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**1AC Oil**

**Newest and most conclusive evidence proves Venezuela’s economic model is terminally unsustainable – investment is key**

**Caselli 9/5** (Irene Caselli, BBC reporter on the ground in Venezuela, citing Jose Manuel Puente, professor and advisor to the Instituto de Estudios Superiores de Administración in macroeconomics, 9-5-13, “Venezuela's economic woes: Sabotage or mismanagement?,” http://www.bbc.co.uk/news/world-latin-america-23970027) BI

Theories abound in Venezuela regarding Tuesday's blackout which affected more than two-thirds of the country. While President Nicolas Maduro has accused political opponents of sabotaging the power system, the opposition blames government incompetence for the largest power cut in five years. As parts of the country are still facing problems with the electricity and the political finger-pointing continues, many are asking just how vulnerable Venezuela's infrastructure is. The capital, Caracas, is not used to the power cuts which have become quite common in other regions. On Tuesday, cash machines, traffic lights and the underground stopped working. There was traffic chaos, with some people stuck in train carriages. 'Lack of investment' Thousands of workers poured into the streets, with many finding it hard to make their way down from upper floors when emergency lamps turned out to be faulty. Jose Manuel Puente, an economist at the IESA School of Management, says the power cut is a sign of a wider malaise. "Unfortunately what happened on Tuesday is similar to what's happening to the country's entire infrastructure. Investment in certain areas has been reduced to minimum under [Hugo Chavez's Bolivarian] revolution," he explained. "What we see now is an inexorable consequence of over a decade of unbalanced economic policies." Most supporters of the late president and his successor Nicolas Maduro would not agree with Mr Puente's analysis. But even Finance Minister Nelson Merentes recently acknowledged that the economic policies followed by the government had not been successful. In a television interview broadcast on the weekend, he called for reforms to tackle structural economic problems. "This is a government that has won 18 elections, that has had social achievements," he told TV channel Televen. "But it still has to be successful on the economy." Oil riches Since Mr Chavez came to power in 1998, the government has succeeded in reducing inequality, poverty and malnutrition, according to various United Nations and World Bank indexes. Huge investment in the social sector, government subsidies and price controls on staple foods, fuelled by revenues from Venezuela's oil industry, have been behind its achievements in narrowing the gap between the rich and poor. Venezuela has the world's largest reserves of oil, which make up 95% of the country's total exports. The downside to some of these social-oriented policies has been that they created distortions in the economy, say analysts. One of the most controversial policies was brought in in 2003, when the government set a fixed rate for foreign currency exchange. The move was designed to keep government control over prices and to make certain basic items, such as bread and rice, more affordable to the poor. Black market Under the currency controls, people and businesses can receive US dollars at the official rate only by applying to a government currency agency, and then only for the purpose of importing goods or to pay for foreign travel. The amount of dollars available at the official rate is restricted, causing the black market to flourish. The official exchange rate is 6.30 bolivars to the dollar. On the black market, the exchange rate is six times higher. While changing money on the black market is a crime, finding traders is extremely easy and Venezuelans calculate their cost of living according to the black market exchange rates. "Every aspect of Venezuela's economy depends on the distortion of the market provoked by the fixed exchange rate," says Francisco Ibarra, a director at Econometrica, an economic think-tank close to the opposition. And some analysts on the other side of the political spectrum agree Venezuela's currency controls are problematic. "The fixed exchange rate is what has provoked most damage," acknowledges Victor Alvarez, a former minister of industry under Mr Chavez. "When the price of a currency remains frozen in time, while prices of goods and services go up … it creates a very harmful phenomenon," Mr Alvarez told Venezuelan financial newspaper El Mundo. When using the official market rate, Caracas is among the 10 most expensive cities in the world as measured by the Economist's 2013 Big Mac index. The index uses the price of a hamburger to compare living costs around the world. In Venezuela, a Big Mac will set you back over $10 (£6.40). Shortages Many say the fixed exchange rate is also to blame for other problems the Venezuelan economy is experiencing. Analysts say that imports become difficult because companies cannot access dollars. They say this, combined with an inadequate domestic production of food staples and dependence on imports, is creating shortages. According to the Central Bank, the scarcity index is currently at 18%, meaning that out of 100 goods, 18 are not available. Venezuela also suffers from the highest inflation rates in Latin America. Prices go up regularly for items that are not subsidised and protected by the government. Pineapples used to cost 20 bolivars in March ($3 on the official exchange rate), but now they are double that. Minimum wages have gone up, but not enough to catch up with the inflation. "Venezuela has the worst macroeconomic indicators in the entire region," says Mr Puente. "The lowest growth rates, the highest inflation and the highest shortages index." "Mr Merentes understands this very serious unbalance and the necessity for change. But this is also a political problem." Until his death, Mr Chavez had been hugely popular, winning four consecutive elections as president. Mr Maduro, who won April's election by a razor-thin margin, cannot command the same support his predecessor enjoyed.

**Specifically, oil income will drop nearly 4%**

**Tovar, 7/26** – won the Citi Journalism Award for Excellence 2012, head of the microeconomics desk at El Universal, a major Venezuelan newspaper headquartered in Caracas, translated by Conchita Delgado (Ernesto J., “Plunge of 3.8% expected in Venezuela's oil bill” El Universal, 26 July 2013, http://english.eluniversal.com/economia/130726/plunge-of-38-expected-in-venezuelas-oil-bill)//BI

The performance of Venezuelan oil exports in 2013 is not at all encouraging, as appears from the estimates in the oil and gas market. The US Energy Information Administration (EIA), the statistics arm of the US Department of Energy, estimated Venezuela's oil income at USD 30 billion in January-June 2013. The EIA numbers show a dataset since 2004, both for the face value and the real value, deducting inflation and taking FY2005 as the baseline (when the measurement started). Based on this endpoint, Venezuela seemingly received USD 25 billion in the first half of FY2013 for oil exports. Likewise, this leads to an income forecast of near USD 50 billion for 2013. If such forecast comes true, 2013 will end with a drop of 3.85% in the value of oil exports, compared with USD 52 billion in 2012. Both falling oil prices and the looming reduction of Venezuelan oil exports in the light of growing domestic demand of hydrocarbons play a key role in such decline. Venezuelan oil traded at USD 101.89 per barrel in the first half of 2013, substantially below USD 107.78 in the same period the previous year, or 5.46% less. Thus far this year, the Venezuelan oil basket averages USD 102.07, that is, 1.35% less than USD 103.42 in 2012.

