## Keystone Neg

#### EXTENSION – KEYSTONE JOB CREATION OVERSTATED

**Zimmerman,** Jess 1/27/**12** Editor of Gristlist. (http://grist.org/list/state-dept-official-overstates-keystone-jobs-by-a-factor-of-10/)

The State Department wants to set the record straight: When they said the Keystone XL pipeline would create 35,000 jobs, they were entirely correct, in some kind of number system where 100 equals 1,000. Otherwise, they may have exaggerated a little. In testimony before the House Energy and Commerce Committee on Wednesday, Assistant Secretary of State Dr. Kerri-Ann Jones should have said the pipeline’s indirect job potential was 3,500 annual jobs but instead she said 35,000 .Hey, but you know, no big deal — just a slip of the tongue! Except that Republicans and industry proponents of the pipeline are flogging the horse of its job-creation potential, hard, and that horse done DIED. Also, this isn’t even the first overstated estimate of Keystone jobs: The Obama administration in explaining the denial of the pipeline in a report to Congress also said “the project would not have significant impact on long-term employment in the United States” and acknowledged that claims that over 100,000 jobs would be created by the pipeline were “inflated” based on a misinterpretation of the analysis conducted by TransCanada.Naturally, the media is picking up the inflated claims, because ooh, shiny thing!

#### EXTENSION – KEYSTONE IS BAD FOR THE ECONOMY

**Randy, 12/18/11** <http://sunpoweredevs.com/2011/12/keystone-pipeline-is-bad-for-u-s-economy/>

Buying oil from Canada will not help the U.S. become energy independent. It will lead to billions of dollars leaving the U.S. for foreign oil, in addition to what we already spend, which will drive our trade deficit up and our standard of living down. The last eight U.S. presidents have all said we need to reduce our dependency on foreign oil. Building an oil pipeline from Canada would be doing exactly the opposite of what we should be doing to become a stronger country. Just think if the billions of dollars, which would leave the U.S. was spent domestically, how much stronger we would be. I produce 100% of the power I need for my house and car from the solar panels on the roof of my house and the money I save on gasoline and electricity is spent locally in my community

## Elections

### UQ Romney Will Win

#### Romney’s trip to Israel is critical for Jewish vote which could give him the 2012 election win Lightman 7/22(David Lightman, Hartford Courant’s Washington Bureau Chief for 23 years, July 22 2012, “To win in U.S., Mitt Romney heads to Europe, Israel”, <http://bostonherald.com/news/us_politics/view.bg?articleid=1061147645&format=&page=2&listingType=politics#articleFull>,)

In a close election, the Jewish vote could make a difference in swing states Florida, Ohio, Nevada and perhaps Virginia. In 2008, an estimated 74 percent of the Jewish vote went for Obama, and a poll this spring by the Public Religion Research Institute suggested Obama still has strong support.¶ Robert Jones, the institute’s CEO, said the survey found Jewish voters’ concerns mirror those of the general electorate. Romney’s trip, he said, "will have little effect on the Jewish vote."

#### Romney ahead in the likely voter poll Morris 7/18 (Dick Morris, Political author and commentator, July 18 2012, “Dick Morris: Romney will win battleground states”, <http://www.foxnews.com/on-air/oreilly/2012/07/19/dick-morris-romney-will-win-battleground-states>)

Among those who do vote which is the likely voter poll, Scott Rasmussen today has it at 47-44 Romney. Now, when 44 percent of the people are voting for Obama and even in some of these swing states as much as 47 percent are, that means he's going to lose the state.¶ Let me play a game with the people at home watching this. If you are going to be married to the same guy next year, same person next year, raise your hand. Ok. Hands down. Undecided? What does it say when you're undecided about that? I think that whenever you have an undecided voter they are predisposed to vote against the incumbent.

#### Romney will win because of his campaign tactic. Tracinski 7/19 (Robert Tracinksi, July 19 2012, “How the Election Will Play Out (and Why Romney Will Win”, <http://www.realclearpolitics.com/articles/2012/07/19/how_the_election_will_play_out_and_why_romney_will_win_114848.html>)

The analogy here is that Romney is letting the Obama campaign punch itself out, spending like crazy on a blitz of negative advertising early on, before swing voters have made up their minds or even paid much attention to the race. Meanwhile, Romney has been holding his fire and money, saving it for when it will really count.¶ Why is the Obama campaign falling for this? Because they have no other option. Here we have to refer back to the established rules of the horse-race analysis. When a president is running for re-election, it is inherently a referendum on the incumbent, so if his approval ratings are below 50%, he's in trouble. If a majority disapproves of his performance, that means they are going to be likely to cast their votes for the challenger. Obama is below 50% now. He's been around 47% in the RealClearPolitics average for a long time now, and since some of the polls tend to overestimate support for Democrats, the real number is probably a few points lower.¶ But this just means that voters are willing to consider the challenger, and you can still convince them to stop considering him. Which means that an embattled incumbent has only one way to win: convince voters that the challenger is not an acceptable alternative.¶

## Politics

### Russia Relations Low

#### US-Russia Relations Low Now

**Abrams, Jim 7/18** National/ Worldwide News “Senate Panel Approve trade relations with Russia” The Associated Press http://www.ajc.com/news/nation-world/senate-panel-approves-trade-1480165.html

But it has struggled to gain momentum because of poor relations between the two countries."It is with some trepidation that we undertake this task," said Sen. Orrin Hatch of Utah, top Republican on the committee. "Despite President Obama's reset policy, U.S.-Russian relations remain rocky at best."The bill only advanced to a committee vote after Baucus agreed to link it to legislation, pushed by Sens. Ben Cardin, D-Md., and Jon Kyl, R-Ariz., that imposes sanctions such as visa denials and asset freezes on Russian government officials involved in human rights violations. The legislation, which has sparked strong criticism from Russian officials, specifically targets those involved in the case of Sergei Magnitsky, a lawyer who died in a Russian jail in 2009 after allegedly being subject to torture.

#### Needs to be Passed Now

**Reuters** **7/19,** Doug Palmer. http://in.reuters.com/article/2012/07/18/usa-russia-trade-idINL2E8II9S320120718

The Senate Finance Committee on Wednesday unanimously approved a bill to ensure U.S. exporters share in the benefits of Russia's accession to the World Trade Organization but also to punish Russian officials for human rights violations.The legislation still faces an uphill battle to be passed before U.S. elections in November because of concern over Russia's ties to Syria and Iran that make it a politically difficult vote for some lawmakers.But supporters hoped the committee's strong bipartisan vote improved chances the full Senate and House of Representatives will consider the bill before U.S. lawmakers leave in two weeks for their month-long recess and Russia joins the WTO in August."If we miss that deadline, American farmers, ranchers and businesses will lose out to the other 154 members of the WTO," Senate Finance Committee Chairman Max Baucus, a Democrat, said.In addition, including new human rights legislation in the trade bill makes it unsavory to Moscow, which views those provisions as an intrusion in its affairs.

### Non-Unique

#### Bill won’t pass or it’ll pass too late

Chernitsa 7/19 (Polina Chernitsa, staff writer for The Voice of Russia, “Magnitsky List in place of Jackson-Vanik”, Radio: the Voice of Russia, 7-19-12, <http://english.ruvr.ru/2012_07_19/Magnitsky-List-in-place-of-Jackson-Vanik/>, KG)

The US National Council for Foreign Trade and lobbyists from major business associations have spoken against the decision to tie the human rights issue to trade. The bill is unlikely to be approved before August, when Congress breaks up for recess and Russia is due to join the WTO. The US Chamber of Commerce has warned that a delay may shut the American business out of the Russian market. The House of Representatives’ Budgetary Committee may vote against the bill. Even though the Committee’s Chairman Dave Camp supports the bill, the final vote may fall through.

### JV Inevitable

#### Uniqueness overwhelms link – JV already halfway there with Magnitsky

Solash 7/18 (Richard Solash, Correspondent at Radio Free Europe/Radio Liberty, “U.S. Senate Panel Votes To Lift Cold War Trade Restrictions On Russia”, Radio Free Europe/Radio Liberty, 7-18-12, <http://www.rferl.org/content/russia-jackson-vanik-magnitsky-senate-finance-baucus-pntr-moldova/24649497.html>, KG)

WASHINGTON – A key U.S. Senate panel has voted in favor of lifting Cold War-era trade restrictions on Russia, while also backing sanctions aimed at punishing Russian human rights violators. In a 24-0 vote, lawmakers in the Senate Committee on Finance approved a bill that would exempt Moscow from the 1974 Jackson-Vanik Amendment, which used trade barriers to press for the free emigration of Jews from the Soviet Union. Although the law's provisions have been waived by every U.S. president since 1994, it has stayed on the books, functioning as a symbol of Washington's opposition to Russia's human rights violations. Should the full Congress follow suit, Russia would be granted permanent normal trade relations (PNTR) with the United States. If Washington does not lift its restrictions, it will not benefit from reduced tariffs afforded by Russia's entry into the World Trade Organization this August.

#### JV inev – Lawmakers support repeal

Ria Novosti 7/18 (Ria Novosti, Russia's leading news agency in terms of multimedia technologies, website audience reach and quoting by the Russian media, “U.S. Senate Committee Approves Jackson-Vanik, Magnitsky Bill”, Ria Novosti, 7-18-12, <http://en.ria.ru/world/20120718/174669701.html>, KG)

The United States Senate Finance Committee on Wednesday approved a bill combining a repeal of the Jackson-Vanik Amendment and a measure aiming to punish Russian officials involved in the death of lawyer Sergei Magnitsky. "By enacting PNTR [permanent normal trade relations] together with the Magnitsky bill, we are replacing Jackson-Vanik with legislation that addresses the corruption and accountability issues that Russia confronts today," Senate Finance Chairman Max Baucus said. The new bill is a response to the demands of a majority of lawmakers for a review of legislation affecting trade and human rights issues, including some laws affecting trade with Russia. The proposal to add the Magnitsky Rule of Law Accountability Act to the PNTR legislation “will help fight human rights abuses in Russia,” Baucus said. Russia will formally be a member of the WTO next month, he said, and “that is our deadline for passing PNTR.” “There is no time to waste; America risks being left behind.” “If we miss that deadline, American farmers, ranchers, workers and businesses will lose out to the other 154 members of the WTO that already have PNTR with Russia. American workers will lose the jobs created to China, Canada and Europe when Russia, the world’s seventh largest economy, joins the WTO and opens its market to the world,” Baucus said.

#### It’s only a matter of time –House committee to vote this week

Needham 7/23 (Vicki Needham, news reporter for the Hill, “Russia set to join World Trade Organization on Aug. 22”, The Hill, 7-23-12, <http://thehill.com/blogs/on-the-money/1005-trade/239501-russia-set-to-join-world-trade-organization-on-aug-22>, KG)

The countdown is on for Congress to normalize trade relations with Russia. Moscow officially told the World Trade Organization (WTO) on Monday said it has ratified the accession package and is set to become the 156th member of the trade group on Aug. 22. U.S. Trade Representative Ron Kirk said the "action marks a significant point in the evolution of the WTO and the global trading system.” "Congress should continue to work on legislation regarding Jackson-Vanik and permanent normal trade relations for Russia so American businesses, workers and creators have access to the same benefits from Russia’s membership that their foreign competitors have.” The House Ways and Means Committee is expected to hold a markup this week on a measure to repeal the Jackson-Vanik provision, an obsolete Cold War-era amendment that needs to be removed to normalize trade relations with Russia. The House measure mirrors the language approved last week by the Senate Finance Committee, minus the human-right legislation that Chairman Max Baucus (D-Mont.) wrapped into the bill. The so-called Magnitsky bill is expected to be tacked onto the House version in the Rules Committee before the bill heads to the floor. Then the bill, which must pass the House first, would head to the Senate for clearance for President Obama's signature. Melding the trade and human rights bills has been opposed by the Obama administration and House Republicans but there was growing support on both sides of the Capitol to including the bill that would apply visa and financial sanctions on Russian officials involved in the death of whistleblower lawyer Sergei Magnitsky. Congress has two weeks to get a bill to President Obama before leaving for the August recess.

### Magnitsky Attached

#### Jackson Vanick and Magnitsky go hand-in-hand

Chernitsa 7/19 (Polina Chernitsa, staff writer for The Voice of Russia, “Magnitsky List in place of Jackson-Vanik”, Radio: the Voice of Russia, 7-19-12, <http://english.ruvr.ru/2012_07_19/Magnitsky-List-in-place-of-Jackson-Vanik/>, KG)

The newly proposed provisions stipulate sanctions against Russian officials and against other countries’ nationals in case of human rights breaches. Meanwhile, media reports say that the bill may fail to sail through the House of Representatives’ Budgetary Committee. The bill consists of two parts. The first part devised by the corresponding finance committee establishes “a normal trader regime” with Russia thereby abolishing the Jackson-Vanik amendment of 1974 which introduced restrictions on trade with the Soviet Union because of the Soviet emigration laws. The second part of the bill is based on the so-called Magnitsky Bill, which stipulates sanctions against Russian officials allegedly implicated in the death of Hermitage Capital lawyer Sergei Magnitsky. This “human rights” part also provides for sanctions against officials from other countries. Chairman of the Senate Committee on Finance Max Baucus has said that the bill is not about a choice – whether to boost US exports or improve the situation in Russia – as these two things are closely connected. Analyst Maxim Bratersky comments. "The Jackson-Vanik amendment had to be removed in order to support the US economy. However, an instrument to exert pressure on Russia has to be there. Once the amendment is abolished, it’s necessary to find a replacement."

### New Bill Turn

#### Jackson Vanick and Magnitsky to be passed together

Chernitsa 7/19 (Polina Chernitsa, staff writer for The Voice of Russia, “Magnitsky List in place of Jackson-Vanik”, Radio: the Voice of Russia, 7-19-12, <http://english.ruvr.ru/2012_07_19/Magnitsky-List-in-place-of-Jackson-Vanik/>, KG)

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#### Russia hates JV/Magnitsky combo

Chernitsa 7/19 (Polina Chernitsa, staff writer for The Voice of Russia, “Magnitsky List in place of Jackson-Vanik”, Radio: the Voice of Russia, 7-19-12, <http://english.ruvr.ru/2012_07_19/Magnitsky-List-in-place-of-Jackson-Vanik/>, KG)

Meanwhile, Russia has warned on several occasions that the Magnitsky Bill is counter-productive because it may harm bilateral relations and because the sanctions provided by it run counter to the international law. Russia’s Deputy Foreign Minister Sergei Ryabkov told a Voice of Russia correspondent that Russia would be forced to take retaliatory steps in case of sanctions. "In accordance with international law, sanctions against physical and legal persons of other countries are possible with the approval of the UN Security Council, or in case of hostile actions from other countries. Nothing of the sort is happening in this case." Hermitage Capital lawyer Sergei Magnitsky died in a detention center in 2009, pending a court ruling on charges of tax evasion. The Russian Prosecutor General’s Office has been investigating the circumstances surrounding Magnitsky’s death.

### Bill Bad (Turn extensions)

#### JV hurts the US in international market trading

Chernitsa 7/21 (Polina Chernitsa, staff writer for The Voice of Russia, “Jackson-Vanik 2.0”, Radio: The Voice of Russia, 7-21-12, <http://english.ruvr.ru/2012_07_21/Jackson-Vanik-2-0/>, KG)

Russia is due to join the WTO in a matter of days. Moscow will become a WTO fully-fledged member with all respective duties, rights and advantages as early as in August. But signs are some of Russia’s trade partners will prove unprepared for the date. The United States has, for example, failed to repeal the 1974 Jackson-Vanik amendment, which restricted trade with the USSR due to the lack of freedom of emigration. Today, the amendment basically threatens US businesses. This has been repeatedly pointed out at the US National Foreign Trade Council, says the president of the American University in Moscow, Edward Lozansky, and elaborates. "The Jackson-Vanik amendment, reasonably made in its time, has since run its course, Edward Lozansky says. Now it is more damaging to American businesses than to Russia, or the non-existent USSR, which it aimed back in 1974. Once Russia joins the World Trade Organization, America will have to pay fines. Some companies may even lose the Russian market for that reason. It’s an example of historical irony."

#### JV threatens bilateral relations with Russia

Chernitsa 7/21 (Polina Chernitsa, staff writer for The Voice of Russia, “Jackson-Vanik 2.0”, Radio: The Voice of Russia, 7-21-12, <http://english.ruvr.ru/2012_07_21/Jackson-Vanik-2-0/>, KG)

Still, the US Senate Finance Committee approved last week a bill that ties the repeal of the Jackson-Vanik amendment with the adoption of the so-called Magnitsky Act. The bill provides for slapping sanctions on Russians who are allegedly involved in the death of the lawyer of the Hermitage Capital Management investment fund, Sergei Magnitsky. Russia is actually facing another version of Jackson-Vanik amendment that takes account of new political realities, says political analyst Yelena Khot’kova, and elaborates. "The Jackson-Vanik amendment will lose its importance for the United States once Russia joins the WTO, Yelena Khot’kova says, but Washington will make up for it by substituting a new political act, the one that’s currently known as the Magnitsky Act, for the repealed amendment. One instrument of bringing pressure to bear on Russia will thus be replaced with another one in a move that meets the US interests in the new conditions. This is typically an example of US political behaviour with regard to Russia. And this is absolutely deplorable." Russia has repeatedly pointed out that the Magnitsky Act is damaging to bilateral relations and violates international law standards, said Deputy Russian Foreign Minister, Sergei Ryabkov, in an interview with The Voice of Russia. This is the way he elaborated on his statement. "Leaving aside the tragic aspects, Sergei Ryabkov says, it’s just impermissible to break international norms and standards of behaviour. Under international law, the imposition of sanctions on individuals and/or corporate bodies of another country is only possible if these are either authorized by the UN Security Council, or if the country in question makes moves that are clearly unfriendly."

