Infrastructure projects to fix the economy? Don’t bank on it,” <http://www.washingtonpost.com/opinions/infrastructure-projects-to-fix-the-economy-dont-bank-on-it/2011/10/18/gIQAgtZi3L_story_1.html>]

When the federal government “thinks big,” it often makes big mistakes. And when Washington follows bad policies, such as destroying wetlands or overbuilding dams, it replicates the mistakes nationwide. Today, for instance, Reclamation’s huge underpricing of irrigation water is contributing to a water crisis across much of the West. Similar distortions occur in other areas of infrastructure, such as transportation. The federal government subsidizes the construction of urban light-rail systems, for example, which has caused these systems to spring up across the country. But urban rail systems are generally less efficient and flexible than bus systems, and they saddle cities with higher operating and maintenance costs down the road. Similar misallocation of investment occurs with Amtrak; lawmakers make demands for their districts, and funding is sprinkled across the country, even to rural areas where passenger rail makes no economic sense because of low population densities.

# Solvency

## General

Only the states solve – the plan and permutation are ineffective and take too long

Holler 12 – Communications Director for Heritage Action for America (Dan, 04/04, “Thinking Outside the Beltway,” http://transportation.nationaljournal.com/2012/04/paying-for-it.php#2190872)

When it comes to the problem of how to pay for our nation’s transportation needs, the temptation in Washington is to view Washington as the solution. After tens of billions in Highway Trust Fund bailouts and nine short-term extensions, it is clear Washington does not hold the answer. The real answer is outside the beltway. Former Pennsylvania Governor Ed Rendell recently scoffed at the idea of looking beyond Washington for transportation funding solutions, saying proponents of such a move “haven’t looked at any of the state budgets recently.” But the Governor misses the point. It is not that states are awash in cash (the federal government isn’t either), but rather that states are much more efficient. Last year, Indiana Governor Mitch Daniels explained his state “can build in 1/2 the time at 2/3 the cost when we use our own money only and are free from the federal rulebook.” Literally just outside the Washington Beltway, a private company is adding four high-occupancy toll lanes for half the cost the government projected, and the lanes are better designed, too. Instead of looking for an innovative solution, too many in Congress prefer to debate various funding mechanisms for months on end knowing they will settle for a gimmick that ensures insolvency. There is a better way; lawmakers just need to know where to look.

States can boost transportation infrastructure investments and keep them intact

Politico 12 (03/19, “GOP paves way for states to retake road funding,” http://www.politico.com/news/stories/0312/74196.html)

Congress may be on the road to re-upping the transportation bill, but there’s still a cadre of lawmakers who say it’s not too late to get the federal government out of the road-building and gas tax business. If anything, some Republicans say they are excited about finally getting some votes on what has long been a conservative dream. Sen. Jim DeMint (R-S.C.) got a vote last week on his amendment to the Senate-passed bill that would send many transportation policy and funding decisions back to the states. The amendment was the first time in years senators got a serious chance to weigh in on the issue, and 30 senators (all Republicans) supported the long-shot attempt. A second devolution offering from Sen. Rob Portman (R-Ohio) failed but also got 30 votes. In the House, GOP Reps. Tom Graves of Georgia, and Jeb Hensarling and Kevin Brady, both of Texas, hope to vote on a similar amendment whenever the House takes up a highway bill. “We’re going to continue the debate in the House,” Graves told POLITICO. “It’s going to be a new debate about how you fund transportation. Do you continue [a program] that adds to the deficit or do you do one that empowers the states? Conservatives see DeMint’s vote and Graves’s offering as good starting points, reminiscent of the long-fought battle over earmarks, now banned for the 112th Congress. Dan Holler, communications director of Heritage Action for America, said the conversation has been changed already. “A floor of 30 senators is a great place to start,” he said. Sen. Barbara Boxer (D-Calif.), who took the lead on both selling and writing the two-year Senate bill, acknowledged, “That vote was too close for my liking.” DeMint says his amendment would cut government redundancy while keeping services intact and efficiently returning spending to the states. “Every time we have a bureaucracy and an administration [in Washington], every state duplicates that. Fifty state highway departments following federal rules and then their own,” DeMint said in an interview. “We can begin to downsize that. So the point is, if we ever want to balance our budget, the way to do it is not to just cut a little, but off every federal function.”

## HSR

States can solve HSR- Standardization

Hilkevitch 12 (Jon, Chicago tribune reporter, Feds open bidding for high-speed rail cars, <http://articles.chicagotribune.com/2012-04-22/news/ct-met-high-speed-rail-0422-20120422_1_rail-cars-high-speed-passenger-illinois-rail-officials>)

,The $551 million request for proposals was announced by the Federal Railroad Administration, which is coordinating a California-led effortto purchase standardized bi-level rail fleets for use on Amtrak routes in California, Illinois, Michigan, Missouri, Indiana and potentially Iowa.California will get 42 of the 130 new rail cars, which will be equipped with seating on two levels, Wi-Fi and other customer amenities, officials said. The Midwest states will share use of 88 rail cars. Existing Amtrak locomotives would be used initially to propel the new rail cars at speeds of up to 110 mph. Bids will be let later to purchase new high-performance diesel locomotives capable of sustaining 125 mph, as well as for single-level passenger cars, officials said. Multiple states participating in a joint agreement on a single type of rail car will maximize the purchasing power, lead to lower maintenance costs and reduce the cost of stocking spare parts, Federal Railroad Administrator Joe Szabo said about the biddingxzzx process that was launched Friday. "By standardizing these components it is going to give us much better leverage in the bidding process,'' Szabo said. The request for proposals contains Buy America requirements. All components of the rail cars must be built by American workers, with American-produced steel, iron and manufactured components. The procurement schedule calls for awarding a contract to a domestic manufacturer in early October. The cars will be delivered starting in 2015, officials said. The subsequent order for new locomotives is expected to lead to deliveries around 2015 too, Illinois rail officials said. The 130-car order would produce the first American-made, standardized passenger rail cars as part of the Obama administration's $53 billion proposal to build a nationwide network of high-speed passenger trains. The administration's plan faces an uphill fight in Congress, particularly among Republicans. Illinois officials voiced optimism. The multistate process that began Friday will mark "a resurrection of rail car manufacturing in the U.S.,'' predicted Joe Shacter, director of public and intermodal transportation at the Illinois Department of Transportation. The new rail cars would be used in Illinois on the Chicago-to-St. Louiscorridor, where 110-mph service is scheduled to start this year on a short stretch between Dwight and Pontiac, according to IDOT and Amtrak. In addition to that route, the new cars would be used on eight other corridors in the state: Chicago to Carbondale; Chicago to Quincy; Chicago to Detroit; Chicago to Port Huron, Mich.; and Chicago to Grand Rapids, Mich.; and on the proposed new corridors, Chicago to Moline, Chicago to Rockford and Dubuque, Iowa; and Chicago to Kansas City, Mo.

The reason high-speed rail doesn’t exist is because it’s a federal responsibility – the states solve

Bartling 12 [Dr. Hugh Bartling – PhD in political science from the University of Kentucky, March 15, 2012, “Barriers to High Speed Rail in the US”, http://hughbartling.com/?p=653]

In spite of the fact that there is [strong public support](http://www.upi.com/Top_News/US/2010/04/06/Poll-Half-of-US-backs-high-speed-rail/UPI-63741270598738/) for high speed rail and that rail and public transit have a [positive economic impact](http://climateprogress.org/2010/11/17/high-speed-rail/), the development of this key infrastructure is stagnating.

What are the reasons for this stagnation–particularly when governments overseeing advanced and growing economies in Europe and Asia have less problems generating political consensus around this public investment?

My sense is that much of the problem can be attributed to two factors: 1) the lack of a real coherent national transportation policy and 2) the peculiar decision-making structure of our federalist system.

The second point is quite apparent given the outlandish power that single states have to negatively impact regional plans. This stems from the fact that the federal government largely defers to states to determine their transportation plans. In terms of capital improvements like high-speed rail, states determine plans and [federal money is allocated to the extent that projects conform to state plans](https://ntl.custhelp.com/app/answers/detail/a_id/447/~/eligibility-issues-for-recovery-act-funds-%28railroad%29).

This, of course, is reflective of the first point: the federal government does not have a proper “national plan” nor does it engage in the crucial decision making necessary to implement a serious national rail vision.

Sure, the USDOT develops national plans, but they are secondary to the states when it comes to rail. In the words of the [2009 National Rail Plan [pdf]](http://www.google.com/url?sa=t&source=web&cd=1&ved=0CBUQFjAA&url=http%3A%2F%2Fwww.fra.dot.gov%2Fdownloads%2Frailplanprelim10-15.pdf&rct=j&q=national%20rail%20planning%20&ei=nMt_Tf25J6WG0QGeu5zzCA&usg=AFQjCNGF0yJZLVhZV59nnSTUWQ4SxhuO6w&cad=rja), the legislative mandate for USDOT planning is “to develop the plan consistent with approved State plans” (23)–not vice versa.

This distinction is crucial. How can you have a national infrastructure system which is the product of 50 bottom-up decisions**.** We can see the impact this might have in a region like the Midwest, where states like Illinois and Minnesota will be negatively impacted by unilateral decisions made in Ohio and Wisconsin

Localized HSR policies solve better – more responsive to local needs

**Osofsky, ’11** [Hari M. Osofsky, Associate Professor, University of Minnesota Law School; Associate Director of Law, Geography & Environment, Consortium on Law and Values in Health, Environment & the Life Sciences and Affiliated Faculty, Geography and Conservation Biology, University of Minnesota, 2011, “Diagonal Federalism and Climate Change Implications for the Obama Administration”, 62 Ala. L. Rev. 237, Lexis Nexis]

As with the previous regulatory category, these trends contain nuance because efforts to influence how we drive have different emphases at larger and smaller-scales. The Obama Administration's large-scale, vertical, top-down efforts, as described above in Part II.B, focus primarily on reworking national transportation policy and infrastructure and on incentivizing innovative state and local programs. For example, it is aiming to link more cities through high speed rail, is funding state and local transit agency's efforts to use alternative energy technology, and is supporting urban circulator projects. n248 In contrast, state and local governmental efforts generally focus on planning issues and changing cultural expectations. For instance, smaller-scale governments government with the greatest competence to address the policies which most affect how people use their cars--often, land use and planning issues--are able to make the individualized choices which will work often work to make urban growth plans more sustainable and to promote and fund creative ride-sharing programs. n249 The primary manner in which these sets of policies come together is through efforts to implement federal transportation policy at state and local levels, which, under the Obama Administration, comes substantially through ARRA funded programs. n250

The overall skews in this policy area toward the smaller-scale, horizontal, and bottom-up have their advantages. They ensure that the levels of in their respective jurisdictions. As Janet Levit and I have explored, Portland and Tulsa both are making strides on reducing emissions, but how that translates in their local contexts differs greatly. n251

Interstate HSR cooperation is feasible and solves coordination issues – Midwest corridor proves

ENS, ’09 [July 27, 2009, Environment News Service, “Midwest Governors Coordinate to Seek High Speed Rail Funding”, <http://www.ens-newswire.com/ens/jul2009/2009-07-27-095.html>]

CHICAGO, Illinois, July 27, 2009 (ENS) - At the Midwest High Speed Rail Summit today in Chicago, an agreement was struck between eight states to work cooperatively to achieve Recovery Act funding to develop the Chicago Hub High Speed Rail Corridor - also called the Midwest corridor. Midwest governors and rail executives were hosted by Illinois Governor Pat Quinn, U.S. Senator Dick Durbin of Illinois and Chicago Mayor Richard Daley. "We are stronger working as a region than we are individually, and I want to thank the other Midwest governors for their cooperation and commitment," said Governor Quinn. "We are determined to take full advantage of federal recovery funds and bring high speed rail to Illinois and the Midwest. Today's agreement will help make our vision a reality." The governors envision a nationwide network including a Chicago hub that would connect trains traveling up to 110 miles per hour serving cities across the region, along with connections to adjoining regional corridors. This plan reflects the proposals advanced earlier this year by President Barack Obama and U.S. Transportation Secretary Ray LaHood. Under the Recovery Act, President Obama has made $8 billion available nationwide for high speed passenger rail, the largest investment that the federal government has made in over a decade. Five governors attended the summit - Iowa Governor Chet Culver; Wisconsin Governor Jim Doyle; Michigan Governor Jennifer Granholm and Ohio Governor Ted Strickland, as well as Illinois Governor Quinn. Eight Midwest states signed the Memorandum of Understanding including Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Ohio and Wisconsin. The agreement signed today establishes a Midwest steering group to provide a single voice in support of the region's collective high speed rail priorities. The steering group will coordinate each state's individual applications and advocacy to the Federal Railroad Administration for Recovery Act funding. "The Midwest Corridor is a one-of-a-kind partnership that will create jobs for Michigan workers, enhance transportation options for citizens, and provide significant economic development opportunities for communities," said Governor Granholm. "I am pleased that the Obama administration recognizes the importance of this regional initiative and the extensive planning that has already been done to prepare for this opportunity." "Expanding passenger rail service in Iowa is one of my administration's top transportation priorities," said Governor Culver, who ended his 14-city train tour across western Iowa at the Midwest High Speed Rail Summit. "Reconnecting some of Iowa's largest cities such as Dubuque, Iowa City and the Quad Cities � to Chicago will add to our state's economic success," said Culver, "and as governor I appreciate the opportunity to work with Governor Quinn on this important regional issue." Mayor Daley signed the agreement on behalf of the City of Chicago. "A nationwide network of high speed rail with Chicago as hub is a vital component of the new economy that will emerge from this recession, Daley said. "High speed rail will help us in the challenging task of bringing new businesses, new industries and new opportunities to our region to create new jobs, not just replace those that have already been lost." The Midwest corridor will connect cities throughout the region with frequent and reliable high speed and conventional intercity rail service. "We can make high speed rail a reality in Illinois and the Midwest," said Senator Durbin. "I want our region to continue to lead the nation in preparing for a high speed rail network. This network will create jobs, ease traffic congestion and reduce our dependence on foreign oil."

Coordination solve all planning issues

Puentes, ’10 [April 9, 2010, “Intermetropolitan Passenger Rail: Considerations for State Legislators”, Written testimony of Robert Puentes Senior Fellow and Director, Metropolitan Infrastructure Initiative @ Brookings Institution, Presented before National Conference of State Legislators Transportation Committee, http://www.ncsl.org/documents/transportation/RPuentes040910.pdf]

The next point is that if a particular corridor extends beyond individual state borders, close coordination—both formal and informal—with your neighbors is essential. More than just backroom deals, these are lengthy relationships that bear real fruit in the form of finalized plans, environmental reviews, and dedicated shared funding agreements. This appeared to have been a significant advantage for those who received ARRA funding and a hindrance for those who did not as, by design, several of the award‐winning corridors involved multi‐state compacts. For example, the eight‐state Midwest Regional Rail Initiative was established as far back as the mid‐ 1990s. In consultation with the federal government, the states worked to develop a rail plan that was released in 1998 and updated in 2004. Last summer, the eight governors, along with the mayor of Chicago, signed a Memorandum of Understanding in anticipation of joint applications for ARRA funding that laid out plans for collective high‐speed rail priorities and planning. Partly as a result, the projects in and around the Chicago hub received nearly as much funding ($2.16 billion) as did California ($2.34 billion.) Similarly, the Virginia‐North Carolina Interstate High‐Speed Rail Commission, created in 2001, agreed to recommend to its respective parent legislatures the enactment of an interstate rail compact. Both state legislatures passed laws establishing the Compact in 2004. The North Carolina—Virginia corridor received a total of $620 million spread among three investments.

High-speed Rail can be a state project

APTA 12 [American Public Transportation Administration, January 2012, “An Inventory of the Criticisms of High-Speed Rail”, http://www.apta.com/resources/reportsandpublications/Documents/HSR-Defense.pdf]

As to the notion suggested by Mr. Samuelson that the states will be undermined, the initiative is totally state-driven. It is up to the states to decide for themselves whether they want their passenger rail systems improved. Judging by the number of states that made application for the various rounds of federal funding to date (38 and several of them multiple times), and the number of states that decided to return their grants to the federal government (originally three, but subsequently one of the three reapplied), it is safe to say that the states are not feeling victimized.So let’s set the record straight and perhaps also provide some enlightenment. No one in the administration, or for that matter, even strong proponents like the U.S. Public Interest Research Group (USPIRG), America 2050, and the American Public Transportation Association (APTA) ever made the claim, as Mr. Samuelson implied, that high-speed rail would save the planet, albeit that would be a respectable societal objective.

### AT: Coordination

Interstate HSR cooperation is feasible and solves coordination issues – Midwest corridor proves

**ENS, ’09** [July 27, 2009, Environment News Service, “Midwest Governors Coordinate to Seek High Speed Rail Funding”, <http://www.ens-newswire.com/ens/jul2009/2009-07-27-095.html>]

CHICAGO, Illinois, July 27, 2009 (ENS) - At the Midwest High Speed Rail Summit today in Chicago, an agreement was struck between eight states to work cooperatively to achieve Recovery Act funding to develop the Chicago Hub High Speed Rail Corridor - also called the Midwest corridor. Midwest governors and rail executives were hosted by Illinois Governor Pat Quinn, U.S. Senator Dick Durbin of Illinois and Chicago Mayor Richard Daley. "We are stronger working as a region than we are individually, and I want to thank the other Midwest governors for their cooperation and commitment," said Governor Quinn. "We are determined to take full advantage of federal recovery funds and bring high speed rail to Illinois and the Midwest. Today's agreement will help make our vision a reality." The governors envision a nationwide network including a Chicago hub that would connect trains traveling up to 110 miles per hour serving cities across the region, along with connections to adjoining regional corridors. This plan reflects the proposals advanced earlier this year by President Barack Obama and U.S. Transportation Secretary Ray LaHood. Under the Recovery Act, President Obama has made $8 billion available nationwide for high speed passenger rail, the largest investment that the federal government has made in over a decade. Five governors attended the summit - Iowa Governor Chet Culver; Wisconsin Governor Jim Doyle; Michigan Governor Jennifer Granholm and Ohio Governor Ted Strickland, as well as Illinois Governor Quinn. Eight Midwest states signed the Memorandum of Understanding including Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Ohio and Wisconsin. The agreement signed today establishes a Midwest steering group to provide a single voice in support of the region's collective high speed rail priorities. The steering group will coordinate each state's individual applications and advocacy to the Federal Railroad Administration for Recovery Act funding. "The Midwest Corridor is a one-of-a-kind partnership that will create jobs for Michigan workers, enhance transportation options for citizens, and provide significant economic development opportunities for communities," said Governor Granholm. "I am pleased that the Obama administration recognizes the importance of this regional initiative and the extensive planning that has already been done to prepare for this opportunity." "Expanding passenger rail service in Iowa is one of my administration's top transportation priorities," said Governor Culver, who ended his 14-city train tour across western Iowa at the Midwest High Speed Rail Summit. "Reconnecting some of Iowa's largest cities such as Dubuque, Iowa City and the Quad Cities � to Chicago will add to our state's economic success," said Culver, "and as governor I appreciate the opportunity to work with Governor Quinn on this important regional issue." Mayor Daley signed the agreement on behalf of the City of Chicago. "A nationwide network of high speed rail with Chicago as hub is a vital component of the new economy that will emerge from this recession, Daley said. "High speed rail will help us in the challenging task of bringing new businesses, new industries and new opportunities to our region to create new jobs, not just replace those that have already been lost." The Midwest corridor will connect cities throughout the region with frequent and reliable high speed and conventional intercity rail service. "We can make high speed rail a reality in Illinois and the Midwest," said Senator Durbin. "I want our region to continue to lead the nation in preparing for a high speed rail network. This network will create jobs, ease traffic congestion and reduce our dependence on foreign oil."