**Negative trends are a result of growing state control of oil resources – that limits investment, restricts democracy and increases risk of oil shocks – U.S. action is key to reverse them**

**Goldwyn, 13** – President, Goldwyn Global Strategies, LLC (4/11/2013, David L., “The Impact of the Tight Oil and Gas Boom on Latin America and the Caribbean: Opportunities for Cooperation,” House Committee on Foreign Affairs; Subcommittee on the Western Hemisphere; “Energy Opportunities in Latin America and the Caribbean” http://docs.house.gov/meetings/FA/FA07/20130411/100622/HHRG-113-FA07-Wstate-GoldwynD-20130411.pdf)

The unconventional revolution will also force the resource-endowed nations of the Western Hemisphere to develop more competitive investment frameworks. North America has become the investment destination of choice, with large markets, attractive fiscal terms, strong rule of law and respect for contract sanctity in the U.S and Canada. As will be discussed in greater depth, many Latin American countries are noted for resource nationalism, volatile investment frameworks, and political extremes rather than stability. In order for Latin America to compete, investment terms will have to improve and regulatory frameworks must be enforced with equity and consistency. In short, the southern half of the Hemisphere must prove that it can adapt to changing markets, resource bases and technologies in order to compete with the opportunities found in North America. The prospects for this adaptation are mixed, providing opportunities for U.S. energy diplomacy. II. Energy Trends in the Western Hemisphere The Western Hemisphere has seen the rise of two trends in energy governance in recent years. One trend is towards rising state control of energy resources – in Venezuela, Argentina, Bolivia and Ecuador in particular. The concern here is that this trend will limit the growth of global supplies of oil and gas by undermining the value of existing investments, discouraging future investment and leading to political instability resulting from declining living standards. The economic consequence of this trend is that the hemisphere will contribute less to the diversification of oil supply, thereby engendering a tighter international oil market more vulnerable to the negative effects of supply shocks, increasing the importance of OPEC supply and, over time, undermining economic development in the region. The political consequences of these trends include the decline of U.S. influence in the region relative to competing ideologies and the erosion of democratic structures. A second, much more positive, trend is towards creative fiscal regimes that welcome foreign investment and require state owned companies to compete with international companies, with independent regulators that promote fair and efficient regulation. Countries observing this model are increasing production or stalling the decline of existing reserves. Colombia, Trinidad and Tobago, and Peru are key examples of this creative model. When I last testified on Latin American energy trends before Congress, Mexico was generally considered to be a part of the first group, making the net trend negative. Today, however, Mexico’s government is actively seeking reforms that include, but are certainly not limited to, the energy sector. A new question mark hangs over Brazil, however. While Petrobras had been viewed as an exemplar national oil company in recent years, it has recently seen its production estimates curtailed, and its market value tumble. The company is no longer second in value only to Exxon Mobil. Perhaps as a sign of changing regional dynamics, Petrobras is now reported to be worth less than Colombia’s national oil company, a development that would have been thought to be nearly unthinkable just a few years ago. 14 While natural gas production is rising, oil production is falling, as Petrobras has faced major challenges fulfill both its newfound responsibilities in the deep and ultra-deepwater subsalt resources, companies face challenges meeting aggressive local content requirements and Petrobras struggles to meet the political expectations of the government. Venezuela and Mexico are the most important oil exporters in the hemisphere. While Brazil, Colombia and Argentina are important destinations for foreign investment, and helpfully produce enough oil to meet their own domestic needs and make some contribution to the global export market, they are not strategic suppliers to the global market at this time. Only Mexico, Brazil and Venezuela produce more than a million barrels per day, although Colombian crude oil production rose as high as 944,310 barrels per day in 2012,15 and Federico Renjifo, the Colombian Energy and Mining Minister, has stated that the country expects to produce 1.01 mbd in 2013.16 Bolivia has enormous gas reserves, but exports mostly to Brazil and modestly to Argentina. Only Trinidad and Tobago is a key supplier to the world gas market. A. The Rise in State Control From those countries now committed to increasing state control, the U.S. faces two key challenges: the loss of production growth and diversity of supply from the region if new economic frameworks are unattractive to foreign investors and, most critically, the loss of U.S. influence vis-à-vis competing political visions. The Economic Impact of Rising State Control The recent wave of changes in contractual terms and dramatic changes in tax regimes in Venezuela, Bolivia, Ecuador and, in recent years, Argentina, threatens to slow new investment and eventually deepen instability and poverty in these nations, as well as destroy shareholder value for the companies invested there. The deterioration in the investment climate for energy in these countries is primarily an economic threat, as it foments an environment where supply is constrained and prices are high. We are seeing the revision of economic terms at a time when producers rather than companies hold more market power. Venezuela In 2007, President Hugo Chavez led the nationalization of oil exploration and production in Venezuela, mandating renegotiation of contracts with a minimum 60 percent PdVSA share. While sixteen companies, including Shell and Chevron, complied with the new agreements, ExxonMobil and ENI refused to cooperate and were forcibly taken over. Both companies have pending complaints before the International Centre for the Settlement of Investment Disputes (ICSID) at the World Bank that are expected to be decided in late 2013. As a result of those claims, particularly the ExxonMobil claim, Venezuela withdrew from the ICSID in 2012.17 The impact of the nationalizations, according to expert analysts like Deutsche Bank and Wood Mackenzie, was a massive flight of investment capital from Venezuela’s heavy oil sector to Canada’s oil sands, effectively freezing development of the hemisphere’s largest oil reserves during one of the greatest oil booms in history. The net impact on Venezuela’s credit and credibility are quite negative, again with serious negative long-term consequences for the global oil market and Venezuela’s own economy. In 2008, ENI and Total came reached an agreement with PdVSA regarding a 2005 joint venture requirement that they had not previously signed an MOU for. Terms for involvement in natural gas development in Venezuela are slightly more beneficial, although in 2012, the year before his death, President Chavez expressed some interest in altering those terms. It is generally expected that Venezuela’s oil production will continue to fluctuate or stagnate without considerable outside investment. According to the EIA, some analysts estimate that PdVSA must spend at least $3 billion annually in order to keep production at its current levels.18 Venezuela plays a significant role in the Western Hemisphere, acting as a proxy for Cuba and providing oil at favorable cost and financing terms to Caribbean nations through Petrocaribe and the Southern Cone through Petrosur, ventures which add stress to the country’s fiscal situation. While change is unlikely to happen quickly, pressure stemming from the recent failed currency devaluation, rising inflation, and vast external subsidies will take a toll on the economy and are ultimately unsustainable.

**Growing economic crises and ties with Iran are fueling narco terror networks targeting the U.S.**

**Shinkman, 13** – national security reporter at U.S. News and World Report (4/24/2013, Paul D., “Iranian-Sponsored Narco-Terrorism in Venezuela: How Will Maduro Respond? New Venezuelan president at a crossroads for major threat to U.S.,” http://www.usnews.com/news/articles/2013/04/24/iranian-sponsored-narco-terrorism-in-venezuela-how-will-maduro-respond)