### No Link

#### JV doesn’t affect Russian relations

Associated Press 6/27 (Associated Press, not-for-profit news cooperative owned by its American newspaper and broadcast members, “Clinton cites concerns over human rights in Russia”, FoxNews.com, 6-27-12, <http://www.foxnews.com/world/2012/06/27/clinton-optimistic-over-us-russian-relations/>, KG)

U.S. Secretary of State Hillary Rodham Clinton says she's optimistic that relations with Moscow will not suffer despite planned legislation in Congress that would impose tough sanctions on Russian human rights violators. Clinton says she expects "something to move" on both the repeal of the Jackson-Vanik law and on Congress' concerns about Russian human rights. She told reporters in Finland on Wednesday that the concerns could be expressed "without derailing the relationship (with Moscow) and that is what we are working with our Congress to do and we have every reason to believe we can accomplish that." The 1974 Jackson-Vanik Act tied trade with the then-Soviet Union to Moscow's willingness to allow Jews and other minorities to leave the country. The repeal of Jackson-Vanik is necessary if U.S. businesses are to enjoy lower tariffs and increased access to Russian markets when Russia joins the World Trade Organization this summer. Following talks with Finnish Foreign Minister Erkki Tuomioja, Clinton told reporters that "we discussed this directly with President (Vladimir) Putin when I was with President Obama in Mexico. We made it very clear that, you know, we do have concerns about human rights in Russia." A Senate panel in Washington moved forward Tuesday on a bill that would impose tough sanctions on Russian human rights violators, a measure certain to be linked to congressional efforts to lift the Cold War-era Jackson-Vanik trade restrictions. The Foreign Relations Committee of the Senate approved the measure that would impose visa bans and freeze the assets of those held responsible for gross human rights violations in Russia, as well as other human rights abusers. Specifically, it targets those allegedly involved in the imprisonment, torture and death of lawyer Sergei Magnitsky, who died in a Russian jail in 2009. Clinton said, "We think there is a way of expressing those concerns without derailing the relationship" with Moscow, and she added that is "what we are working with our Congress to do, and we have every reason to believe we can accomplish that." "We are very keen in the administration for repealing the Jackson-Vanik bill because we want to open doors to greater trade and investment between our two countries," the secretary said. "However there is great concern in our country, and in particular in our Congress over human rights in Russia," she added, "and in particular the case of the lawyer Mr. Magnitsky, who died in prison." "There's a lot of interest in our Congress over a full, transparent investigation of the circumstances of his death in prison," Clinton said. "And so our Congress, while they are being asked by the administration to repeal Jackson-Vanik, want to pass legislation that will require the United States government to take action against any persons who are connected with the death of Mr. Magnitsky."

## China

**No threat from china, they do not follow through with their threats**

Daniel **McCarthy** is a lawyer in Salt Lake City, Utah. He has lived in Taiwan, has traveled extensively in China and represents both US and Chinese businesses in international and domestic transactions. He is a student of military affairs and of US-China-Taiwan relations Feb 11, 20**04**

<http://www.atimes.com/atimes/China/FB11Ad06.html> “Ignore the rhetoric, China won't attack Taiwan”

Over the past several years, reports of China threatening to attack Taiwan have become commonplace. The Chinese government has repeatedly and consistently pronounced that it would attack Taiwan under several conditions: If Taiwan declares independence. If foreign troops are present on Taiwan. If Taiwan develops a nuclear device. If Taiwan delays "reunification". The stridency of China's threats against Taiwan is impressive indeed. The message comes through loud and clear in the English-language media, and it is even more pointed in the domestic Chinese media, in which photographs of Chinese jet fighters and tanks accompany articles warning that Taiwan's leaders are heading into the abyss of war. On the surface, all of this could be quite convincing - China intends to use military force against Taiwan if any of the above conditions are met. But looks can be very deceiving. Most of China's conditions for war against Taiwan have already been met - and there is even plausible speculation about a nuclear device. But no war has occurred, nor is it likely to take place.

#### Design improvements solve spills

Krugel, 7/20 Lauren Krugel, The Canadian Press “Enbridge proposes improvements to Northern Gateway pipeline” 7/20/12 <http://business.financialpost.com/2012/07/20/enbridge-proposes-improvements-to-northern-gateway-pipeline/?__lsa=36c47711>

CALGARY — Enbridge Inc. is proposing to make up to $500-million worth of changes to the design of the Northern Gateway pipeline system to address safety concerns raised by aboriginal groups and others. The pipeline, which already had a $5.5-billion pricetag before Friday’s announcement, has been the focus of intense debate among local communities, environmental groups and politicians. Enbridge made its announcement on the same day the Alberta government — a staunch supporter of Northern Gateway — announced an independent review of pipeline safety in the province. Critics of Northern Gateway, a paired system of pipelines between the oilsands in northern Alberta and a terminal near Kitimat, B.C., have said they’re worried about the potential environmental risks it poses within the B.C. Interior and in coastal waters. The Calgary-based company said Friday it had listened to the feedback from public hearings and was prepared to address concerns with a combination of improved technology and monitoring. “We recognize that there are concerns among aboriginal groups and the public around pipeline safety and integrity,” said Janet Holder, an Enbridge executive vice-president. “With these enhanced measures, we will make what is already a very safe project even safer in order to provide further comfort to people who are concerned about the safety of sensitive habitats in remote areas.” Among other things, Enbridge says its new design would increase the thickness of pipe walls at river crossings. Enbridge says it would also increase the number of inspections it does by at least 50 per cent and staff pumping stations in remote locations around the clock. “After years of consultation with stakeholders and after personally attending many regulatory hearings for Northern Gateway, it has become clear — we have to do everything we can to ensure confidence in the project,” Holder said. In Calgary, meanwhile, Alberta Energy Minister Ken Hughes announced the province would tap an independent third party to work with the Energy Resources Conservation Board in reviewing pipeline integrity, the safety of pipe that crosses waterways and the handling of pipeline incidents. “The spotlight is on pipelines and I have challenged the industry they need to perform,” Hughes told a news conference. “The scrutiny is at a level we have never seen before. I welcome that scrutiny and I believe our pipeline companies do so as well.” There have been three pipeline leaks in Alberta this year, including the leak of up to 475,000 litres of oil into the Red Deer River, a major drinking water source in central Alberta The company that owns that pipeline, Plains Midstream Canada, was responsible for a bigger spill in Northern Alberta more than a year ago. Greenpeace said Friday at least part of that site remains heavily contaminated despite company suggestions that the cleanup is complete. The environmental organization has released pictures of a pond near the Rainbow leak near the community of Little Buffalo in the spring of 2011— the second-largest spill in the province’s history. The pictures appear to show large globs of oil fouling vegetation and an oily sheen on the water. Hughes held meetings with three industry groups — the Canadian Energy Pipeline Association, the Canadian Association of Petroleum Producers and the Small Explorers and Producers Association of Canada — before announcing the review. Environmental groups and others outside of industry did not take part. “There’s quite a bit of discourse in the public domain already but I specifically wanted to meet with the regulator and with the industry — the people who are closest to the file who actually understand this in most intimate detail,” said Hughes. The scope of the review has not yet been determined, nor has a set timeline. Hughes said it will be matter of months, not years. Brenda Kenny, head of the pipeline association, told reporters incidents such as the ones in Alberta raise important questions. “And our job is to do two things — firstly, be safe every day and secondly, ensure the public is confident that we are among the best in the world,” she said. “So this kind of review will bring that to light. I’m very proud of our members’ track record overall. I think when you look at the statistics you can see we are very safe but we are continuously improving and anything we can learn from this is fantastic.” David Pryce, vice-president of operations at the Canadian Association of Petroleum Producers, said the review will be important for those inside Alberta and outside. “Our markets are offshore or south of the border,” he said. “There’s a lot of attention to the growth of our industry as a supplier of energy and I think those marketplaces are looking for assurances around the quality of our regulatory expertise.” The calls for the review grew louder earlier this month when the U.S. National Transportation Safety Board lambasted Enbridge for its handling of an oil spill in Michigan two years ago. A report concluded Enbridge bungled its response when millions of litres of oil began to pour in and around the Kalamazoo River in July 2010, comparing the company’s handling of the spill to the “Keystone Kops.” Enbridge has promised to apply the lessons from the Michigan spill to its other projects, including Northern Gateway. The company said it has already made numerous changes and welcomes the opportunity to explain those to the B.C government and the public. The Michigan spill affected more than 50 kilometres of waterways and wetlands and about 320 people reported symptoms from crude oil exposure. Enbridge’s cleanup costs have exceeded $800-million.

#### New criteria solve Gateway pipeline spills

CBC, 7/23 CBC, a respected Canadian news source, “B.C. seeks 'fair share' in new Gateway pipeline deal” <http://www.cbc.ca/news/politics/story/2012/07/23/pol-bc-pipeline-clark-gateway.html>

The B.C. government wants to renegotiate a "fair share" of the benefits from Enbridge's Northern Gateway Project as one of five new requirements all new pipeline projects will be required to meet for provincial approval. Under the current terms, Environment Minister Terry Lake said, British Columbia would get only eight per cent of the pipeline revenue while assuming 100 per cent of the marine risk for the port terminal and tanker traffic on the West Coast, and 58 per cent of the land-based risk for the pipeline. "We do not feel the current approach to sharing these benefits is appropriate," Lake said Monday in Vancouver B.C. Environment Minister Terry Lake and Aboriginal Relations and Reconciliation Minister Mary Polak outlined the government's new position on heavy oil pipeline proposals on Monday morning in Vancouver.(Lisa Johnson/CBC) The province would seek to renegotiate the project with the federal government, Lake said, but would not put a dollar figure on the amount of revenue it was seeking. When asked whether it was within the province's power to stop the pipeline if it gets federal approval, Lake said the project needs more than 60 permits from B.C. before it could go ahead. Lake also said B.C. has "insufficient" information to support the Enbridge pipeline at this time, and the province would exercise its right to cross-examine Enbridge at upcoming federal hearings on the proposed pipeline. B.C. Minister for Aboriginal Relations and Reconciliation Mary Polak said she was unaware of any First Nation in B.C. that supported the project and that the province had a duty to consult and accommodate First Nations. "We believe the benefits to First Nations from major pipeline proposals must be clearly identified, along with the measures that will help protect against environmental impacts," Polak said. In another development, Alberta Premier Alison Redford issued a terse statement calling for greater co-operation from B.C. to access new energy markets, calling it a “national imperative” that is “essential for the economic benefit of Canada.” “Leadership is not about dividing Canadians and pitting one province against another," Redford said. "Leadership is about working together." Conditions for approval Lake laid out the five new requirements all new crude oil pipelines will have to meet before they get provincial approval: Completing the environmental review process. In the case of Enbridge, that would mean a recommendation by the National Energy Board Joint Review Panel that the project proceed. Deploying world-leading marine oil-spill response, prevention and recovery systems for B.C.'s coastline and ocean to manage and mitigate the risks and costs of heavy oil pipelines and shipments. Using world-leading practices for land oil-spill prevention, response and recovery systems to manage and mitigate the risks and costs of heavy oil pipelines. Addressing legal requirements regarding aboriginal and treaty rights, and ensuring First Nations provided with the opportunities, information and resources necessary to participate in and benefit from a heavy-oil project. Ensuring British Columbia receives a fair share of the fiscal and economic benefits of a proposed heavy oil project that reflects the level, degree and nature of the risk borne by the province, the environment and taxpayers. The criteria will apply to the [controversial Northern Gateway project](http://www.cbc.ca/calgary/features/northerngateway/) and any other new crude oil pipeline in B.C., Lake said. Upgrading spill capacity Lake detailed several of the changes the province would like to see in the federal government's capacity to handle a marine spill, noting several requirements are much more stringent in Alaska and Norway. "For example … Alaska requires planning for 300,000 barrels. In Canada, response organizations are only required to maintain response plans for spills up to approximately 70,000 barrels," a statement released by Lake said. "Further, Alaska allows responders 72 hours to reach the spill site, while Canada allows 72 hours plus travel time, which can sometimes add days to the response." Lake also called for a review of the amount of insurance the industry is required to carry to finance a cleanup. "Currently, the total amount of ship owner insurance and industry funding available for spill response is $1.3 billion. By comparison, the U.S. federal government maintains a spill fund that is forecast to grow to nearly $4 billion by 2016." Lake said the province would look at implementing its own industry-funded spill management program for land-based spills, since a spill on land would largely fall under provincial jurisdiction. Environmentalists critical The new clean-up criteria and the proposed changes to spill preparation were quickly denounced as inadequate by Karen Wristen, the executive director of the Living Oceans Society. “World-leading marine oil spill response and recovery systems will do nothing for us in the event of a spill of tarsands bitumen,” Wristen said. The diluted crude oil or bitumen that would be carried in the pipeline contains a much higher proportion of heavy asphaltenes and resins than conventional oil. Diluted bitumen does not float on water and is highly resistant to dispersant chemicals, making cleanup nearly impossible, Wristen said. “By the time people could actually get close enough to deploy any kind of surface-cleaning technology, any oil remaining on the surface would be widely dispersed by the action of currents, wind and waves." "If a spill were to happen in sensitive near-shore environments, such as the Douglas Channel route into Kitimat, it would impact the entire local ecosystem for decades, perhaps centuries, to come," Wristen said. Alberta orders pipeline review The new criteria are just the latest challenges for Enbridge's proposed $5.5-billion pipeline to link Alberta's oilsands with a West Coast tanker port, which is already facing stiff opposition from [First Nations](http://www.cbc.ca/news/canada/british-columbia/story/2012/06/05/bc-gateway-pipeline-first-nations.html), environmentalists and [B.C.'s opposition New Democrats](http://www.cbc.ca/news/politics/story/2012/07/20/pol-alberta-ken-hughes-invu.html). The B.C. government [has yet to take a formal position on the pipeline](http://www.cbc.ca/news/canada/british-columbia/story/2012/07/16/bc-clark-enbridge.html), but Premier Christy Clark has been [critical of Enbridge](http://www.cbc.ca/news/canada/british-columbia/story/2012/07/11/bc-enbridge-report-clark-mulcair.html) in light of a U.S. report that lambasted the Calgary-based company over its handling of an oil spill in Michigan. British Columbia Premier Christy Clark has expressed safety concerns about pipeline projects, but has not yet taken a definitive stand on the Northern Gateway pipeline.(Jonathan Hayward/Canadian Press) "British Columbians are fair and reasonable. We know we need resource and economic development, but we also expect that risks are managed, environmental protection is uncompromised and that generations will benefit from the decisions we make today." Just last week, Enbridge announced plans to [spend up to $500 million](http://www.cbc.ca/news/politics/story/2012/07/20/northern-gateway-enbridge.html) to improve Northern Gateway's safety features. But First Nations quickly dismissed the plan, saying they have no trust in Enbridge given the company's poor record when it comes to handling spills. Clark held unannounced, private meetings with both Saskatchewan Premier Brad Wall and Alberta Premier Alison Redford on Thursday. She also spoke to Prime Minister Stephen Harper over the telephone on Thursday. Meanwhile, Alberta Energy Minister Ken Hughes is defending the Northern Gateway project, saying the pipeline review he ordered on Friday should take care of any safety concerns around the proposal. "If we're going to move oil and gas products from the Prairies through British Columbia to the coast, it should be done in a way that absolutely protects the environment and human safety as much as possibly can be done," said Hughes. Hughes has [asked an outside company to study pipeline integrity](http://www.cbc.ca/news/canada/calgary/story/2012/07/20/pol-alberta-ken-hughes-invu.html), water crossings and spill response plans.

#### China is investing in Venezuela.

Forero, 5 Juan Forero, New York Times, “China's Oil Diplomacy in Latin America”, 3/1/05

http://www.nytimes.com/2005/03/01/business/worldbusiness/01oil.html?pagewanted=1

BBOGOTÁ, Colombia, Feb. 28 - Latin America is becoming a rich destination for China in its global quest for energy, with the Chinese quickly signing accords with Venezuela, investing in largely untapped markets like Peru and exploring possibilities in Bolivia and Colombia. China's sights are focused mostly on Venezuela, which ships more than 60 percent of its crude oil to the United States. With the largest oil reserves outside the Middle East, and a president who says that his country needs to diversify its energy business beyond the United States, Venezuela has emerged as an obvious contender for Beijing's attention. The Venezuelan leader, Hugo Chávez, accompanied by a delegation of 125 officials and businessmen, and Vice President Zeng Qinghong of China signed 19 cooperation agreements in Caracas late in January. They included long-range plans for Chinese stakes in oil and gas fields, most of them now considered marginal but which could become valuable with big investments. Mr. Chávez has been engaged in a war of words with the Bush administration since the White House gave tacit support to a 2002 coup that briefly ousted him. Still, Venezuela is a major source for American oil companies, one of four main providers of imported crude oil to the United States, inexorably linking the two countries' interests. Analysts and Venezuelan government officials say those ties will not be severed, as Venezuela is a relatively short tanker trip from the United States and Venezuelan refineries have been adapted to process the nation's heavy, tar-like crude oil. "The United States should not be concerned," Rafael Ramírez, Venezuela's energy minister, said in an interview, "because this expansion in no way means that we will be withdrawing from the North American market for political reasons." In recent months, though, China's voracious economy has brought it to Venezuela, and much of South America, in search of fuel. "The Chinese are entering without political expectations or demands," said Roger Tissot, an analyst who evaluates political and economic risks in leading oil-producing countries for the PFC Energy Group in Washington. "They just say, 'I'm coming here to invest,' and they can invest billions of dollars. And obviously, as a country with billions to invest, they are taken very seriously." China's entry is worrisome to some American energy officials, especially because the United States is becoming more dependent on foreign oil at a time when foreign reserves remain tight. It was the limited supplies that pushed a barrel of oil to $55 in October, driving up retail prices and hurting economies. On Monday, crude oil for April delivery settled at $51.75 in New York, up 26 cents. The Senate Foreign Relations Committee, headed by Richard G. Lugar, Republican of Indiana, recently asked the Government Accountability Office to examine contingency plans should Venezuelan oil stop flowing. Chinese interest in Venezuela, a senior committee aide said, underlines Washington's lack of attention toward Latin America. "For years and years, the hemisphere has been a low priority for the U.S., and the Chinese are taking advantage of it," the aide said, speaking on condition of anonymity. "They're taking advantage of the fact that we don't care as much as we should about Latin America." To be sure, China, the world's second-largest consumer of oil, has emerged as a leading competitor to the United States in its search for oil, gas and minerals throughout the world - notably Central Asia, the Middle East and Africa. China has accounted for 40 percent of global growth in oil demand in the last four years, according to the Energy Department, and its consumption in 20 years is projected to rise to 12.8 million barrels a day from 5.56 million barrels now. Most of that oil will need to be imported. The United States now uses 20.4 million barrels a day, nearly 12 million of it imported. Aggressively seeking out potential deals, China tries to out-muscle the big international oil companies, always beholden to shareholders. Chinese companies, which have substantial government help, can dispense government aid to secure deals, take advantage of lower costs in China and draw on hefty credit lines from the government and Chinese financial institutions. "These companies tend to make uneconomic bids, use Chinese state bilateral loans and financing, and spend wildly," Frank A. Verrastro, director and a senior fellow at the Center for Strategic and International Studies in Washington, told the Senate Energy Committee early in February. "Chinese investors pursue market and strategic objectives, rather than commercial ones." China already operates two oil fields in Venezuela. Under accords signed in Beijing in December and Caracas in January, it would develop 15 declining oil fields in Zumano in eastern Venezuela, buy 120,000 barrels of fuel oil a month and build a plant in Venezuela to produce boiler fuel used in Chinese power plants. Energy analysts say these deals, though mostly marginal, show that China is willing to wade in slowly, with larger ambitions in mind. "These are steps you have to take to have a longer-term relationship," said Larry J. Goldstein, president of the Petroleum Industry Research Foundation in New York. "We don't know enough about whether they will lead to larger projects, but my sense is that they will." Under the agreements, Venezuela has invited China to participate in much larger projects, like exploring for oil in the Orinoco belt, which has one of the world's great deposits of crude oil, and searching for natural gas offshore through ambitious projects intended to make Venezuela a world competitor in gas. Analysts note that part of China's effort is to learn about Venezuelan technology, particularly the workings of its heavy-oil refineries. Much of the oil that will be exploited in the future will be tarlike, requiring an intricate and expensive refining process. In return, China is offering the Venezuelans a $700 million line of credit to build housing, aid that helps Mr. Chávez in his goal of lifting his compatriots out of poverty. The recent trip also yielded plans to invest in telecommunications and farming. "It's a country that permits you to get more out of agreements than just energy accords," Bernardo Álvarez, Venezuela's ambassador to the United States, said of China. Venezuela, with a view to exports to China, says it is exploring plans to rebuild a Panamanian pipeline to pump crude oil to the Pacific, where it would be loaded onto supertankers that are too big to use the Panama Canal. Another proposal, with neighboring Colombia, would lead to the construction of a pipeline across Colombia to carry Venezuelan hydrocarbons, which would then be shipped to Asia from Colombia's Pacific ports. Mr. Chávez has promoted these plans in three visits to China. In the most recent, in December, he unveiled a statue of Simón Bolívar in Beijing. Trade between the two countries could rise to $3 billion this year from $1.2 billion, Mr. Chávez said, celebrating their links as a way for Venezuela to break free of dependence on the American market. "We have been producing and exporting oil for more than 100 years," Mr. Chávez told Chinese businessmen in December. "But these have been 100 years of domination by the United States. Now we are free, and place this oil at the disposal of the great Chinese fatherland." China, though, is not just interested in Venezuela. Much of Latin America has become crucial to China's need for raw materials and markets, with trade at $32.85 billion in the first 10 months of 2004, about 50 percent more than in 2003. Mining, analysts say, is among China's priorities, whether it is oil in Venezuela, tin in Chile or gas in Bolivia. Chinese involvement in Latin America is "growing by leaps and bounds," said Eduardo Gamarra, director of the Latin America and Caribbean Center at Florida International University, adding, "It's driven by the need for privileged access to raw material and privileged access to hydrocarbons." In Brazil, the state-owned Petrobras and China National Offshore Oil have been studying the viability of joint operations in refining, pipelines and exploration in their two countries and in other parts of the world. This comes after a $1 billion Brazilian agreement with another Chinese company, Sinopec, to build a gas pipeline that will cross Brazil. In Bolivia, Shengli International [Petroleum Development](http://www.nytimes.com/redirect/marketwatch/redirect.ctx?MW=http://custom.marketwatch.com/custom/nyt-com/html-companyprofile.asp&symb=PETD) has opened an office in the gas-rich eastern region and announced plans to invest up to $1.5 billion, though it is awaiting a new hydrocarbons law being drafted before committing itself to deals. In Ecuador, China National Petroleum and Sinopec have been looking at oil blocks that the government is trying to develop. In Peru, the Chinese vice president signed a memorandum of understanding in January that could lead to more exploration deals. Currently, a subsidiary of China National Petroleum produces oil. The Colombian state oil company has been discussing exploration and production with the Chinese. Part of the lure is in new, more beneficial terms for oil companies and an improving security situation.