Coordination solve all planning issues

Puentes, ’10 [April 9, 2010, “Intermetropolitan Passenger Rail: Considerations for State Legislators”, Written testimony of Robert Puentes Senior Fellow and Director, Metropolitan Infrastructure Initiative @ Brookings Institution, Presented before National Conference of State Legislators Transportation Committee, http://www.ncsl.org/documents/transportation/RPuentes040910.pdf]

The next point is that if a particular corridor extends beyond individual state borders, close coordination—both formal and informal—with your neighbors is essential. More than just backroom deals, these are lengthy relationships that bear real fruit in the form of finalized plans, environmental reviews, and dedicated shared funding agreements. This appeared to have been a significant advantage for those who received ARRA funding and a hindrance for those who did not as, by design, several of the award‐winning corridors involved multi‐state compacts. For example, the eight‐state Midwest Regional Rail Initiative was established as far back as the mid‐ 1990s. In consultation with the federal government, the states worked to develop a rail plan that was released in 1998 and updated in 2004. Last summer, the eight governors, along with the mayor of Chicago, signed a Memorandum of Understanding in anticipation of joint applications for ARRA funding that laid out plans for collective high‐speed rail priorities and planning. Partly as a result, the projects in and around the Chicago hub received nearly as much funding ($2.16 billion) as did California ($2.34 billion.) Similarly, the Virginia‐North Carolina Interstate High‐Speed Rail Commission, created in 2001, agreed to recommend to its respective parent legislatures the enactment of an interstate rail compact. Both state legislatures passed laws establishing the Compact in 2004. The North Carolina—Virginia corridor received a total of $620 million spread among three investments.

### Mega-Regions

States can take the lead on metropolitan region development

Katz et al 10 – Brookings Institute [Bruce Katz, Jennifer Bradley, and Amy Liu, November 2010, “Delivering the Next Economy: The States Step Up,” Project on State and Metropolitan Innovation, Page 2-3 <http://www.rockefellerfoundation.org/uploads/files/8203b162-0783-4f0b-b7f9-9730584e0445.pdf>]

A growing chorus of business leaders and responsible economists have called for a rebalancing of the American economy, toward one driven by exports (to take advantage of rising global demand), powered by low carbon (to lead the clean energy revolution), fueled by innovation (to spur growth through ideas and deployment), and rich with opportunity (to reverse the troubling, decades long, rise in income inequality). An economy with these characteristics will necessarily have one additional feature: it will be led by metropolitan areas. Despite notable achievements over the past two years, Washington has only partially paved the way for the next economy. Action on comprehensive climate change legislation (which would help catalyze markets for clean energy technologies through the de facto pricing of carbon) has stalled. Work to advance innovation, manufacturing, and immigration reform is either in its early stages or not even started. The much-needed multi-year authorization of the federal transportation law is more than a year overdue despite repeated calls from political, civic, and business leaders for a robust, performance based system. Nor has Washington been as focused as it could have on the power of metropolitan areas, although the administration’s investments in regional innovation clusters and sustainable communities are promising. While it is possible that a few smart, focused federal policy actions, such as a National Infrastructure Bank, or a sharp, performance oriented, transportation law, or investments in advanced energy research, development, and commercialization could occur in the next few years, most of the unﬁnished federal business will almost certainly remain unﬁnished because of concerns about the size of the deﬁcit and deep philosophical differences between the parties on the proper role of government. So the burden of jump-starting the next economy and supporting its metropolitan engines will shift to the states and metros. States already share responsibility with Washington for many of the public-sector investments that will move the next economy forward. There is a continuum of federal and state spending and engagement on the constituent elements of the next economy, with both levels of government involved to a greater or lesser extent. For example, the federal government dominates in research funding, with federal actual outlays for R&D in FY 2007 of $116 billion, compared to less than $700 million spent by state agencies and another $3 billion spent by state (and local) governments for R&D at colleges and universities. 3 By contrast, for every dollar that the federal government spends on highways, the states spend about two. 4 The federal Department of Education spent some $68 billion in FY 2008, on both K-12 and higher education, plus another $21 billion in tax expenditures related to education, but states spent more than $400 billion of their own funds for the same purpose. 5 Thus the roads, rails, and ports through which U.S.-made goods move to foreign markets, the workers who build advanced batteries, the scientists who develop new solar technologies, and the seed funds for good ideas will all rely to a large extent on state policies, systems, administrative apparatus, and investments. And so do the metros where those roads, ports, laboratories, factories, and people are located. States not only have a major investment stake in the mechanisms of the next economy, they also have a history of taking the lead on urgent issues when Washington is frozen. To take just one of the most recent examples, in the mid-2000s, even as state ofﬁcials argued that a national policy on greenhouse gas emissions was ideal, they forged ahead on their own climate policies. 6 California limited tailpipe emissions of greenhouse gases, and that state law not only became a model for adoption by other states, but will strongly shape national standards in the future. The state also moved aggressively in 2006 to limit greenhouse gas emissions from other sources, with a goal of reducing emissions to 1990 levels by 2020. 7 Ten northeastern states (Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, and Vermont) have created the Regional Greenhouse Gas Initiative, a regional cap-and-trade scheme that will lead to 10 percent reductions in carbon dioxide emissions from power generation in these states. 8 Most states have climate action plans, and 24 have greenhouse gas emissions reductions targets. 9 More might follow, given that climate legislation has once again stalled in Congress. As one lobbyist told the Financial Times late last year, “A number of states and regions are holding back to see if a federal program can be enacted… If not, you’ll begin to see more agitation at the state level—history shows that in the absence of federal action, the states are the ones who do the work.” 10 Finally, judging from their campaigns, some new governors appear ready to act decisively on the economy in ways that Washington will not. The anti-government rhetoric of Tea Party candidates has obscured the emergence of a different group, a pragmatic caucus of governors from both parties who understand how to use public policies to unleash markets so that businesses, people, and communities can ﬂourish.

### Competitiveness

CP solves competitiveness

Bell et al. 5 – George Washington Institute of Public Policy [Mike Bell, David Brunori, Royce Hanson, Chanyong Choi, Lori Metcalf, and Bing Yuan, November 1, 2005 “State and Local Infrastructure Financing,” Page 1, <http://www.gwu.edu/~gwipp/papers/wp028.pdf>]

State and local governments are the providers of the key infrastructure that keeps our economy competitive and our society functioning and healthy. The purpose of this project is to present a reconnaissance of current state and local infrastructure trends and practices. The project consists of two phases. The first phase presents an overview of state and local infrastructure spending, general financing mechanisms and traditional policy tools for setting spending priorities. The second phase will look at various case studies to provide a more in depth picture of how specific financing mechanisms and management tools are actually implemented by state and local governments.

## BRAC

## Climate Adaptation

States take interest in transportation infrastructure – they access the aff’s federal key warrants

AASHTO 09 [American Association for State Highway Transportation Officials – representing transportation infrastructure in the 50 states, May 29, 2009, “Transportation and Sustainability Best Practices Background”, https://www.dot.ny.gov/programs/greenlites/repository/AASHTO%20Sustainability%20Briefing%20Paper.pdf]

According to the 2008 FHWA Peer Workshop on Adaptation to Climate Change Impacts, approximately half of the states are involved with adaptation to climate change. Examples ¶ include: ¶ Infrastructure changes – Florida has established an Energy and Climate Change Action Team, and the state is coordinating with regional councils and metropolitan planning organizations on the issue. Due to its position as a gulf state, Florida is taking a proactive look at protecting its infrastructure and communities with policies and design/construction standards. Strategic planning – California – which has statewide policies on GHG emissions – is also ¶ looking at mitigation through directive from the Governor’s office. The state has established ¶ an expert panel to assess the state’s vulnerability to sea level rise, and develop climate ¶ change impact scenarios. Caltrans is creating a statewide information strategy to support this assessment, including maps of vulnerable areas. Caltrans is working to integrate adaptation strategies into complex transportation programming cycles, which require changes to agency planning and operation procedures. Retrofit and redesign – Virginia DOT is redesigning selected transportation facilities to survive and operate in extreme weather events, including hurricane evacuation routes. VDOT is also identifying scour issues on key bridges. Research – Some states are conducting adaptation research, including the mapping of sea ¶ level rise or critical infrastructure and evacuation routes in Rhode Island and Louisiana.

The states take efforts now – local governments are better for management

AASHTO 09 [American Association for State Highway Transportation Officials – representing transportation infrastructure in the 50 states, May 29, 2009, “Transportation and Sustainability Best Practices Background”, https://www.dot.ny.gov/programs/greenlites/repository/AASHTO%20Sustainability%20Briefing%20Paper.pdf]

Of the many sustainability elements, climate change has received much recent attention. Many states are developing overall goals or plans related to climate change – in multiple ¶ cases, this direction is coming from the Governor’s office, and state DOTs are one piece of ¶ the overall governmental process. It will be necessary for transportation departments to ¶ coordinate with other state agencies to address cross-cutting issues affecting climate change – such as land use, health, or multimodal systems. Climate change is anticipated to affect all divisions of DOTs, and includes two general types ¶ of responses: adaptation and mitigation. Henry Schwartz’s recent (2008) Transportation Research Board paper – Climate Change Impacts on US Transportation – outlines several areas ¶ of adaptation to climate change that affect all DOT disciplines: (a) sea level rise (flooding ¶ and infrastructure impact, evacuation, infrastructure erosion); (b) increase in frequency of ¶ strong hurricanes (air service and evacuation, port and harbor impacts); (c) increase in ¶ heavy precipitation events (traffic disruptions and airline delays, flooding); and (d) increase in frequency of hot days (thermal expansion of roadway materials, construction productivity hours reduced and construction delays). In addition to climate change adaptation, DOTs are looking at mitigation, i.e. the reduction of greenhouse gases that are generated by society. Mitigation for climate change is ultimately reflected in the standards and procedures of an agency – where policy plays out on the ground. For example, a DOT may require that an array of low-carbon materials be considered during construction. Or, project funding may be tied to sustainability (for example, the Washington State Transportation Improvement Board – the largest grant funding entity in the state – last year introduced sustainability grant criteria for roadway projects). While DOTs already have experience addressing environmental aspects of the triple bottom ¶ line, the economic and social aspects are also being considered. A commitment to the principles of sustainability may ask agencies to look differently at the value of transportation investments. Value refers both to current and future costs and benefits. Managing transportation demand may be more cost effective and a more appropriate solution in some cases than increasing the supply of transportation – and DOTs will play a ¶ role in determining best system solutions. And, some DOTs have already been incorporating an emerging paradigm for the social aspect of sustainability - context sensitive solutions (CSS). In fact, contextsensitivesolutions.org – a widely accepted online center for CSS – has announced a new sustainability section for its CSS clearinghouse link (May 2009).

States can adopt a climate adaptation plan.

Meyer et al. 09, (Michael Frederick R. Dickerson Professor, School of Civil and Environmental Engineering, Georgia Institute of Technology, PhD Michael Flood Senior Planner at Parsons Brinckerhoff ¶ Chris Dorney Transportation/Land Use Planner at Parsons Brinckerhoff ¶ Ken Leonard Principal of Cambridge Systematics, ¶ Robert Hyman Associate at Cambride Systematics ¶ Joel Smith expert on climate change policy, lead author of the Intergovernmental Panel on Climate Change 2001 and 2007 assessment report; the latter shared the Noble Peace Prize with former Vice President Al Gore. Vice-President of Stratus Consulting, Boulder, CO. “Climate Change and the Highway System: Impacts and Adaptation Approaches”. National Cooperative Highway Research Program. 5/6/2009 http://onlinepubs.trb.org/onlinepubs/nchrp/docs/NCHRP20-83%2805%29\_Task2-3SynthesisReport.pdf)

Twelve states have developed or are developing some kind of climate adaptation plan, and in ¶ another eight states an adaptation plan was recommended in the state Climate Action Plan (CAP) ¶ (see Figure 4-1). In most cases, these adaptation plans are an outgrowth of climate action planning ¶ that is primarily focused on mitigation (reducing emissions). ¶ Typically, these climate action plans are led by the governor’s office, or by the state Department of ¶ Natural Resources. In many states, the Governor issued an Executive Order that established a State ¶ Commission or Sub-Cabinet to develop a State Climate Change Plan. These states formed multistakeholder working groups to broadly address climate change impacts to the human and natural ¶ environments, with transportation as one of many components being addressed by these working ¶ groups.

Climate adaption is performed by the states

CEMA and CNRA April 2012 [<http://resources.ca.gov/climate_adaptation/docs/APG_-_PUBLIC_DRAFT_4.9.12_small.pdf> California Emergency management agency and California natural Recources Agency April 2012]

**State actions will play an important role in** strengthening California’s resilience to projected **climate impacts** and associated secondary consequences. However, many of the development characteristics most important for reducing climate risks, such as land use, are locally controlled. **Local and regional jurisdictions are critical collaborators in preparing for** unavoidable **climate impacts**. The degree to which communities are at risk to secondary climate impacts is influenced by local conditions including culture and community values, economic base, ecological setting, and local resources. As a result, there is no single “right” adaptation strategy. **The best strategies for adapting to climate change must vary with local needs and context.**

### Warming NB

Local and state action means communities are educated and reduce their carbon footprint – preventing any serious warming

APA 11 [American Planning Association – provides information for planning at local levels where most efficient, April 11, 2011, “POLICY GUIDE ON PLANNING & CLIMATE CHANGE”, http://www.planning.org/policy/guides/pdf/climatechange.pdf]

Support updating planning school curricula to specifically address and prepare students for new approaches to planning associated with climate change adaptation and mitigation. Support ongoing professional development for professional planners dealing with tools and ¶ techniques associated with climate change planning. Accurately and explicitly recognize and discuss climate impacts and considerations in public participation processes related to long-range community visioning and goal setting, plan making, standards, policies and incentives, development work, and public investment. Support and encourage updates to ¶ primary and secondary curricula to educate and the next generation residents; planners and ¶ decision makers. Reasons to support:Planners have a professional obligation to educate themselves about climate change issues. In addition, they share an obligation to include education about climate change in ¶ community outreach efforts in all planning programs aimed at the public and local policymakers. Success in addressing climate change requires different choices in the way communities are planned, developed and maintained. Yet many public and private sector ¶ decision-makers are not informed about the current status of climate change research and ¶ the potential that communities have to affect this global issue. Members of the general ¶ public may have even less information about what their daily choices mean for the future of ¶ the planet. Most planning processes include public involvement, interaction and education. Whenever appropriate, information about climate change and strategies for mitigation and ¶ adaptation should be incorporated into these public outreach campaigns. The effort to ¶ create a community climate change action plan will clearly include this educational ¶ component but it should be included in all areas of planning, from visioning to development ¶ review to capital investments. Support research that improves the ability of communities to reduce their carbon footprint by quantifying their impacts on climate change and the effect of their actions to address this issue. Support the research and development of new modeling and scenario planning techniques that incorporate climate change impact measurement. Support research into ¶ areas where communities can act proactively to adapt to climate change. Reasons to support:Global research on climate change is rapidly increasing scientific knowledge about this issue and making more specific connections between climate change and human activities. As this ¶ research builds the knowledge base, it is important that people gain information about the ¶ ways they affect climate change. Communities need to know what current human actions are ¶ contributing the most GHG, so they can target those actions. Continuing research is needed ¶ so communities, neighborhoods and individual residents or businesses can take action in ¶ ways that will help to mitigate or adapt to climate change.