At a conference earlier this month, top U.S. military officers identified what they thought would be the top threats to the U.S. as it draws down from protracted wars in Iraq and Afghanistan. Gen. James Amos, commandant of the Marine Corps, was unequivocal about a largely unreported danger: "Narco-terrorism just on our south border: [it is] yet to be seen just how that is going to play out in our own nation, but it is an issue and it is something that our nation is going to have to deal with." "Colombia is doing particularly well, but there is an insurgency growing," Amos continued. "They have been fighting it, probably the greatest success story in this part of the world." The commandant's remarks came a week before the April 14 election where Venezuelans chose a successor to the wildly popular and charismatic Hugo Chavez, who died March 5. Amos indicated the outcome of this election would define much of future relations between the U.S. and Venezuela, located on a continent that has rarely appeared on America's foreign policy radar in the last decade. Experts, analysts and pundits could not have predicted the election outcome: The establishment's Nicolas Maduro beat reformer Henrique Capriles by a margin of roughly 1 percent. Chavez's hand-picked successor inherited the presidency, but he would not enjoy a broad public mandate to get a teetering Venezuela back on track. The situation in the South American nation remains dire amid skyrocketing inflation, largely due to Chavez's efforts to nationalize private industry and increase social benefits. Maduro's immediate attention after claiming victory was drawn to remedying widespread blackouts and food shortages. One expert on the region says the new leader may need to tap into a shadow world of transnational crime to maintain the stability his countrymen expect. "Venezuela is a really nice bar, and anybody can go in there and pick up anybody else," says Doug Farah, an expert on narco-terrorism and Latin American crime. He compares the country to the kind of establishment where nefarious actors can find solutions to a problem. Anti-American groups can find freelance cyber terrorists, for example, or potential drug runners can make connections with the FARC, the Colombian guerilla organization, he says. "Sometimes it creates a long-term relationship, and sometimes it creates a one-night stand," says Farah, a former Washington Post investigative reporter who is now a senior fellow at the Virginia-based International Assessment and Strategy Center. Under Chavez, Venezuela also created strong ties with Cuba, which for decades has navigated treacherous financial waters and desperate economic straits, all while dodging U.S. influence. But the help Venezuela receives is not limited to its own hemisphere. Farah produced a research paper for the U.S. Army War College in August 2012 about the "growing alliance" between state-sponsored Iranian agents and other anti-American groups in Latin America, including the governments of Venezuela and Cuba. This alliance with Iran uses established drug trade routes from countries in South and Central America to penetrate North American borders, all under a banner of mutual malevolence toward the U.S. The results of this access are largely secret, though security experts who spoke with U.S. News believe the attempted assassination of the Saudi Arabian ambassador in Washington, D.C.'s Georgetown neighborhood was carried out by Iranian intelligence operatives. "Each of the Bolivarian states has lifted visa requirements for Iranian citizens, thereby erasing any public record of the Iranian citizens that come and go to these countries," wrote Farah of countries such as Venezuela, Ecuador, Colombia and Panama. He also cited Venezuelan Foreign Minister David Velasquez who said, while speaking at a press conference in Tehran in 2010, "We are confident that Iran can give a crushing response to the threats and sanctions imposed by the West and imperialism." These relationships are controlled by a group of military elites within Venezuela, Farah tells U.S. News. He wonders whether the 50.8 percent of the vote Maduro won in the April 14 election gives him enough support to keep the country – and its shadow commerce – stable enough to continue its usual business. "[Maduro] has been and will continue to be forced to take all the unpopular macroeconomic steps and corrections that are painful, but Chavez never took," Farah says. "There is going to be, I would guess, a great temptation to turn to [the elites] for money." "Most criminalized elements of the Boliavarian structure will gain more power because he needs them," he says, adding "it won't be as chummy a relationship" as they enjoyed with the ever-charismatic Chavez.

**Results in WMD terrorism on the U.S.**

**Anderson, 8** – AP writer, citing Charles Allen, former chief of intelligence analysis at the Department of Homeland Security (Curt, “US officials fear terrorist links with drug lords,” USA Today, 8 October 2013, http://usatoday30.usatoday.com/news/nation/2008-10-08-805146709\_x.htm)

MIAMI — There is real danger that Islamic extremist groups such as al-Qaida and Hezbollah could form alliances with wealthy and powerful Latin American drug lords to launch new terrorist attacks, U.S. officials said Wednesday. Extremist group operatives have already been identified in several Latin American countries, mostly involved in fundraising and finding logistical support. But Charles Allen, chief of intelligence analysis at the Homeland Security Department, said they could use well-established smuggling routes and drug profits to bring people or even weapons of mass destruction to the U.S. "The presence of these people in the region leaves open the possibility that they will attempt to attack the United States," said Allen, a veteran CIA analyst. "The threats in this hemisphere are real. We cannot ignore them." Added U.S. Drug Enforcement Administration operations chief Michael Braun: "It is not in our interest to let that potpourri of scum to come together."

**Retaliation risks extinction**

**Wright 7** – New America Foundation senior fellow (Robert, 4/28, Planet Of The Apes, http://select.nytimes.com/2007/04/28/opinion/28wright.html)

(3) Terrorism. Alas, the negative-feedback loop -- bad outcomes lead to smart policies -- may not apply here. We reacted to 9/11 by freaking out and invading one too many countries, creating more terrorists. With the ranks of terrorists growing -- amid evolving biotechnology and loose nukes -- we could within a decade see terrorism on a scale that would make us forget any restraint we had learned from the Iraq war's outcome. If 3,000 deaths led to two wars, how many wars would 300,000 deaths yield? And how many new terrorists? Terrorism alone won't wipe out humanity. But with our unwitting help, it could strengthen other lethal forces. It could give weight to the initially fanciful ''clash of civilizations'' thesis. Muslim states could fall under the control of radicals and opt out of what might otherwise have become a global civilization. Armed with nukes (Pakistan already is), they would revive the nuclear Armageddon scenario. A fissure between civilizations would also sabotage the solution of environmental problems, and the ensuing eco-calamity could make people on both sides of the fissure receptive to radical messages. The worse things got, the worse they'd get. So while no one of the Big Three doomsday dynamics is likely to bring the apocalypse, they could well combine to form a positive-feedback loop, a k a the planetary death spiral. And the catalyst would be terrorism, along with our mishandling of it.

**Expanding market based investment is essential to Venezuelan stability and Maduro’s grip on power**

**Campbell, 13** – editor of Alberta Oil (Darren, “A new leader could signal change for Venezuela’s troubled oil and gas sector; If Nicolas Maduro can reverse the industry's decline, it could siphon off investment in Alberta's oil sands,” 16 April 2013, http://www.albertaoilmagazine.com/2013/04/a-new-leader-could-signal-change-for-venenzuelas-oil-and-gas-sector/)

That’s because Venezuelan heavy oil is a competitor to the bitumen and heavy oil Alberta produces, and as long as the Venezuelan oil and gas industry is badly underperforming, some of the investment that could be going to develop its reserves will flow to the oil sands. But now that Maduro is the new boss in Venezuela, is he likely to reverse the decline? Devon Energy Big Box To gain some insight into that question, I contacted Roger Tissot – a native of Colombia who is now a British Columbia-based industry consultant who specializes in South America. Last June, Tissot wrote an essay on Chavez and the future of the Venezuela oil and gas industry that appeared in Alberta Oil. Maduro was Chavez’s hand-picked successor, and knowing that, Tissot says no one should expect a drastic reversal of policies – or a drastic turnaround in the industry’s fortunes. However, the status quo can’t continue, either. Maduro needs oil and gas revenue to fund the country’s social programs and keep the country from falling into chaos. A better run, more free market-leaning oil and gas industry will help Maduro accomplish this and keep him in power longer. Therefore, Tissot thinks Maduro has little choice but to shake things up when it comes to oil and gas matters. “One could expect a government more accessible to foreign investments, and foreign investors concerns (rule of law, security of payments, stability of contracts.) Although it is too early to say, one should expect the Venezuelan oil sectors – after years of stagnation and mismanagement – to perhaps start showing some signs of life again,” he wrote in an email exchange. “How soon and how deep is something that will depend on how Mr. Maduro’s administration performs.