#### China is the most influential on Venezuelan economy.

Ellsworth Parraga, 5/22 Brian Ellsworth and Marianna Parraga, “Venezuela expands China oil-for-loan deal to $8 bln”, Chicago Tribune, 5/22/12 http://articles.chicagotribune.com/2012-05-22/business/sns-rt-venezuela-chinal1e8gmlm3-20120522\_1\_pdvsa-crude-oil-marianna-parraga

<http://articles.chicagotribune.com/2012-05-22/business/sns-rt-venezuela-chinal1e8gmlm3-20120522_1_pdvsa-crude-oil-marianna-parraga>

CARACAS, May 22 (Reuters) - Venezuela's Congress voted on Tuesday to double the amount the government can borrow from China under a deal that lets the OPEC nation repay loans with oil, potentially adding to the debt burden taken on under President Hugo Chavez. China has become the single biggest foreign source of financing for Venezuela's socialist government, which is borrowing heavily to fund state spending on welfare and infrastructure projects ahead of an Oct. 7 election. Tuesday's vote amended a 2008 agreement to let Venezuela borrow as much as $8 billion from the China Development Bank at any given time, twice the original $4 billion. Ruling party lawmakers say the funds are needed for investment in areas such as manufacturing to sustain economic growth that reached 5.6 percent in the first quarter - its fastest rate in almost four years. "Venezuela is forging a strategy that allows us to guarantee the development of our manufacturing industry so that it's a motor of the economy," said socialist party lawmaker Christian Zerpa. Opposition leaders, however, say such deals threaten to leave the country overly indebted. "This has taken us back to the colonial era," said opposition lawmaker Americo De Grazia. "As a result of this fund, we're putting our future into debt - not just our future but that of our children and grandchildren." Critics point out that state oil company PDVSA already has to send 430,000 barrels per day of crude oil and products to cover its debts with China, which have reached $32 billion. The financing includes three $4 billion loans in addition to a separate $20 billion lending package agreed in 2010. Seeking to finance an explosion in state spending on social programs including home construction and cash stipends to poor mothers, Venezuela and state oil company PDVSA also sold $17 billion in bonds in 2011 despite a surge in oil revenue. BORROWING SPREE Chavez is recovering from an undisclosed type of cancer that has left him unable to carry on his usually loquacious public appearances and televised speeches. Without his usually dominant presence, his government will likely have to spend even greater amounts on social projects to shore up support among wavering sympathizers, analysts say. http://articles.chicagotribune.com/images/pixel.gif The country's total debt including domestic issues has reached $79.3 billion, making it expensive to continue borrowing from international capital markets. Venezuelan bonds are among the highest-yielding debt tracked by JPMorgan's main emerging market bond index, with spreads more than 1,000 basis points above comparable U.S. Treasury bills and some securities yielding more than 12 percent. Venezuelan yields top even those of Pakistan, which is battling Taliban insurgents and struggling to maintain its public finances intact. PDVSA this month confirmed a bond issue of $3 billion in a private offer for the central bank and other state banks, which is mainly intended to supply the Sitme foreign exchange system. PDVSA has long been the financial motor of Chavez's self-styled "revolution" in the nation of 29 million people, financing everything from new houses and subsidized food to free healthcare and schools in slums. But critics say Chavez has gone too far, squeezing his cash-cow too hard and jeopardizing its long-term stability at a time when PDVSA needs financing for major development projects in Venezuela's heavy-crude Orinoco Belt. (Editing by Helen Popper and Bill Trott)

#### China is soft power superpower.

Seib, 5/29 Philip Seib, Director Center on Public Diplomacy USC, The Huffington Post, “China: The First Soft Power Superpower” <http://www.huffingtonpost.com/philip-seib/china-the-first-soft-power-superpower_b_1552545.html>

BEIJING -- During the 20 years since the demise of the Soviet Union, and after a unipolar moment for the United States, China has emerged as the newest superpower. All its predecessors at this exalted level, going back even before Rome, have established their positions by amassing formidable military strength. But China is going about matters differently. Recognizing that it would require budget-wrecking spending to quickly catch up with the United States as a wielder of military strength, China is, at least for now, emphasizing soft power -- trying to extend its influence through attraction rather than coercion. Although it certainly retains the capability to strong-arm other nations with its economic weapons, China has become the world's most active exponent of public diplomacy. It has spent an [estimated](http://online.wsj.com/article/SB10001424052748704495004576264880231253582.html) U.S. $7 billion on its international broadcasting efforts, many millions more on its worldwide network of Confucius Institutes, and additional large sums on projects as significant as educational exchanges and as trivial as advertising on electronic billboards in New York's Times Square. Further, some of China's best universities are embracing public diplomacy as an academic discipline, training the country's next generation of experts in this field. But what is China getting for all this money and effort? Public opinion polls from around the world indicate decidedly mixed results. In parts of Africa, where China [has built](http://www.cfr.org/china/chinas-rising-role-africa/p8436) roads and stadiums, its popularity [has risen](http://www.worldpublicopinion.org/pipa/articles/views_on_countriesregions_bt/683.php). Elsewhere, however, China is viewed warily as heavy-handed and insensitive to the political and economic lives of countries where it is expanding its presence. In two weeks of discussions with Chinese public diplomacy practitioners and scholars in Beijing and Shanghai, I found no consensus about what China's public diplomacy strategy should be or what China wants from its public diplomacy efforts. The enthusiasm is there, but an overarching plan is not. Part of this lack of coherence is due to China's slow acceptance of the realities of being a superpower. I heard complaints from many quarters about how unfairly China is being treated by the international news media, and claims that China is not receiving the respect that it deserves. When I said that mistreatment -- real or imagined, deserved or not -- is something superpowers must learn to live with, my Chinese colleagues did not seem to understand this facet of political reality. Chinese public diplomacy leaders need a better appreciation of the give-and-take of superpower diplomacy. As a first step, they should understand that reciprocity is important if multilateral relationships are to take shape. If China wants to export its Confucius Institutes, it must allow the United States and others to set up comparable cultural centers (in comparable numbers) in China. If China wants to extend the reach of its international broadcasting, it must allow other countries to have broadcast and online access to the Chinese public. Such goals may seem far-fetched, given China's reluctance to allow substantive political debate within its borders, much less permit outsiders to contribute to any such debate. But more than anything else, China is determined to be a global player. Its embrace of public diplomacy, rather than endangering the world with another superpower arms race, is encouraging. If the United States and other nations persist in engaging with China within the realm of public diplomacy, China might be nudged toward increased openness. This could enable the newest superpower to continue to rely on soft power.

#### US-China conflict inevitable – Cyber games, Chinese officials, and perceptions prove

**Hopkins 12** (Nick, 4/6/12, Defense and Security correspondent for the Guardian, “US and China engage in cyber war games,” <http://www.guardian.co.uk/technology/2012/apr/16/us-china-cyber-war-games>, Guardian)

The US and [China](http://www.guardian.co.uk/world/china) have been discreetly engaging in "war games" amid rising anger in Washington over the scale and audacity of Beijing-co-ordinated cyber attacks on western governments and big business, the Guardian has learned.¶ State department and Pentagon officials, along with their Chinese counterparts, were involved in two war games last year that were designed to help prevent a sudden military escalation between the sides if either felt they were being targeted. Another session is planned for May.¶ Though the exercises have given the US a chance to vent its frustration at what appears to be state-sponsored espionage and theft on an industrial scale, China has been belligerent.¶ "China has come to the conclusion that the power relationship has changed, and it has changed in a way that favours them," said Jim Lewis, a senior fellow and director at the Centre for Strategic and International Studies (CSIS) thinktank in Washington.¶ "The PLA [People's Liberation Army] is very hostile. They see the US as a target. They feel they have justification for their actions. They think the US is in decline."¶ The war games have been organised through the CSIS and a Beijing thinktank, the China Institute of Contemporary International Relations. This has allowed government officials, and those from the US intelligence agencies, to have contact in a less formal environment.¶ Known as "Track 1.5" diplomacy, it is the closest governments can get in conflict management without full-blown talks.¶ "We co-ordinate the war games with the state department and department of defence," said Lewis, who brokered the meetings, which took place in Beijing last June, and in Washington in December.¶ "The officials start out as observers and become participants … it is very much the same on the Chinese side. Because it is organised between two thinktanks they can speak more freely."¶ During the first exercise, both sides had to describe what they would do if they were attacked by a sophisticated computer virus, such as [Stuxnet, which disabled centrifuges in Iran's nuclear programme](http://www.guardian.co.uk/world/2011/jan/16/stuxnet-cyberworm-us-strike-iran). In the second, they had to describe their reaction if the attack was known to have been launched from the other side.¶ "The two war games have been quite amazing," said Lewis. "The first one went well, the second one not so well.¶ "The Chinese are very astute. They send knowledgeable people. We want to find ways to change their behaviour … [but] they can justify what they are doing. Their attitude is, they have experienced imperialism and they had a century of humiliation."¶ Lewis said the Chinese have a "sense that they have been treated unfairly".¶ "The Chinese have a deep distrust of the US. They are concerned about US military capabilities. They tend to think we have a grand strategy to preserve US hegemony and they see a direct challenge.¶ "The [Chinese officials] who favour co-operation are not as strong as the people who favour conflict."¶

#### US won’t get involved – Taiwan officials have rejected US help and are working for co-op with China

**Yu 12** (Xie, 5/4/12, government and policy correspondent for China Daily, “Taiwan pledges not to seek US help in war,” <http://www.chinadaily.com.cn/china/2010-05/04/content_9804241.htm>, China Daily)

Beijing - Mainland experts on Monday hailed Taiwan leader Ma Ying-jeou's pledge that the island will never ask the United States to help fight a war with the mainland, saying it demonstrates Ma's determination to push for better cross-Straits ties.¶ In a CNN interview, conducted entirely in English via video conference and broadcast on April 30, Ma, speaking from his office in Taipei, said that "we will continue to reduce the risks so that we will purchase arms from the United States, but we will never ask the Americans to fight for Taiwan. This is something that is very, very clear." Chen Xiancai, a researcher at the Taiwan Studies Center in Xiamen University, said Ma has been the first Taiwan leader who dared to say "never" to US help since former leader Lee Teng-hui introduced direct "presidential" elections in late 1990s.¶ According to its 1979 Taiwan Relations Act, the US has the obligation to help defend the island, but as it seeks better ties with Beijing, the US has hedged on saying how far it would go in the event of a war, Reuters commented on Monday.¶ "The society of Taiwan has a strong dependence on the US, while Ma's comment of never asking for US help to fight for Taiwan indicates his determination to ease cross-Straits relations, which can be interpreted as goodwill toward the mainland," Chen told China Daily.

## Oil DA Answers

### Uniqueness

#### First, Prices will rise now – Other countries are increasing consumption drastically

The Economist ’12, “Keeping it to themselves: Gulf states not only pump oil; they burn it, too”, Mar 31st 2012.

(<http://www.economist.com/node/21551484>. JMC.) Accessed 7/23/12.

EVERYONE knows why oil prices, at around $125 for a barrel of Brent crude, are so high. The long-term trends are meagre supply growth and soaring demand from China and other emerging economies. And in the short term, the market is tight, supplies have been disrupted and Iran is making everyone nervous.¶ Saudi Arabia, the only OPEC member with enough spare capacity to make up supply shortfalls, is the best hope of keeping the market stable. The Saudis recently reiterated their pledge to keep the market well supplied as American and European Union sanctions hit Iran. Over time, other producers in the Persian Gulf may be able to pump more. Iraq—and Iran itself—have vast oilfields that could eventually provide markets with millions more barrels a day (b/d). All this is conventional wisdom.¶ Yet these calculations do not take account of the region's growing thirst for its own oil. Between 2000 and 2010 China increased its consumption of oil more than any other country, by 4.3m b/d, a 90% jump. It now gets through more than 10% of the world's oil. More surprising is the country that increased its consumption by the second-largest increment: Saudi Arabia, which upped its oil-guzzling by 1.2m b/d. At some 2.8m b/d, it is now the world's sixth-largest consumer, getting through more than a quarter of its 10m b/d output.¶ Saudi Arabia is not the only oil-producer that chugs its own wares. The Middle East, home to six OPEC members, saw consumption grow by 56% in the first decade of the century, four times the global growth rate and nearly double the rate in Asia (see map).¶ Energy use per head is also rising. According to BP, in 1970 in the Middle East it was half what it was in other emerging markets. By 2010 it was three times higher. Global oil consumption stayed at roughly 4.6 barrels a head annually between 2000 and 2010, but the average Iranian and Saudi was getting through roughly 30% more by the end of the decade. The Saudis consume 35.1 barrels each. Overall energy consumption per head, at 7.3 tonnes of oil equivalent, is roughly the same as in America (see chart), which is much richer.¶ There are three explanations for this growing taste for oil. The first is demography. Populations in the Persian Gulf, and in OPEC as a whole, are growing fast. Tiny Qatar's population trebled between 2000 and 2010. Saudi Arabia's grew from around 20m to 27.4m, a 37% increase. Demand for power, water and petrol has risen accordingly. Saudi power-generating capacity has doubled in the past decade. Partly this is to mitigate the fearful heat: according to a report from Chatham House, a think-tank, air-conditioning units soak up half of all power generated at peak consumption periods.¶ The second relates to economic structure. It takes energy to produce energy: pumps must be powered and vast quantities of seawater desalinated. Aramco, the Saudi state oil company, sucks up nearly 10% of the country's energy output. Attempts to diversify the Saudi economy beyond oil, gas and petrochemicals have not gone far.¶ The third reason for rising Gulf consumption is the inefficiency of domestic energy markets. Some 65% of Saudi electricity is generated using black gold, even as successive price shocks and the relative inefficiency of oil generation have seen it all but phased out in rich countries. Oil is used with such profligacy because domestic consumption is massively subsidised. According to the International Energy Agency, global oil subsidies added up to $192 billion in 2010. OPEC countries accounted for $121 billion of the total.¶ Saudi Arabia has the cheapest fuel in the Gulf and dirt-cheap electricity, too. This has alleviated poverty but it has also encouraged an American-style driving culture (for men) and limited public transport. Only a third as many Saudis own cars as Americans; as they get richer many more will take to the desert highways.¶ Many oil-producing countries (including Saudi Arabia) have pledged to cut subsidies. But this is hard to do when regimes are terrified of unrest (and often unelected). Violent protests greeted Nigeria's attempts in January to raise the price of imported petrol. Only Iran, which had the most generous subsidy regime, has managed a big price hike—and it had a handy scapegoat in the form of sanctions.¶ It is costing Saudi Arabia dear to burn through so much oil. With “lifting” costs of $3 to $5 a barrel the fuel is cheap but the opportunity cost, given a global price of $125, is huge. And like many Gulf oil producers Saudi Arabia has failed to use its abundant natural-gas supplies properly.¶ Gas does now contribute 35% to power generation, but rock-bottom prices and a sniffiness about gas as oil's poor relation mean that exploiting its bounty (Saudi Arabia apparently has the world's fifth-largest gas reserves) has proven hard. Initiatives to attract Western oil companies to get at the gas foundered as low prices and stingy terms failed to attract bidders. Much of the “unassociated” gas that doesn't spew out alongside oil is tough to extract, and would require prices four or five times higher than now to make it worthwhile. According to BP, oil makes up 74% of the region's energy production. By 2030 it will have dropped only to 67%.¶ Saudi Arabia is trying to develop nuclear and solar energy. But its fleet of oil-fired power stations will keep going for years. And as Mark Lewis of Deutsche Bank points out, two more big ones are now being built. On current trends the kingdom would become a net importer of oil by 2038 (unlikely though that is).¶ This puts big strains on oil markets. In the short term Saudi spare capacity is an important factor in oil prices. As the year progresses seasonal Saudi demand is likely to jump. Last year the upswing between March and July was some 750,000 barrels of fuel a day, according to Barclays Capital. Much of that will be driven by air conditioners working overtime. This will put pressure on the country's ability to maintain exports and keep oil prices stable.¶ The longer-term picture is equally worrying. Global demand for oil is projected to rise to over 100m b/d by 2030. The Gulf states of Saudi Arabia, Iran and Iraq, which have vast and easily accessible reserves, are regarded as the obvious sources of new supply. But Iranian oil production will decline as sanctions bite and the country loses access to equipment and expertise. Iraq, currently producing 3m b/d, has the reserves to increase production significantly. But fragile politics, dodgy security and a battered oil infrastructure are deterring the investment required to boost supplies. And Saudi Arabia's thirst for its own oil shows little sign of abating. The Gulf is usually seen as the answer to the world's oil problems, but it looks ever more like a question-mark instead.