It’s anthropogenic and risks extinction- turns the aff

Deibel 07 [Terry L. Deibel - professor of IR at National War College, Foreign Affairs Strategy, “Conclusion: American Foreign Affairs Strategy Today Anthropogenic – caused by CO2”]

Finally, there is one major existential threat to American security (as well as prosperity) of a nonviolent nature, which, though far in the future, demands urgent action. It is the threat of global warming to the stability of the climate upon which all earthly life depends. Scientists worldwide have been observing the gathering of this threat for three decades now, and what was once a mere possibility has passed through probability to near certainty. Indeed not one of more than 900 articles on climate change published in refereed scientific journals from 1993 to 2003 doubted that anthropogenic warming is occurring. “In legitimate scientific circles,” writes Elizabeth Kolbert, “it is virtually impossible to find evidence of disagreement over the fundamentals of global warming.” Evidence from a vast international scientific monitoring effort accumulates almost weekly, as this sample of newspaper reports shows: an international panel predicts “brutal droughts, floods and violent storms across the planet over and animals, species extinction, and threatened inundation of low-lying countries like the Pacific nation of Kiribati and the Netherlands at a warming of 5 degrees or less the Greenland and West Antarctic ice sheets could disintegrate, leading to a sea level of rise of 20 feet that would cover North Carolina’s outer banks, swamp the southern third of Florida, and inundate Manhattan up to the middle of Greenwich Village. Another catastrophic effect would be the collapse of the Atlantic thermohaline circulation that keeps the winter weather in Europe far warmer than its latitude would otherwise allow. Economist William Cline once estimated the damage to the United States alone from moderate levels of warming at 1-6 percent of GDP annually; severe warming could cost 13-26 percent of GDP. But the most frightening scenario is runaway greenhouse warming, based on positive feedback from the buildup of water vapor in the atmosphere that is both caused by and causes hotter surface temperatures. Past ice age transitions, associated with only 5-10 degree changes in average global temperatures, took place in just decades, even though no one was then pouring ever-increasing amounts of carbon into the atmosphere. Faced with this specter, the best one can conclude is that “humankind’s continuing enhancement of the natural greenhouse effect is akin to playing Russian roulette with the earth’s climate and humanity’s life support system. At worst, says physics professor Marty Hoffert of New York University, “we’re just going to burn everything up; we’re going to het the atmosphere to the temperature it was in the Cretaceous when there were crocodiles at the poles, and then everything will collapse.” During the Cold War, astronomer Carl Sagan popularized a theory of nuclear winter to describe how a thermonuclear war between the Untied States and the Soviet Union would not only destroy both countries but possible end life on this planet. Global warming is the post-Cold War era’s equivalent of nuclear winter at least as serious and considerably better supported scientifically run it puts dangers form terrorism and traditional military challenges to shame. It is a threat not only to the security and prosperity to the United States, but potentially to the continued existence of life on this planet

## Infrastructure Bank

States Solve Best- empirics prove

Puentes 11- senior fellow with the Brookings Institution’s Metropolitan Policy Program where he also directs the Program's Metropolitan Infrastructure Initiative, State Transportation Reform, <http://www.bafuture.org/sites/default/files/State%20T> ranspo%20Reform%20Brookings%202.11.pdf

Create new public/private institutions. To finance the kind of major investments necessary to support the Next Economy, such as high-functioning global ports and gateways, or infrastructure that supports electric vehicles or clean technologies, states should establish a state infrastructure bank (SIB) or enhance it if one is already in place. Beginning in 1998, when the federal government provided $150 million in seed funding for initial capitalization, SIBs have become an attractive financing tool for states. Since then, 33 states have established SIBs to finance transportation projects. Most of this support comes in the form of below market revolving loans and loan guarantees. States are able to capitalize their accounts with federal transportation dollars but are then subject to federal regulations over how the funds are spent. Others, including Kansas, Ohio, Georgia, and Florida, capitalize their accounts with a variety of state funds and are not bound by the federal oversight which they feel helps accelerate project delivery. Other states—such as Virginia, Texas, and New York—are also examining ways to recapitalize their SIBs with state funds. But rather than bringing a tough, merit-based approach to funding, many SIBs are simply used to pay for the projects selected from the state’s wish list of transportation improvements, without filtering projects through a competitive application process. A better approach would be for states to use their infrastructure banks more strategically, focusing on those transportation projects that will facilitate the flow of exports or connect workers to jobs. The projects should be evaluated according to strict return on investment criteria, not selected with an eye towards spreading funding evenly across the state. (Such an approach is analogous for how the federal government should establish a national infrastructure bank.)

States solve best- Fast timeframe and sustainable funding

Slone 11- CSG Senior Transportation Policy Analyst, State Infrastructure Banks, <http://knowledgecenter.csg.org/drupal/content/state-infrastructure-banks>

State infrastructure banks can help states stretch their state and federal dollars and meet the demands of financing large, impactful, long-term infrastructure projects. When government agencies and authorities must seek yearly grants and allocations to finance projects, the completion of those projects can be delayed for months or years. State infrastructure banks can identify, promote and lend money to creditworthy transportation projects to ensure they’re built within a reasonable timeframe and in a financially sustainable way. And because these banks act as a “revolving fund,” more projects can ultimately be financed.

State infrastructure banks only require one initial capitalization and pay for themselves

Katz et al 10 – Brookings Institute [Bruce Katz, Jennifer Bradley, and Amy Liu, November 2010, “Delivering the Next Economy: The States Step Up,” Project on State and Metropolitan Innovation, Page 5-6 <http://www.rockefellerfoundation.org/uploads/files/8203b162-0783-4f0b-b7f9-9730584e0445.pdf>]

Infrastructure is a good place to start, as it is a critical asset for the next economy, and an area that particularly cries out for new approaches to investment. 21 To ﬁnance the kind of major investments necessary to support the next economy—such as high functioning global ports and gateways or new freight infrastructure—states should establish a state infrastructure bank (SIB), or enhance one if it already exists. Thirty-three states have established SIBs to ﬁnance transportation projects, generally through below-market rate revolving loans and loan guarantees. States are able to capitalize their accounts with federal transportation dollars but are then subject to federal regulations over how the funds are spent. Others, including Kansas, Ohio, Georgia, and Florida, capitalize their accounts with a variety of state funds and thus are not bound by federal oversight. Other states—such as Virginia, Texas, and New York—are also examining ways to recapitalize their SIBs with state funds. 22 Once capitalized, these banks can be structured to be self-ﬁnancing over the long term. Currently, SIBs fall short of their potential because they are simply used to pay for the projects selected from the state’s wish list of transportation improvements, without ﬁltering projects through a competitive application process. This is the wrong approach—states must use these SIBs strategically to ﬁnance those transportation projects that are critical to advancing the next economy. The projects should be evaluated according to the likely return on investment, not selected with an eye towards spreading funding evenly across the state. States could also expand their SIBs into true economic development banks to ﬁ nance not just roads and rails, but also energy and water infrastructure, perhaps even school and manufacturing development. California’s Infrastructure and Economic Development Bank (I-Bank) provides a compelling model. 23 After its initial capitalization from the state, the I-Bank has not needed state funds to continue operating. Its funding comes from fees, interest earnings, and loan repayments. 24

State Infrastructure Banks avoid the problems with federal funding

Leong 10 [Dennis Leong – author for Doing Business, January 7, 2010, “Economic development - State Infrastructure Bank Program”, http://www.dot.wisconsin.gov/business/econdev/sib.htm]

In order to stretch limited funds, Congress authorized some innovative uses of federal transportation funds. Funds were authorized to create state "banks" to complement traditional transportation grant programs and provide states with flexibility to offer many types of financial assistance. The State Infrastructure Bank (SIB) Program, similar to a private bank, offers a range of loans and credit options to help finance eligible surface transportation projects. SIBs offer states the ability to undertake transportation projects that would otherwise go unfunded or experience substantial delays. ¶ SIB utilization in Wisconsin¶ WisDOT applied for federal seed money to create a revolving loan program. Communities can borrow the money to provide needed transportation infrastructure improvements to help preserve, promote and encourage economic development and/or promote transportation efficiency, safety and mobility. The Wisconsin SIB program is a revolving loan program providing capital for transportation projects from loan repayments and interest earned from funds remaining in the bank. SIBs can be used in conjunction with other programs to better facilitate the timing of economic development projects. SIB projects include the followin**g:¶** improve an interchange for a new industrial park **or commercial development,¶** enhance a roa**d leading up to a contaminated (brownfields) property,¶** provide for better access to facilitate increased **auto or truck traffic near commercial or industrial sites,¶** repair or reconstruct a bridge linking downtown businesses with a major state highway(s),¶ provide signal lights, turn lanes and pedestrian walkways at a busy highway intersection,¶ construct or widen a road linking an intermodal facility (i.e. airport, harbor, railroad),¶ widen a highway to improve safety and truck movements for a warehousing/distribution center, and¶ construct parking facilities, bicycle lanes and pedestrian walk-ways to better facilitate customer traffic on or near retail centers and tourist attractions.

States Solve Best- Creates Competitive federalism that decreases costs

Salam 12- author of National Review Online’s The Agenda, Yonah Freemark on State Infrastructure Banks, http://www.nationalreview.com/agenda/287217/yonah-freemark-state-infrastructure-banks-reihan-salam

I am increasingly convinced that state-based rather than federal approaches to improving the quality of infrastructure are the right way to go, but that this should flow from a revival of competitive rather than cartel (or cooperative) federalism. That is, instead of offering federal grants for the establishment of state infrastructure banks, let’s do something more drastic, e.g., either nationalize Medicaid or block grant the program, thus containing a crippling cost driver for state governments, and then allow states to pursue a wide range of different economic development strategies, some of which will be infrastructure-centric, others of which will be more human-capital-centric, etc. This is, of course, an oversimplification of very complex issues.

States can do it- encourages Private sector and avoids political sway

Council on Foreign Relation 11 (Christopher Alessi reports and writes on global economics for CFR.org. Previously, he worked as a London-based correspondent for Institutional Investor magazine. “Banking on U.S. Infrastructure Revival” 9/8. http://www.cfr.org/economics/banking-us-infrastructure-revival/p25782)AK

Some **opponents** to the bank **think the most efficient way to address** the United States' **infrastructure** needs **is by encouraging private consortia to operate projects at the state level**. "A **federal infrastructure bank would be swayed by political criteria and would be tempted to invest in low-return projects, such as roads to nowhere**," Manhattan Institute senior fellow Diana Furchtgott-Roth argued in a May 26 piece for Real Clear Markets.

## Port Security

State authority solves best- local autonomy is important to effectively respond to pressures.

Allen 11 Craig H. [Professor of Law at the University of Washignton], Future Ports Scenarios for 21st Century Port Strategic Planning (December 3, 2011). 79 J. Transp. L. Logist. & Pol’y 89-137 (2012).

The current structures and arrangements governing port development and management are adequate to accommodate economic development, environmental protection and security concerns. A more active role by the federal government to respond to future trends in trade or other areas of the MTS is not required or desired. State and local port authorities should continue to decide what is in their own ports’ best interest. The market will and should determine what and how future port development will take place. Local autonomy is paramount in deciding on how to respond to challenges facing today’s ports. Ports on the seacoasts, rivers and the Great Lakes have shaped our country’s history. From the mid-17th century, the sheltered harbors provided safe refuge for early explorers and settlers of North America. Cities depended on docks and shipping terminals as their communications and commerce lifeline to the rest of the world. Port cities prospered and grew as a result of local decision-making, responding to the requirements of the port’s hinterland and international trading partners. Today, according to the American Association of Port Authorities (AAPA), “almost 16 million Americans work in port-related jobs -- jobs that mean $515 billion in annual income and $210 billion in federal, state and local taxes. Port activity also contributes more than $780 billion to the Gross Domestic Product.” Ports have always been gateways to domestic and international trade, connecting the United States to the world. The nation’s ports have always been and will continue to be, the reception and embarkation points at which the vast majority of consumer products and valueadded goods are shipped affordably. With the exceptions of duties collection, interstate commerce issues and defense mobility, the federal government shied away from interfering in what was held to be a responsibility of the several states. In sum, the country’s locally administered port system has inherent in its structure the necessary flexibility to adapt to pressures that the supposedly “new” global system may create. If one could point to major inhibitors of a streamlined and prosperous localized port system, it would be excessive federal regulation, coupled with a lack federal financial support. Although most can agree that federal involvement in other transportation sectors has improved the relative position of those affected sectors (highways and rail), it seems clear that little positive effect has resulted from federal involvement in the maritime sector.

Federal distribution fails even when it comes to port security.

Eisinger 06, Peter Eisinger, [Henry Cohen Professor at the Milano Graduate School of Management and Urban Policy at the New School], “Imperfect Federalism: The Intergovernmental Partnership for Homeland Security”, Public Administration Review July | August 2006.

It is hard to escape habitual patterns entirely, and therein lies a key weakness of the federal system in times of external threat: When Congress disburses funds to states and localities, the politics of distribution usually take higher precedence over targeting need. So it is that even in the case of homeland security, money is spread widely across the country, with small cities, low-proﬁ le cities, inland ports, and small states receiving disproportionate per capita allocations. Despite the reforms, the politics of distribution tend to prevail over allocation rules governed by vulnerability assessments and the presence of critical infrastructure. 11 Although the disparities in federal grants between vulnerable and less vulnerable places have been reduced in most cases, anomalies still abound in the 2005 allocations of SHSGP and UASI funds. Los Angeles received $17.62 per capita in 2005, whereas Pittsburgh got $28.99; Chicago received $16.57, whereas Atlanta ’ s grant was $31.93. In a recent report by the Department of Homeland Security ’ s inspector general, the department was castigated for failing to take vulnerability considerations into account through four rounds of funding its port security program. Instead, the department has spread the funds widely, making grants to ports in Ludington, Michigan, and Martha ’ s Vineyard, as well as to ports in Arkansas, Oklahoma, and Kentucky. h e Port Authority of New York and New Jersey, which overseas the seaport that accounts for 12 percent of the nation ’ s maritime cargo traﬃc, received only 1 percent of the port security grants ( Lipton 2005 ). h e American federal system is designed to share the resources of the nation broadly, and in many situations — for example, federal highway funding — a case can be made that this norm is in the national interest, even when per capita shares show great disparities. Federalism also permits some redistribution of funds from wealthy states to poorer states, a situation for which a case can be made on equity grounds. But the practice of allocating funds to help the nation ’ s cities and states guard against acts of foreign terror by adhering to the distributional norms of decentralized federalism is a direct challenge to the rational public administration of homeland security.

The states are empirically superior to the federal government in port security

Beisecker 06 [Randall Beisecker - Research Assistant, Monterey Institute of International Studies, March 01, 2006, “DP World and U.S. Port Security”, http://www.nti.org/analysis/articles/dp-world-and-us-port-security/]

Despite DP World's attempt to diffuse, or at least delay the controversy, lawmakers remain indignant that they were left out of the loop on such a hot-button issue as national security, and are seizing this opportunity to introduce legislation prohibiting state-controlled companies from operating in U.S. ports. In addition, Congress wants greater legislative oversight over the workings and decisions of CFIUS. The danger is that Congress may overstep its bounds in its zealous desire to react. Instead, Congress should listen to the states and port employees and focus on how it can improve communications with other levels of government, improve the capacity of programs and legislation already in place, and work with the CFIUS process to reflect current concerns over national security.

Homeland security should be a state responsibility

Rugy 05 [Veronique de Rugy - senior research fellow at the Mercatus Center at George Mason University. Her primary research interests include the U.S. economy, federal budget, homeland security, April 01, 2005, “What Does Homeland Security Spending Buy?” http://www.aei.org/files/2005/04/01/20050408\_wp107.pdf]

A similar logic applies to which aspects of homeland security are public goods at the ¶ national versus state level. (See Table 2.) Espionage, intelligence, and immigration control ¶ benefit all the states, so the federal government should make these investments. But the benefits ¶ of protection of public infrastructure like bridges and water treatment plants are enjoyed by the ¶ residents of a particular state, rather than many states, so these investments should be made at the ¶ state level. This is not to say that the entire economy might not suffer were a specific bridge to ¶ be destroyed, but rather, that the principle economic impact of such an unfortunate event would ¶ be felt locally

## NextGen

The states can solve the AFF – state to state airport issues mean that ONLY localization solves congestion

Coogan et al 10 (Matthew A. Coogan, Mark Hansen, professor of Civil and Environmental Engineering @ UC Berkeley, Megan Smirti Ryerson, PhD. in Civil and Environmental Engineering @ UC Berkeley, Larry Kiernan, Joerg Last, Strata Consulting, Richar Marchi, Airports Council International – North America, “Innovative Approaches to Addressing Aviation Capacity Issues in Coastal Mega-regions”, <http://www.njtransit.com/pdf/acrp_rpt_031.pdf>, )

There are a number of reasons why the primary locus of demand management responsibility and action would ideally be at the local level. First, recent federal efforts to innovate policy in this area have been met by strong resistance. The FAA’s attempt in the fall of 2008 to institute slot auctions at a modest scale at the New York airports was temporarily blocked by a federal court after an appeal by the PANYNJ. Demand management at the local level would be immune to legal or political challenges. It is likely that slot auctions would be opposed by airlines regardless of the body implementing the auctions. Political hurdles would also exist. In 2007, the FAA proposed a pilot program to give select airport authorities ﬂexibility to impose market-based measures at the local level with guidance; this proposal did not gain traction and was not included in recent reauthorization bills that were introduced. Another challenge to demand management policy localization, airport monopoly power, is touched on in Section 5.7.2.2. There would likely be signiﬁcant challenges to innovation in airport demand management whether it occurs nationally or locally, subject to federal oversight. Nonetheless, the research team argues that the latter course would be the more promising one. Second, it would be very difﬁcult to craft a federal demand management program that would be effective across the wide variety of circumstances that exist at different airports. Important differences in this context include the following: • Airline/airport relations. Although in some cases airlines and airports maintain a straightforward landlord–tenant relationship, in other cases the relationship more closely resembles co-ownership. In the latter case, certain airlines have invested in both the airport itself and in developing the markets that the airport serves. In the context of demand management, this affects the manner in which available capacity could be allocated: through a market mechanism based on willingness to pay, or through a process that gives more consideration of established airportairline relationships. • Financing mechanism. Airports are ﬁnanced in one of two ways. In the residual approach, airlines agree to make up an shortfall in revenues in return for having a strong role, often including a veto, in airport capital expenditure decisions as well as the agreement that any airport’s non-airline revenue will go toward reducing the costs borne by airlines. In the compensatory approach, the airport assumes the risk, and in return can earn substantial surpluses that can ﬁnance future airport development, decisions about which it largely controls. Residual airports face unique constraints in employing market approaches to demand management because (a) any revenue from such charges is ultimately recaptured by the airlines in the form of reduced fees and (b) they typically have long-term usage agreements with airlines to which any demand management program must conform. • Variability in capacity. Some airports have fairly similar capacities under most weather conditions, whereas in others, capacity is highly variable. In the latter cases, a decision must be made about what capacity scenario to assume in formulating the demand management strategy. If the capacity is set too low, the airport will be underused much of the time; if set too high, there may be severe delays much of the time. There may also be cases where it is appropriate to assume different capacities for different times of day or seasons of the year. Such trade-offs are best understood at the local level. • Expandability. The appropriate mix of demand management and demand accommodation depends on the cost and political difﬁculty of expanding an airport. Some factors that determine expandability, such as the cost and availability of land and the sensitivity of surrounding land uses, can be assessed objectively, whereas others cannot. This is one reason why airport planning and expansion decisions have traditionally been made at the local level. Given the close coupling between such decisions and those related to demand management, it is appropriate for the same entity to make both. • Valuation of competing goals. Demand management involves complex trade-offs between competing goals, including delay reduction, schedule convenience, competitiveness, equity, and service stability. Different regions will place different values on these goals. Localizing demand management policy increases the opportunity to design programs that reﬂect these differences. • Competitiveness. Demand management policies can reduce competition between airlines serving a given airport as well as create entry barriers for airlines seeking to initiate service. Although such outcomes are rarely desirable, the severity of their consequences varies according to how competitive the airport is to begin with, the availability of alternative airports nearby, and, in some cases, the availability of competitive modes. It follows that the weight given to preserving competition in formulating demand management programs should vary from airport to airport. A third rationale for demand management being determined at the local level is that, for the most part, delay is a local¶ problem. It is the local population and economy that experience the brunt of delay impacts. Although high delays at one airport can propagate throughout the system, most of the delay experienced in the United States is not propagated. Moreover,¶ the airlines that operate at a high-delay airport recognize the¶ system-wide impacts of the delays and will certainly express¶ these—both explicitly and behaviorally—to local policymakers. There is also anecdotal evidence from places such as San Francisco, New York, and Boston that if demand management were made a local responsibility, it would be embraced¶ by many of the localities where it may be needed. To ensure that a solution developed to solve a local delay problem does not have the effect of making the situation worse downstream at other airport(s), the delay modeling used to develop the delay triggers at an airport would account for the impact on other airports. Fourth, local responsibility would result in a variety of¶ approaches being tried. Much can be learned from this process.¶ Just as states are the laboratories of democracy, airports could¶ become laboratories for demand management. Our limited experience with airport demand management in this country, as well as the limited success of attempts at it to date, suggests that there is much to learn