**Instability spills over to rest of the region**

**Shifter, 3** – vice president for policy at the Inter-American Dialogue (Michael, “Why Venezuela Matters,” 16 July 2003, http://nationalinterest.org/article/why-venezuela-matters-2388?page=1)

For the United States, Venezuela is not just another Latin American country in turmoil. It is, after all, the fourth largest oil supplier to the United States, accounting for 15 percent of its oil imports. Senior US officials point to oil as the overriding interest in Venezuela. In the wake of US military action in Iraq, and the tremendous uncertainty in the Middle East, one would think that Venezuela would acquire even greater urgency for the United States. Oil works both ways, however. Shrewdly, the Chavez government allows the oil to flow precisely to avoid antagonizing foreign operations and, especially, the United States. Oil aside, there are other key U.S. interests at play in Venezuela, though these are less widely recognized. Regional stability and security top the list. The five countries that make up the Andean region of South America are particularly convulsed. Continued chaos and escalating violence in Venezuela would not only inflict damage on the country itself, but could well undermine the ability of neighboring countries to achieve and maintain social peace. In this regard, Colombia deserves special mention. The United States has long sought to bolster the Colombian government's efforts to extend state authority and control. Since 1999, Colombia has received some $2.5 billion in security aid from the United States, making it the largest beneficiary outside of the Middle East. Yet, there has been increasing violence on the Colombia/Venezuela border involving Colombian guerrilla and paramilitary forces - and even Venezuela's armed forces. Should the Venezuelan crisis become a military conflagration, the resulting instability would be detrimental to longstanding US policy objectives. The conditions are combustible, and the risks are growing.

**The impact is global hegemonic war**

**Rochlin 94** – Prof. Pol. Sci. @ Okanagan University College (James Francis, “Discovering the Americas: the evolution of Canadian foreign policy towards Latin America”, p. 130-131)

While there were economic motivations for Canadian policy in Central America, security considerations were perhaps more important. Canada possessed an interest in promoting stability in the face of a potential decline of U.S. hegemony in the Americas. Perceptions of declining U.S. influence in the region – which had some credibility in 1979-1984 due to the wildly inequitable divisions of wealth in some U.S. client states in Latin America, in addition to political repression, under-development, mounting external debt, anti-American sentiment produced by decades of subjugation to U.S. strategic and economic interests, and so on – were linked to the prospect of explosive events occurring in the hemisphere. Hence, the Central American imbroglio was viewed as a fuse which could ignite a cataclysmic process throughout the region. Analysts at the time worried that in a worst-case scenario, instability created by a regional war, beginning in Central America and spreading elsewhere in Latin America, might preoccupy Washington to the extent that the United States would be unable to perform adequately its important hegemonic role in the international arena – a concern expressed by the director of research for Canada’s Standing Committee Report on Central America. It was feared that such a predicament could generate increased global instability and perhaps even a hegemonic war. This is one of the motivations which led Canada to become involved in efforts at regional conflict resolution, such as Contadora, as will be discussed in the next chapter.

**Investment in Venezuela trades off with Canadian oil sands**

**Campbell, 13** – editor of Alberta Oil (Darren, “A new leader could signal change for Venezuela’s troubled oil and gas sector; If Nicolas Maduro can reverse the industry's decline, it could siphon off investment in Alberta's oil sands,” Alberta Oil, 16 April 2013, http://www.albertaoilmagazine.com/2013/04/a-new-leader-could-signal-change-for-venenzuelas-oil-and-gas-sector/)

Oil-rich Venezuela has a new president and his name is Nicolas Maduro. On Monday, Maduro was declared the winner of the closest presidential election the country has had in 45 years. He succeeds Hugo Chavez, who died of cancer on March 5. Normally, we wouldn’t write about the results of an election from a far-off outpost like Venezuela here at Energy Ink. But Venezuela isn’t just any outpost. It has some of the largest oil and gas reserves in the world. And under Chavez, the industry and the state-run company, the Petroleos de Venezuela, S.A (PDVSA), have been run badly. That, of course, has been good for Alberta’s own oil and gas industry, particularly the oil sand sector. That’s because Venezuelan heavy oil is a competitor to the bitumen and heavy oil Alberta produces, and as long as the Venezuelan oil and gas industry is badly underperforming, some of the investment that could be going to develop its reserves will flow to the oil sands.

**Impact is extinction from runaway climate change**

**Hansen, 12** – directs the NASA Goddard Institute for Space Studies (James, “Game Over for the Climate,” New York Times, 9 May 2009, http://www.nytimes.com/2012/05/10/opinion/game-over-for-the-climate.html?\_r=0)

GLOBAL warming isn’t a prediction. It is happening. That is why I was so troubled to read a recent interview with President Obama in Rolling Stone in which he said that Canada would exploit the oil in its vast tar sands reserves “regardless of what we do.” If Canada proceeds, and we do nothing, it will be game over for the climate. Canada’s tar sands, deposits of sand saturated with bitumen, contain twice the amount of carbon dioxide emitted by global oil use in our entire history. If we were to fully exploit this new oil source, and continue to burn our conventional oil, gas and coal supplies, concentrations of carbon dioxide in the atmosphere eventually would reach levels higher than in the Pliocene era, more than 2.5 million years ago, when sea level was at least 50 feet higher than it is now. That level of heat-trapping gases would assure that the disintegration of the ice sheets would accelerate out of control. Sea levels would rise and destroy coastal cities. Global temperatures would become intolerable. Twenty to 50 percent of the planet’s species would be driven to extinction. Civilization would be at risk.That is the long-term outlook. But near-term, things will be bad enough. Over the next several decades, the Western United States and the semi-arid region from North Dakota to Texas will develop semi-permanent drought, with rain, when it does come, occurring in extreme events with heavy flooding. Economic losses would be incalculable. More and more of the Midwest would be a dust bowl. California’s Central Valley could no longer be irrigated. Food prices would rise to unprecedented levels. If this sounds apocalyptic, it is. This is why we need to reduce emissions dramatically. President Obama has the power not only to deny tar sands oil additional access to Gulf Coast refining, which Canada desires in part for export markets, but also to encourage economic incentives to leave tar sands and other dirty fuels in the ground.

**U.S. energy engagement solves – political and economic changes make Maduro’s acceptance likely**

**Shifter, 13** – Adjunct Professor of Latin American Studies at Georgetown University's School of Foreign Service (Michael, “The Empire Makes Nice: Is it time for a Venezuela reset?,” Foreign Policy 11 March 2013, http://www.foreignpolicy.com/articles/2013/03/11/the\_empire\_makes\_nice\_venezuela\_hugo\_chavez)