#### Second, Prices are instable now – Iran Embargos

DailyNews ’12, Compiled from AFP and Reuters reports, “Oil prices unstable, US loses ally Japan”, January/14/2012.

(<http://www.hurriyetdailynews.com/oil-prices-unstable-us-loses-ally-japan.aspx?pageID=238&nID=11458&NewsCatID=344>. JMC.) Accessed 7/23/12.

The U.S. bid to bring an end to Iranian oil exports keeps losing ground as even Japan, the sole big economy which had signaled it can obey sanctions, said yesterday it has not made a decision on the issue yet. Japan’s policy on Iranian oil was left in doubt on Jan. 13 after the prime minister distanced himself from the finance minister’s pledge to reduce oil imports from Iran. Prime Minister Yoshihiko Noda said the pledge, made by Finance Minister Jun Azumi only a day before in a joint press conference with U.S. Treasury Secretary Timothy Geithner, was Azumi’s “personal opinion” and the government wanted to discuss the matter with the business community. The foreign minister and government’s top spokesman also made comments suggesting Japan was not yet committed to reducing Iranian oil imports, which could potentially damage the credibility of its foreign policy and its dealings with the United States, its most important ally. High prices good for Iran Separately, Gemba said in a joint news conference with [French](http://www.hurriyetdailynews.com/tag/French) Foreign Minister Alain Juppe that sanctions would be ineffective if they end up boosting oil prices, a negative development for the global economy but a boon for oil-producing Iran. “The higher oil prices go, the better it gets for Iran. We need to take steps in a careful, smart way,” Gemba said, Reuters reported. Juppe, however, said he did not fully share Gemba’s concerns. When there was a similar situation with Libya, there was not much of an increase in oil prices and there were other countries to turn to for oil, Juppe said. “Geopolitical supply side issues continue to be the key bullish factor affecting oil prices,” Victor Shum, senior principal at Purvin and Gertz international energy consultants in Singapore, told Agence France-Presse. Crude falls 0.7 percent Crude oil for February delivery fell 73 cents, or 0.7 percent, to $98.37 a barrel at 10:47 a.m. on the New York Mercantile Exchange. The contract dropped as much as $1.40 to $97.70, the lowest level since Dec. 21. Oil is headed for a 3.1 percent decline this week, according to Bloomberg News. A high-level U.N. nuclear agency delegation will visit [Iran](http://www.hurriyetdailynews.com/tag/Iran) late this month to try to clear up claims of covert weapons activities that have stoked tensions between Tehran and the West, diplomats said Jan. 13. The trip to be led by International Atomic Energy Agency Chief Inspector Herman Nackaerts and the agency’s No. 2 Rafael Grossi would last from Jan. 28 through the first week of February, one Western diplomat told AFP. Another envoy also said the visit, two months after an IAEA report on [Iran](http://www.hurriyetdailynews.com/tag/Iran) took suspicions to a new level that Tehran is developing nuclear weapons, would “likely” begin Jan. 28, although it was not yet definite. Meanwhile, British Prime Minister [David Cameron](http://www.hurriyetdailynews.com/tag/David%20Cameron) met with King Abdullah of Saudi Arabia, the world’s top oil producer, on Jan. 13. He also met the conservative Islamic kingdom’s foreign minister, Prince Saud al-Faisal, and Intelligence Minister Prince Muqrin bin Abdulaziz.

### Production Increase Inevitable

#### First, recent oil finds ensure oil surge

Perry ’12, Mark, professor of economics and finance in the School of Management at the Flint campus of the University of Michigan, “No Peak Oil in Sight: We've Got an Unprecedented Upsurge in Global Oil Production Underway”, June 26th, 2012.

(<http://mjperry.blogspot.com/2012/06/peak-what-weve-got-unprecedented.html>. JMC.) Accessed 7/23/12.

1. Contrary to what most people believe, oil is not in short supply and oil supply capacity is growing worldwide at such an unprecedented level that it might outpace consumption. From a purely physical point of view, there are huge volumes of conventional and unconventional oils still to be developed, with no “peak-oil” in sight. The full deployment of the world’s oil potential depends only on price, technology, and political factors. More than 80 percent of the additional production under development globally appears to be profitable with a price of oil higher than $70 per barrel.¶ 2. The shale/tight oil boom in the United States is not a temporary bubble, but the most important revolution in the oil sector in decades. It will probably trigger worldwide emulation, although the U.S. boom is difficult to be replicated given the unique features of the U.S. oil (and gas) arena. Whatever the timing, emulation over the next decades might bear surprising results, given the fact that most shale/tight oil resources in the world are still unknown and untapped. China appears to be the first country to follow the U.S. example. Moreover, the extension of horizontal drilling and hydraulic fracturing combined to conventional oil fields might dramatically increase world’s oil production and revive mature, declining oilfields.¶ 3. In the aggregate, conventional oil production is also growing throughout the world, although some areas (e.g. the North Sea), face an apparently irreversible decline of the production capacity. In most traditional producing countries, old oilfields go through a production revival thanks to better techniques and knowledge, or advanced exploration and production technologies, so far used only in the U.S. and in the North Sea. Huge parts of the world are still relatively unexplored for conventional oil (for example, the Arctic Sea or most of sub-Saharan Africa).¶ 4. Over the next decades, the growing role of unconventional oils will make the Western hemisphere the new center of gravity of oil exploration and production.¶ 5. Based on original, bottom-up, field-by-field analysis of most oil exploration and development projects in the world, this paper suggests that an unrestricted, additional production of more than 49 million barrels per day (mbd) of oil is targeted for 2020, the equivalent of more than half the current world production capacity of 93 mbd.¶ 6. After adjusting this substantial figure considering the risk factors affecting the actual accomplishment of the projects on a country-by-country basis, the additional production that could come by 2020 is about 29 mbd. Factoring in depletion rates of currently producing oilfields and their “reserve growth,” the net additional production capacity by 2020 could be 17.6 mbd, yielding a world oil production capacity of 110.6 mbd by that date – as shown in Figure 1 above. This would represent the most significant increase in any decade since the 1980s.

### Uniqueness – Middle East Instability

#### First, Middles East instability causes fluctuation now

McLaughlin ’11, Liam, NewStatesman.com, “Oil prices still unpredictable as Middle East remains unstable”, March 4th, 2011.

(<http://www.newstatesman.com/energy-and-clean-tech/2011/03/saudi-arabia-oil-libya>. JMC.) Accessed 7/23/12.

Oil prices are continuing to be effected by ongoing instability in the Middle East, with Brent crude futures for April rising by over $1.¶ Fighting in Libya looks unlikely to cease, and though Venezuelan president Hugo Chavez yesterday offered a peace plan to the Gadaffi's, it has already been rejected by rebel leaders.¶ Traders also have new fears over protests beginning in Saudi Arabia, where a day of rage has been planned for the 11th March.¶ Saudi Arabia is not only the world's biggest oil producer, it is also the main 'swing' producer, which means it can increase or decrease supply at minimal cost.

### Predictions Fail

#### First, Oil predictions fail

Climate Conservative Consumer ’12, “Peak Oil Prediction: Another Miseable Failure By The Consensus Experts”, 2012.

(<http://www.c3headlines.com/2012/06/peak-oil-prediction-another-miseable-failure-by-the-consensus-experts.html>. JMC.) Accessed 7/23/12.

Experts and their "consensus" predictions have been astoundingly bad in the climate science field - almost as bad as the never-ending "peak" oil predictions from the energy consensus experts¶ Read here. New discoveries and new extraction techniques in recent years have made fools of those experts spewing the 'peak oil' mantra.¶ The actual evidence reveals how spectacularly wrong the consensus was:¶ "1. Contrary to what most people believe, oil is not in short supply and oil supply capacity is growing worldwide at such an unprecedented level that it might outpace consumption. From a purely physical point of view, there are huge volumes of conventional and unconventional oils still to be developed, with no “peak-oil” in sight.¶ 2. The shale/tight oil boom in the United States is not a temporary bubble, but the most important revolution in the oil sector in decades.¶ 3. In the aggregate, conventional oil production is also growing throughout the world...Huge parts of the world are still relatively unexplored for conventional oil ¶ 4. Over the next decades, the growing role of unconventional oils will make the Western hemisphere the new center of gravity of oil exploration and production."

### Saudi Arabia Solves

#### First, Saudi Arabia will leverage oil to keep prices stable

Dokoupil and Fuchs ’12, Martin, Treasury Correspondent, Gulf at Thomson Reuters, Martina, Correspondent at Reuters, “Saudi to keep oil price stable: central bank chief”, Jan 20, 2012.

(<http://www.reuters.com/article/2012/01/20/us-saudi-oil-bank-idUSTRE80J0TR20120120>. JMC.) Accessed 7/23/12.

(Reuters) - Saudi Arabia's central bank chief said on Friday that his country would offer excess oil production capacity if needed to balance oil prices, and that he expected prices to stay stable.¶ Brent crude held above $111 on Friday, partly supported by the prospect of fresh sanctions being imposed on Iranian crude early next week, which could increase demand for oil from other markets.¶ "If there is pressure on demand, Saudi Arabia will always offer excess capacity to bring balance to supply and demand and to balance prices throughout," central bank head Fahad al-Mubarak said.¶ Mubarak was speaking to a news conference at the inaugural meeting of the Financial Stability Board's regional consultative group for the Middle East and North Africa. The FSB is a global body handling financial regulation.¶ Saudi Oil Minister Ali al-Naimi said on Monday the world's top oil exporter can pump more oil at a moment's notice, the day after Iran warned Gulf oil producers not to compensate for any disruption to Iranian output.¶ He identified $100 a barrel as an ideal oil price for Riyadh.¶ Mubarak reiterated that the balance sheets of Saudi commercial banks were very strong and that they had only very limited exposure to Europe. Saudi Arabia will continue to ensure its banks are well-regulated, he added.

### Demand Decrease Turn

#### First, decreased demand doesn’t ensure price hike – and – decrease demand key to making global switch

Cobb ’12, Kurt, A freelance writer and author of the peak oil-themed thriller Prelude. He speaks and writes frequently on energy and the environment and is a columnist for the Paris-based science news site Scitizen (pronounced like “citizen”). His work has also been featured on Energy Bulletin, 321energy, Le Monde Diplomatique, The Oil Drum, EV World, and many other sites. Kurt is a founding member of the Association for the Study of Peak Oil and Gas—USA and serves on the board of The Arthur Morgan Institute for Community Solutions which is focused on solutions for peak oil and climate change, primarily in the areas of food, transportation and housing, “Why Saudi and US Attempts to Influence Oil Prices are Ineffective”, 26 March 2012.

(<http://oilprice.com/Energy/Oil-Prices/Why-Saudi-and-US-Attempts-to-Influence-Oil-Prices-are-Ineffective.html>. JMC.) Accessed 7/23/12.

It seems that while all three countries have the stated wish to bring down oil prices, they appear to lack the power or at least the desire to do so. So, they are left with bluffing. It's true that oil markets move on rumours and sentiment, but not as far nor for as long as people believe. The joint U.S.-Great Britain announcement caused oil prices to fall sharply the same day before recovering nearly the entire loss by the close. The Saudi announcement that it might increase production caused a sharper one-day fall which was largely recouped the following day.¶ Oil prices are ultimately tied to the delivery of actual oil. Unlike, say, stock prices, which can become unhinged from fundamental conditions for companies or the economy as a whole for long periods, oil prices are constantly being disciplined by actual supply and demand in the real world. Short-term misperceptions can occasionally drive the price to unsustainable highs or lows, but not for very long.¶ What oil market participants took away from the two tightly spaced announcements was that neither party is serious about doing much of anything. It seems unlikely the United States and Great Britain would dip significantly into their strategic reserves at a time when a war with Iran could break out at a moment's notice--not so much because the United States and Britain want war, but because Israel may act unilaterally to start one. A war with Iran would constitute a real emergency, and so, draining strategic reserves now to appease voter concern over high gasoline prices might prove foolhardy. Unless war with Iran breaks out, look for a token release of oil if such a release comes at all.¶ As for Saudi Arabia, the question is not whether the country could increase production, but how much, for how long, and of what kind of oil. The Saudis announced late last year that they were stopping their capacity expansion program because they had reached their target of 12.5 million barrels per day. But that new capacity has yet to be tested. Saudi production currently stands at about 10 million barrels per day. We do not know for certain what output Saudi Arabia could achieve over this on a sustained basis. And, even if the Saudis could increase their oil production substantially, would they really want to? They would risk adding supply in the face of a faltering European economy that could pull the legs out from under oil demand thus crashing prices far below the level the Saudis and their friends in OPEC really desire.¶ The reports that Saudi Aramco's shipping arm, Vela, has been chartering extra very large crude carriers which can carry up to 2 million barrels of oil should be taken with a grain of salt. It's hard to know whether this means the country is actually increasing total world supply or whether it means that Vela simply found its own fleet committed and needed to hire tankers from other shippers. We should take note that the Saudi oil minister admitted that his country's March and April oil production would be essentially unchanged. In this context, a Financial Times article (via The Globe and Mail) entitled "The price that launched a wall of ships" seems like another public relations plant by the Saudis designed to manipulate market sentiment. In any case, crude futures prices had by the end of trading last week regained almost the entire loss suffered after the piece appeared.¶ There is also the question of what kind of oil would make up any extra Saudi production. Not all oil is the same. Arab light is highly prized for its ease in refining. Most refineries in the world are designed to refine light crude with low sulphur content. Saudi Arabia is adding capacity from a new offshore field and from a previously mothballed onshore field both of which produce heavy crude, a less desirable crude that is more difficult and costly to refine. This tells us that while Saudi Arabia may be able to supply extra oil to the market, it may not be the kind of oil that the market can easily absorb.¶ Saudi actions beg this question: If the desert kingdom has so much oil left under its territory, why it is scraping the bottom of the barrel offshore and at an old field that was closed in 1980?¶ It's likely that market participants already understand all this and that's why they see the recent announcements by the United States, Great Britain and Saudi Arabia for what they are: bluffs.¶ What would bring oil prices down quickly in the short term is an economic slowdown, a possibility about which economists and market analysts are split. The slowdown would, of course, reduce demand for oil and oil products. A longer term strategy would be to move away from dependence on oil. That would take political courage and discipline, but Europeans seem to have long since accepted this strategy. Germany and Italy, for example, have both been gradually reducing their total petroleum consumption since 1998. In Asia, Japan's overall consumption has been declining since 1996.

### Low Oil Prices Good

#### Oil prices are on the decline, but gas is not

Fox 11 (Fox News, 6-28-2011, <http://www.myfox8.com/news/wghp-oil-prices-dropping-twice-as-fast-as-gas-prices-20110628,0,3283594.story>)

The price for a barrel of oil has dropped by double digits in the past couple of months, but the price of gas hasn't come close to dropping at the same rate. According to GasBuddy.com, a FOX8 partner, gas prices peaked the first week of May. Oil prices then were at $113 a barrel, and gas was at $3.84 a gallon. On Monday, oil prices were $93 a barrel, and gas was at $3.55 a gallon. That's an 18 percent drop in the oil price but only an 8 percent drop in the gas price. A new report from the University of Massachusetts-Amherst blames speculators for driving up gas prices and blames regulators for not doing enough to stop them. Sherry Jarell, Wake Forest University professor of finance and economics, said President Obama's decision to release 30 million barrels from the country's emergency reserves sent a statement to the world: the United States wanted some control over the net supply. "This is definitely a supply-driven good, because the demand is always there. All we had to do was release a fraction of our oil reserves, and prices fell," Jarell said. Before the U.S. reserves were released, oil companies and traders had more control on supply and, therefore, price, Jarell said. However, some think the price of gas should go even lower. "For me, with this truck, I think it would be like $2.50," said Bri Eilman, motorist. Cherdell Leonard said even $2.50 was too high and he was hoping for $1.50 gas. And then there's Sandra Davis. "I remember when it got down to 14 cents a gallon," Davis said. White House officials will address the gas situation once again this week and is leaving open the possibility to releasing more oil.