States want and can do aviation improvements – government funding problems have actually caused problems

Ross 12 [Brydon Ross - CSG Director of Energy Policy, “May 15, 2012, “FAA Funding Reauthorization Will Allow States to Plan Long-Term”, http://www.csg.org/pubs/capitolideas/Mar\_Apr\_2012/financingaviation.aspx]

But that commitment to aviation improvements hasn’t been easy: The Federal Aviation Administration reauthorization bill—which provides policy guidance, collects aviation trust fund revenues and finances airport improvements—has endured more than 20 temporary extensions since Congress passed the last comprehensive bill in 2007. Congress finally passed a $63.4 billion, four-year reauthorization bill in early February.Schneider said the absence of multi-year federal guidance in the form of full reauthorization delayed needed improvements. “It’s unfortunate because it really makes it difficult for the states to plan,” she said.While gridlock is the norm in Washington, the differences between the competing House and Senate versions of the FAA reauthorization were particularly acute. Disagreements abounded over authorized funding levels, policy disputes over easing unionization rules for rail and aviation workers, creating new takeoff and landing slots at Reagan National Airport, and the effectiveness of subsidizing smaller and remote airports through the Essential Air Service program. The final bill partially rolled back regulatory changes that had made it easier for unionization and set aside $190 million annually to subsidize airline service for rural communities.Addressing GridlockWhile transportation leaders across the country have maintained their commitment to airports and air travel despite the lack of a reauthorization to help guide planning decisions, that gridlock made it difficult.Schneider, one of only six women to lead state departments of transportation, said Illinois has dealt with the unpredictable nature of short-term reauthorizations through the creation of “innovation teams,” which encourage creative thinking for traditional improvement projects to capture additional cost savings and environmental benefits. In addition, Schneider said other states could use Gov. Pat Quinn’s Illinois Jobs Now proposal as a template to ensure growth for their airport facilities. Under the program, the state provided $380 million for airport improvements to match federal dollars and provided additional dedicated funds for important airport improvement projects that may not necessarily qualify for FAA funds.But even those projects that qualify for FAA funding come with uncertainty.The two-week shutdown of the FAA in August 2011 created a $1 billion hole in baggage collection fees for local airports and temporarily halted work on 200 airport improvement projects, according to the North American Branch of the Airports Council International. States, localities and industries that rely on air travel have been kept in limbo without certainty that future projects can be built. Airport directors around the country have said for some time that uncertainty over FAA funding—particularly the Airport Improvement Program that helps finance expansion programs—created disruptions to airport construction projects. “A lack of an FAA funding bill has forced some contractors to adjust their timelines for those projects and, in doing so, caused them to miss out on the prime construction season when the weather was good,” Victor Bird, director of the Oklahoma Aeronautics Commission, noted in State Aviation Journal.

States have already collaborated for the project – have all the resources to continue developing NextGen

Huerta 12 [Michael Huerta – Acting Administrator of the Federal Aviation Administration, February 17, 2012, “Speech – ‘How States Have Fostered NextGen’”, http://www.faa.gov/news/speeches/news\_story.cfm?newsId=13374]

As we move forward, I welcome help from all 50 states in maximizing the benefits of NextGen.Two years ago we formally agreed to work with NASAO to advance NextGen and I’m looking forward to signing our formal agreement tomorrow to continue to work together cooperatively on many fronts.The National Association of State Aviation Officials has been around since before Amelia Earhart flew her Lockheed Vega across the Atlantic Ocean. It’s been around even before the FAA. We value our collaborative working relationship. Let me give you a few examples of where state aviation officials have partnered with us to push NextGen forward.First, let me start with the great state of Alaska– where it really all began. Alaska proves to be a wonderful testing ground for NextGen technology. Alaska has very challenging terrain – mountains and vast stretches of territory without radar coverage. As they say, the private aircraft is like a minivan for the people of rural Alaska. Its how they get around.The FAA outfitted general aviation planes with state-of-the-art NextGen cockpit displays in Alaska to help navigate around mountains that cut off large areas from radar coverage. This gave pilots better weather information and a clearer view of mountainous terrain. It cut the accident rate almost in half.It was a collaborative effort between industry, the FAA, the University of Alaska at Anchorage and the state of Alaska. The project won the National Aeronautic Association’s Collier Trophy.The state of Alaska helped us determine where to put ground-based transmitters to test Automatic Dependent Surveillance-Broadcast (ADS-B). They helped us choose the best airports for testing, which were mostly small airports in bush Alaska.Later in 2008, the state legislature of Alaska created a low interest loan program to equip aircraft with ADS-B technology.Alaska has been a great partner in helping the development and rollout of NextGen. We’ve also worked closely with other states.¶ In Colorado, NextGen has opened up ski towns to tourists during all kinds of weather.

The states are necessary to implement and facilitate NextGen

State Aviation Journal 12 [State Aviation Journal, June 11, 2012, “NASAO AND FAA JOIN EFFORTS ON NEXTGEN AND WILDLIFE HAZARDS”, http://stateaviationjournal.com/index.php?q=content/nasao-and-faa-join-efforts-nextgen-and-wildlife-hazards]

This week, the Federal Aviation Administration (FAA) and the National Association of State Aviation Officials (NASAO) signed a Memorandum of Understanding for two new joint initiatives, NextGen and Wildlife Hazards.FAA Administrator Randy Babbitt signed the MOUs on behalf of FAA and NASAO Chairman Victor Bird of Oklahoma signed for the states, Guam and Puerto Rico.Through the NextGen initiative, FAA and NASAO explores methods of engaging the states in the promotion, facilitation and implementation of the NextGen system. Collaboration is consistent with the tenets of the NextGen Implementation Plan, NAS Enterprise Architecture and the NextGen Implementation Task Force. This includes forging community-wide consensus on the recommended NextGen operational improvements to be implemented during the transition stage, now - 2018, as well as maintaining a focus on maximizing NextGen benefits and facilitating development of the business case for industry investment. (Photo - Victor Bird)

## Disability

States solve – and – our counterplan is relevant, predictable, and educational

Percy 01 (Stephen, Ph.D., Indiana University A.B., Hamilton College, Political Science Professor at the University of Milwaukee, “Disability and Federalism: Comparing Different Approaches to Full Participation”, http://books.google.com/books?hl=en&lr=&id=q5F8Oqks7oUC&oi=fnd&pg=PA1&dq=Disability+and+Federalism:+Comparing+Different+Approaches+to+Full+Participation&ots=vhr2r60Sh2&sig=yknyDwNkcNyX66RQv7Zyl-ahnNQ#v=onepage&q&f=true)

Questions about policy coordination invariably raise issues about **implement**ing **disability policies from an intergovernmental, rather than centralized national, arrangement**. Unlike Western European nations, **the US system utilizes a more decentralized, yet interdependent, policy system to serve people with disabilities.**67 This system, while generally consistent with American principles of governance through a federal system where powers are shared between the national government and the states, does not guarantee effective policy at every turn. **Decentralization provides the potential for more locally**, rather than centrally, **designed policy efforts that can be more responsive to locally-defined problems and more appropriately tailored to local conditions.** **The American states, therefore, can serve as laboratories for policy "experiments'**1 **through which effective policy implementation strategies can be identified and then shared back with the other states**. Conversely, greater centralization is more likely to provide consistent services and benefits across the states, at least with regard to establishing minimal levels. These tensions have been rife since the formation of the United States and will remain so long as the democratic system remains based upon a federal, power-sharing model of governance. **The persistent questions in the context of disability policy is determining which programs** and services **are best provided at which level of governance** and how state and national programs can be more effectively coordinated and mutually reinforcing. **These questions are ongoing in disability policy and will continue to be the focus of policy debates** and plans for system reform.

# AT’s:

## AT: Perm Do Both

Perm fails – cost overruns are especially bad when multiple levels of government are involved

Edwards 11 – Director of tax policy studies at the Cato Institute and the editor of [www.downsizinggovernment.org](http://www.downsizinggovernment.org) [Chris, November 16, 2011, “Federal Infrastructure Investment,” http://www.cato.org/publications/congressional-testimony/federal-infrastructure-investment]

Problems with Federal Infrastructure Investment There are calls today for more federal spending on infrastructure, but advocates seem to overlook the downsides of past federal efforts. Certainly, there have been federal infrastructure successes, but there has also been a history of pork barrel politics and bureaucratic bungling in federal investment spending. A substantial portion of federal infrastructure spending has gone to low-value and dubious activities. I've examined spending by the two oldest federal infrastructure agencies — the Army Corps of Engineers and the Bureau of Reclamation.7 While both of those agencies constructed some impressive projects, they have also been known for proceeding with uneconomic boondoggles, fudging the analyses of proposed projects, and spending on activities that serve private interests rather than the general public interest. (I am referring to the Civil Works part of the Corps here). Federal infrastructure projects have often suffered from large cost overruns.8 Highway projects, energy projects, airport projects, and air traffic control projects have ended up costing far more than originally promised. Cost overruns can happen on both public and private infrastructure projects, but the problem is exacerbated when multiple levels of government are involved in a project because there is less accountability. Boston's Big Dig — which exploded in cost to five times the original estimate — is a classic example of mismanagement in a federal-state project.9

The perm fails – federal investment guts solvency – the states must act independently

Roth 10 – civil engineer and transportation economist. He is currently a research fellow at the Independent Institute. During his 20 years with the World Bank, he was involved with transportation projects on five continents (Gabriel, June, “Federal Highway Funding,” http://www.downsizinggovernment.org/transportation/highway-funding)

Today, the interstate highway system is long complete and federal financing has become an increasingly inefficient way to modernize America's highways. Federal spending is often misallocated to low-value activities, and the regulations that go hand-in-hand with federal aid stifle innovation and boost highway costs. The Department of Transportation's Federal Highway Administration will spend about $52 billion in fiscal 2010, of which about $11 billion is from the 2009 economic stimulus bill.1 FHWA's budget mainly consists of grants to state governments, and FHWA programs are primarily funded from taxes on gasoline and other fuels.2 Congress implements highway policy through multi-year authorization bills. The last of these was passed in 2005 as the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). Congress will likely be reauthorizing highway programs in 2011, and it is currently pursuing many misguided policy directions in designing that legislation. One damaging policy direction involves efforts to reduce individual automobile travel, which will harm the economy and undermine mobility choice. Another damaging policy direction is the imposition of federal "livability" standards in transportation planning. Such standards would federalize land-use planning and pose a serious threat to civil liberties and the autonomy of local communities. Finally, ongoing federal mandates to reduce fuel consumption have the serious side effect of making road travel more dangerous. The federal government pursues these misguided goals by use of its fiscal powers and regulatory controls, and by diverting dedicated vehicle fuel taxes into less efficient forms of transportation. This essay reviews the history of federal involvement in highways, describing the evolution from simple highway funding to today's attempts to centrally plan the transportation sector. It describes why federal intervention reduces innovation, creates inefficiencies in state highway systems, and damages society by reducing individual freedom and increasing highway fatalities. Taxpayers and transportation users would be better off if federal highway spending, fuel taxes, and related regulations were eliminated. State and local governments can tackle transportation without federal intervention. They should move toward market pricing for transportation usage and expand the private sector's role in the funding and operation of highways.

## AT: Perm Do CP

The perm severs the Usfg, which is the government in Washington D.C.

Encarta 2k – Microsoft Encarta Online Encyclopedia (http://encarta.msn.com)

“The federal government of the United States is centered in Washington DC.”

Severance is a reason to reject the perm – it makes the aff a moving target, skewing negative ground

## AT: 50 State Fiat

The counterplan is legitimate –

1. Reciprocity – affs can fiat a plethora of actors within the federal government like the Department of Transportation
2. It’s real world – the National Governors Association and National Conference of State Legislatures prove the 50 states work together
3. Neg ground – the states counterplan is a core neg generic on domestic topics – it’s a key check against aff innovation
4. Limits – requiring a fed key warrant is key to determine which affs can be run strategically
5. DAs don’t solve our offense – the counterplan is key impact defense against a multiplicity of advantages and add-ons
6. Reject the argument, not the team – community norms mean negs will never be deterred from running the states counterplan

## AT: 50 State Fiat

The counterplan is legitimate -

1. It’s in our jurisdiction – states act together in the National Governors association
2. The judge should be a policy analyst – the resolution wouldn’t say USFG unless the creators wanted agent counterplan debates
3. Real world – the federal government funds like 80% and the states come up with the rest
4. Doesn’t fiat out of solvency deficits – they can provide evidence to the state implementation
5. Education – we access the most topic literature because states vs. federal action is the reason for all affirmative inherency
6. Not infinitely regressive – the literature checks that
7. Neg ground – key core generic on domestic topics to test tricky new affs

### Cards

Discussion about the states is a good thing – rising importance

Watkins 12 – Thesis for partial fulfillment of the requirements for the Degree of Bachelor of Arts with Departmental Honors in Economics at Wesleyan University [Miles, April 2012, “Party in the House? Examining the Effects of Political Control on State Government Spending,” Page 3-4, <http://wesscholar.wesleyan.edu/cgi/viewcontent.cgi?article=1796&context=etd_hon_theses>]

Focusing on American state governments, rather than those at the national or local levels, offers several methodological advantages. The states together provide a cross-section of data that is consistent over time, where all units face a “common institutional framework and cultural milieu” (Dye 1966 p. 11). This would not be available in a study of federal spending, and allows for the use of more powerful and precise econometric techniques; for example, I am able to eliminate from my regressions the perturbing effects of a state’s culture, geography, and political history. State data also trumps that of local governments, which suffer from incomplete and highly disaggregated information. Especially pertinent to my study is the fact that the majority of municipalities hold nonpartisan elections; this would prevent me from using an unbiased sample in my regressions (Ferreira & Gyourko 2009). Overall, little is sacrificed by choosing to study the states; the results of my study of state governments are largely applicable to local and federal ones as well, since in general there are great similarities in politics between different levels of American government (Gray et al. 1985 p. 89). Beyond those statistical issues, state public policy is also worthy of analysis in and of itself. States provide residents with crucial public goods and services, such as welfare, higher education, and transportation infrastructure. Further, in light of an increasingly polarized and gridlocked Washington, in the coming years state governments will likely take on more importance in determining the economic and social future of the United States (Katz & Bradley 2011).

Key Resolutional Question – the States CP checks the term “federal government” – builds topic education

Columbia Encyclopedia 01 (<http://www.encyclopedia.com/html/f/federalg.asp>)

FEDERAL GOVERNMENT [federal government] or federation, government of a union of states in which sovereignty is divided between a central authority and component state authorities. A federation differs from a confederation in that the central power acts directly upon individuals as well as upon states, thus creating the problem of dual allegiance. Substantial power over matters affecting the people as a whole, such as external affairs, commerce, coinage, and the maintenance of military forces, are usually granted to the central government. Nevertheless, retention of jurisdiction over local affairs by states is compatible with the federal system and makes allowance for local feelings. The chief political problem of a federal system of government is likely to be the allocation of sovereignty, because the need for unity among the federating states may conflict with their desire for autonomy.

Uniformity is real-world

Ribstein & Kobayashi 99 (Larry E. & Bruce H., Professor and Associate Professor of Law at the George Mason University School of Law, The University of Chicago, The Journal of Legal Studies, An Economic Analysis of Uniform State Laws, January, lexis)

In the setting examined here, a lack of agency costs would lead to the NCCUSL's generally proposing efficient laws that would be widely adopted by the states (case 1). An examination of the adoption history of NCCUSL proposals suggests otherwise. Figure 1 shows the distribution of the number of states that have adopted the 103 uniform laws proposed by NCCUSL. n9 On average, an NCCUSL proposal is adopted by just over 20 (out of a possible 53) states or territories. The median number of adoptions is 17, and the mode is zero. Further, only 8 of the [\*135] [SEE FIGURE IN ORIGINAL] 103 proposals have been adopted by 50 or more states (7.8 percent), and only 20 (19.4 percent) have been adopted by 40 or more states. In contrast, 62 uniform proposals have fewer than 20 adoptions (60.2 percent), and 39 (37.9 percent) have fewer than 10. The large number of proposals with few adoptions is consistent with the existence of agency costs in the uniform lawmaking process.

## AT: L to Net Benefit

1. There’s no reason Obama would be blamed for state policies

2. The counterplan doesn’t link – states operate below the federal political radar

Celli 1 – Chief of the Civil Rights Bureau, New York State Attorney General's Office (Andrew, 64 Alb. L. Rev. 1091, Lexis)

I also saw that state enforcement officers, like me and like Peter Lehner, with our small and agile offices operating below the national political radar, that we can use these federal laws in creative and aggressive ways and perhaps in a way that is insulated from the kinds of political pressure that, say, the Civil Rights Division of the Justice Department faces.