Four years ago, when the first Obama administration was still hopeful about the prospects of resetting relationships with U.S. adversaries in the world, Venezuela was high on the list. "Eight years of isolation has resulted in the kinds of outreach that, I think, both you and I find troubling," then Secretary of State Hillary Clinton told the Senate in 2009. "Our belief is, if it hasn't worked, why keep it going? Let's see what else might be possible." Things haven't turned out quite as planned, but following the death of Hugo Chávez, the United States may get a new opportunity to improve one of its most frustrating relationships, and find out if a new way of operating might indeed be possible. Some progress has been made, of course. The Obama administration learned some important lessons from the George W. Bush years. It wisely avoided becoming embroiled in rhetorical tit-for-tats -- a game Chávez played with relish and of which he was the undisputed master. In 2006, for instance, then-Defense Secretary Donald Rumsfeld likened Chávez to Adolf Hitler. The Venezuelan president responded in kind at a rally in Caracas, "The imperialist, genocidal, fascist attitude of the U.S. president has no limits. I think Hitler would be like a suckling baby next to George W Bush." The Obama White House also seemed to accept the fact that, for all his faults and the problems he posed for the United States, Chávez was Venezuela's legitimately elected president. Had there been another attempt to oust him, Obama officials would, one hopes, not have expressed undisguised glee, as the Bush White House did during the brief putsch of 2002. Seven years after that failed coup attempt, and three months into his presidency, Obama shook hands and bantered a bit with Chávez at a hemispheric summit in Trinidad and Tobago. (Chávez, ever the showman, gave Obama a copy of a book by leftist historian Eduardo Galeano, a gift presumably aimed at enlightening the incoming president about the evils of U.S. imperialism.) True, Obama has eschewed Bush's military adventurism, which touched a deep nerve in Latin America. But a more restrained U.S. foreign policy and a commitment to "engage" with the region as "partners" did little to persuade Chávez that Washington had changed its tutelary ways. "Obama, to me, until now, has been a great disappointment." Chavez told CNN in 2010, comparing the U.S. president to a highly rated baseball pitching prospect who "end up being wild." Today, three months into Obama's second term, Washington will have to deal with a Venezuela -- a country with the world's largest oil reserves that accounts for roughly 10 percent of U.S. imports today -- without Chávez. No one can match the riveting theater Chávez reliably provided -- his trademark, strident rhetoric and audacious, provocative moves on the regional and global stages, so often targeted at Washington. Still, after 14 years of distancing and mutual suspicions, the U.S.-Venezuela relationship is sure to be very difficult. Though uncertainty abounds in the country that Chávez so thoroughly dominated for so long, the most likely scenario is that acting President Nicolás Maduro, Chávez's designated successor, will win the election scheduled for April 14. He will benefit from an emotional boost from Chavez's death and a demoralized opposition that that was thrown off balance by major defeats in presidential and gubernatorial elections in late 2012. Maduro will preside over a government made up of diverse factions that, absent Chávez's charisma and political shrewdness, will have a hard time staying together -- particularly as the country's already serious economic conditions worsen. The Obama administration should take two critical facts about Venezuela's post-Chávez political reality into account. First, since Maduro is not Chávez, he will have little choice but to govern in a different fashion than his predecessor. Lacking comparable magnetism and resources, Maduro will likely be somewhat more accommodating to those Chávez treated with utter intransigence, such as the private sector, foreign investors, and the opposition. Maduro, acting out of self-interest, will need, and look for, political oxygen.The second is simply the risk of turbulence in Venezuela, especially after the upcoming electoral cycle. To be sure, analysts' occasional predictions about political violence during the Chávez years were (happily) not borne out. And given the extent of rancor and polarization in the society, it is striking how little political violence there has been (common crime, on the other hand, has skyrocketed). Still, the security situation is far from settled -- a militia force of 125,000 answered directly to Chávez -- and it would be a mistake to rule out chaotic and perilous scenarios that should be of great concern to the entire hemisphere. What does this mean for Washington? Assuming that Maduro succeeds Chávez, the Obama administration should be amenable to taking steps toward establishing a better relationship with Caracas. Since the relationship today is practically nonexistent, that would not require a big leap.It might simply entail opening up channels of communication and seeking to establish an ambassadorial presence in both capitals which -- absurdly, given the strong commercial relationship between the two countries -- have not existed since 2010. Beyond that, depending on how Venezuela's economic situation unfolds, it might be worth exploring some degree of cooperation and support in energy. Under Chávez, Venezuela's state oil company PDVSA has suffered from declining production and investment and heavy politicization. Maduro may not want to change that right away -- he will need to show that he is a loyal Chávista. But if the country's fiscal pressures prove untenable, he may have few options, and the United States should be open to helping out. Collaboration on counternarcotics and law enforcement would also be desirable but for the time being are probably non-starters politically, given the depth of mutual mistrust (not to mention that seven Venezuelan officials are on a Treasury Department blacklist for their alleged involvement in drugs and arms dealing). To its credit, the State Department reached out to Maduro several months ago, and following Chávez's death the Obama administration has expressed an interest in improving the tense bilateral relationship. Its entreaty was surely not helped by Maduro's broadside against the United States, just hours before he announced that Chávez had died -- a move right out of Hugo's playbook. Maduro not only expelled two military attaches from the U.S. Embassy but also intimated that Washington might have been responsible in some way for Chávez's death. Absent a shred of evidence, Maduro's words were outrageous, but aimed at proving to the base that he was a worthy heir to Chávez before the election. But it's far too early for the United States to give up hope on Maduro. Despite his reckless words in recent days, his ideologically hard-line views, and close relationship with Cuban leaders, Maduro's style contrasts sharply with Chávez's. Chávez was a military man, a former paratrooper who attempted a coup in 1992. Maduro was not only foreign minister and head of the National Assembly, but earlier in his career was a union official who negotiated deals. He will be tough rhetorically, but some give-and-take behind the scenes seems feasible -- a balancing act Washington will have to understand and deal with. Maduro will likely also confront more dire economic circumstances than Chávez ever did. Politically, he will not be able to afford to reject communication and some accommodation with the private sector.In fact, Maduro has been instrumental in the Venezuelan government's constructive role in current peace talks in Havana between the Colombian government and the Revolutionary Armed Forces of Colombia (FARC). His support to what is arguably Washington's closest South American ally in an effort to bring to an end the only remaining armed conflict in the hemisphere can be construed as an example of his pragmatism. A peace accord between the Colombian government and the FARC (which uses Venezuelan territory as a sanctuary and was supported by Chávez) would reduce a key source of instability in the wider region. To anticipate potential turmoil in Venezuela in the coming period, Washington should be consulting regularly and at the highest levels with South American allies, especially Colombia and Brazil, who have the most at stake should the security situation deteriorate. Although many commentators have drawn attention to Cuba's role in the Venezuelan transition, and have particularly highlighted Cuba's huge dependence on Venezuelan oil and money, Brazil will probably end up being just as influential as the situation unfolds. South America's undisputed superpower -- whose leverage on Venezuela stems from key exports, especially food, and political backing -- is chiefly interested in maintaining social peace within its own neighborhood In keeping with Brazil's own governance and political evolution in recent years, Brasilia will aim to keep the situation in Venezuela under control and to encourage moderation, gradualism, and communication on both sides. It does not want trouble on its borders. Venezuela's recent entry into the Brazil-led MERCOSUR trade group will makes this issue of even greater concern for President Dilma Rousseff's government. In this respect, there is ample coincidence of interests between Washington and Brasília. Absent Chávez, Venezuela will continue to be tricky in the second Obama administration. The administration will need to arrive at a more accurate on-the-ground reading of what is happening in the country. It will need to engage in quiet, steady, high-level diplomacy with key allies in the region not only to closely monitor the security situation and guard against dire scenarios but to press for free and fair elections and adherence to the rule of law. None of this will be easy, and recent history is not encouraging. But Chávez is gone, and although for now some measure of continuity in Venezuela is most likely, conditions of scarcity -- in charisma, money, and political astuteness -- will soon be acutely felt. It is important not to forget that Chávez was able to do what he did for 14 years for a simple reason -- because he could.

**U.S. resources and expertise are key**

**Farnsworth, 13** – vice president of the Council of the Americas and Americas Society (Eric, “Energy Security Opportunities in Latin America and the Caribbean, Hearing Before the House Committee on Foreign Affairs Subcommittee on the Western Hemisphere, 11 April 2013, http://docs.house.gov/meetings/FA/FA07/20130411/100622/HHRG-113-FA07-Wstate-FarnsworthE-20130411.pdf)

More broadly, the United States has a strategic interest in working with willing nations in the hemisphere to develop their own energy resources effectively, while promoting models that reduce the negative if unintended consequences of regional energy development, including a lack of transparency and official corruption, the distorting impact of consumption subsidies, an over-reliance on a single commodity or sector, environmental concerns, and a concentration of wealth and political power around the sector. In order to develop their respective industries, nations need U.S. technology, management expertise, and investment dollars. They need our education system to develop their engineers and seismologists, they need help to understand regulatory, tax, and policy models that work, they need to be exposed to best practices in environmental mitigation, and they need our technical assistance to improve the investment climate and the rule of law.