#### Oil prices dropping now

KUNA 11 (Kuwait News Agency 03/07/2011 “Gold value drops amid oil price drop, Greek austerity measures”; <http://www.kuna.net.kw/ArticlePrintPage.aspx?id=2177874&language=en>)

Gold prices continued to drop last week by 1.5 percent to USD 1,478 per ounce, affected by the drop of oil prices and the approval of the Greek austerity measures, said a local report on Sunday. Gold dropped to its lowest point in value for seven weeks, leaving behind gains equivalent to 25 dollars-per-ounce after the positive news of the Greek crisis, and the government's approval of austerity measures, which gave the euro extra strength against the dollar, read a report conducted by Kuwaiti-based Al-Zomorodah Group. The drop of oil prices also attributed to this decline, by providing many investors the chance to enter the market leading to an increased demand of gold, particularly in emerging markets such as India and China, which together represent a third of the metal's global market. Locally, the report mentioned an increase of the purchase and selling of gold across all sectors, with this leading to the drop of one kilogram of pure gold to KD 13,150 - its lowest level since mid May. (end) smr.sd KUNA 031843 Jul 11NNNN

#### OPEC intervenes – solves the impact

Gohlz and Press 7 (Eugene and Daryl; is an Associate Professor at the LBJ School of Public Affairs at the University; Associate Professor of Government at Dartmouth College of Texas at Austin; <http://www.scribd.com/doc/13673524/-Energy-Alarmism-The-Myths-That-Make-Americans-Worry-about-Oil-Cato-Policy-Analysis-No-589-> content “Energy Alarmism; The Myths That Make Americans Worry about Oil” April 5, 2007)

Supply disruptions and political risk are not the only necessary adjustments to the basicsupply-demand framework in oil markets. The world’s major oil exporters have formed a cartel, the Organization of Petroleum Exporting Countries, to try to affect prices by controlling supply. The cartel members negotiate agreements to mute the normal, competitive market pressure to produce up to the point where price equals marginal cost.¶ 12¶ Although the logic is simple, making a cartel work is difficult. First, even monopolists are uncertain about the actual strength of demand for their product, and OPEC members often disagree about how much to restrict supply.¶ 13¶ They also often disagree about how much production to expect from countries that are not members of the cartel.¶ 14¶ Second, even if the members can agree about the ideal level of production, they have to allocate market shares among themselves. Huge sums of money are at stake in this zero-sum negotiation; not surprisingly, agreements are often hard to reach.¶ 15¶ Finally, even when OPEC members completely agree about total production and the allocation of production quotas, each has a short-term interest in cheating, because each producer can increase its own profit by exceeding its quota.¶ 16¶ OPEC’s difficulty managing oil supply varies depending on political and market conditions. If investment and production patterns or political events change the number of key players in the OPEC negotiations, the cartel management task will change, too. Agreements are easier to reach and cheatings easier to detect and punish if fewer players are involved.¶ 17¶ Moreover, cartels work better when the members are willing to sacrifice some of today’s profits for the long-term benefits of a strong cartel, and the political and market conditions in the OPEC member states determine how much each country will sacrifice for future gains.¶ 18¶ Each time the global oil supply-and-demand situation changes, OPEC members have to adjust their cartel agreement. Given that before the disruption the cartel was at least somewhat effective at increasing profits above the nor-mal competitive level, most disruptions should hinder cartel cohesion.¶ 19¶ Each market disruption is an opportunity for intracartel conflict, hence an opportunity for theamount of oil flowing onto world markets to increase compared to the level that OPEC had preferred to offer in the past. Like political risk, cartel behavior does not change the underlying importance of supply and demand in oil markets. Political risk and cartel behavior merely modify the expected responses across the oil industry to price changes and to political shocks. Overall, the framework we have described above for under-standing the oil industry allows us to assess the likely effects of important trends—including the possibility of peak oil, China’s new energy policy activism, and instability in the Middle East—on the prices that Americans pay, and that analysis should inform America’s foreign policy.

#### Oil prices will decline regardless of the plan

Lynch 9 (Michael Lynch Former Director for Asian Energy and Security at the Center for International Studies at MIT, 8-24-2009, http://www.nytimes.com/2009/08/25/opinion/25lynch.html)

In the end, perhaps the most misleading claim of the peak-oil advocates is that the earth was endowed with only 2 trillion barrels of “recoverable” oil. Actually, the consensus among geologists is that there are some 10 trillion barrels out there. A century ago, only 10 percent of it was considered recoverable, but improvements in technology should allow us to recover some 35 percent — another 2.5 trillion barrels — in an economically viable way. And this doesn’t even include such potential sources as tar sands, which in time we may be able to efficiently tap. Oil remains abundant, and the price will likely come down closer to the historical level of $30 a barrel as new supplies come forward in the deep waters off West Africa and Latin America, in East Africa, and perhaps in the Bakken oil shale fields of Montana and North Dakota. But that may not keep the Chicken Littles from convincing policymakers in Washington and elsewhere that oil, being finite, must increase in price. (That’s the logic that led the Carter administration to create the Synthetic Fuels Corporation, a $3 billion boondoggle that never produced a gallon of useable fuel.)

#### **Falling oil prices are good – economic stimulus**

[**Rogers**](http://oilprice.com/contributors/James-Stafford) **12** (Jim Rogers, Duke Energy CEO 2012 04 July 2012 21:10 (Interviewed by James Stafford) oilprices.com; <http://oilprice.com/Interviews/Falling-Oil-Prices-Present-a-Great-Opportunity-An-Interview-with-Jim-Rogers19.html>**)**

Oilprice.com:Crude oil has dropped from $108 a barrel in February to $84 today. Do you think [low oil prices](http://oilprice.com/Energy/Oil-Prices/Why-Low-Oil-Prices-Indicate-the-World-is-Heading-for-a-Recession.html) could provide an economic stimulus? Jim Rogers:Certainly, it's an economic stimulus for everybody who buys oil. There's no question about that. On the other hand, for people who produce oil, it's a negative. Now obviously more of us buy oil than produce oil, but it’s important to remember it does cut both ways.¶ Oilprice.com: Less than 0.1% of U.S. cars and trucks run on natural gas and with falling natural gas prices and America’s dependence on oil and vulnerability to oil price shocks – I was hoping to get your thoughts on natural gas usage for transportation? Jim Rogers: Well, If natural gas stays this low compared to oil prices, it does give an incentive to develop natural gas powered vehicles and I think we are going to see more and more developments here. Is it going to end the use of oil, combustion engines? Probably not any time soon. Someday it could, but someday is a long way away. Oilprice.com: Do you believe natural gas prices are near to a bottom, or do you think they have further to fall? Jim Rogers:U.S. natural gas is somewhere near its bottom, in my view. The problem is I expect to see serious economic problems in 2013 and 2014 in the U.S. If and when that happens, we're going to see a final panic in the markets and the economy and everything will have a crescendo and a selling climax. We're certainly a lot closer than we were. Although, when you have a selling climax in markets, you go to levels much lower than most people believe possible and that may happen. Whatever that bottom is, it's not too far from the recent lows in natural gas. Natural gas in many other places such as the UK are much, much higher than they are in the U.S.

#### **Low oil prices good – boosts growth Hilton 12** ([Anthony Hilton](http://www.standard.co.uk/biography/anthony-hilton) 28 June 2012; City commentator on London's Evening Standard.  London Evening Standard; <http://www.standard.co.uk/business/markets/city-comment-falling-oil-price-is-good-for-us-all-7896284.html>)

Some blame speculators. One of the major changes in recent times has been the growth of commodity-trading funds and exchange-traded funds which have made it far easier for all investors to take a punt on oil. Time was not so long ago that the bulk of the money in the market came from people in the trade who genuinely wanted to sell or hold the underlying product. These days the speculative money dwarfs the trade money probably 10 times over. There is a view, though no hard evidence, that this speculative money kept prices higher and for longer than would otherwise have been the case.¶ Either way, the fall is good news. Jim O’Neill of Goldman Sachs used to say — when he was the bank’s chief economist — that the oil price was a major driver of global prosperity. When it was high it strangled demand: when it was low it gave a major boost to growth. That would imply this is good news.¶ Not everyone thinks so though. Capital Economics, which stuck its neck out a while ago and forecast the decline we now see, points out that prices have fallen because the world is slowing down and therefore the low price is a sign of how bad things are rather than an indicator that things will soon get better. Obviously there is some truth in that but let us not ignore the positives. One reason the UK economy has been so flat for the past year is that consumers have been squeezed by rising prices at a time when wage increases are thin on the ground.¶ One of the most obvious hits on their pocket has been the rise in petrol prices, both directly when they fill up and indirectly because oil affects so much else in the modern economy. Now the price is falling it should make us all feel better.¶ The sums are quite staggering. The drop in the oil price so far means that the western world is paying $100 billion less a week to the oil producers. Being able to keep that money at home must lead to a much-needed boost in demand elsewhere. It should help persuade everybody that inflation really has been brought back under control and that, in turn, should lead to the lift in confidence and real incomes we have been crying out for.¶ Indeed it is probably the best news the monetary policy committee has had for months.¶

#### **Low oil prices are a net gain – checks economic decline The Economic Collapse Blog 10** (December 17th, 2010 <http://theeconomiccollapseblog.com/archives/did-the-price-of-oil-help-cause-the-financial-crisis-of-2008-will-surging-oil-prices-soon-spark-another-financial-crisis> “Did The Price Of Oil Help Cause The Financial Crisis Of 2008? Will Surging Oil Prices Soon Spark Another Financial Crisis?” Theeconomiccollapseblog.com)

Oil prices are starting to spin out of control once again. In London, Brent North Sea crude for delivery in February hit 91.89 dollars a barrel on Friday. New York crude moved above 88 dollars a barrel on Friday. Many analysts believe that 100 dollar oil is a virtual certainty now. In fact, many economists are convinced that oil is going to start moving well beyond the 100 dollar mark. So what happened the last time oil went well above 100 dollars a barrel? Oh, that's right, we had a major financial crisis. Not that subprime mortgages, rampant corruption on Wall Street and out of control debt didn't play major roles in precipitating the financial crisis as well, but the truth is that most economists have not given the price of oil the proper credit for the role that it played in almost crashing the world economy. In July 2008, the price of oil hit a record high of over $147 a barrel. A couple months later all hell broke loose on world financial markets. The truth is that having the price of oil that high created horrific imbalances in the global economy. Fortunately the price of oil took a huge nosedive after hitting that record high, and it can be argued that lower oil prices helped stabilize the world economy. So now that oil prices are on a relentless march upward again, what can we expect this time?¶ Well, what we can expect is more economic trouble. The truth is that oil is the "blood" of our economy. Without oil nothing moves and virtually no economic activity would take place. Our entire economic system is based on the ability to cheaply and efficiently move people and products. An increase in the price of oil puts inflationary pressure on virtually everything else in our society. Without cheap oil, the entire game changes.¶ The chart below shows what the price of oil has done since 1950 (although it doesn't include the most recent data). With the price of oil marching towards 100 dollars a barrel again, many people are wondering what this is going to mean for the U.S. economic "recovery"....¶ Just think about it. What is it going to do to U.S. households when they have to start spending four, five or even six dollars on a gallon of gas?¶ What is it going to do to our trucking and shipping costs?¶ What is it going to do to the price of food? According to the U.S. Bureau of Labor Statistics, food inflation in the United States was already 1 1/2 times higher than the overall rate of inflation during the past year. But that is nothing compared to what is coming.¶ During 2010, the price of just about every major agricultural commodity [has shot up dramatically](http://theeconomiccollapseblog.com/archives/100-dollar-oil-is-coming). These price increases are just starting to filter down to the consumer level. So what is going to happen if oil shoots up to 100, 120 or even 150 dollars a barrel?¶ Demand for oil is only going to continue to increase. Do you know who the number one consumer of energy on the globe is today? For about a hundred years it was the United States, but now [it is China](http://www.atimes.com/atimes/Middle_East/LL07Ak01.html). Other emerging markets are starting to gobble up oil at a voracious pace as well.¶ Not that the price of oil isn't highly manipulated. Of course it is. The truth is that the price of oil should not be nearly as high as it currently is. Unfortunately, you and I have very little say on the matter.¶ If the price of oil keep going higher, it is really going to start having a dramatic impact on global economic activity at some point. Meanwhile, oil producers and the big global oil companies will pull in record profits, and radical "environmentalists" will love it because people will be forced to start using less oil.¶ When it comes to oil, there are a lot of "agendas" out there, and unfortunately it looks like the pendulum is swinging back towards those who have "agendas" that favor a very high price for oil.¶ So what does that mean for all of us?

### AT – Peak Oil

#### First, Oil predictions fail

Climate Conservative Consumer ’12, “Peak Oil Prediction: Another Miseable Failure By The Consensus Experts”, 2012.

(<http://www.c3headlines.com/2012/06/peak-oil-prediction-another-miseable-failure-by-the-consensus-experts.html>. JMC.) Accessed 7/23/12.

Experts and their "consensus" predictions have been astoundingly bad in the climate science field - almost as bad as the never-ending "peak" oil predictions from the energy consensus experts¶ Read here. New discoveries and new extraction techniques in recent years have made fools of those experts spewing the 'peak oil' mantra.¶ The actual evidence reveals how spectacularly wrong the consensus was:¶ "1. Contrary to what most people believe, oil is not in short supply and oil supply capacity is growing worldwide at such an unprecedented level that it might outpace consumption. From a purely physical point of view, there are huge volumes of conventional and unconventional oils still to be developed, with no “peak-oil” in sight.¶ 2. The shale/tight oil boom in the United States is not a temporary bubble, but the most important revolution in the oil sector in decades.¶ 3. In the aggregate, conventional oil production is also growing throughout the world...Huge parts of the world are still relatively unexplored for conventional oil ¶ 4. Over the next decades, the growing role of unconventional oils will make the Western hemisphere the new center of gravity of oil exploration and production."

## Inherency

### No Funding

#### First, Current the large majority of public transportation spending is towards highways and economic based transportation means

Milkowsky ’11, Brina, Researcher

Government transportation spending, at all levels of government, is overwhelmingly directed toward roads. Since 1956, the largest portion of public funding for transportation infrastructure was dedicated to building and maintaining highways.1 Although a small portion (15%) of the federal gas tax is dedicated to a fund for mass transit, the vast majority of federal gas tax revenue is spent on highways. The same is true for state gas taxes: 30 states are actually constitutionally or statutorily required to spend 100% of their gas tax revenues on roads. The disproportionate channeling of transportation dollars toward highways has encouraged more and more construction of roads, even as the demand rises for other forms of transportation.¶ The last multi-year infrastructure law passed by Congress, the 2005 Safe Accountable Flexible Efficient Transportation Equity Act: A Legacy for Users (known as SAFETEA-LU), authorized $286.4 billion of federal spending on surface transportation projects through 2009—nearly 70% of which has been spent on highways, and only 1% of which has been directed to ports, national freight gateways, and trade corridors. After that, the American Recovery and Reinvestment Act of 2009 (ARRA) provided an additional $48 billion in federal stimulus dollars for transportation projects, most of which also went to roads.

#### Second, US is spending on highways and roads, but not transportation

Gruenberg ’12, Mark, The IndyPendent, “Congress Agrees on $ for Roads, Bridges, but not Mass Transit”, July 4th, 2012.

(<http://www.indypendent.org/2012/07/04/congress-agrees-roads-bridges-not-mass-transit>. JMC.) Accessed 7/23/12.

Construction unions facing high rates of unemployment hailed the apparent congressional agreement on June 28 on a 2-year $109 billion measure to fund reconstruction of the nation's roads and bridges. But Amalgamated Transit Union (ATU) President Larry Hanley warned that it makes a bad situation worse for bus, subway and commuter rail systems and their riders.¶ Lawmakers reached the deal with just two days to spare before the authority to collect money for such projects, through the federal gas tax, ran out. That would have brought construction to a dead halt, right in the midst of the best season for building -- and at a time when more than one of every seven construction workers is jobless.¶ Key GOP hang-ups, which were apparently dropped from the final version of the legislation, included Republican insistence on construction of the controversial Keystone XL oil pipeline from the U.S.-Canada border to refineries of the Texas Gulf Coast.¶ Construction unions strongly support Keystone, both because of the jobs it would create and because its Canadian owner, years ago, signed a Project Labor Agreement to have union labor construct the pipeline. But the Transport Workers, several other unions and environmentalists oppose Keystone. They argue it would increase pollution by bringing in extremely "dirty" oil from Alberta's tar sands.¶ Operating Engineers President James Callahan called the deal on the highway-mass transit bill "welcome news to Operating Engineers and thousands of other construction workers." It's "the nation's most important jobs bill," he said. Independent analysts say it also may be the only jobs bill this Congress approves this year.¶ Callahan said Senate Environment and Public Works Committee Chair Barbara Boxer, D-Calif., had a "laser-like focus on putting thousands of Americans back to work. Her tenacity and leadership led to this deal." He urged lawmakers to back the bill.¶ "Unemployment in the construction industry, which reached over 27 percent in Feb. 2010, is still over 14 percent," Callahan noted. "One in every five jobs in the 'highway, street and bridge' subsector of construction associated with transportation has vanished since the start of the recession. We are entering the heart of construction season throughout this country. It's time to put party politics aside and put people back to work."¶ But ATU's Hanley called the measure "a death blow" to mass transit riders. The legislation "not only does nothing to address the mass transit crisis, but will make it much worse...It will impose hidden taxes on commuters and transit riders by raising fares while forcing cash-strapped transit systems to cut more service."¶ Hanley explained that congressional negotiators dumped Senate provisions to let all mass transit systems use their federal funding for operations, as well as buying new equipment. Using federal money for operations "keeps service on the street and creates jobs," he said. ATU lobbied hard and mobilized riders for that cause.¶ Bargainers also did not reinstate a prior federal tax credit for people who use mass transit, available through their employers. Drivers get a tax credit through employers for parking expenses. That's retained.¶ "Our government is spending $2 billion a week to fight wars and rebuild cities halfway across the world, while Congress lets our own cities and their transit systems get worse by the day," Hanley said. "From Pittsburgh to Boston to Detroit to Charleston, more and more transit-dependent Americans are stranded at bus stops and rail stations as cities implement some of the most severe service cuts and fare increases in history."

## Ableism

### Case solves the K

#### First, modern transportation is unaccessible and discriminatory to differently abled people.

Golledge et. al. ’96, Reginald, PhD in geography and works at the University of California, C. Michael Costanzo and James Marston are also professors at University of California, “The Mass Transit Needs of a Non-Driving Disabled Population”, 1996.

(<http://www.path.berkeley.edu/path/publications/pdf/PRR/96/PRR-96-09.pdf>. JMC.) Accessed 7/21/12. \*\*\*The language in this card was changed from “Disabled” to “Differently abled”

As part of the process of understanding the needs of differently abled people for safe and¶ reasonable access to mass transit to the same degree that non-differently abled people have, we¶ first need to pay some attention to the problem of what it means for a differently abled person to¶ be a non-driver. Much of transportation research has been directed towards improving¶ transportation for the independent driver, and such problems are under investigation in¶ the IVHS and other areas supported by UCTC and CalTrans. For many mass transit users, driving is still an option, although of course there is a segment of the population without privately owned vehicles that relies heavily on mass transit. But for many differently abled people, particularly those who are blind or severely vision impaired, there is no such alternative. This situation leaves the individual with a sense of deprivation. We¶ plan at first to examine the nature of this deprivation, and then to attempt to evaluate how¶ the provision of mass transit can combat this feeling or indeed relieve it considerably.¶ Our hypothesis is that attempts to improve use of mass transit by differently abled people will be¶ hampered until we know what feelings and frustrations produced by being a non-driver¶ can possibly be addressed either in terms of providing a new form of transportation or in¶ terms of convincing this potential ridership that existing forms of mass transit can¶ compensate for their disenfranchised feelings.¶ A second objective is to determine the characteristics of mass transit that are most¶ acceptable and unacceptable to differently abled people. In this we will attempt to begin an¶ evaluation of existing and possible future characteristics of transit services such as¶ increasingly dispersed origins and destinations, flexible routes, and the acceptable¶ frequency with which transfer or interconnection between services is required. This objective is also part of the Jovanis proposal and our suggestions can be incorporated into the more extensive design of that proposal. We will also examine the degree to which traveler information can or should be made available discretely to differently abled persons and the acceptable mechanisms by which this information can be dispensed (i.e., an ATIS component applicable to the pre-planning state of route selection). Making automated¶ passenger information systems available to differently abled people could, by itself, be a¶ significant way of increasing mass transit patronage by the differently abled. One of our¶ objectives will be to evaluate people's responses to different information systems, and¶ thus to help prevent unnecessary expenditure on trialing different pilot systems. We will evaluate potential user acceptance of the practicality of exploratory devices such as¶ telecommunication links over designated cable channels, low-floor vehicles, talking¶ signs, the location of auditory tactile maps or graphic designs at central and commuting¶ stations, definition of auditory pathways, and other devices such as the development of¶ personal guidance systems for pedestrians (their equivalent of the automated vehicle¶ guidance systems now being introduced into private motor vehicles - see Golledge et al¶ 1991).