1. States Solve Best- Bipartisan support and avoid deficit spending

Freemark 12- Yonah, Journalist at the Transportation Politic, How to Pay for America's Infrastructure, <http://www.theatlanticcities.com/politics/2012/01/solution-americas-infrastructure-woes/845/>

America's transportation infrastructure is in desperate need of an update, and most politicians would agree that more funding should be dedicated the nation’s highways and mass transit systems. Yet there is little consensus about where to find those new funds and Democrats and Republicans disagree stridently over whether Washington should increase its role. One potentially fertile place for compromise may be in the form of state infrastructure banks, which have gained support from both the left and right in recent months. These public agencies, provided some government funds, would be designed to encourage significant private investment. And they would do so with little interference from the national government. "I-banks" could lend states, municipalities, and perhaps even private sector agencies a significant portion of project funds that would later be paid back through user fees, public-private partnerships, or dedicated taxes. The idea is to get more transportation projects under construction without significantly expanding the national deficit. And the idea is not particularly new: Infrastructure banks have been on the radar since 1995, when state banks were initially authorized to receive federal funds. Now, more than thirty states have them in operation.

# Federalism DA

## Uniqueness

The counterplan provides uniqueness for the DA – extend McGuigan – allowing states to invest in their own transportation infrastructure will spur a broader Congressional effort to return power to the states

Transportation power is shifting to the states now

Kilcarr 5/16 – senior editor, Fleet Owner (Sean, “Marking the “devolution” of highway funding,” http://fleetowner.com/regulations/marking-devolution-highway-funding)

As Congress continues to debate a variety of surface transportation funding bills – most notably the two-year Senate sponsored Moving Ahead for Progress in the 21st Century Act (MAP-21) – several groups believe such federal-directed efforts are almost becoming moot as highway funding issues are increasingly “devolving” to the states. At a briefing on Capitol Hill this week, a panel of experts led by Marc Scriber, land-use and transportation policy analyst with the Competitive Enterprise Institute (CEI), argued that near-default status of the Highway Trust Fund (HTF) due to inadequate fuel tax revenues and policy gridlock at the federal level is increasingly pushing states and localities to figure out ways to generate the funds required to build and maintain U.S. bridges and roads. “We’ve argued in the past that responsibility for generating highway funds should ‘devolve’ to the states, but now that’s a largely ‘defacto reality’ as declining HTF revenues are forcing the states to look for new ways to generate the monies they need,” Scriber told Fleet Owner.

Federalism is strengthening – the states are stepping up

Katz 12 – Vice President and Director, Metropolitan Policy Program, Global Cities Initiative (Bruce, 03/18, “Will the Next President Remake Federalism?” http://www.brookings.edu/research/articles/2012/03/18-federalism-katz)

The genius of American federalism is that it diffuses power among different layers of government and across disparate sectors of society. States are the key constitutional partners, because they have broad powers over such market-shaping policy areas as infrastructure, innovation, energy, education and skills training. But other sub-national units - particularly major cities and metropolitan areas - also are critical, because they concentrate and agglomerate the assets that drive prosperity and share leadership with actors in the corporate, civic, university and other spheres. When the federal government becomes polarized and fails to act on critical issues of national importance, states and metros can step in to take on larger roles. With Washington mired in partisan gridlock, the states and metropolitan areas are doing just that. With federal innovation funding at risk, metros like New York City and states like Ohio and Tennessee are making sizable commitments to attract innovative research institutions, commercialize leading-edge research and grow innovation-intensive firms. With the future of federal trade policy unclear, metro areas like Los Angeles, San Francisco and Minneapolis/St. Paul and states like Colorado and New York are reorienting their economic development strategies toward exports and the attraction of innovative foreign companies and skilled immigrants. With federal energy policy in shambles, metro areas like Seattle and Philadelphia are cementing their niches in energy-efficient technologies, and states like Connecticut are experimenting with green banks to help deploy clean technologies at scale. State green banks can play a crucial role in financing clean energy projects by combining scarce public resources with private investment, and then leveraging the funds to make each public $1 support $5 or $10 or even more dollars of investment. With federal transportation policy in limbo, metro areas like Jacksonville and Savannah and states like Michigan are modernizing their air, rail and sea freight hubs to position themselves for an expansion of global trade. What unites these disparate efforts is intent. After decades of pursuing fanciful illusions (e.g., becoming the next Silicon Valley) or engaging in copycat strategies, states and metros are deliberately building on their special assets, attributes and advantages using business-planning techniques honed in the private sector. The bubbling of state and metro innovation offers an affirmative and practical counterpoint to a Washington that has become increasingly hyper-partisan and overly ideological and gives the next president an opportunity to engage states and metropolitan areas as true working partners in a focused campaign for national economic renewal.

Federalism high – internet

Dean 12 – served six terms as the 79th Governor of Vermont, former chairman of the Democratic National Committe (Howard, 05/10, “Decentralization in the 21st century: the internet gives power to the people,” http://www.montrealgazette.com/health/Decentralization+21st+century+internet+gives+power+people/6601105/story.html)

The plain truth is that there is no real future for the decentralization of government in the United States. There is too much to undo, and the price tag would be prohibitive, even in better economic times. But there will be a massive decentralization anyway. Young people on the Internet have now achieved an extraordinary influence on public policy, vastly exceeding the influence of Congress on issues they care about. In 2011, the largest bank in the U.S., Bank of America, announced that it would impose a $5-a-month fee on those who used debit cards. In the old days there would have been a public uproar but eventually it would have faded and the fee structure would have remained. But within three days of the 2011 fee announcement, over a million people, organized by various online groups, had pledged to remove their deposits from Bank of America and put them in credit unions instead. On the fourth day, Bank of America rescinded the new fees. More impressive was the collapse of the intellectual-property bill that had made it out of committee in the Senate with bipartisan support, a rare occurrence in today’s political environment in the U.S. The entertainment industry, which had lobbied for the bill, knew well how to move the process in Washington, while the Googles of the world knew little. (The bill favoured the creative industry at the expense of the internet providers.) But Google and its friends did know how to reach almost all of the Americans who have contempt for Congress – about 90 per cent of them, if the polls are to be believed. After a campaign that involved the voluntary shutdown of major websites, and notices explaining what Americans could do to get their views known by public officials, both the White House and congressional email services stopped working because of the enormous outpouring of messages from outraged users of the net. After a fruitless day of bluster trying to explain the reason for the bill, Senate Majority Leader Harry Reid announced that the bill would not be voted on, and two years of work was washed away. The future of decentralization is alive and well in America and elsewhere, but it is not the federal or central governments that will effect the change. That will be done by the public, newly empowered by the increasing penetration of the preferred weapon of democracy advocates everywhere: the World Wide Web.

## Economy Impact

Federalism is key to the economy

McGinnis 96 – Professor of Law at Yeshiva University (December, “THE DECLINE OF THE NATION STATE AND ITS EFFECT ON CONSTITUTIONAL AND INTERNATIONAL ECONOMIC LAW: CONTRIBUTION: THE DECLINE OF THE WESTERN NATION STATE AND THE RISE OF THE REGIME OF INTERNATIONAL FEDERALISM,” Lexis)

Economists today have explained that the original Constitutional design of a federalist free trading system was at the heart of the United States' steady rise in becoming an economic superpower by the beginning of the twentieth century. 47 However, federalism was more than just a political engine of economic expansion; it was perhaps the Framers' most important contribution to solving the greatest dilemma of political theory: although a government needs to be powerful enough to protect property rights, a government sufficiently powerful to accomplish this end is also powerful enough to expropriate the wealth of its citizens. 48 As both Professors Barry Weingast and Friedrich von Hayek have suggested, federalism provides a structural solution to this dilemma. 49 Forcing state governments to compete for the capital and skills of a national citizenry imposes substantial limits on a state government's ability to expropriate. [\*916] Like the federal government in the original constitutional order, the international structures arising from GATT and Bretton Woods perform the important but essentially limited function of maintaining a free trade zone. The resulting competition for trade and capital among nation states imposes limitations on their regulatory power not unlike the limitations imposed on the power of states in nineteenth-century America. Government's ability to redistribute wealth and hamper enterprise is again restrained--this time on a global scale. Viewed as a new political order, the regime of international federalism is an important impetus behind the program of regulatory relief and the dismantling of government agencies occurring in the West, particularly in the United States. 50 Over the last several decades, the free trade regime has silently strengthened antiregulatory interest groups because businesses in the global marketplace have become acutely aware of regulations that disadvantage them at home and of the greater opportunities that they now have to exit if they do not receive relief. 51 Free trade and open markets simultaneously raise the cost of producer group inaction with respect to burdensome regulations, and give such groups more leverage to force changes in the regime's rules.

The impact is extinction

Weekly Press 8 − Philadelphia Community Newspaper (10/22, “What to do when the economy crashes: Thoughts from KATHY CHANGE,” http://weeklypress.com/what-to-do-when-the-economy-crashes-thoughts-from-kathy-change-p941-1.htm)

Soon the economy will collapse. As you know, America relies upon Japan and other foreign investors to prop up its dollar. We are a bankrupt nation. Much profit could be made from the collapse of the U.S. economy. U.S. land and industries will be up for sale at bargain basement prices for foreign capital. At this point Americans will lose control of their whole country and the U.S. will become like a third world nation, with its starving and homeless population standing by watching its wealth being shipped abroad for the benefit of its foreign investors. Our political system and economic system are all figments of the collective imagination. We can dissolve them **instantly** with just a moment of unanimous disbelief... Our deadline, the last possible chance to do it before we are swept away inexorably to our **doom**, is when the economy collapses. At that time there will be skyrocketing inflation, and quite possibly the flow of food to the cities could be disrupted. Large-scale rioting and civil war would be likely to break out. Martial law would be declared and then the military would be in total control of our society. Our democratic civil rights would be suspended and we would be powerless to stop the government from launching into that final global nuclear war which would obliterate our country and much of the rest of the world.

## Free Trade Impact

Federalism sustains free trade

Calabresi 95 – Assistant Professor, Northwestern University School of Law (Steven G., December, “Reflections on United States v. Lopez: ‘A GOVERNMENT OF LIMITED AND ENUMERATED POWERS’: IN DEFENSE OF UNITED STATES v. LOPEZ,” Lexis)

A fourth and vital advantage to international federations is that they can promote the free movement of goods and labor both among the components of the federation by reducing internal transaction costs and internationally by providing a unified front that reduces the costs of collective action when bargaining with other federations and nations. This reduces the barriers to an enormous range of utility-maximizing transactions thereby producing an enormous increase in social wealth. Many federations have been formed in part for this reason, including the United States, the European Union, and the British Commonwealth, as well as all the trade-specific "federations" like the GATT and NAFTA.

That solves multiple scenarios for extinction

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

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

## Hegemony Impact

Federalism is key to heg

Rivlin 92 – Brookings Institution (Alice, Reviving the American Dream: The Economy, The States, and the Federal Government)

The inexorably rising frequency and complexity of U.S. interaction with the rest of the world add to the stress on federal decisionmaking processes and underline the need for making those processes simpler and more effective. If the United States is to be an effective world leader, it cannot afford a cumbersome national government overlapping responsibilities between the federal government and the states, and confusion over which level is in charge of specific domestic government functions. As the world shrinks, international concerns will continue threatening to crowd out domestic policy on the federal agenda. Paradoxically, however, effective domestic policy is now more crucial than ever precisely because it is essential to U.S. leadership in world affairs. Unless we have a strong productive economy, a healthy, well-educated population, and a responsive democratic government, we will not be among the major shapers of the future of this interdependent world. If the American standard of living is falling behind that of other countries and its government structure is paralyzed, the United States will find its credibility in world councils eroding. International considerations provide additional rationale, if more were needed, for the United States to have a strong effective domestic policy. One answer to this paradox is to rediscover the strengths of our federal system, the division of labor between the states and the national government. Washington not only has too much to do, it has taken on domestic responsibilities that would be handled better by the states. Revitalizing the economy may depend on restoring a cleaner division of responsibility between the states and the national government.

That solves multiple scenarios for extinction

Brzezinski 12 – Professor of American Foreign Policy at Johns Hopkins University's School of Advanced International Studies, scholar at the Center for Strategic and International Studies, and a member of various boards and councils, national security advisor under Jimmy Carter, (Zbigniew, 01/11, “After America”, http://www.foreignpolicy.com/articles/2012/01/03/after\_america?page=full)

For if America falters, the world is unlikely to be dominated by a single preeminent successor -- not even China. International uncertainty, increased tension among global competitors, and even **outright chaos would be far more likely outcomes**.

While a sudden, massive crisis of the American system -- for instance, another financial crisis -- would produce a fast-moving chain reaction leading to global political and economic disorder, a steady drift by America into increasingly pervasive decay or endlessly widening warfare with Islam would be unlikely to produce, even by 2025, an effective global successor. No single power will be ready by then to exercise the role that the world, upon the fall of the Soviet Union in 1991, expected the United States to play: the leader of a new, globally cooperative world order. More probable would be a protracted phase of rather inconclusive realignments of both global and regional power, with no grand winners and many more losers, in a setting of international uncertainty and even of potentially fatal risks to global well-being. Rather than a world where dreams of democracy flourish, a Hobbesian world of enhanced national security based on varying fusions of authoritarianism, nationalism, and religion could ensue.

The leaders of the world's second-rank powers, among them India, Japan, Russia, and some European countries, are already assessing the potential impact of U.S. decline on their respective national interests. The Japanese, fearful of an assertive China dominating the Asian mainland, may be thinking of closer links with Europe. Leaders in India and Japan may be considering closer political and even military cooperation in case America falters and China rises. Russia, while perhaps engaging in wishful thinking (even schadenfreude) about America's uncertain prospects, will almost certainly have its eye on the independent states of the former Soviet Union. Europe, not yet cohesive, would likely be pulled in several directions: Germany and Italy toward Russia because of commercial interests, France and insecure Central Europe in favor of a politically tighter European Union, and Britain toward manipulating a balance within the EU while preserving its special relationship with a declining United States. Others may move more rapidly to carve out their own regional spheres: Turkey in the area of the old Ottoman Empire, Brazil in the Southern Hemisphere, and so forth. None of these countries, however, will have the requisite combination of economic, financial, technological, and military power even to consider inheriting America's leading role.

China, invariably mentioned as America's prospective successor, has an impressive imperial lineage and a strategic tradition of carefully calibrated patience, both of which have been critical to its overwhelmingly successful, several-thousand-year-long history. China thus prudently accepts the existing international system, even if it does not view the prevailing hierarchy as permanent. It recognizes that success depends not on the system's dramatic collapse but on its evolution toward a gradual redistribution of power. Moreover, the basic reality is that China is not yet ready to assume in full America's role in the world. Beijing's leaders themselves have repeatedly emphasized that on every important measure of development, wealth, and power, China will still be a modernizing and developing state several decades from now, significantly behind not only the United States but also Europe and Japan in the major per capita indices of modernity and national power. Accordingly, Chinese leaders have been restrained in laying any overt claims to global leadership.

At some stage, however, a more assertive Chinese nationalism could arise and damage China's international interests. A swaggering, nationalistic Beijing would unintentionally mobilize a powerful regional coalition against itself. None of China's key neighbors -- India, Japan, and Russia -- is ready to acknowledge China's entitlement to America's place on the global totem pole. They might even seek support from a waning America to offset an overly assertive China. The resulting regional scramble could become intense, especially given the similar nationalistic tendencies among China's neighbors. A phase of acute international tension in Asia could ensue. Asia of the 21st century could then begin to resemble Europe of the 20th century -- violent and bloodthirsty.

At the same time, the security of a number of weaker states located geographically next to major regional powers also depends on the international status quo reinforced by America's global preeminence -- and would be made significantly more vulnerable in proportion to America's decline. The states in that exposed position -- including Georgia, Taiwan, South Korea, Belarus, Ukraine, Afghanistan, Pakistan, Israel, and the greater Middle East -- are today's geopolitical equivalents of nature's most endangered species. Their fates are closely tied to the nature of the international environment left behind by a waning America, be it ordered and restrained or, much more likely, self-serving and expansionist.

A faltering United States could also find its strategic partnership with Mexico in jeopardy. America's economic resilience and political stability have so far mitigated many of the challenges posed by such sensitive neighborhood issues as economic dependence, immigration, and the narcotics trade. A decline in American power, however, would likely undermine the health and good judgment of the U.S. economic and political systems. A waning United States would likely be more nationalistic, more defensive about its national identity, more paranoid about its homeland security, and less willing to sacrifice resources for the sake of others' development. The worsening of relations between a declining America and an internally troubled Mexico could even give rise to a particularly ominous phenomenon: the emergence, as a major issue in nationalistically aroused Mexican politics, of territorial claims justified by history and ignited by cross-border incidents.

Another consequence of American decline could be a corrosion of the generally cooperative management of the global commons -- shared interests such as sea lanes, space, cyberspace, and the environment, whose protection is imperative to the long-term growth of the global economy and the continuation of basic geopolitical stability. In almost every case, the potential absence of a constructive and influential U.S. role would fatally undermine the essential communality of the global commons because the superiority and ubiquity of American power creates order where there would normally be conflict.

# AT’s Solvency:

## AT: Coordination

States have an incentive to be regionally compatible

Callen 08 – The Harris School, University of Chicago [Zachary, February 24, 2008, “Responding to Railroad Hubs: State-Level Coordination and American Political Development,” Page 7-8, <http://harrisschool.uchicago.edu/programs/beyond/workshops/ampolpapers/winter08-callen.pdf>]

To enhance the value of their own transportation infrastructure systems, states first emphasize connecting internal commercial sites, such as key manufacturing or farming centers with local ports of entry. However, states share borders with one other, and there are minimal barriers to capital or populations moving across borders (Peterson 1981; Hwang and Gray 1991). Furthermore, no state is economically autonomous, and all states rely on other states as both markets to which they can export their own products as well as necessary trading partners from which raw materials and manufactured goods that cannot be locally produced are obtained. The reality of state competition for limited capital and population reserves leads to questions of whether states will coordinate at all in regional projects. However, states rely on connectivity with other states for their own economic success, forcing states to evaluate their infrastructure programs not just in terms of local service but also regional compatibility.