**1AC Plan**

**Thus, the United States federal government should substantially increase its investment and technical aid for Venezuela’s liberalization of its energy sector.**

**1AC Relations**

**Large-scale rapprochement is possible but not occurring now – oil investment could catalyze stronger relations**

**Metzker, 13** – IPS News writer, citing Shifter and Diana Villiers Negroponte, senior fellow at the Brookings Institute (Jared, “Analysts Say Oil Could Help Mend U.S.-Venezuela Relations,” 17 June 2013, http://www.ipsnews.net/2013/06/analysts-say-oil-could-help-mend-u-s-venezuela-relations/,)

A shift in U.S. foreign policy towards Venezuela may be pending as a bilateral rapprochement suddenly appears more possible than it has in years. On the sidelines of talks held earlier this month in Guatemala by the Organisation of American States (OAS), U.S. Secretary of State John Kerry met with Venezuelan Foreign Minister Elias Jaua, with Kerry’s subsequent statements indicating that relations could be heading in a friendlier direction. “We agreed today – both of us, Venezuela and the United States – that we would like to see our countries find a new way forward, establish a more constructive and positive relationship and find the ways to do that,” Kerry said following the meeting with Jaua, which was reportedly requested by the Venezuelans. The meeting happened on the heels of the release of Timothy Tracy, a U.S. filmmaker whom Venezuela had been holding on accusations of espionage. His release was interpreted by many as an “olive branch” being offered by the new Venezuelan government of Nicholas Maduro, whose presidency Washington still has not formally recognised. Only months ago, before the death of Venezuela’s long-time socialist leader Hugo Chavez, any normalisation of relations between Venezuela and the United States seemed highly unlikely. In 2002, Chavez was briefly removed from power by a military coup d’état that the U.S. Central Intelligence Agency (CIA) had known was imminent. Chavez immediately accused the United States of having played a part in the event. After his suspicions were confirmed partly valid, his rhetoric grew more scathing. In 2006, he famously told the United Nations General Assembly that then-U.S. President George W. Bush was “the devil himself”. Following Chavez’s death from cancer in March, however, his hand-picked successor, Maduro, the former vice-president, has not been as vitriolic in his posturing vis-à-vis the United States. According to Michael Shifter, president of the Inter-American Dialogue, a Washington-based think tank, Maduro has offered “conflicting signals”. “Maduro has so far shifted in his position toward the U.S. between a moderate approach and a more hard-line one,” Shifter told IPS. The new president’s waffling may be a reflection of his tenuous grip on power. By many accounts, Maduro lacks the political prowess and rabble-rousing charm of Chavez, who enjoyed military backing as well as fervent support from the lower classes. In addition to a strong anti-Chavista opposition that openly challenges the legitimacy of his narrowly won election, Maduro has had to deal with a split within Chavez’s own former political base. Shifter pointed out that among the military, which was once a source of significant strength for Chavez, more support is given to Diosdado Cabello, currently head of Venezuela’s parliament and whose supporters believe he was the rightful heir to the presidency. Maduro’s legitimacy stems largely from his perceived ideological fidelity, the reason for his selection by Chavez to lead in the first place. Shifter said this leads him to “emulate” his predecessor and makes rapprochement with the United States less probable. Still, ideological concerns may not ultimately decide the issue. Venezuela has inherited from Chavez an economy in difficult straits, which continues to suffer from notorious shortages and high inflation. Oil economy Over half of Venezuela’s federal budget revenues come from its oil industry, which also accounts for 95 percent of the country’s exports. Estimated at 77 billion barrels, its proven reserves of black gold are the largest of any nation in the world. Despite a troubled political relationship, its principal customer is the United States, which imports nearly a million barrels a day from Venezuela. Venezuela’s oil industry has been officially nationalised since the 1970s, and, as president, Chavez further tightened government control over its production. His government took a greater chunk of revenues and imposed quotas that ensured a certain percentage would always go directly towards aiding Venezuelans via social spending and fuel subsidies. While these measures may be popular with Venezuelans, who pay the lowest price for gasoline in the world, critics argue such policies hampered growth and led to mismanagement of Petroleos de Venezuela, S.A. (PdVSA), the main state-run oil company. The same critics also point to increasing debt levels, slowdowns in productions and accidents stemming from faulty infrastructure. In order to boost production, PdVSA agreed in May to accept a number of major loans. This includes one from Chevron, one of the largest U.S. oil companies, which will work with Venezuelans to develop new extraction sites. “The oil sector is in deep trouble in Venezuela – production is down and the economic situation is deteriorating,” explained Shifter. “They know they need foreign investment to increase production, and this is in part what has motivated Maduro to reach out.” If its economy continues to falter, Venezuela may be further tempted to embrace the United States, which has the largest, most sophisticated fossil fuel industry in the world. Kerry’s recent words suggest that the administration of President Barack Obama would be waiting with open arms. “Venezuela cannot confront its economic crisis and the United States at the same time,” Diana Villiers Negroponte, a senior fellow at the Brookings Institute, a Washington think tank, told IPS, “and we are a pragmatic country which will deal with Maduro if it is in our interests.” Indeed, Negroponte said she was “optimistic” about the possibility of rapprochement between the two countries within the next six months. She notes a “troika” of issues on which the United States is looking for Venezuelan cooperation: counter-terrorism, counter-narcotics and assistance in ridding Colombia of its FARC rebels. Nonetheless, major actions remain to be taken if normalisation is to even begin, such as the exchange of ambassadors and official U.S. recognition of the Maduro government. Shifter (who regards the Kerry-Jaua meeting as “a small step”) was not optimistic that these larger requirements will be completed in the short term.“I don’t think Washington is going to push hard to send an ambassador to Caracas,” he said. “It will probably take more time to observe the new government and see where it is going.”

**Oil nationalization has undermined diplomatic relations**

**Daly, 13** – non-resident Fellow at The Johns Hopkins University Paul H. Nitze School of Advanced International Studies’ Central Asia-Caucasus Institute and one of the leading specialists on the post-Soviet space, particularly the Caucasus and Central Asia energy issues, having provided professional audiences with in-depth analysis of energy issues there for more than a decade (John, “Venezuelan President Maduro Offers Olive Branch to Washington,” 28 May 2013, http://www.economonitor.com/blog/2013/05/venezuelan-president-maduro-offers-olive-branch-to-washington)