#### Second, modern mass transit systems do not help those that are differently abled.

Golledge et. al. ’96, Reginald, PhD in geography and works at the University of California, C. Michael Costanzo and James Marston are also professors at University of California, “The Mass Transit Needs of a Non-Driving Disabled Population”, 1996.

(<http://www.path.berkeley.edu/path/publications/pdf/PRR/96/PRR-96-09.pdf>. JMC.) Accessed 7/21/12. \*\*\*The language in this card was changed from “Disabled” to “Differently abled”

The 1992 World Almanac recently revealed that approximately sixty-seven percent¶ of the United States population are drivers. There is no doubt that the ability to drive and the freedom that it gives with respect to economic and social interactions are seen as a tremendously important parts of the American way of life. Non-driving differently abled people are not able to enjoy this facet of everyday existence. They must face a range of problems starting with the frustrations of trying to arrange transportation, to battling the¶ beliefs that they are imposing on people's time, to resigning themselves to missed appointments or interactions when arranged transportation does not arrive in time or at all, to being unaware if they are standing at a bus stop as to whether a bus has already departed or is still on its way, to facing a host of problems concerned with being able to get to sites of recreation, shopping, work, or social interaction, in a convenient and nondependent or non-threatening way. Certainly, having a driver's license gives one the¶ sense that one is in control of the decision process concerning where one can go, when¶ one can go, and how one can get there. It is, in fact, an extraordinarily integral part of¶ time budgeting in all daily and longer term episodic patterns in the USA. While¶ congenitally blind non-drivers can never be truly aware of the potential freedoms that¶ they could have if they were drivers, those adventitiously blinded (i.e., blinded in life¶ after having had vision for some time), are deeply and disturbingly aware of the sudden¶ contraction of their activity spaces and the entire range of their social interactions. The¶ question that arises is, how do they compensate for this loss? For some, family, relatives,¶ friends, or work-mates fill the gap to a reasonable and acceptable extent. Others seek to¶ minimize a felt dependence on others (i.e., in the form of constantly asking for help).¶ Some turn to mass transportation alternatives to solve their travel problems, but this number is far short of what it could be. Others simply turn off and stay at home for they do not feel strong enough or confident enough to become dependent on others or to learn how to use mass transportation systems not designed for them. Thus, it is patently obvious that undertaking research on people's feelings and attitudes towards the problem of movement, and uncovering the frustrations and dependencies that are part and parcel of everyday life for the differently abled non-driver, should provide us with clear insights into what is missing from the current state of the art in terms of provision of transportation services for this population. It is necessary to know if these frustrations and¶ dependencies can be reduced by a more effective use of existing mass transportation¶ systems, or whether only new modes of movement can deal with this problem. Solving¶ this question becomes paramount in the attempt to try to define how it is possible to¶ preserve autonomy and dignity in non-driving differently abled populations and to help them¶ avoid social isolation. Over four hundred cities nationwide provide mass transportation¶ or specialized transportation that is supposed to be accessible to differently abled people. Not all¶ deal with questions of physical or other impairments in a similar way (i.e., user habits¶ learned for one system do not necessarily transfer to systems in other environments. The¶ way that each population has to deal with existing mass transportation systems has a¶ significant impact on the way they are able to operate and live their life on a daily basis.

## Jobs

### Plan k2 Jobs and Econ.

#### First, Public transit is key to save the economy – Thousands of jobs

Denvir ’12, Daniel, Staff writer for the Philadelphia City Paper, The Guardian, “Public transportation: 'Don't like the cuts? Take a hike': The old consensus that mass transit drives the economy is gone: austerity-crazed Republicans aim to run it into the ground”, 21 June 2012.

(<http://www.guardian.co.uk/commentisfree/2012/jun/21/public-transportation-cuts-hike?newsfeed=truehttp://www.masstransitmag.com/article/10168124/planning-for-the-future>. JMC.) Accessed 7/21/12.

Yet, Republican-led austerity is pushing public transit, like most everything public, into severe fiscal and physical crisis. All at the very moment when we want and need it the most. Nationwide, 80% of mass transit systems either did move to boost fares and cut services or considered doing so in 2010, according to the most recent report from the American Public Transportation Association. Fare hikes and service cuts may be coming to Philadelphia, home to the nation's sixth largest transit system – and the subject of a [report I wrote for Thursday's City Paper](http://www.citypaper.net/cover_story/2012-06-21-why-septa-is-heading-for-a-crash.html). The Southeastern [Pennsylvania](http://www.guardian.co.uk/world/pennsylvania)Transportation Authority (SEPTA) projects a $36m deficit beginning in July 2013 and already lacks the funds necessary to fix crumbling, century-old bridges and electrical equipment.¶ [Boston's MBTA proposed](http://articles.boston.com/2012-06-20/metro/32320100_1_state-surplus-bus-agencies-service-cuts) "massive fare increases and widespread cuts" to close a $160m deficit in January. On Tuesday, the Massachusetts legislature came through with last-minute funding. The one-year fix, however, ensures that the fiscal crisis will soon return.¶ Political and popular will, however, can still make big projects happens. In Los Angeles, local sales tax hikes have funded an impressive [expansion of light-rail lines](http://www.sacbee.com/2012/05/27/4519118/its-costly-but-los-angeles-is.html). But the Metropolitan Transit Authority has also [cut more than 650,000 hours of bus service in recent years](http://articles.latimes.com/2012/apr/24/local/la-me-mta-civil-rights-20120424), a major hardship for the working poor [who depend on buses](http://www.nytimes.com/2011/07/04/us/04bus.html?_r=1&pagewanted=all) to commute across the sprawling and car-dominated metropolis. [The Bus Riders Union accused the agency](http://www.thestrategycenter.org/blog/2012/04/24/updated-fta-ruling-out-la-metro-civil-rights-violations-were-calling-obama-intervene) of having "knowingly discriminated against bus riders of color"; the Federal Transit Administration, which undertook a civil rights investigation, called the cuts "disturbing".¶ Shifting to mass transit is not only critical to staving off an ecological crisis, it is also key to getting out of our economic one: the [expansion of rail and bus lines drives development](http://www.apta.com/resources/reportsandpublications/Documents/economic_impact_of_public_transportation_investment.pdf), creating jobs while making it easier for the rest of us to get to our existing ones. The reverse is also true. The dismantling of mass transit has, like cuts to other public services, erected a massive roadblock on the path to economic recovery: 706,000 public sector jobs have been eliminated since the stimulus topped out in April 2009, according to a [Wednesday report in the New York Times](http://www.nytimes.com/2012/06/20/business/public-workers-face-continued-layoffs-and-recovery-is-hurt.html?pagewanted=all). While the private sector adds jobs, public sector austerity is driving the American economy off the tracks.

#### Second, Mass transit creation long lasting jobs

Barry ’10, Keith, Contributor to Autopia magazine, “To Create Jobs, Build Public Transit, Not Highways”, January 21, 2010.

(<http://www.wired.com/autopia/2010/01/jobs-for-main-street-act/>. JMC.) Accessed 7/21/12

If we’d spent as much federal stimulus money on public transportation as we spent on highways, we would have created twice as much work and put a bigger dent in the unemployment rate.¶ That’s the analysis of stimulus spending by Smart Growth America, the Center for Neighborhood Technology and U.S. PIRG, the public-policy lobbying group. Smart Growth America found that every billion dollars spent on public transportation produced 16,419 job-months, while the same amount spent on highway infrastructure projects produced 8,781 job-months. Now it is warning that the Jobs for Main Street Act of 2010 (.pdf), the $154 billion jobs bill the House of Representatives passed last month, could make the same mistake in funding the wrong priorities.¶ The legislation, which the Senate is expected to take up early this year, would finance everything from renovating schools to putting more cops on the street. It is funded in part with money set aside for the Troubled Asset Relief Program, also known as the Wall Street bailout. The bill allocates $27.1 billion for highways and other surface transportation and just $8.4 billion for public transportation.¶ That’s a mistake.¶ “When the Senate takes the bill up and it goes back to the House, they ought to take a look at their own data and readjust the proportions,” William Schroeer, state policy director for Smart Growth America, told Wired.com. “Since it’s a jobs bill, that seems to us to be something they ought to think very seriously about.”¶ By splitting public transportation and highway funding equally, Schroeer said, the bill could provide 71,415 more job-months of work than it would by favoring highway spending. That is enough work to give 6,000 more people full-time year-round employment.

#### Third, Mass transit is key to the economy - 36,000 jobs for every billion dollars spent

The Huffington Post ’12, “Public Transportation: A Missed Opportunity to Create Jobs”, 07/11/2012.

(<http://www.huffingtonpost.com/lawrence-j-hanley/public-transportation-jobs_b_1662270.html>. JMC.) Accessed 7/23/12.

Congress had an opportunity to address the workforce shortage with the recently passed transportation bill, but squandered that opportunity by failing to fund mass transit in this legislation.¶ Investment in public transportation can stimulate the economy and create jobs. More than 570 jobs are created for each $10 million invested in the short term. According to the American Public Transportation Association (APTA), every $1 billion invested in public transportation creates and supports 36,000 American jobs. That is real job growth.¶ Mass transit is a stimulant for the economy in so many ways. Direct investment into transit operations means more public transportation and lower fares, which in turn helps local businesses. It brings people with jobs to their stores with more money in their pockets so they can buy things.¶ More jobs and more business. Isn't that the very definition of economic recovery?¶ Instead, working families will continue to suffer. The American mass transit crisis will become worse under this legislation with hidden taxes on commuters and transit riders though increasing fares while forcing cash-strapped transit systems to cut more service.

## Environment

#### First, Public transportation reduces C02

Mueller et. al. ’10, Jan, Senior Policy Assistant at Environmental and Energy Study Institute, “Transportation,” 2012.

(<http://search.proquest.com/docview/232846730>) Accessed 7/21/12.

Managing congestion offers opportunities for reducing CO2 emissions. Causes of congestion are varied and include capacity-related bottlenecks, inclement weather, traffic incidents (mainly crashes), poor signalization, and road construction. The Texas Transportation Institute (http://tti.tamu.edu) has identified a number of congestion management programs that communities can adopt: Access management programs that minimize or combine driveway cuts, increase spacing between intersections, provide medians and turn lanes, and provide acceleration/deceleration lanes. Traffic signal coordination programs that synchronize timing of traffic signals for optimum flow. Incident management programs that provide more rapid responses to accidents and weather events. Programs to increase capacity, including roadbuilding and time-of-day travel lane sltifting that supports the dominant travel-flow pattern. Programs to increase the availability and amount of public transportation. Programs to relieve bottlenecks, dysfunctional intersections, and merge points.\* Travel option programs, such as instituting HOV lanes, which reward carpooling and ridesharing.

#### Second, Public transit will be used and help the environment

Liongson ’08, Raymund, Assistant professor at the University of Hawaii, “Mass-Transit Debate”, 2008

(<http://search.proquest.com/docview/414865270>. JMC) Accessed 7/21/12.

Opponents to the rail project argue that people will not use it and it will not ease up traffic congestion. But the increase in ridership in TheBus, given the unabated rise in gas prices, suggests that O'ahu residents are willing to leave their cars in their garage and take alternative mass transportation. Many of those who oppose the rail now were opponents of the idea years back, yet they have not come out with anything better. We are sick and tired of endless rhetoric and calls for more studies. We want to see something concrete. We cannot ride on empty talks and in paper vehicles ripped from piles of reports and studies. Why rail? Judging from its impact on traffic, fossil fuel consumption, carbon footprint, the economy and potential for federal assistance, rail is clearly the way to go. The call of Stop Rail Now to put the rail project on the ballot is not about making people decide what is best for them. It is, in fact, an effort to totally eliminate a promising option.

#### Third, public transit good for lowering air pollution

Zimmerman ’05, Rae, Professor of Planning and Public administration at NYU, “Mass Transit Infrastructure and Public Health”, 2005.

(<http://www.springerlink.com/content/gm234v722v740225/fulltext.pdf>.) Accessed 7/21/12.

Mass transit is a critical infrastructure of urban environments worldwide. The public uses it extensively, with roughly 9 billion mass transit trips occurring annually in the United States alone according to the U.S. Department of Transportation data. Its benefits per traveler include lower emissions of air pollutants and energy usage and high speeds and safety records relative to many other common modes of transportation that contribute to human health and safety. However, mass transit is vulnerable to intrusions that compromise its use and the realization of the important benefits it brings. These intrusions pertain to physical conditions, security, external environmental conditions, and equity. The state of the physical condition of transit facilities overall has been summarized in the low ratings the American Society of Civil Engineers gives to mass transit, and the large dollar estimates to maintain existing conditions as well as to bring on new improvements, which are, however, many times lower than investments estimated for roadways. Security has become a growing issue, and numerous incidents point to the potential for threats to security in the US. External environmental conditions, such as unexpected inundations of water and electric power outages also make transit vulnerable. Equity issues pose constraints on the use of transit by those who cannot access it. Transit has shown a remarkable ability to rebound after crises, most notably after the September 11, 2001 attacks on the World Trade Center, due to a combination of design and operational features of the system. These experiences provide important lessons that must be captured to provide proactive approaches to managing and reducing the consequences of external factors that impinge negatively on transit.

## Urban Sprawl

#### First, Turn - Status quo funding leads to urban sprawl

Knaap et. al. ‘2K, Professor and Executive Director at University of Maryland, “Government Policy and Urban Sprawl”, 2000.

(<http://dnr.state.il.us/orep/pfc/balancedgrowth/pdfs/government.pdf>.) Accessed 7/21/12.

The influence of the federal government on urban development patterns via transportation policies and programs is less ambiguous, though the magnitude of influence and direction of causation remains in dispute. The federal government is a major underwriter of and direct participant in the construction of interstate and other highways. Highways increase accessibility. Increased accessibility decreases the advantages of central city location both for residents and firms, encouraging both to migrate towards suburban locations. Recent studies raise doubts, however, about whether highways follow suburbanization or whether suburbanization follows highway construction (See, Urban Transportation Center 1998 and Center for Neighborhood Technology 1998 for opposing points of view). This question of causation may never be fully resolved, but the cumulative results are indisputable. Other influential actions of the federal government are also indisputable: it spends less on public transit than it does on highways, it taxes gasoline much less than other nations, and it spends considerable sums to maintain the flow of oil from middle east. In part as a result of these federal policies, automobile drivers in the United States pay about 73 to 88 percent of the cost of automobile use. If non-monetary costs, such as air pollution are included, the percent of cost paid by automobile users falls to 53 to 69 percent (OTA 1995). Without doubt this is a major factor in the decentralization of U.S. cities.

#### Second, Turn – Status quo car dependency causes sprawls

Mueller et. al. ‘10, Senior Policy Assistant at Environmental and Energy Study Institute, “Transportation”, 2010.

(<http://search.proquest.com/docview/232846730>.) Accessed 7/21/12.

U.S. Environmental Protection Agency statistics show that transportation is the fastest-growing source of U.S. greenhouse gas emissions. Widespread urban sprawl and America's heavy reliance on the automobile are major contributors to this trend. GHGs from transportation account for 47 percent of the net increase in total U.S. emissions since 1990 (EPA 2009d). In Portland, by contrast, GHGs from transportation decreased slightly from 1990 to 2008. Nonetheless, even in Portland, transportation accounts for 40 percent of all GHG emissions and presents substantial opportunities to reduce emissions.

#### Third**, Straight turn – Mass transit is key to solving urban sprawl and oil dependency that exist in the Squo**

Slon ’12, Steven, Editor Director of the Saturday Evening Post, “America Must Address Mass Transit”, 07/12/2012.

(<http://www.huffingtonpost.com/the-saturday-evening-post/transportation-bill-mass-transit_b_1665853.html>. JMC.) Accessed 7/21/12.

In a rare show of bipartisanship, Congress recently passed the transportation bill, "Moving Ahead for Progress in the 21st Century" (MAP-21). The bill provides about $120 billion for the nation's highways over the next 27 months. While this infrastructure money is sorely needed, the bill fails to address a problem that will only grow in the coming years.¶ "The bill merely maintains the status quo and doesn't address the coming crisis in mass transit," says transportation expert James McCommons, professor of journalism at Northern Michigan University, and author of a recent article discussing transit in The Saturday Evening Post.¶ I grew up in Manhattan, one of the few places in America where the car is not king. Instead of learning to drive at 16, you learn to hail a cab. Instead of driving your date home after the movie, you walk hand-in-hand to the subway. We didn't learn about "parking" or the other kind of parking--the parallel kind--unless we moved out of town. Although I learned to drive at 17 (imagine the thrill and terror of being a student driver on Broadway, Columbus Avenue, Amsterdam), it was quite common to know someone who didn't learn to drive until well into their twenties--if at all.¶ Which makes plenty of New Yorkers feel like helpless weirdos should they ever venture beyond the city limits. Pretty much everywhere else in America, automobiles rule. They've defined this country for nearly 100 years. Cars have powered our growth and given us previously unimaginable freedom, including being able to live wherever we choose. Cars encouraged massive suburban sprawl, which allowed many of us to have neat little homes with green front lawns--and lengthy, daily commutes to and from the city.¶ As gas prices continue to rise and the population surges, something needs to change. Maintaining our reliance on the automobile is simply too expensive. This country has made large public investments in building and maintaining our roads--hundreds of billions in the interstate system alone.¶ MAP-21 merely continues to do more of the same--and that is wrong, says Jim Oberstar, the 18-term congressman from Minnesota, and former chairman of the House Transportation and Infrastructure Committee. For years, Oberstar unsuccessfully tried to pass legislation to increase funding for transit. He points out that the new bill authorizes a little over $10 billion for mass transit in each of the next two years, an amount he describes as "anemic." As he argues in "What Government Needs To Do" in The Saturday Evening Post, it is vital that we start shifting our resources away from the lone automobile and toward mass transit. "If drivers shifted to public transit at the rate of just 10 percent of their daily travel, the U.S. could reduce its dependence on oil imports by more than 40 percent," he writes.