## AT: No Investment

P3 sends an effective signal to get investors on board

Istrate and Puentes 11 – Brookings Institute [Emilia Istrate and Robert Puentes, December 2011, “Moving Forward on Public Private Partnerships: U.S. and International Experience with PPP Units,” Page 12, <http://www.brookings.edu/~/media/research/files/papers/2011/12/08%20transportation%20istrate%20puentes/1208_transportation_istrate_puentes.pdf>]

Other than the obvious enabling authority, PPP legislation sends a strong signal that a state is open to private involvement in infrastructure financing and delivery. It provides predictability for the private sector engaging in a partnership with the public sponsor. 64 PPP legislation sets the rules of engagement and reduces transaction costs by outlining main principles in the statute, thereby creating a more transparent and criteria–specific environment for negotiations between parties on bidding and contract specifics. On the other hand, the lack of state PPP legislation can prove a real hindrance to the development of the PPP market. The 2007 failed $12.8 billion bid for the lease of Pennsylvania Turnpike would have benefited from a state PPP legislation in place before the negotiation began. 65 Thirty-one states have PPP enabling legislation for highways, roads and bridges and 21 have PPP legislation for transit projects. 66 The state PPP transportation legislation generally refers to PPP delivery models that allow the public sector to contract with a private entity to design, construct, repair, expand, operate and/or finance highway, road or bridge projects. 67 Sometimes, the state PPP transportation legislation includes provisions referring to design-build projects, such as in the case of the PPP legislation in Alabama, California, Colorado and Massachusetts. 68

States can do P3s and assuage private investor concerns

**NGA, ’09** [January 2009, THE NATIONAL GOVERNORS ASSOCIATION (NGA), founded in 1908, is the instrument through which the nation’s governors collectively influence the development and implementation of national policy and apply creative leadership to state issues. Its members are the governors of the 50 states, three territories, and two commonwealths. “Innovative State Transportation Funding and Financing”, <http://www.nga.org/files/live/sites/NGA/files/pdf/0901TRANSPORTATIONFUNDING.PDF>]

With PPPs, there are correlations between how much risk the public sector is shifting and the rate of return private operators will expect. The bottom line for states and for users, however, is that nothing in a PPP offers states new revenue. While PPPs can offer access to capital, it is with the expectation that private partners will see a rate of return likely through user fees. States can work with private sector partners to craft agreements whereby the state shares in profits or caps private sector profits at a certain point. However, in order to receive attractive bids, the private sector will want to see the opportunity for a stable rate of return. Clearly defining and communicating objectives and roles and providing a forum for substantial public input can increase public acceptance and improve PPP arrangements. States are taking steps to address these concerns, and with each new concession agreement, policymakers have the ability to incorporate lessons learned and inform the structure of subsequent deals. The Indiana and Chicago PPPs are providing project experience that other states such as Utah and Pennsylvania and metropolitan areas such as Houston, Texas, are studying as they pursue their own PPP initiatives.

Texas proves

**Reddy, ’08** [Bina Reddy, “The Hard Road: Nepa Review Of The Trans-Texas Corridor After Sep-15 And Safetea-Lu § 6005”, 38 Tex. Envtl. L.J. 125, Lexis Nexis]

The Trans Texas Corridor is an all-Texas transportation network of corridors up to 1,200 feet wide. The corridor will include separate tollways for passenger vehicles and trucks, high-speed passenger rail, high-speed freight rail, commuter rail, and a dedicated utility zone. The concept includes separate lanes for passenger vehicles (three lanes in each direction) and trucks (two lanes in each direction). The corridor also would contain six rail lines (three in each direction): one for high-speed rail between cities, one for high-speed freight rail, and one for commuter and freight rail. The third component of the corridor would be a protected network of safe and reliable utility lines for water, petroleum, natural gas, electricity, and data. n21 Unsurprisingly, all this is going to be extremely costly. Texas cannot afford the TIC bill using its current gasoline tax, and Governor Perry is adamantly against increasing the tax. n22 TxDOT estimates that it needs $ 86 billion more than currently available to meet "Texas' mobility challenge." n23 To pay for this enterprise, Texas is planning to make use of public-private partnerships (PPP). A PPP is a contractual agreement between a public agency and private sector entity that provides for more private sector participation in transportation projects. n24 TxDOT's website for the TIC states that the government "does not have all the answers to the transportation challenges facing Texas and needs the innovation of the private sector." n25 The hope is that the private sector will bring both innovation and a very large pocketbook to the TIC. In recognition of this need, a new chapter in the Texas Transportation Code was added in 2003 to authorize the use of PPPs. n26 B. PUBLIC-PRIVATE PARTNERSHIPS (PPP) Typically, the use of PPPs involves charging citizens for public services (i.e., toll lanes) in order for a private sector entity to realize a return on its investment. It is this [\*129] feature of the TIC that has received the most media attention. n27 Texas has traditionally paid for its roads through a gasoline tax, and many groups vehemently oppose converting to tolls on Texas roads, particularly if the profits are going to foreign companies. n28 In 2006, TxDOT signed a deal to develop the first leg of the corridor, TTC-35, with Cintra-Zachry. n29 Cintra-Zachry is a joint venture between Madrid-based Cintra, and San Antonio-based Zachry. n30 The contract provides an investment of $ 6 billion for Cintra-Zachry to design, construct, and operate a toll road between Dallas and San Antonio as the first portion of TTC-35. n31 Cintra-Zachry will also pay $ 1.2 billion for operating the Dallas-San Antonio segment as a toll facility that Texas may use to fund other projects along the I-35 corridor. n32 Cintra-Zachry is also authorized to begin a master development and financial plan for a new system of roads, rail, and utilities at a cost of $ 3.5 billion. n33 Finally, the contract also includes options for Cintra-Zachry to fund a road connecting San Antonio to State Highway 130, a $ 1.5 billion project that is currently under way. n34

## AT: No $

States already have the money for the counterplan

Slone 8 – transportation policy analyst at The Council of State Governments (Sean, “TRANSPORTATION & INFRASTRUCTURE FINANCE,” PDF)

The commission points out that any funding mechanism is unlikely to score well on all the criteria, so the choice of an optimal approach will require value judgments to be made by policymakers on the goals they most want to advance.12 Ultimately, the most significant item in this list for many policymakers may be political viability. Regardless of how a funding mechanism may look on paper, decisions about how to enhance revenue to fund transportation are never made in a vacuum. Political considerations always play an important role in determining the direction a state ultimately takes. Nevertheless, drawing on important lessons learned over the years in many states, a consensus appears to have emerged about the steps necessary to successfully propose and enact new or enhanced revenue measures to fund transportation. As the Transportation Research Board’s National Cooperative Highway Research Program points out in a 2007 report, most funding initiatives come about either through legislative actions or through ballot initiatives and referenda. But regardless of how they are generated, the same steps are required to achieve success. They include: Developing a consensus on the scope of current and future transportation needs and on the importance of acting to address them; Developing a specific plan and program of investments for which additional funding is needed and demonstrating what benefits are expected from the proposed investments; Identifying clearly established roles, responsibilities and procedures for executing the plan and implementing the proposed improvements; Describing the revenue sources in detail and providing the rationales for their use; Designing and carrying out a public education and advocacy plan and campaign; Developing sustained leadership and demonstrable, sustained support; and Planning for and laying out a clear and reasonable timetable.23 Assessing the political landscape, researching the options, educating the electorate and implementing new revenue-enhancing measures will occupy a substantial amount of time for state governments in the next few years. The choices and the efforts they make will determine whether our nation’s transportation system ends up on the road to success.

The states are comparatively better at transportation investment – they can raise revenue

Horowitz 12 – Madison Project (Daniel, 05/03, “Devolution of Transportation Authority is Solution to Earmark Problem,” http://madisonproject.com/2012/05/devolution-of-transportation-authority-is-solution-to-earmark-problem/)

There is no doubt that many localities are in need of some infrastructure updates. But there is an obvious solution to this problem. Let’s stop pooling the gas tax revenue of all 50 states into one pile for the inane and inefficient process of federal transportation policy. Every state, due to diverse topography, population density, and economic orientation, has its own transportation needs. By sucking up all the money into one pile in Washington, every district is forced to beg with open arms at the federal trough. Moreover, a large portion of the transportation funds are consumed by federal mandates for wasteful projects, mass transit, Davis-Bacon union wages, and environmental regulations. This is why we need to devolve most authority for transportation projects to the states. That way every state can raise the requisite revenue needed to purvey its own infrastructure projects. The residents of the state, who are presumably acquainted with those projects, will easily be able to judge on the prudence of the projects and decide whether they are worth the higher taxes. If they want more airports, mass transit, or bike lanes, that’s fine – but let’s have that debate on a local level.

## AT: No Roads/Highways

States solve roads and highways

NCPA 11 – National Center for Policy Analysis (06/20, “Federal Government Should Leave Transportation Infrastructure to the States,” http://www.ncpa.org/sub/dpd/index.php?Article\_ID=20789)

These considerations do not apply to appropriations from the federal Highway Trust Fund, which receives dedicated revenues from road users, and has no claims on general revenues. Highway Trust Fund revenues could be increased by raising the dedicated federal fuel taxes but, because conditions vary from state to state, and because of the waste involved in the federal financing of state roads, it would be preferable to meet road funding shortages by raising state charges. States are in a better position than the federal government to reform the current systems of owning, funding and managing highways, says Roth. Abolition of federal financing is likely to encourage state and private sector funding, and successful reforms pioneered by some states could quickly be replicated in others.

Only the states solve highways

Kilcarr 12 – senior editor, Fleet Owner (Sean, 05/16, “Marking the “devolution” of highway funding,” http://fleetowner.com/regulations/marking-devolution-highway-funding)

Scriber said the members of the policy panel – Adrian Moore, Ph.D.,vp-policy with the Reason Foundation; Gabriel Roth, research fellow at the Independent Institute; and Randall O’Toole, senior fellow with the Cato Institute – largely agreed that the federal government should remove itself from the highway funding process and let states take over. “It’s inherently more efficient for the states to handle this rather than add in the extra step of the federal government collecting and then redistributing fuel taxes,” Scriber pointed out. “Also note that Congress has not increased federal fuel excise tax rates since 1993. Since then, inflation has eroded the buying power of those tax dollars by more than one-third. This has pushed the HTF to the brink of insolvency, yet none of the proposals pending before Congress address this imminent threat to our nation’s surface transportation infrastructure.”

# P3’s:

States solve PPP’s – lack of federal funding forces innovation to make them better

Miller et al, ’12 [Jonathan D. Miller, Deborah Myerson, Rachel MacCleery, Urban Land Institute,

“Infrastructure 2012: Spotlight on Leadership”, [http://www.uli.org/~/media/ResearchAndPublications/Priorities/Infrastructure/Infrastructure2012]](http://www.uli.org/~/media/ResearchAndPublications/Priorities/Infrastructure/Infrastructure2012%5d)

Everybody realizes most governments lack the necessary financial wherewithal to invest and borrow for backlogged infrastructure projects. Even China appears to decelerate recent over-the-top spending. “The big question is where will all the money come from” to deal with funding gaps in the umpteen trillions of dollars worldwide and at least $2 trillion in the United States alone. For officials and planners, the challenge simply boils down to doing more with less—concentrating funds on essential repairs, executing projects that can most affect future economic growth, and stoking sputtering employment engines. States and cities must figure out how to raise more revenues, in part through greater reliance on user fees and creative tax mechanisms and by taking the case to the voters. PPPs can help with efficiencies, building in life cycle cost considerations, and financing. Not surprisingly, financial distress—both government indebtedness and diminution in personal wealth—helps focus all of us on what really matters for our social and economic well-being. Infrastructure starts to matter more when every dollar, euro, or Yuan counts. Ironically, fiscal constraints finally may compel some better results—figuring out what matters most, and what will get the best bang for the buck, becomes even more urgent. From a land use perspective, critics of subsidized sprawl finally gain serious traction after years of pointing out how the infrastructure cost equation never added up in extending suburban subdivisions toward exurban fringes. “When money is so tight, it becomes too difficult to rationalize building miles of roads and sewers into empty cow pastures.” Countries with national infrastructure strategies, such as Australia, Canada, New Zealand, and the United Kingdom, probably have an advantage in parceling out limited funding to projects identified as top priorities serving the greatest good for economic growth and productivity. These game-changing initiatives could include building out multimodal transport systems from gateway cities; linking augmented freight-rail distribution between population centers, major ports, and international airports; constructing high-speed passenger-rail lines between key metropolitan areas; or implementing new energy systems and broadband technologies. Unfortunately, the United States is one of the few major economic powers lacking a national infrastructure policy direction: initiatives are left to percolate from local and state levels, often competing for resources. But in the current environment, at least, bottom-up “self-help” efforts will more likely attract funding from federal and private sources, especially when they help meet clearly defined economic and strategic objectives.

States can do P3s and assuage private investor concerns

**NGA, ’09** [January 2009, THE NATIONAL GOVERNORS ASSOCIATION (NGA), founded in 1908, is the instrument through which the nation’s governors collectively influence the development and implementation of national policy and apply creative leadership to state issues. Its members are the governors of the 50 states, three territories, and two commonwealths. “Innovative State Transportation Funding and Financing”, <http://www.nga.org/files/live/sites/NGA/files/pdf/0901TRANSPORTATIONFUNDING.PDF>]

With PPPs, there are correlations between how much risk the public sector is shifting and the rate of return private operators will expect. The bottom line for states and for users, however, is that nothing in a PPP offers states new revenue. While PPPs can offer access to capital, it is with the expectation that private partners will see a rate of return likely through user fees. States can work with private sector partners to craft agreements whereby the state shares in profits or caps private sector profits at a certain point. However, in order to receive attractive bids, the private sector will want to see the opportunity for a stable rate of return. Clearly defining and communicating objectives and roles and providing a forum for substantial public input can increase public acceptance and improve PPP arrangements. States are taking steps to address these concerns, and with each new concession agreement, policymakers have the ability to incorporate lessons learned and inform the structure of subsequent deals. The Indiana and Chicago PPPs are providing project experience that other states such as Utah and Pennsylvania and metropolitan areas such as Houston, Texas, are studying as they pursue their own PPP initiatives.

## Solvency

States solve PPP’s – lack of federal funding forces innovation to make them better

Miller et al, ’12 [Jonathan D. Miller, Deborah Myerson, Rachel MacCleery, Urban Land Institute,

“Infrastructure 2012: Spotlight on Leadership”, [http://www.uli.org/~/media/ResearchAndPublications/Priorities/Infrastructure/Infrastructure2012]](http://www.uli.org/~/media/ResearchAndPublications/Priorities/Infrastructure/Infrastructure2012%5d)

Everybody realizes most governments lack the necessary financial wherewithal to invest and borrow for backlogged infrastructure projects. Even China appears to decelerate recent over-the-top spending. “The big question is where will all the money come from” to deal with funding gaps in the umpteen trillions of dollars worldwide and at least $2 trillion in the United States alone. For officials and planners, the challenge simply boils down to doing more with less—concentrating funds on essential repairs, executing projects that can most affect future economic growth, and stoking sputtering employment engines. States and cities must figure out how to raise more revenues, in part through greater reliance on user fees and creative tax mechanisms and by taking the case to the voters. PPPs can help with efficiencies, building in life cycle cost considerations, and financing. Not surprisingly, financial distress—both government indebtedness and diminution in personal wealth—helps focus all of us on what really matters for our social and economic well-being. Infrastructure starts to matter more when every dollar, euro, or Yuan counts. Ironically, fiscal constraints finally may compel some better results—figuring out what matters most, and what will get the best bang for the buck, becomes even more urgent. From a land use perspective, critics of subsidized sprawl finally gain serious traction after years of pointing out how the infrastructure cost equation never added up in extending suburban subdivisions toward exurban fringes. “When money is so tight, it becomes too difficult to rationalize building miles of roads and sewers into empty cow pastures.” Countries with national infrastructure strategies, such as Australia, Canada, New Zealand, and the United Kingdom, probably have an advantage in parceling out limited funding to projects identified as top priorities serving the greatest good for economic growth and productivity. These game-changing initiatives could include building out multimodal transport systems from gateway cities; linking augmented freight-rail distribution between population centers, major ports, and international airports; constructing high-speed passenger-rail lines between key metropolitan areas; or implementing new energy systems and broadband technologies. Unfortunately, the United States is one of the few major economic powers lacking a national infrastructure policy direction: initiatives are left to percolate from local and state levels, often competing for resources. But in the current environment, at least, bottom-up “self-help” efforts will more likely attract funding from federal and private sources, especially when they help meet clearly defined economic and strategic objectives.

States can do P3s and assuage private investor concerns

**NGA, ’09** [January 2009, THE NATIONAL GOVERNORS ASSOCIATION (NGA), founded in 1908, is the instrument through which the nation’s governors collectively influence the development and implementation of national policy and apply creative leadership to state issues. Its members are the governors of the 50 states, three territories, and two commonwealths. “Innovative State Transportation Funding and Financing”, <http://www.nga.org/files/live/sites/NGA/files/pdf/0901TRANSPORTATIONFUNDING.PDF>]

With PPPs, there are correlations between how much risk the public sector is shifting and the rate of return private operators will expect. The bottom line for states and for users, however, is that nothing in a PPP offers states new revenue. While PPPs can offer access to capital, it is with the expectation that private partners will see a rate of return likely through user fees. States can work with private sector partners to craft agreements whereby the state shares in profits or caps private sector profits at a certain point. However, in order to receive attractive bids, the private sector will want to see the opportunity for a stable rate of return. Clearly defining and communicating objectives and roles and providing a forum for substantial public input can increase public acceptance and improve PPP arrangements. States are taking steps to address these concerns, and with each new concession agreement, policymakers have the ability to incorporate lessons learned and inform the structure of subsequent deals. The Indiana and Chicago PPPs are providing project experience that other states such as Utah and Pennsylvania and metropolitan areas such as Houston, Texas, are studying as they pursue their own PPP initiatives.