To say that U.S. relations with Venezuela’s former President Hugo Rafael Chávez grew increasingly strained would be an understatement. But Chávez succumbed to cancer on 5 March, and the winds of change are blowing through Caracas. Why was Chávez in Washington’s bad books? His choice of allies, which included the Russian Federation, Iran and Cuba, but worse still were the social programs that Chávez implemented to benefit his people, which were socialist in nature, anathema to Washington’s proscriptions. But, tying the U.S. and Venezuela together like Siamese twins is – oil. According to the U.S. Energy Administration, Venezuela is the fourth largest provider of crude oil imports to the U.S., averaging 930 thousand barrels per day. In itscountry report on Venezuela the EIA succinctly noted, “Venezuela contains some of the largest oil and natural gas reserves in the world. It consistently ranks as one of the top suppliers of oil to the U.S. Venezuela is one of the world’s largest exporters of crude oil and the largest in the Western Hemisphere. The oil sector is of central importance to the Venezuelan economy. As a founding member of the Organization of the Petroleum Exporting Countries (OPEC), Venezuela is an important player in the global oil market.” Venezuela has the largest conventional oil reserves and the second-largest natural gas reserves in the Western Hemisphere and two years ago OPEC reported that of the organization’s 81.33 percent of the globe’s known oil reserves Venezuela had 24.8 percent, exceeding Saudi Arabia with 22.2 percent. According to state oil company Petróleos de Venezuela, S.A. (PDVSA) figures, Venezuela currently has 77.5 billion barrels of oil reserves, the largest in the Western Hemisphere. PDVSA has a production capacity, including its strategic associations and operating agreements, of 4 million barrels per day, the highest production capacity in the Western Hemisphere. To fund his social programs, Chávez was determined to bring the country’s oil sector under government control, putting him into direct conflict with Washington’s belief in free markets. Venezuela’s oil industry had been under private control until 1974, when Venezuela nationalized it, setting up PDVSA. Venezuela’s oil production is centered in the Orinoco Oil Belt, which analysts believe contains the world’s largest reserves of extra-heavy oil, with an estimated 300 billion recoverable barrels. In the 1990s PDVSA began a so-called “oil opening,” where it allowed more and more foreign private companies to extract oil, via majority shares in joint ventures and the operating agreements. But difficulties began with Washington in February 2007, when Chávez announced a new law to nationalize the last remaining oil production sites that are under foreign company control, to take effect on 1 May. Under the law, which allowed foreign companies to negotiate the nationalization terms, earlier joint ventures, involving ExxonMobil, ChevronTexaco, Statoil, ConocoPhillips, and BP, were transformed to give PDVSA a minimum 60 percent stake. The process completed a government initiative begun in 2005, when the Chavez administration transformed earlier “operating agreements” in Venezuela’s older oil fields into joint ventures with a wide variety of foreign companies. Thirty out of 32 such operating agreements were transformed, with most foreign companies accepting the new arrangements, but ExxonMobil and ConocoPhillips refused, instituting lawsuits for compensation that continue to this day. The policies had repercussions in the diplomatic sphere. On 28 June 2010 President Obama nominated Palmer as U.S. Ambassador to Venezuela but three months later Chávez announced on his weekly TV program that he would not allow Larry Palmer to take up his post after Palmer told a US senator that morale in the Venezuelan army was low and that members of Chávez’s government had ties to leftist FARC Colombian rebels. On 28 December Chávez flatly refused to accept Palmer because of his derogatory remarks and the following day the U.S. revoked the accreditation of Venezuelan ambassador, Bernardo Álvarez Herrera. And there relations have remained until now, even as oil sales have continued unabated.

**Engagement with Venezuela specifically is key to credibility**

**Griffin, 13** – Harvard editorial writer (John, “Engage with Venezuela,” The Harvard Crimson, 3 April 2013, http://www.thecrimson.com/article/2013/4/3/Harvard-Venezuela-Chavez-death/)

Diplomatically, positive engagement with Venezuela would be a major step toward building American credibility in the world at large, especially in Latin America. Chávez (along with his friends the Castros in Cuba) was able to bolster regional support for his regime by pointing out the United States’ attempts to forcibly intervene in Venezuelan politics. Soon, a number of populist governments in Latin America had rallied around Chávez and his anti-American policies. In 2004, Bolivia, Ecuador, Nicaragua, and three Caribbean nations joined with Venezuela and Cuba to form the Bolivarian Alliance for the Peoples of our America, an organization in direct opposition to the Free Trade Area in the Americas proposed (but never realized) by the Bush administration. Chávez galvanized these nations—many of whom have experienced American interventionist tactics—by vilifying America as a common, imperial enemy. Unfortunately for the United States, its general strategy regarding Venezuela has often strengthened Chávez’s position. Every time Washington chastises Venezuela for opposing American interests or attempts to bring sanctions against the Latin American country, the leader in Caracas (whether it be Chávez or Maduro) simply gains more evidence toward his claim that Washington is a neo-colonialist meddler. This weakens the United States’ diplomatic position, while simultaneously strengthening Venezuela’s. If Washington wants Latin America to stop its current trend of electing leftist, Chavista governments, its first step should be to adopt a less astringent tone in dealing with Venezuela. Caracas will be unable to paint Washington as an aggressor, and Washington will in turn gain a better image in Latin America.

**This is critical to boost U.S. influence and mold the regional economic framework**

**Goldwyn, 13** – President, Goldwyn Global Strategies, LLC (4/11/2013, David L., “The Impact of the Tight Oil and Gas Boom on Latin America and the Caribbean: Opportunities for Cooperation,” House Committee on Foreign Affairs; Subcommittee on the Western Hemisphere; “Energy Opportunities in Latin America and the Caribbean” http://docs.house.gov/meetings/FA/FA07/20130411/100622/HHRG-113-FA07-Wstate-GoldwynD-20130411.pdf)