## Oil Dependency

#### **First, Straight turn – Mass transit is key to solving urban sprawl that exist in the Squo**

Slon ’12, Steven, Editor Director of the Saturday Evening Post, “America Must Address Mass Transit”, 07/12/2012.

(<http://www.huffingtonpost.com/the-saturday-evening-post/transportation-bill-mass-transit_b_1665853.html>. JMC.) Accessed 7/21/12.

In a rare show of bipartisanship, Congress recently passed the transportation bill, "Moving Ahead for Progress in the 21st Century" (MAP-21). The bill provides about $120 billion for the nation's highways over the next 27 months. While this infrastructure money is sorely needed, the bill fails to address a problem that will only grow in the coming years.¶ "The bill merely maintains the status quo and doesn't address the coming crisis in mass transit," says transportation expert James McCommons, professor of journalism at Northern Michigan University, and author of a recent article discussing transit in The Saturday Evening Post.¶ I grew up in Manhattan, one of the few places in America where the car is not king. Instead of learning to drive at 16, you learn to hail a cab. Instead of driving your date home after the movie, you walk hand-in-hand to the subway. We didn't learn about "parking" or the other kind of parking--the parallel kind--unless we moved out of town. Although I learned to drive at 17 (imagine the thrill and terror of being a student driver on Broadway, Columbus Avenue, Amsterdam), it was quite common to know someone who didn't learn to drive until well into their twenties--if at all.¶ Which makes plenty of New Yorkers feel like helpless weirdos should they ever venture beyond the city limits. Pretty much everywhere else in America, automobiles rule. They've defined this country for nearly 100 years. Cars have powered our growth and given us previously unimaginable freedom, including being able to live wherever we choose. Cars encouraged massive suburban sprawl, which allowed many of us to have neat little homes with green front lawns--and lengthy, daily commutes to and from the city.¶ As gas prices continue to rise and the population surges, something needs to change. Maintaining our reliance on the automobile is simply too expensive. This country has made large public investments in building and maintaining our roads--hundreds of billions in the interstate system alone.¶ MAP-21 merely continues to do more of the same--and that is wrong, says Jim Oberstar, the 18-term congressman from Minnesota, and former chairman of the House Transportation and Infrastructure Committee. For years, Oberstar unsuccessfully tried to pass legislation to increase funding for transit. He points out that the new bill authorizes a little over $10 billion for mass transit in each of the next two years, an amount he describes as "anemic." As he argues in "What Government Needs To Do" in The Saturday Evening Post, it is vital that we start shifting our resources away from the lone automobile and toward mass transit. "If drivers shifted to public transit at the rate of just 10 percent of their daily travel, the U.S. could reduce its dependence on oil imports by more than 40 percent," he writes.

## States CP

#### First, Federal action key to mobilization for the policy

Baxandall et. al. ’08, Phineas, Baxandall oversees policy and strategy development for state PIRGs’ tax and budget campaigns throughout the U.S., including transportation campaignst. He comes to the PIRGs from Harvard University’s John F. Kennedy School of Government where he assisted in directing the Taubman Center for State and Local Government as well as the Rappaport Institute for Greater Boston, “A Better Way to Go: Meeting America’s 21 Century Transportation Challenges with Modern Public Transit”, 2008.

(<http://www.streetsblog.org/wp-content/pdf/ABetterWaytoGovUSPIRG.pdf>.) Accessed 7/21/12.

Transit has long been seen as primarily a local issue—something of concern to city-dwellers and some suburbanites. In many states—even some with robust transit systems—there is still little or no investment of state government resources in transit systems. And at the federal level, transit advocates have often felt compelled to accept greater spending on highways as a means to achieve greater investment in transit. The consequences of our automobile-centered transportation system, however, are national in scope. Traffic congestion, oil dependence and global warming pollution are issues that affect all Americans and deserve a national response. A wide variety of constituencies have a potential interest in expanding transit infrastructure in the United States. This “grand coalition” potentially includes the following: • Metropolitan area residents, who represent more than 80 percent of the American population and who would benefit most directly from reduced congestion and the ability to use transit.133 • Businesses—both those located in metropolitan areas that would benefit from their employees’ and customers’ access to transit and those that rely on the shipment of goods and would benefit from reduced highway congestion. • Property owners in corridors to be served by transit, who would likely see property values increase. • Construction firms and organized labor, which would benefit from the jobs created in transit system construction, operations and maintenance. • Environmentalists, who would support reductions in global warming emissions and other forms of pollution. • Low-income, elderly and disabled people, who would benefit from an increased range of transportation choices. The elderly could represent an especially important constituency, as the population of Americans ages 65 and older is projected to increase by 20 million between 2000 and 2020.134 • Individuals concerned with national security, who would support reductions in America’s dependence on foreign oil. As long as the transit debate is about one transit line or one city at a time, there will be little hope of mobilizing a wide range of interests behind a major commitment to transit. To generate excitement and widespread support, there must be a compelling vision for what an expansion of transit service would look like and how it would benefit the United States—in short, a national roadmap for transit.

#### Second, States lose focus – No solvency

Schank ’12, Joshua, President & CEO, Eno Ceneter for Transportation, “The Federal Role in Transportation: Four Ideas for Greater Federal Involvement”, May 31st, 2012.

(<http://www.enotrans.org/eno-brief/the-federal-role-in-transportation-four-ideas-for-greater-federal-involvement>.) Accessed 7/21/12.

When experts and elected officials discuss narrowing the federal role, the issue of metropolitan transportation comes up sooner rather than later. Highway users dislike their funds being used for other modes, and proponents of smaller government are more likely to accept a federal role in interstate commerce than metropolitan transportation. The evidence of this argument can be seen in the House Republican proposal to remove the dedicated gas tax revenues for mass transit, and in the Senate Republican proposals to eliminate the Transportation Enhancements program, which provides funding for bicycle and pedestrian improvements (though neither of these are exclusive to metropolitan areas, they are primarily focused there).¶ But this kind of thinking ignores several key factors. First, metropolitan areas are the engines of economic growth in this country, with 84 percent of the population and the majority of economic output in 47 of 50 states. If we don’t invest there, we risk our economic future as a nation. Second, it is in everyone’s interest to move beyond the issue of who is paying. So-called “user-fees” account for an ever-shrinking percentage of the federal program, and subsidies go every which way. While there is often concern expressed regarding the “subsidy” of mass transit by highway users, less concern seems to be expressed regarding the “subsidy” of rural states by more populous urban states. These are not actual subsidies, but the nature of a national system wherein not everyone gets back exactly what they pay in. Finally, metropolitan transportation cannot be though of as uni-modal because there is no metropolitan area that actually functions that way. They are all dependent on transit, bicycles, and walking to varying degrees and all of these modes must be supported by the federal system.¶ Final Thoughts All of these ideas have a consistent theme – they require strong federal leadership to maximize our return on investment. Our freight system, airports, highways, and ports all require some federal coordination in order for the U.S. to effectively compete in the global economy. While we consider the federal role in transportation given the increasing possibility of diminished federal funding in the coming decades, these are areas where there not only needs to be a federal presence, but federal leadership. If local transportation decisions are seen as purely political, with little regard to performance outcomes or national goals, we will fall short of where we need to be as a nation. These transportation investments will require strong federal leadership to ensure that they remain primarily influenced by data, analysis, and desired outcomes.

## AT – Case Answers

#### First, Your article concedes against you – Deeply political strategies are needed to undo the current neoliberal policy

**Purcell 2009**, MarkPurcell, PhD in Geography and Associate Professor of Urban Design and Planning at the University of Washington, researcher in urban politics, planning, and political theory with a focus on democratic movements for a right to the city, “Resisting Neoliberalization: Communicative Planning or Counter-Hegemonic Movements?” DA: 7/23/12,http://plt.sagepub.com/content/8/2/140.full.pdf+html – j.c.

While this article’s focus is to offer a critique of communicative action rather¶ than to elaborate alternatives to it, nevertheless I think some sketch of the¶ alternative is necessary. Laclau and Mouffe (1985, 2000) understand that if we¶ are to pursue a model of agonistic struggle, existing power differences mean¶ that marginalized and disadvantaged groups will need to assemble creative and¶ deeply political strategies to undo the current hegemony. In that context, they¶ advocate what they call “chains of equivalence”: movements made up of allied¶ groups seeking broad transformation of existing power relations. The groups in¶ the chain each have their own distinct relation to the existing hegemony, and¶ each group’s experience and interests are irreducible to the others. Each retains¶ their difference. However, they are able to act in concert around an agenda of¶ equivalence. That is, they see themselves as equivalently disadvantaged by¶ existing power relations. ‘Equivalent’ in this case does not mean identical. They¶ are not disadvantaged in precisely the same way, and Laclau and Mouffe¶ explicitly reject the old-style social movements that reduced participants to a¶ single social position (usually class). Each link in the chain remains distinct, but¶ they operate together, in concert. The most talked-about model for this kind of¶ idea is the so-called “anti-globalization” movement that carried out the string¶ of protests in Seattle, Goteborg, Doha, Genoa, Geneva, Quebec, etc. The¶ movement is better understood as an anti-neoliberalization movement, because¶ it involved a range of groups (e.g. labor, environmentalists, anti-third-worlddebt,¶ human rights in China, etc.) that shared an equivalent opposition to the¶ globalization of neoliberalism. Their concerns were in many ways disparate¶ (outsourcing of jobs, sea turtles, rediscovering jubilee obligations, the occupation¶ of Tibet, etc.), but they strategically defined themselves as equivalent and¶ acted together to oppose the WTO and other institutions committed to neoliberalization¶ (Hardt and Negri, 2004). Each member of the coalition achieved¶ much more than they could have alone, but they did not have to dissolve into¶ a large and uniform collective to do it. While they did not achieve the end of¶ neoliberal hegemony, they certainly succeeded in identifying it and calling it¶ into question.¶

#### Second, This is the last paragraph of the paper they cut – Our methodology of political resistance is SPECIFICALLY key

**Purcell 2009**, MarkPurcell, PhD in Geography and Associate Professor of Urban Design and Planning at the University of Washington, researcher in urban politics, planning, and political theory with a focus on democratic movements for a right to the city, “Resisting Neoliberalization: Communicative Planning or Counter-Hegemonic Movements?” DA: 7/23/12,http://plt.sagepub.com/content/8/2/140.full.pdf+html – j.c.

While communicative planners might hope the DRCC would be more¶ willing to change its attitude if it only understood better the power a of¶ communicative approach, I think the DRCC, as a result of their long experience¶ in such politics, is the better judge. While they have not yet transformed¶ the relations of power that govern Superfund cleanups, they have been able to¶ make promising inroads: to exploit existing opportunities (and invent new¶ ones) to call into question neoliberal governance structures and values, and to¶ significantly empower non-owner interests to advance a distinctly different idea¶ of what the watershed should be.8 The goal of counter-hegemonic movements¶ is not to eliminate power, not to bracket or corral it, but to mobilize it. Against¶ the neoliberal orthodoxy of property rights and rights to accumulation, such¶ movements come together to claim other rights: to inhabit urban space, to¶ maximize use-value rather than exchange value, and to play a central role in¶ decision-making (Purcell, 2008). They claim, in Henri Lefebvre’s (1996) words,¶ a ‘right to the city’. Such movements seek to resist the current hegemony and¶ establish a new one. And such movements, though nascent, are proliferating.¶ They are creatively resisting neoliberalization and insisting that another city is¶ possible. As planners, we must learn from their struggles, and we must make it¶ our business to actively nurture them, for they offer us a way out of the wilderness¶ of neoliberalism. Reclaiming power through political mobilization is our¶ best hope for creating more democratic, more just, and more civilized cities. But¶ it requires that, with Laclau and Mouffe, planners consciously take up the¶ hegemonic struggle against neoliberalization, rather than trying to paper it over¶ with dreams.

#### Third, the only successful social revolution comes from within the capitalist system, and without aim or form the system will collapse around us.

Deleuze and Guattari 1972, Anti-Oedipus, 378

The actualization of a revolutionary potentiality is explained less by the preconscious state of causality in which it is nonetheless included, than by the efficacy of a libidinal break at a precise moment, a schiz whose sole cause is desire-which is to say the rupture with causality that forces a rewriting of history on a level with the real, and produces this strangely polyvocal moment when everything is possible. Of course the schiz has been prepared by a subterranean labor of causes, aims, and interests working together; of course this order of causes runs the risk of closing and cementing the breach in the name of the new socius and its interests. Of course one can always say after the fact that history has never ceased being governed by the same laws of aggregates and large numbers. The fact remains that the schiz came into existence only by means of a desire without aim or cause that charted it and sided with it. While the schiz is possible without the order of causes, it becomes real only by means of something of another order: Desire, the desert-desire, the revolutionary investment of desire. And that is indeed what undermines capitalism: where will the revolution come from, and in what form within the exploited masses? It is like death-where, when? It will be a decoded flow, a deterritorialized flow that runs too far and cuts too sharply, thereby escaping from the axiomatic of capitalism. Will it come in the person of a Castro, an Arab, a Black Panther, or a Chinaman on the horizon? A May '68, a home-grown Maoist planted like an anchorite on a factory smokestack? Always the addition of an axiom to seal off a breach that has been discovered; fascist colonels start reading Mao, we won't be fooled again; Castro has become impossible, even in relation to himself; vacuoles are isolated, ghettos created; unions are appealed to for help; the most sinister forms of "dissuasion" are invented; the repression of interest is reinforced-but where will the new irruption of desire come from?

#### Fourth, No link - Neoliberalism is not just an economic system but also an ethic that has taken over our society. We do not indict the free market, instead we indict the little parts inside us that commodify existence.

Deleuze and Guattari 1972 (Gilles and Felix; Anti-Oedipus) 262-263

In the territorial or even the despotic machine, social economic reproduction is never independent of human reproduction, of the social form of this reproduction. The family is therefore an open praxis, a strategy that is coextensive with the social field; the relations of filiation and alliance are determinant, or rather "determined as dominant." As a matter of fact, what is marked or inscribed on the socius-directly-is the producers (or nonproducers) according to the standing of their family or their standing inside the family. The reproduction process is not directly economic, but passes by way of the non-economic factors of kinship. This is true not only with respect to the territorial machine, and to local groups that determine the place of each member in social economic reproduction, according to one's status from the standpoint of the alliances and the filiations, but also with respect to the despotic machine, which adds the relations of the new alliance and direct filiation to the old alliance and filiations (whence the role of the sovereign's family in despotic overcoding, and that of the "dynasty"-whatever its mutations, its indecisions-which are inscribed under the same category of new alliance). The process by no means remains the same in the capitalist system." Representation no longer relates to a distinct object, but to productive activity itself. The socius as full body has become directly economic as capital-money; it does not tolerate any other preconditions. What is inscribed or marked is no longer the producers or nonproducers, but the forces and means of production as abstract quantities that become effectively concrete in their becoming related or their conjunction: labor capacity or capital, constant capital or variable capital, capital of filiation or capital of alliance. Capital has taken upon itself the relations of alliance and filiation. There ensues a privatization of the family according to which the family ceases to give its social form to economic reproduction: it is as though disinvested, placed outside the field; in the language of Aristotle, the family is now simply the form of human matter or material that finds itself subordinated to the autonomous social form of economic reproduction, and that comes to take the place assigned it by the latter. That is to say that the elements of production and anti-production are not reproduced in the same way as humans themselves, but find in them a simple material that the form of economic reproduction pre organizes in a mode that is entirely distinct from the form this material has as human reproduction. Precisely because it is privatized, placed outside the field, the form of the material or the form of human reproduction begets people whom one can readily assume to be all equal in relation to one another; but inside the field itself, the form of social economic reproduction has already preformed the form of the material so as to engender, there where they are needed, the capitalist as a function derived from capital, and the worker as a function derived from labor capacity, etc., in such a way that the family finds itself countersected by the order of classes. (In this sense, indeed, segregation is the only origin of equality'')

## Ontology Precedes Deontology

#### First, An authentic relationship with the other is not based only of nearness, but distance. The 1nc dream of encountering new worlds is an act of ontological colonization—an ethical relationship can only begin in that gap between myself and the other. Any other relation will only produce a non-being. We first need to fundamentally have an ontological relationship with beings before a deontological one is possible.