State governments can implement infrastructure with P3s

Edwards 11 – Director of tax policy studies at the Cato Institute and the editor of [www.downsizinggovernment.org](http://www.downsizinggovernment.org) [Chris, November 16, 2011, “Federal Infrastructure Investment,” http://www.cato.org/publications/congressional-testimony/federal-infrastructure-investment]

Decentralizing Infrastructure Financing The U.S. economy needs infrastructure, but state and local governments and the private sector are generally the best places to fund and manage it. The states should be the "laboratories of democracy" for infrastructure, and they should be able to innovate freely with new ways of financing and managing their roads, bridges, airports, seaports, and other facilities. It is true that — like the federal government — the states can make infrastructure mistakes. But at least state-level mistakes aren't automatically repeated across the country. If we ended federal involvement in high-speed rail, for example, California could continue to move ahead with its own system. Other states could wait and see how California's system was performing before putting their own taxpayers on the hook. A big step toward devolving infrastructure financing would be to cut or eliminate the federal gasoline tax and allow the states to replace the funds with their own financing sources. President Reagan tried to partly devolve highway funding to the states, and more recent legislation by Rep. Scott Garrett (R-NJ) and Rep. Jeff Flake (R-AZ) would move in that direction.15 Reforms to decentralize highway funding would give states more freedom to innovate with the financing, construction, and management of their systems.16 One option for the states is to move more of their infrastructure financing to the private sector through the use of public-private partnerships (PPP) and privatization. The OECD has issued a new report that takes a favorable view on the global trend towards infrastructure PPPs, and notes the "widespread recognition" of "the need for greater recourse to private sector finance" in infrastructure.17 The value of PPP infrastructure projects has soared over the past 15 years in major industrial countries.18

P3s free up scarce state government resources

Engel et al 11 – Hamilton Project at Brookings, Yale University [Eduardo Engel, Ronald Fischer, and Alexander Galetovic, January 27, 2011, “Public-Private Partnerships and Infrastructure Provision in the United States, Page 8 <http://www.webmanager.cl/prontus_cea/cea_2011/site/asocfile/ASOCFILE120110307104959.pdf>]

Governments often justify the use of PPPs because the private sector ﬁnances these projects, which they argue frees up scarce government resources that may be used in programs that are socially attractive but not privately proﬁtable. Or, in what amounts to the same idea, PPPs are attractive because governments can get the infrastructure without raising taxes. Of course this argument does not apply to PPP projects whose capital costs are funded by future government payments, as in the case of the various projects which specify a schedule of capital charges payable in the future and which bind the inter-temporal budget. Examples include the I-595 Corridor Roadway Improvements Project in Florida, the Port of Miami Tunnel and the Eagle Commuter Project in Denver, all of which are under construction. In these cases, PPPs help state and local governments perform a useful accounting trick, in which future obligations are oﬀ-balance sheet for no clear economic reason. That PPPs relieve government budgets under strain is also a doubtful argument for projects whose capital costs are partially or totally covered by user fees. In this case user fees could also have been used to pay the capital costs under public provision. The resources saved by the government by not paying the upfront investment under a PPP should be equal, in present value, to user fee revenue foregone to the concessionaire. There is one exception to this argument, which occurs when a (local, state or national) government is borrowing constrained and this is expected to be less binding in the future. A PPP might the only option to ﬁnance a given project now, after separating the revenue ﬂows from the project from the rest of the public budget, something that may be hard to do it the government cannot borrow.

Private investors can partner with government

Cooper 12 – Center for American Progress [Donna, February 16, 2012, “Meeting the Infrastructure Imperative,” <http://www.americanprogress.org/issues/2012/02/infrastructure.html>]

Private investors have partnered with state or local governments to build roads, expand highway systems, and build or repair bridges. Typically in this case the private investor pays the public entity upfront an estimated market value for the transportation asset, and then is required under an agreement to cover the cost of improving the asset. In addition, these agreements permit the investor to charge tolls or receive dedicated tax payments while also establishing clear maintenance requirements. Investors enter into these agreements where the tolls or dedicated taxes are projected to cover all costs and profits and are most attractive to investors when the level of earnings has the potential to exceed projections. Federal credit subsidies lower the overall project costs, which in turn reduces the pressure on tolls and/or dedicated taxes, which then has the positive results of making a project more politically and financially feasible.

## P3 = Innovation

States solve PPP’s – lack of federal funding forces innovation to make them better

Miller et al. 12 [Jonathan D. Miller, Deborah Myerson, Rachel MacCleery, Urban Land Institute, “Infrastructure 2012: Spotlight on Leadership”, [http://www.uli.org/~/media/ResearchAndPublications/Priorities/Infrastructure/Infrastructure2012]](http://www.uli.org/~/media/ResearchAndPublications/Priorities/Infrastructure/Infrastructure2012%5d)

Everybody realizes most governments lack the necessary financial wherewithal to invest and borrow for backlogged infrastructure projects. Even China appears to decelerate recent over-the-top spending. “The big question is where will all the money come from” to deal with funding gaps in the umpteen trillions of dollars worldwide and at least $2 trillion in the United States alone. For officials and planners, the challenge simply boils down to doing more with less—concentrating funds on essential repairs, executing projects that can most affect future economic growth, and stoking sputtering employment engines. States and cities must figure out how to raise more revenues, in part through greater reliance on user fees and creative tax mechanisms and by taking the case to the voters. PPPs can help with efficiencies, building in life cycle cost considerations, and financing. Not surprisingly, financial distress—both government indebtedness and diminution in personal wealth—helps focus all of us on what really matters for our social and economic well-being. Infrastructure starts to matter more when every dollar, euro, or Yuan counts. Ironically, fiscal constraints finally may compel some better results—figuring out what matters most, and what will get the best bang for the buck, becomes even more urgent. From a land use perspective, critics of subsidized sprawl finally gain serious traction after years of pointing out how the infrastructure cost equation never added up in extending suburban subdivisions toward exurban fringes. “When money is so tight, it becomes too difficult to rationalize building miles of roads and sewers into empty cow pastures.” Countries with national infrastructure strategies, such as Australia, Canada, New Zealand, and the United Kingdom, probably have an advantage in parceling out limited funding to projects identified as top priorities serving the greatest good for economic growth and productivity. These game-changing initiatives could include building out multimodal transport systems from gateway cities; linking augmented freight-rail distribution between population centers, major ports, and international airports; constructing high-speed passenger-rail lines between key metropolitan areas; or implementing new energy systems and broadband technologies. Unfortunately, the United States is one of the few major economic powers lacking a national infrastructure policy direction: initiatives are left to percolate from local and state levels, often competing for resources. But in the current environment, at least, bottom-up “self-help” efforts will more likely attract funding from federal and private sources, especially when they help meet clearly defined economic and strategic objectives.

## **P3 Now**

States are doing P3s now and innovating at it – acquiring investor support

**Riggs, ’12** [May 9, 2012, Trisha Riggs, “Infrastructure 2012 Highlights Innovation”, <http://urbanland.uli.org/Articles/2012/Spr12/RiggsInfra>]

Constrained public budgets and a growing recognition at the local level of the importance of infrastructure- combined with lack of action at the federal level-are causing states, regions and cities across the U.S. to seek innovative infrastructure approaches and solutions. Local governments are utilizing a range of strategies, including ballot measures taken directly to the public, increased utilization of technology and pricing, and public-private partnerships, according to Infrastructure 2012: Spotlight on Leadership, released today by the Urban Land Institute (ULI) and Ernst & Young LLP. This year's report looks at an overall decline in infrastructure funding globally, and it focuses on funding solutions underway in the U.S. Even as efforts to increase infrastructure revenues at the federal level remain stalled, states and localities are looking at other ways of overcoming fiscal woes in an effort to move forward with projects that can lay the foundation for economic growth. State and local governments are funding critical infrastructure building or refurbishment needs with increased sales or gas taxes, bond issues, and user fees, including tolls. Public-private partnerships are a growing part of the equation. Infrastructure 2012 notes that in many localities, people are voting to raise taxes for infrastructure investment -- from 2008 through 2011, ballots allocating funds to transit capital or operations had a 73 percent success rate. More than a dozen states have raised fuel taxes over the past year, and drivers nationwide are accepting higher tolls for roads and bridges. Local governments are taking advantage of tax increment financing and special assessment districts as well as public-private partnerships, while exploring alternative sources of private investment such as sovereign wealth funds and pension plans. The study highlights six case studies showing how local and regional governments are moving forward with much-needed infrastructure investments such as transit, ports, bridges, roads, parks, and water supply. "Global economic competitiveness demands new kinds of regional entrepreneurship," the report states, noting that each of the case studies can provide insight and inspiration for other localities seeking infrastructure solutions. The examples cited: North Carolina's Research Triangle is raising local funds for a planned regional transit system spanning three counties. In late 2011, one of the three counties (Durham) passed a ballot referendum to fund its portion of the system; now the other two must follow suit. Ballot measures also are being used in Oklahoma City, which has achieved success with bundling proposed civic projects into short-term, focused packages and subjecting them to a vote. The city's third Metropolitan Area Projects initiative passed in late 2009 and is generating $777 million for downtown parks and other civic infrastructure. In Los Angeles, strong leadership from public officials and grass-roots campaigning supported a $40 billion ballot initiative, Measure R, to fund critical transportation investments. In northeastern Illinois, a broad regional effort has produced a new plan to ensure future water supply. In San Francisco, a cutting-edge parking program uses new technology and pricing to better manage the city's parking resources, encourage transit use, and achieve environmental goals. In New England, the "Knowledge Corridor" brand provides a regional hook that is being leveraged by leaders of two states to build a more sustainable, transit-oriented future. The report calls out New York City as a national infrastructure innovator, citing its investments in the World Trade Center transit hub, the long-awaited Second Avenue subway, the Long Island Railroad tunnel under the East River into Grand Central Station, and planned replacement of the Goethals and Tappan Zee Bridges. Chicago is also taking a new infrastructure investment tack, with its aggressive $7.2 billion Building a New Chicago plan and the Chicago Infrastructure Trust.

# Funding:

## Marijuana

### Solvency

Legalized marijuana would generate 100 billion dollars

Easton 09 – The Fraser Institute [Stephen, “Fund Crime—Or Taxes?” <http://www.businessweek.com/debateroom/archives/2010/03/legalize_mariju.html>]

As California readies for its November referendum, the first public test of the marijuana-legalization issue, it makes sense for Americans to have a look in the rearview mirror. The current prohibition on marijuana consumption exactly parallels the 1920s alcohol prohibition. Every year, a widely consumed illegal substance makes potential criminals of millions and actual criminals of hundreds of thousands. And like booze during Prohibition, this substance, marijuana, is the easy revenue of organized crime, contributing tens of billions of dollars to growers, who commit a variety of bad acts both at home and abroad. How much money is made from this single illegal substance? In fairness, nobody knows for sure. "Illegal" means hard data are difficult to come by. We do know, however, that according to recent figures, U.S. consumers number anywhere from 25 million to 60 million (depending on how likely survey respondents are to tell the whole truth), and at an average cost of $5 per cigarette (and factoring in one per day for each user), total spending on marijuana may add up to $45 billion to $110 billion a year. What about possible tax revenue? From Canada we’ve learned that the production cost of (government-sponsored) marijuana is roughly 33¢ a gram. Currently, U.S. marijuana consumers pay at least $10 per gram retail for illegal marijuana. If the cost of retailing and distribution is the same as for legal tobacco cigarettes, about 10¢ a gram, then selling the (legal) product at exactly the same price as on the street today ($10 per gram) could raise $40 billion to $100 billion in new revenue. Not chump change. Government would simply be transferring revenue from organized crime to the public purse. It is a proven technology. We did it in 1933 when Prohibition ended. It took 50 years for the U.S. to bring in Prohibition and 11 to get rid of it. Certainly, no lawmakers who voted for Prohibition guessed it would fail on such a large scale—just as anti-marijuana laws have. The existence of the California referendum shows support is growing to decriminalize marijuana. Even if the referendum fails this year, it serves as a signal that the U.S. is looking toward a future that doesn’t repeat the mistakes of the past.

We free up 20 billion a year

Miron 10 – senior lecturer and the Director of Undergraduate Studies in the Department of Economics at Harvard University and is a senior fellow at the Cato Institute [Jeffrey, May 27, 2010, “Marijuana Legalization in California,” <http://www.cato.org/publications/commentary/marijuana-legalization-california>]

Should California, or the country, legalize marijuana? Yes, for a multitude of reasons. Legalization will move the marijuana industry above ground, just as the repeal of alcohol prohibition restored the legal alcohol industry. A small component of the marijuana market might remain illicit — moonshine marijuana rather than moonshine whiskey — but if regulation and taxation are moderate, most producers and consumers will choose the legal sector, as they did with alcohol. Legalization would therefore eliminate most of the violence and corruption that currently characterize marijuana markets. These occur because, in underground markets, participants cannot resolve disputes via non-violent mechanisms such as lawsuits, advertising, lobbying, or campaign contributions. Instead, producers and consumers in these markets use violence to resolve disputes with each other and bribery or violence to resolve disputes with law enforcement. These features of "vice" markets disappear when vice is legal, as abundant experience with alcohol, prostitution, and gambling all demonstrate. Legalization would result in numerous other benefits. Medical marijuana patients would no longer suffer legal limbo or social stigma from using marijuana to treat nausea from chemotherapy, glaucoma, or other conditions. Infringements on civil liberties and racial profiling would decline, since victimless crimes are a key cause of such police behavior. Quality control would improve because sellers could advertise and establish reputations for a consistent product, allowing consumers to choose low or high-potency marijuana. Legalization would also generate budgetary savings for state and federal governments, both by eliminating expenditures on enforcement and by allowing taxation of legalized sales. I recently estimated that the net impact would be a deficit reduction of about $20 billion per year, summed over all levels of government.

### AT: Prohibition

False – prohibition proves you wrong – the Feds would still prosecute it

Miron 10 – senior lecturer and the Director of Undergraduate Studies in the Department of Economics at Harvard University and is a senior fellow at the Cato Institute [Jeffrey, May 27, 2010, “Marijuana Legalization in California,” <http://www.cato.org/publications/commentary/marijuana-legalization-california>]

An increase in marijuana use, moreover, is not necessarily bad. If the ballot initiative passes, people who would like to use marijuana but abstain due to prohibition would be able to consume responsibly; legalization would allow them to enjoy marijuana without fear of arrest or incarceration and without concern over quality. Some new users might generate adverse consequences for themselves or others, such as driving under the influence, but most irresponsible users are disregarding the law and consuming already. Legalization will not, of course, eliminate all negatives of marijuana use. But just as the harms of alcohol prohibition were worse than the harms of alcohol itself, the adverse effects of marijuana prohibition are worse than the unwanted consequences of marijuana use. Legalization is therefore the better policy.

### AT: Harmful

Portugal and government reports prove alcohol is worse

Healy 09 – vice president at the Cato Institute and the author of “The Cult of the Presidency: America's Dangerous Devotion to Executive Power” [Gene, December 1, 2009, “Time to Wind down the War on Drugs,” <http://www.cato.org/publications/commentary/time-wind-down-war-drug>]

In a recent study for the Cato Institute, Glenn Greenwald reports that decriminalization has "had no adverse effect on drug usage rates in Portugal," drug-related pathologies "have decreased dramatically," and there's little public support for recriminalization. It may be some years yet before American public opinion is ready to follow Portugal's lead, but the prospects for reform are better than they've been in decades. As Webb puts it, "Either we are home to the most evil people on Earth," or we're doing something wrong. Webb's National Criminal Justice Commission Act would set up a bipartisan commission to, among other things, "restructure the approach to criminalization of, and incarceration as a result of the possession or use of illegal drugs." "Distrust of government's interference in people's lives" is supposed to be a key GOP principle, according to the 2008 party platform. But too many Republicans abandon it when it comes to the drug war. After Webb introduced his bill, Sen. Charles Grassley, R-Iowa, pushed an amendment that would prohibit the commission from recommending or even studying drug decriminalization. "I filed this amendment in an effort to start a debate on this important issue," Grassley later explained. If you say so, senator. And when Obama's Justice Department announced it would no longer prosecute medical marijuana users in states that have legalized the practice, Rep. Lamar Smith, R-Texas, complained that the administration was "tacitly condoning the use of marijuana in the United States." Maybe so. But so what? Pot is less harmful than alcohol, as shown by government-commissioned studies, including a 1999 report by the Institute for Medicine and the 1972 Shafer Commission, set up by the Nixon administration, which ignored its recommendation that marijuana be decriminalized.

### AT: Unpopular

Marijuana legalization is popular

Szalaviitz June 13 (Maia Szalavitz, “Americans Increasingly Favor Legalization of Pot,” Time Healthland, <http://healthland.time.com/2012/06/14/10-reasons-to-revisit-marijuana-policy-now/#americans-increasingly-favor-reform>)

For the first time ever, a solid majority of Americans supports legalizing marijuana for recreational use: 56%, according to the most recent Rasmussen poll. Support for legalization has been growing steadily since the 1990s; in 1994, just 25% were in favor.¶

The legalization of marijuana would contribute a substantial revenue for states

Erb 4/20 (Kelly Phillips Erb, “Stirring the Pot: Could Legalizating Marijuana Save the Economy?,” Forbes, 2012, <http://www.forbes.com/sites/kellyphillipserb/2012/04/20/stirring-the-pot-could-legalizing-marijuana-save-the-economy/>)

It’s estimated that the legalization of marijuana (not just for medical purposes) could take as much as $10 billion away from the cartels and dealers. And that’s not limited to the Colombian or Mexican drug trades. Domestically grown marijuana is thought to be the second most profitable cash crop in the United States: only corn is considered to be more lucrative.¶ To think about the kind of impact that could have on our economy, you need only look to the U.S. beverage alcohol industry. Making alcohol legal again has paid off. Just last year, the industry generated $91 billion in wages and over 3.9 million jobs for U.S. workers. In 2008, alcohol contributed over $40 billion to state and local revenues; nearly half of that came from corporate, personal income, property and other taxes.

It’s popular with the yung’uns

Healy 09 – vice president at the Cato Institute and the author of “The Cult of the Presidency: America's Dangerous Devotion to Executive Power” [Gene, December 1, 2009, “Time to Wind down the War on Drugs,” <http://www.cato.org/publications/commentary/time-wind-down-war-drug>]

Yes, thankfully: Today, more and more Americans are open to winding down our destructive war on drugs. In October, Gallup recorded its highest-ever level of public support for marijuana legalization, with 44 percent of Americans in favor. There's "a generational rift" on the issue, Gallup reports: A majority of voters under 50 back legalization.