**Guenther '02** [Lisa, Assistant Professor of Philosophy @ Vandy, “Towards a Phenomenology of Dwelling” Canadian Journal of Environmental Education, 7(2), Spring]

Ethos anthropoi daimon. In light of Heidegger’s translation, I propose that we interpret these words as follows: **The dwelling of human beings—our essential character, our everyday habits, and the very root of our ethics—exists not only in the nearness of, but at a distance from, an other that both surpasses me and makes me what I am**. We can think of this other as a spirit or intermediary, or as the human community; but **we can also think of the other as the entire human and more-than-human world**: the plants, animals, elements, and people with whom we inhabit the earth. **An ethics of dwelling emerges from the preservation of a tension between this nearness to others, and the distance which keeps us distinct from others. The gap between myself and the other is the space which makes ethical dwelling possible; in keeping us apart, it also preserves the difference which makes an ethical relation possible**. For this is the paradox articulated by fragment 119: that I am only myself in being divided, that I can only become myself by risking my identity in proximity to others. In effect, the boundary that separates me from a blade of grass, or from the moose across the river, is precisely that which grants me the possibility of approaching, addressing, and giving to these others. **Often we are tempted by the romantic idea of “fusing consciousness” with the natural world, denying that there is a difference which keeps us apart from others and, precisely in keeping us apart, also directs us towards them**. But the very possibility of an environmental ethics of dwelling rests upon the twofold nearness and distinction from others whom we need and for whom we are responsible. In the pages that follow, I will reflect more concretely on this relation between nearness and distance, or relation and otherness, which emerges from my re-translation of Heidegger’s translation of ethos anthropoi daimon. I shall argue that **an ethical relation with the natural world is only possible given the gap of difference or otherness which is maintained by setting a boundary or limit to our dwelling-space. This boundary, far from alienating us from the natural environment, actually forms the basis for an environmental ethics of dwelling.** Consider also an apartment in the city. Cities are more like beehives. When I look out a city window (turning away from the television, opening the curtains and blinds, and peering out over the back of the couch), I see houses just like my own, arranged into rows like cells in a honeycomb. They are inhabited by people more or less like me: people who work, come home, make spaghetti for dinner, fall asleep during the news. And yet I can walk through this city and see things that surprise me: a man with green hospital pants tied around his head, calmly walking his dog. A cat stalking a bird. Fireweed pushing through a crack in the sidewalk. For cities leak too, even in spite of themselves. The air conditioning may be on, the stereo may be blaring; but a storm outside can knock this out in less than a minute. Thus cities tend to show themselves most clearly just there, where they fail: a robin’s nest in the mailbox; a leaking tap; the sound of an argument next door. In these moments of disruption we realize what the city tries most to conceal: that we dwell in relation to others, and that we can only be there if others are there, too. While the cabin and the apartment are undoubtedly very different sorts of dwelling-space, both offer a glimpse into the ethical significance of dwelling. While there is much to say here, I want to focus on one aspect in particular: the relation between inside and outside in a home. The inside of a place can exist only thanks to the boundary (the walls, floor, and roof) which separates it from the outside. Without this sense of a place hollowed out from the world at large, there could be no dwelling, no intimacy, no home in which I welcome friends and strangers. The boundary that separates inside from outside need not be visible or material; for even among people who dwell under the open sky, there is the sense of a socially interior space, a space which is described more by trails and hunting grounds than by walls and floorboards. Dwelling requires a sense of the inside: an intimate space where I belong with others who do not, properly speaking, belong to me. If the boundary which creates this interior space were absolute and impermeable, then life within its bounds would be impossible. We need windows and doors; we need wood for the stove and air to breathe. Thus **dwelling occurs neither inside nor outside but in the tension between the two: in the interaction of spaces which have something to give one another precisely because they are not the same. The dwelling of human beings, the root of our ethics and the very character of our existence, occurs in the nearness of, but distinction from, an other, an outside, a complex of human and more-than-human beings who both transcend me, and let me become who I am**. Though our contemporary cities have largely neglected this tension between inside and outside, **ancient Greek cities were founded upon the principle of a boundary or city wall, which both sets limits on the city’s proper sphere, and establishes a connection between the human community and the cosmos in which it dwells.** In his book, H2O and the Waters of Forgetfulness, Ivan Illich (1985) describes the way Greek cities were ritually traced out upon the earth in relation to heavenly bodies, the flight of birds, or the movement of clouds. For the Greeks, a city could only be founded in relation to that which exceeds it, that which is not the city but nevertheless is the condition for its very existence. An ethos of ritual and custom inaugurated the city once a site 42 Lisa Guenther had been divined; a team of one female and one male ox pulled a plough around the cosmic shape of the city, the driver lifting the plough at intervals to make thresholds or city gates, places where the interior would meet and interact with the external world. Illich (1985) calls this ritual of inauguration “a sacred marriage of heaven and earth” (p. 15), an “opposition and wedding of right and left,” inside and outside, animal and human (p. 14). Without this collaboration of more-than-human others—the stars, the clouds, the oxen, the birds, and the ground into which the template is etched—the human city could not come into being. And yet this relation between the city and the more-thancity only comes into view when the city-space is marked off from that which exceeds it and from which it emerges**. The Greeks, we might say, had an ethos of city-dwelling: an understanding that human beings need to dwell with one another, but that we can only do so by dwelling within the limits of a boundary which both separates us from and aligns us with an exterior which is other-than-human and more-thanhuman**. One could argue, of course, that the Greeks built walls around their cities not because of their deep sensitivity to the nature of ethical dwelling, but rather to protect themselves from armies and “barbarians” and beasts from the wild. For it is also true—and especially true in the history of the West—that boundaries have been erected in the spirit of exclusion and self-protection rather than in pursuit of harmonious dwelling. Thus we must turn to the past not in order to repeat its mistakes, but rather to learn how not to repeat them; we need the retrospective gaze of history not only to find inspiration for the future from the past, but also to mark the line which separates past from future, and opens a different horizon. The Greeks may not have conceived the city wall as a boundary which separates and connects humanity with the more-than-human world; and Heraclitus may not have understood his words as the starting-point for environmental ethics. And yet, when we remember these ancient words and customs, we are given the responsibility to hear both what has been said in the past, and how this saying resonates for the future. For Heidegger, to remember is not to make the past “present” through re-presentation, but rather to preserve from the past a meaning which exists ecstatically in relation to the future. By letting an ethical sense of the boundary address the traditional history of the boundary as an instrument of exploitation and self-assertion, we open up the possibility of new meanings for old words. We need to remember the history of Western culture in this way in order to understand why our own cities are the way they are, and how they could be otherwise. **We cannot change the way we dwell simply by wiping the slate clean and starting over; any change in habits must arise first from an examination of our current habits and the conditions under which they were formed**. For Ivan Illich (1985), “To dwell means to inhabit the traces left by one’s own living, by which one always retraces the lives of one’s ancestors” (p. 8). What does this sense of dwelling mean for the future of our cities? Drive into Vancouver or Toronto Towards a Phenomenology of Dwelling 43 —for one cannot help but drive there—and witness the hundreds of kilometres of occupied space sprawling out of our mega-cities. **This is no longer dwelling space, but** rather what Illich calls “**garages for living,” storage-space for human enterprise. Now, more than ever, we need to recuperate a sense of dwelling within limits: not in order to protect ourselves from the wilderness** (as perhaps the ancient Greeks were concerned to do) **but rather to protect the wilderness from ourselves. We must do this not only because our physical existence depends upon it, but also because without this relation to, and distinction from, others we cannot become who we are: namely, human beings whose character is our ethos**. And yet we cannot stop here. For ultimately, and more essentially, **we must set a limit to human dwelling not for our own sake, but for the sake of the other, making room for an other not out of enlightened self-interest, but out of respect and hospitality**. I propose, arising from this brief exploration of dwelling as thought and as experience, an environmental ethics grounded in these gestures of respect and hospitality. To respect someone is to hold her in regard while still letting her remain at a distance from me, giving her room to move. **Respect thrives only where this distance and difference is maintained in the very midst of my regard and concern for the other. Likewise to offer hospitality**—a notion which I have inherited from the French philosopher Emmanuel Levinas (1969)—**is to open one’s dwelling space to an other, a stranger whom I cannot grasp or comprehend but for whom I am nevertheless responsible. To be hospitable is, like the gift of respect, to take a step back so that the other can step forth; it is to set limits on my own dwelling so that the other has room to come and go**. The genius of human being is not only that we can “be ourselves” only in relation to an other which both surpasses and constitutes us. Rather, **the genius of the human character, and the root of our ethics, is in our propensity to give space, or make room for, an other who exceeds our grasp**. An ethics of respect and hospitality has political, social, and intellectual implications. In concrete terms, it means that we ought to set aside wilderness spaces that have no human function, not even the relatively benign function of providing recreation for people like you and me. It means that we ought to rethink our cities in terms of density rather than sprawl, and to preserve within them spaces of otherness and ecological diversity: parkland spaces without mowed lawns and barbeque pits. And it means that in our everyday lives, as well as in our municipal and territorial planning, we must cultivate habits of respect for those with whom we dwell, and without whom we could not exist. **An ethics of dwelling based on hospitality and respect demands that we resist the temptation to believe, even in a spirit of generosity, that we are the same as the other, that there is no difference between a person and a tree and a lynx across the river**. For although we are by no means indifferent to these others, it is precisely our difference from them, **our not knowing who they are from the inside out, that lets us be ethical towards them**. The Italian philosopher Giorgio Agamben (1991) ends his book, Language and Death, with the following words, and this is where I, too, will conclude these reflections upon the ethos of dwelling: We walk through the woods: suddenly we hear the flapping of wings or the wind in the grass. A pheasant lifts off and then disappears instantly among the trees, a porcupine buries in the thick underbrush, the dry leaves crackle as a snake slithers away. Not the encounter, but this flight of invisible animals is thought. No, it was not our voice. We came as close as possible to language, we almost brushed against it, held it in suspense: but we never reached our encounter and now we turn back, untroubled, toward home. So, language is our voice, our language. As you now speak, that is ethics. (p. 108)

## Trade Off DA

#### First, States require that their budget be balanced; this is how their trade-off link functions. NCSL 99-National Conference of State Legislatures, “State Balanced Budget Requirements”. April 12, 1999, <http://www.ncsl.org/issues-research/budget/state-balanced-budget-requirements.aspx>

Requirements that states balance their budgets are often said to be a major difference between state and federal budgeting. State officials certainly take an obligation to balance the budget seriously, and in the debate over a federal balanced budget in the early- and mid-1990s, much of the discussion centered on the states' with balanced budgets. This article is concerned with the nature, definition and enforcement of state balanced-budget requirements.Nature of state balanced-budget requirements all the states except Vermont have a legal requirement of a balanced budget. Some are constitutional, some are statutory, and some have been derived by judicial decision from constitutional provisions about state indebtedness that do not, on their face, call for a balanced budget. The General Accounting Office has commented that "some balanced budget requirements are based on interpretations of state constitutions and statutes rather than on an explicit statement that the state must have a balanced budget."The requirements vary in stringency from state to state. In some states the requirement is that the introduced budget be balanced, or that the enacted budget be balanced. In other states policymakers are required to ensure that expenditures in a fiscal year stay within the cash available for that fiscal year. Other states may carry unavoidable deficits into the next fiscal year for resolution.

## Air Pollution

#### First, Air Pollution is more harmful to those marginalized by social exclusion. Filleul and Harrabi 04, Laurent and Imed, Institut de Veille Sanitaire, LaboratoireSante Travail Environnement “Institut de SantePublique,” “Universit de Bordeaux 2, 146 rue Leo-Saignat” France,J Epidemiol Community Health 2004;58:802, “Do socioeconomic conditions reflect a high exposure to air pollution or more sensitive health conditions?”, <http://jech.bmj.com/content/58/9/802.2.full#aff-1>

We know that people with lower socioeconomic status are more sensitiveto a largenumber of risk factors according to differentlife habits, or to addictive behaviors, such assmoking habits. Whenair pollution isconsidered, socioeconomic characteristics as an effect modifier can take two aspects. Firstly, people with low socioeconomic status may be more sensitive in terms of health effect because they have associated diseases and people with certain diseases had a greater risk of dying during an episode of increased of air pollution than did members of the general population.Furthermore, people living in underprivileged sectors would have both more limited access to health careand greater exposure to air pollution. Exposure condition is the second aspect of the interpretation of the effect modifier. Jerrettet alargue, low socioeconomic conditions may beassociated with manufacturing and so with ahigher workplace exposures, but also with a lower mobility. In addition, persons with lowersocioeconomic characteristics may be exposedto a complex mix of pollution from indoorsources, as well as outdoor pollution becauseof traffic, industry, and waste burning indeveloping countries. It seems necessary to explore the link between individual exposure and socioeconomic characteristics because these two factors are strongly correlated.More studies are needed to investigate thiseffect modifier and particularly the significationof this effect. To understand this effectwe will need individual data on risk factorbut also data on individual exposure to havea good interpretation of the results and tohave policy implications.

## Counterfeiting

#### First, counterfeiting leads to hyper inflation

WTFFinance ’11, “Historic Lessons Of Inflation”, 29 January 2011.

(<http://www.wtffinance.com/2011/01/historic-lessons-of-inflation/>. JMC.) Accessed 7/24/12.

When the Government through the Federal Reserve increases the supply of money it’s done under the pretense of good economic policy. An individual that does the same, counterfeits the currency and then stimulates the economy while enriching himself, is rightfully put in jail. The Government and Federal Reserve ignores the k​nowledge of those who question the inflationary policies and warn about their dire consequences. The Germans not only learned from the consequences of inflation but attempted to use inflation as a weapon during World War II. The Nazis through “Operation Bernhard” planned to destabalize the British Economy by counterfeiting the Pound. Flooding the British Economy with additional currency would have resulted in hyperinflation and a collapse of business activity. Destabalization of the US Economy through counterfeited inflation was also planned. It’s time that U.S Government officials learn about the consequences of inflation, realize that the United States is not indefinitely exempt from inflationary price actions, and start living within its means.

#### Second, counterfeiting empirically leads to hyperinflation

Chauvin ’12, Lucien, Time, “How Peru Became the World's Counterfeit Capital”, Nov. 25, 2010.

(<http://www.time.com/time/world/article/0,8599,2032152,00.html>. JMC.) Accessed 7/24/12.

Back in the 1980s, Peru's government ran the printing presses as an answer to the country's massive economic crisis, but churning out currency only made things worse, hyperinflation topping off at 1.2 million percent by the end of the decade.¶ The printing presses have returned, but this time it is not the government cranking out bills, and the currency is not necessarily the Peruvian nuevo sol. Some days it's euros, while others it's Venezuelan bolívares fuertes or Bolivian and Chilean pesos. Most days, however, it's U.S. dollars.¶ In the past two years, Peru has become the No. 1 distributor of counterfeit currency internationally, according to Kenneth Jenkins, a U.S. special agent in charge of the Secret Service's Criminal Investigative Division. "Approximately $33 million has been seized in Peru since 2009, which is a substantial number," Jenkins told TIME in a telephone interview from Washington.[(See the art of counterfeiting money.)](http://www.time.com/time/nation/article/0,8599,1904595,00.html)¶ Officers in the Peruvian police's fraud unit estimate that a much larger sum of phony money is being printed in the country. They say that what has been seized in the past two years represents only a fraction of different bills, including Peruvian currency, being pumped out by clandestine printing presses. "Counterfeit operations have been multiplying for several years now. For every person we arrest, there are probably nine others printing bills," says an officer who by law cannot make his identity known.[(See a brief history of U.S. currency.)](http://www.time.com/time/magazine/article/0,9171,1983878,00.html)¶ The largest single haul so far took place in early September, when police officers raided a printing press in Lima's San Juan de Lurigancho district. While the house had been under surveillance for some time, officers were stunned to discover the extent of the operation. The final tally of the six different currencies produced was just above $27 million. Fake U.S. $100 bills accounted for nearly one-third of the total, while euros accounted for $4 million. The rest of the bills were Bolivian, Chilean, Peruvian and Venezuelan currencies.¶ A month earlier, agents had run a sting operation that netted $1 million. The drop-off point was the food court at an upscale Lima shopping center built into cliffs overlooking the ocean. The counterfeiters agreed to sell each $100 bill for $5 to an undercover agent. The three people arrested had initially agreed to sell $3 million in fake bills. About 20 illegal printing presses have been dismantled in Lima, each capable of turning out mass amounts of bills.¶ In the U.S., counterfeiting tends to be small-bore, almost a cottage industry, involving self-starters using digital technology and producing limited quantities of bills at a time. Operations in Peru continue to use traditional printing techniques, with offset printers — the principal tool of the trade — churning out large numbers of scrip. Nearly all of the major busts have occurred in San Juan de Lurigancho, Lima's largest district (with more than 1 million people), where it is easy to set up shop behind a garage door and go unnoticed. (The capital also has a section where small, legitimate printing presses stretch one after another for blocks, but counterfeiters seem to have avoided — or have not been detected in — that downtown zone.) "Overseas operations tend to be more organized than in the United States. They are using printing presses that allow them to print higher volumes," says Jenkins.

#### Third, Hyperinflation prevents people from meeting their basic needs Margaret 05, AyambaBisong Margaret, Blekinge Institute of Technology Karlskrona, Sweden, “Social sustainability in Africa: The Case of Cameroon” <http://www.bth.se/fou/cuppsats.nsf/all/d636af9465b57c6dc125717e00481daf/$file/11%20Ayamba%20-%20Social%20Sustainability.pdf>

A second problem faced by Cameroon is the phenomenon of hyperinflation. Hyperinflation is inflation which is "out of control", a condition in which prices of everything in the national territory increases rapidly as the currency loses its value. The most widely accepted definition of hyperinflation among economists is that by Philip Cagan [27]. who, in his 1956 paper, classified hyperinflation as any inflation exceeding 50 percent per month (or 12 875 percent per year).The issue of hyperinflation has economic, social and psychological components. This problem is severe because it goes far beyond the economic field and affects all aspects of society thus undermining the ability of people to meet their needs. Hyperinflation leads to reduced investment and lower economic growth. Variable inflation rates create uncertainty that affects the level of economic output. Hyperinflation occurs when there is less currency stability. Bryan Tylor in his book “The Century of inflation”[28]. states that inflation occurred because governments are unwilling to deal with the economic problems they faced.

#### Fourth, Counterfeiting doesn’t destroy capitalism, it merely redistributes wealth MISES 09, “The Case Against the Fed”, Murray N. Rothbard, Ludwig Von Mises Institute, <http://mises.org/daily/3480#chap03> Suppose that Joe Doakes and his merry men have invented a perfect counterfeit: under a gold standard, a brass or plastic object that would look exactly like a gold coin, or, in the present paper money standard, a $10 bill that exactly simulates a $10 Federal Reserve Note. What would happen? In the first place, the aggregate money supply of the country would increase by the amount counterfeited; equally important, the new money will appear first in the hands of the counterfeiters themselves. Counterfeiting, in short, involvesa twofold process: (1) increasing the total supply of money, thereby driving up the prices of goods and services and driving down the purchasing power of the money-unit; and (2) changing the distribution of income and wealth, by putting disproportionately more money into the hands of the counterfeiters.

#### Fifth, we have to keep small parts of the system in place in order to prevent catastrophe – the suicidal attempt to escape the strata in all forms leads only to its bearing down heavier than ever.

Deleuze and Guattari 1987 (A Thousand Plateaus pp.160-161)

You have to keep enough of the organism for it to reform each dawn; and you have to keep small supplies of significance and subjectification, if only to turn them against their own systems when the circumstances demand it, when things, persons, even situations, force you to; and you have to keep small rations of subjectivity in sufficient quantity to enable you to respond to the dominant reality. Mimic the strata. You don't reach the BwO, and its plane of consistency, by wildly destratifying. That is why we encountered the paradox of those emptied and dreary bodies at the very beginning: they had emptied themselves of their organs instead of looking for the point at which they could patiently and momentarily dismantle the organization of the organs we call the organism. There are, in fact, several ways of botching the BwO: either one fails to produce it, or one produces it more or less, but nothing is produced on it, intensities do not pass or are blocked. This is because the BwO is always swinging between the surfaces that stratify it and the plane that sets it free. If you free it with too violent an action, if you blow apart the strata without taking precautions, then instead of drawing the plane you will be killed, plunged into a black hole, or even dragged toward catastrophe. Staying stratified-- organized, signified, subjected-- is not the worst that can happen; the worst that can happen is if you throw the strata is demented or suicidal collapse, which brings them down on us heavier then ever. This is how it should be done: Lodge yourself on a stratum, experiment with the opportunities it offers, find an advantageous place on it, find potential movements of deterritorializations, possible lines of flight, experience them, produce flow conjunctions here and there, try out continuums of intensities segment by segment, have a small plot of new land at all times.