## Gambling

Tax revenue on legalized gambling would generate $2 billion

Cauchon 2009 (Dennis Cauchon, “States bank on gambling to boost revenue,” USA Today, August 9, <http://www.usatoday.com/news/nation/2009-08-09-gambling_N.htm>)

States are aggressively expanding legalized gambling, eager to shore up battered revenue sources during the economic crisis and concerned that residents will cross state lines to gamble elsewhere if they don't.¶ Gambling will expand in about a dozen states this year in an effort to generate an extra $2 billion in gambling taxes by 2010, a record-breaking increase if state projections are accurate.¶ "Politicians are pushed toward gambling when times get tough," says William Thompson, a public administration professor at the University of Nevada at Las Vegas. "If it's gambling or a tax increase, the political choice is clear, and the public acquiesces."¶ States collected $6.8 billion in gambling revenue in 2008, about 1% of all tax revenue. Gambling taxes fell 2.2% last year, despite the opening of new casinos and the installation of 37,000 new slot machines.¶ Legalized gambling has grown for two decades, the big jumps occurring during economic downturns, Thompson says. Big expansions include:¶ • Ohio. The biggest state without casino gambling will put 17,500 slot machines at seven racetracks. Expected government take: $933 million in 2010.¶ • Pennsylvania. The Legislature and governor are working on legalizing video poker in bars. Expected take: $550 million.¶ • Illinois. The state approved adding video poker at bars to generate $300 million.¶ Casinos are now legal in 40 states, up from 31 in 2000. States are also relaxing regulations on casino locations, hours and betting limits.

Legalizing online gambling would generate $2 billion a year- enough to fund the aff

Cooper 1/17 (Michael Cooper, “As States Weigh Online Gambling, Profit May Be Small,” The New York Times, 2012, <http://www.nytimes.com/2012/01/18/us/more-states-look-to-legalize-online-gambling.html>)

It has been more than four decades since states began putting numbers runners out of business by starting their own legal lotteries, which now yield them close to $18 billion a year. Now several states are thinking about trying to plug budget gaps by profiting again from their residents’ optimism — by legalizing, licensing and taxing Internet gambling. Nevada and the District of Columbia have already taken steps to authorize online poker, and state officials in Iowa have been studying the issue closely. Lawmakers in New Jersey and California are redoubling their efforts to legalize it, bolstered by a recent Department of Justice decision that reversed the federal government’s long-held opposition to many forms of Internet gambling. Gov. Chris Christie of New Jersey spoke this month of making his state an “epicenter” of the online gambling industry.¶ But as desperate as states are for new revenue, after four years of often painful austerity, there are questions about just how much income they can expect to receive from online gambling. The state of Iowa released a study last month that found that legalizing online poker might net it $3 million to $13 million a year, far less than private companies had estimated. The American Gaming Association, a casino industry trade group, has estimated that legalizing online poker would generate roughly $2 billion a year in new tax revenues, a fraction of what states get from their lotteries.¶ Supporters of legalizing online poker in California estimate that it would net the state $100 million to $250 million a year — a tidy sum, to be sure, but still only enough to put a small dent in the $9.2 billion budget shortfall California faces.

# Other Answers:

## Austerity Bad

Austerity Hurts States

HuffPo 7/23 (Huffington Post, “Austerity's Big Winners Prove To Be Wall Street And The Wealthy” July 23rd, 2012, http://www.huffingtonpost.com/2012/07/23/austerity-wall-street\_n\_1690838.html)

As [many economists predicted](http://krugman.blogs.nytimes.com/2011/03/30/austerity-games-here-and-there/), however, the austerity policies implemented after the financial crisis have proved to be a losing proposition for the global economy. The strong economic growth that austerity advocates predicted has not materialized, with the United States showing only anemic improvements, and European countries sliding back into devastating recessions.¶ At the same time, corporate profits in the financial industry remain above even the levels reached at the height of the housing bubble, according to Commerce Department data. And elites on both sides of the Atlantic have secured generous tax breaks, made possible in part by cuts to social services.¶ In the United States, President George W. Bush's tax breaks for the wealthiest citizens were extended, while unemployment benefits and even [food stamps](http://www.huffingtonpost.com/2012/07/11/food-stamps-house-republicans-cuts-snap-bob-goodlatte_n_1665558.html) have gone on the chopping block.¶ This tradeoff is even more apparent at the state level. In 2010, New Jersey Gov. Chris Christie (R) opted not to make the $3 billion annual contribution to the state workers' pension fund, [instead securing $1 billion in tax cuts](http://www.huffingtonpost.com/2011/03/07/state-pension-plans_n_829112.html) for the state's better-off residents. Wisconsin Gov. Scott Walker (R) has similarly proposed budgets that provide tax breaks for corporations and the rich while demanding pay and benefit cuts for middle-class state workers.¶ "Austerity policies are literally a redistribution from the bottom of the income spectrum to the top," said Dorian Warren, a professor of political science at Columbia University and a fellow at the Roosevelt Institute, an economic policy think tank. "In Wisconsin, both wealthy people and businesses got tax breaks, while middle-class and working-class employees of the state essentially got crushed."¶ Warren emphasized that there are political dimensions to the austerity push. Efforts to curb collective bargaining rights -- and thus pay and benefits -- for state employees cut to the heart of the American labor movement. With only 7 percent of the private-sector workforce unionized, public-sector unions are a critical component of labor's political influence and an important bloc in Democratic Party operations.

State austerity fails- Destroys Jobs and Consumer Spending

Public News Service 11 (“Economists: State Government Austerity Causing Double Dip Risk” September, 2011, http://www.publicnewsservice.org/index.php?/content/article/22078-1)

Chad Stone, chief economist with the Center on Budget and Policy Priorities, a nonprofit, nonpartisan think tank, says the trend is state and local governments cutting back, mostly hitting public education. A big part of why the economy is back at risk, he says, is teacher layoffs as federal stimulus money runs out.¶ "We've seen increasing losses in jobs at the state and local government level, even as overall job creation has turned positive and the private sector is creating jobs."¶ Republicans in Congress have said cutting the deficit would spark job growth, but Stone says the opposite has happened. He calls it "textbook" economics: Government cuts make a recession worse.¶ "The argument for immediate sharp cuts in government spending, as a means to boost the economy, doesn't really square. It translates into less demand in the economy, less spending and fewer jobs."¶ According to the Washington, D.C.-based Economic Policy Institute, companies have profits nearly one-third higher than they were before the recession started. Environmental Policy Institute President Lawrence Mishel says the problem is not that companies don't have enough money to start hiring.¶ "Companies have plenty of profits they could reinvest; they have plenty of cash on hand. But they are not going to invest unless they have more customers: consumers being able to spend."¶ He says the government has to stimulate demand because consumers cannot.¶ "Consumers are not going to be fueling a lot of consumption growth because they are beleaguered by heavy debt, the loss of wealth from the financial crisis and high unemployment. That's why the government has to step in."

## AT: Washington Spending

Non Unique—Washington’s Deficit is already in the Billions

The Columbian 11 (“Washington state deficit grows by nearly $700 million” March 17th, 2011, http://www.columbian.com/news/2011/mar/17/washington-state-deficit-grows-by-700-million/)

Washington state’s chief economist on Thursday tacked another $698 million to the state’s expected revenue shortfall for the 2011-13 budget cycle, pushing that biennium’s total spending deficit to about $5.1 billion.¶ State legislators also must act soon just to patch a $201 million funding gap through June 30, now $80 million higher. Despite optimism engendered by upticks in job hiring and consumer spending, the double jolts of Mideast unrest and Japan’s devastating earthquake and tsunami have rattled the economic outlook.¶ The near future “remains clouded, with a great amount of uncertainty,” said Arun Raha, executive director of the Washington State Economic and Revenue Forecast Council, which issued its quarterly update.¶ Volatile oil prices in the wake of spreading Mideast turmoil and threats to Japan’s manufacturing and its trade in agricultural goods with Washington state drove down Raha’s draft estimate from only two weeks ago, he said.¶ “To quote Yogi Berra, ‘The future ain’t what it used to be,’ ” Raha said.

Deficit Spending a the State Level has no negative effect

Helms 8 (Marisa, Past President of the Minnesota Chapter of the Society of Professional Journalists, “Deficit spending: Why shouldn't Minnesota do as the feds do?” December 8th, 2008, http://www.minnpost.com/politics-policy/2008/12/deficit-spending-why-shouldnt-minnesota-do-feds-do)

Rather than possibly worsening the state's economy by cutting back, the state should do the opposite and spend, even if it means running up a deficit in the short run, Schultz says.¶ Such an idea would not be easy to implement in Minnesota without a constitutional amendment, and even raising the possibility quickly draws the ire of anti-tax groups and business representatives.¶ But here's the case Schultz makes for rethinking state budget practices: Lawmakers, he says, could simply follow the federal government practice of deficit spending, a concept based on the theories of John Maynard Keynes, whose work influenced the country's response to the Great Depression. (For more on Keynesian economics, here are a quick version and a lengthy dissertation on the theory.)¶ "It's basically the rejection of supply-side economic theory," says Schultz. "The Keynesian economics argument is that when demand slows down, one way revive the economy is for the government to fill in for that decreased consumption and act as a participant to stimulate the economy when consumers or businesses can't do it."¶ During the Great Depression, Keynesian economics fueled the New Deal and such initiatives as the Works Projects Administration (WPA) that put people back to work through government investment in public facilities and infrastructure. ¶ Schultz says President-elect Barack Obama's anticipated public works proposal is the latest example of how the government can be a positive force in a bad economy.¶ If the state chooses a few good projects to fund, establishes deficit spending for the short-term (say, over two to three years) with debt that's manageable, then, "With all those in place we can do it fairly successfully," he says.

## AT: California Spending

### $ Inevitable

California spending inevitable

**Bloomberg 12** (News Agency, “Brown Seeks 7% California Spending Boost”, <http://www.bloomberg.com/news/2012-01-05/brown-calls-for-7-california-spending-increase-paid-for-by-higher-taxes.html>, January 5, 2012)

[California (STOCA1)](http://www.bloomberg.com/quote/STOCA1:US) Governor [Jerry Brown](http://topics.bloomberg.com/jerry-brown/) proposed $92.6 billion in spending for the year starting in July, an increase of about 7 percent, which will count on voters approving $7 billion of higher taxes in November. The spending plan foresees a deficit of $9.2 billion through the next 18 months. Almost half of that is in the current fiscal year, he said. He called for $4.2 billion in cuts, mostly to welfare and programs for the poor. If the tax increase isn’t passed, Brown’s plan would cut another $4.8 billion in support for public schools and community colleges.

Increased spending for HSR- means the DA is inevitable

**Bloomberg 12** (News Agency, May 18, 2012, “Brown Boosts Bullet Train While Cutting Welfare for Moms”, http://www.bloomberg.com/news/2012-05-18/brown-boosts-bullet-train-while-cutting-welfare-for-moms.html)

California Governor [Jerry Brown](http://topics.bloomberg.com/jerry-brown/) is seeking a 38,000 percent spending increase for a proposed high- speed rail system, even as he plans to raise taxes, cut state worker pay and reduce social programs to narrow a $15.7 billion deficit. Brown’s budget, revised this week, includes $6.1 billion in infrastructure costs for the first 130 miles (209 kilometers) of the project to link [San Francisco](http://topics.bloomberg.com/san-francisco/) and Los Angeles. The funding request, which the state’s rail authority submitted to the Legislature in April, would boost spending on the project from about $15.9 million proposed in January, according to the state Finance Department.

Spending inevitable

**Bloomberg 12** (News Agency, May 14, 2012, “Brown Tax Boost Gains Urgency as Gap Rises to $16 Billion”, http://www.bloomberg.com/news/2012-05-14/brown-tax-increase-gains-urgency-as-deficit-rises-to-16-billion.html)

“We have an agreement with Governor Brown and we expect him to uphold his end,” Miller said in a statement. “Further cuts after years of unpaid furloughs and benefit concessions seem unreasonable and must be subject to the collective bargaining process.” This isn’t the first time Brown and legislative Democrats have counted on optimistic forecasts. The current year’s budget was passed with the assumption that the economy would push an extra $4 billion into state coffers. When the revenue failed to materialize as planned, lawmakers had to cut $1 billion for school busing subsidies, public universities, programs for the elderly and disabled, child care, libraries and prisons. “The imaginary money the majority party counted on in last year’s sham of a budget never materialized, and they have refused to cut big government,” the Assembly Republican minority leader, [Connie Conway](http://topics.bloomberg.com/connie-conway/), said in a statement.

Link is non-unique, California HSR Spending

Dotinga 7/18 (Wiliam Dotinga, Staff Writter For the LA Times, “Spending on Track for New High-Speed Rail”, <http://www.courthousenews.com/2012/07/18/48509.htm>, July 18, 2012)

California Gov. Jerry Brown reiterated support for the state's beleaguered high-speed rail dream by signing a new law to authorize construction of the project twice Wednesday.  SB 1029 guarantees an additional $7.9 billion in federal and local money to improve the transportation statewide. The governor's office says $4.7 billion of California's spending will take the form of bonds.

### Non-Unique

California’s economy will grow steadily- no brink to the impact

Jonlon 6/21 (Robert, writer for the Associated Press, http://www.thereporter.com/news/ci\_20906376/forecasters-californias-economy-will-be-better-2013)

LOS ANGELES -- California will make steady gains in employment and its jobless rate will dip below double digits next year as the housing market finally halts its plunge, UCLA forecasters said Wednesday. The state added 34,000 new jobs in May but its unemployment rate will remain around 10.6 percent through 2012, according to the quarterly UCLA Anderson Forecast. That will drop to an average of 9.7 percent in 2013 and dip to 8.3 percent in 2014, forecasters said**.** Those figures are far higher than the nation's unemployment rate, projected to be 8.2 percent this year and 7.9 percent in 2013. The U.S. economy will remain weak for years, the forecast said. That will contrast to California's economy, which forecasters said will gain speed in the next two years. It could take seven or eight years for the U.S. to recover all the jobs that it lost during the 2008-2009 recession, forecast Director Ed Leamer wrote. America's educational system must do better if it wants to compete in a global market where many jobs have been automated or moved overseas, Leamer wrote. "Good jobs in the United States in the 21st century will require humans to do things that are not suited to the capabilities of faraway foreigners, robots or microprocessors," he wrote. "We need a workforce that can think creatively and solve the new problems, not merely recall the solutions to old problems." California's housing market remains a drag on the state economy but it may recover more quickly than the U.S. market as a whole, forecasters said. The real estate market is either "still in the trough or still declining," forecast Senior Economist Jerry Nickelsburg said. "While there is some data giving rise to optimism, there is no real indication that the housing market is on the cusp of a recovery," he said. However, California's housing market could recover in the next two years, with building permits reaching 130,000 permits in 2014, or double the U.S. rate, Nickelsburg said. Multifamily housing will be popular as people unable to afford to buy homes choose to rent, he said. Nationally, the percentage of people owning homes will keep falling, from a peak of 69 percent in 2004 to 65 percent by the end of the year, but the rate of foreclosures appears to have peaked and sales of existing homes are on the rise, forecast Senior Economist David Shulman said.

### AT: Solar Panels

States already have funding plans for Solar Panels

DeFreitas 2012 (Susan DeFreitas, Staff writer for Earth Techling,   
“NY State Spending Big In Solar, Efficiency Push”, <http://www.earthtechling.com/2012/05/ny-state-spending-big-in-solar-efficiency-push/>, May 24, 2012)

As part of the NY-Sun Initiative, the Governor has also committed to doubling the amount of customer-sited solar power installed annually in New York, and to quadruple that amount by 2013. On April 19 — just in time for Earth Day — the New York Public Service Commission approved doubling NYSERDA’s funding for customer-sited solar electric systems to $432 million over the next four years. This expanded solar program will increase financial incentives for large, commercial-sized PV projects while expanding incentive programs for small-to-medium residential and commercial systems.

Solar Power Doesn’t solve—Laundry List

**Radcliff 2012**( Michelle Radcliff, Writer for Green Living, “Using Solar Power to Decrease Global Warming” <http://greenliving.lovetoknow.com/Using_Solar_Power_to_Decrease_Global_Warming> 2012)

Although solar power is an alternative source of clean energy, there are many challenges that still stand in the way of it being used on a wide enough scale to actually replace the use of fossil fuels as a primary energy source. The question of whether or not solar energy should be included in the plan to fight global warming was posed as a debate on [Juggle](http://debates.juggle.com/should-plans-to-fight-global-warming-prioritize-solar-energy). While solar is positively viewed by the public as an alternative energy source, there were concerns over the feasibility of solar power becoming widely used. A majority of participants in this debate, answered yes, for reasons such as:¶ Solar is clean, renewable energy.¶ Solar panels can easily be used to heat water and homes.¶ You can produce your own energy with a one-time investment; after the equipment is installed, solar energy is free.¶ There are millions of acres of rooftops that are going to waste. Adding solar panels to these homes and businesses would greatly ease pollution and the amount of strain on the power grid.¶ The participants who answered no cited reasons such as:¶ Solar power alone is insufficient to meet our energy needs. There should be a multifaceted approach that includes other clean energy technologies.¶ Solar power is too limited because it can only be used during the daytime, clouds of pollution decrease its effectiveness.¶ Solar panels have less than ideal output of energy.¶ Other sources of clean energy, such as wind may be easier for the average person to install and understand.¶ Arguments on both sides of the issue bring up valid points both for and against the use of solar power to combat global warming.

### Education Non-Unique

States have already cut education and healthcare, its non-unique

**Williams et al 11** (Erica Williams, Policy Anylist and State Fiscal Anaylist for The center On Budget and Policy Priories, Michael Leachman, Director of State Fiscal Research and State Fiscal Policy for The Center on Budget and Policy Priorities, Nicholas Johnson, Visce President of State Fiscal Policy, “State Budget Cuts in the New Fiscal Year are Unnecissarily Harmful” <http://www.cbpp.org/cms/index.cfm?fa=view&id=3550>, July 2011)

The 47 states with newly enacted budgets, 38 or more states are making deep, identifiable cuts in K-12 education, higher education, health care, or other key areas in their budgets for fiscal year 2012. Even as states face rising numbers of children enrolled in public schools, students enrolled in universities, and seniors eligible for services, the vast majority of states (37 of 44 states for which data are available) plan to spend less on services in 2012 than they spent in 2008 – in some cases, much less.¶ These cuts will slow the nation’s economic recovery and undermine efforts to create jobs over the next year.¶