III. The Impact of Hemispheric Energy Trends on U.S. Foreign Policy The tight oil boom will produce competitive pressure on the region’s oil and gas producers. If global oil prices soften, revenues could fall significantly and put major fiscal pressure on governments highly dependent on resource revenues for their budgets. The market will impact these economies far more than any U.S. policy can. But there will be a debate over economic frameworks in the hemisphere, and the U.S. should be a part of it. While U.S. influence in the hemisphere has waned in key areas in recent years, our ability to help these economies revive through energy investment, and to grow through more competitive energy feed stocks can help change this pattern if we take advantage of it. We have key strategic partners in the region including Brazil, Mexico, Chile, Argentina, and Colombia. We can effectively use trade as a tool for good, as witnessed by the US-Colombia Free Trade Agreement. We need to appreciate the salience of legitimate regional issues like poverty and advocate how our economic and political models can alleviate them. Examples of this are addressing trade barriers to agricultural imports, expanding educational opportunities in the U.S. for future leaders, improving the visa application process, dealing with migration issues with Mexico in a spirit of respect and fairness, supporting World Bank and Inter American Development Bank infrastructure programs in the hemisphere, supporting the development of civil society and the capacity of democratic institutions, and treating our relations with our hemispheric neighbors as intrinsically important, not as litmus tests of loyalty to the U.S. on issues external to the region itself. In countries where we face ideological competition, it is crucial that we do not abandon the field. We need to increase our diplomatic engagement and defend our way of thinking. A. Uncertainty in Venezuela Venezuela has long been seen as the leader of a regional group of states seeking to wage an ideological and political competition for regional influence with the U.S. Yet the death of President Chavez, whose charisma has long been regarded as a key facet of the Bolivarian narrative, and Venezuela’s growing economic problems, which were recently reflected by the government’s efforts to devalue the currency by more than 30% against the dollar, have led some observers to believe that the influence of the Venezuelan model has peaked. Many are now forecasting that the Brazilian economic model, which still provides for a generous state role in the economy, yet does so in a more market-friendly and democratic context, will gain clout among states in the region that remain skeptical of liberal economics and the Washington consensus. In the wake of Hugo Chavez’s death, many questions remain about whether political change is possible in Venezuela itself. Indeed, the opposition candidate in the April 14 election to succeed Chavez, Henrique Capriles, is a vocal adherent of the Brazilian model that many say is gaining regional traction. Yet it is widely assumed that Chavez’ handpicked successor, Vice President Nicolas Maduro, will win the election. Several divergent prognostications have been made regarding what a Maduro Presidency would entail for the U.S. While some perceive Maduro as a pragmatist who may be amenable to normalizing bilateral ties, others believe that he will be eager to prove his Bolivarian credentials to Chavez’s constituency and reject any U.S. entreaties to reengage. Still others doubt whether he will be able to retain the Presidency at all should the economic situation deteriorate further. Diosdado Cabello, a fellow Chavez adherent who is President of the National Assembly and is reported to be a popular figure among the Venezuelan Armed Forces, is commonly cited as an individual capable of seizing the Presidency, potentially through forcible means, should an opportunistic situation present itself. The manner in which the next Venezuelan President manages Venezuela’s oil wealth will have significant implications for international oil markets, which remain fairly tight due to supply disruptions in geopolitical hotspots Iran, South Sudan, Yemen, and Syria. In February 2012, the Economist estimated that international markets have lost 1.25 million barrels per day as a result of these and other recent supply disruptions.28 Venezuela is an even more significant player in international markets; EIA estimates that it exports around 1.7 million barrels of crude per day.29 The impacts on Venezuela’s own economy will also be very profound, as Venezuela’s economy is far from diversified and remains nearly entirely dependent on the oil sector. In recent years, PdVSA’s exploration and production capital expenditures have not been sufficient to reverse production declines in the country’s mature conventional fields or to harness the country’s massive oil sands reserves in the Orinoco Belt. These unconventional resources are thought to account for around 90% of Venezuela’s remaining proven oil reserves. In order to maintain production at a reasonable clip, the next Venezuelan President will have to improve the country’s oil and gas investment regime to attract international firms with expertise in enhanced oil recovery techniques in conventional fields and in the unique, challenging technical requirements for producing the extra heavy crude oil in the Orinoco Belt, and that also have the resources to alleviate massive infrastructure bottlenecks that plague the oil sands production. It is hard to be optimistic about Venezuela’s near term prospects. Canadian heavy crudes are likely to fulfill a greater share of the US need for heavy crude. While heavy coking refinery capacity is growing world wide, Venezuela will face a challenging market for its crudes and lower profit margins as the distance to market will grow. B. The Status of Current Dialogues The US has had a number of bilateral and multilateral energy policy forums in the hemisphere over the years. These forums are platforms to understand market dynamics, share best practices on energy efficiency and conservation, share understanding on ways to enhance energy production, and exchange views on how a nation’s energy policies may be enhanced or reformed to promote the nation’s own policy. These policy dialogues are also essential for building the understanding and relationships that are essential for trade promotion and conflict resolution. Numerous dialogues and programs have been enacted since 2008, when I wrote that engagement with the Western Hemisphere needed to be renewed. Among those are a number of programs and initiatives aimed at energy relations. The Energy and Climate Partnership of the Americas (ECPA) was founded at the invitation of President Obama following the April 2009 Summit of the Americas, hosted in Trinidad and Tobago. ECPA was intended to focus on issues including energy efficiency, renewable energy, cleaner and more efficient use of fossil fuels, energy poverty, and infrastructure, and Secretary of State Clinton later proposed expanding the focus to include sustainable forests and land use and climate change adaptation. ECPA brings together governments and public and private sector partners to implement initiatives and complete projects, and boasts numerous initiatives in Central and South America and the Caribbean. Among the ECPA Initiatives are the Colombia Biomass Initiative, which aims to develop a technological plan for the production of energy from agroindustrial biomass, and the Chile Renewable Energy Center, which is intended to serve as a tool and resource for the region as it seeks to increase its use of renewable fuels. Both projects are undertaken in collaboration with the U.S. Department of Energy, which provides technical assistance and opportunities for collaborative work. Numerous dialogues exist today between the U.S. and Brazil. The U.S.-Brazil Strategic Energy Dialogue (SED), a presidential-level partnership aiming to deepen energy cooperation between the two nations, is one of the most significant. Strengthening energy security, the creation of new jobs and industries and reduction of carbon emissions are key goals of the SED. Major topics of the dialogue include biofuels, renewables and the sustainable development of oil and gas resources. The US has a trilateral energy policy dialogue with Canada and Mexico, which has addressed electric power, energy conservation, harmonization of standards and market outlooks. It has taken many forms, but it functions very well. In May 2012 the U.S., Mexico, Canada Map of Potential Carbon Dioxide Storage Capacity was released, identifying capacity in North America for at least 500 years worth of carbon dioxide emissions. The “New North American Carbon Storage Atlas” was created through the North American Carbon Atlas Partnership, and was developed by DOE, Natural Resources Canada, and the Mexican Ministry of Energy. We have many paths for cooperation. What we need now is a sharper focus on what we should prioritize, so we can maximize our impact and make the most of the limited engagement of our senior officials. IV. Energy Security Opportunities for the U.S. The Committee is wise to see the unique period of opportunity that the massive changes in oil and gas markets have created for U.S. foreign policy. While we will be more self-sufficient at home, our national security will still depend on a diverse global supply of oil gas, one able to withstand the inevitable disruptions we will face. If we can take this moment to help the hemisphere increase its own self sufficiency, wean itself from high carbon fuels, access more cost competitive feed stocks for power and transportation, and reduce dependence on subsidized Venezuelan fuel oil, we will have helped our own national security interests and helped to foster a freer, more prosperous, and more climate secure hemisphere. Here I offer six steps that the United States can take to meet its energy security goals in the Hemisphere. 1. Sustain Efforts Aimed at Energy Efficiency and the Adoption of Biofuels and Renewable Technologies Lowering global carbon emissions in order to mitigate the impacts of climate change is an important step towards ensuring global energy security. Latin America is highly dependent upon fossil fuels for its energy needs, most notably oil, coal and natural gas. Fuel oil is still a frequently used fuel for power generation, in spite of the fact that it is relatively inefficient and particularly bad for the environment. Hydropower has long been the favored form of renewable energy in Latin America, but changing weather patterns and droughts have prevented it from being fully reliable. The United States has, as described above, undertaken initiatives aimed at expanding the spread of biofuels and renewables in the Western Hemisphere, and this should remain a priority. The expiration of the U.S. tariff on imported biofuels was a step in the right direction, and more can be done to develop biofuels industries in Latin America. The development of new industries, clean energy research centers and government policies incentivizing the use of renewable technologies for power generation will help to build long-term, sustainable industries in the Hemisphere. Regardless of the power source used, energy efficiency is a worthwhile goal for Latin America. The IEA noted in the World Energy Outlook 2012 that while energy intensity is not particularly high in Latin America, it is primarily because high energy intensity in energy producing nations is offset by low energy use in energy importing nations. Improving energy efficiency, particularly in energy producing nations, will permit more efficient use of energy resources, allowing them to stretch farther. Existing forums like the ECPA already have energy efficiency as an issue of focus and can aid in connecting companies that represent successful and proven efficiency technologies with partners in Latin America. 2. Propagate Advanced Production Technologies Abroad Latin America has significant reserves of oil and gas, including potentially huge unconventional resources. One of the fastest, and perhaps easiest, ways for the U.S. to ensure diversification of energy supplies is to help other nations take advantage of the unconventional energy revolution. This will mean sharing technology, building regulatory regimes, improving environmental safety standards and possibly even developing infrastructure in nations with shale gas and tight oil reserves. The U.S. should continue to expand upon the work that the Department of State and partner agencies are attempting to achieve through UGTEP, offering technical, regulatory, geological and other support to countries that want to develop their shale oil and gas resources. There are also roles for companies to play, sharing their technology and technical expertise through partnerships, investment opportunities or service contracts. Helping other nations develop their domestic resources will increase global energy security by increasing and diversifying global supply. Natural gas is also, as far as fossil fuels go, a relatively low-carbon source of energy, and the expansion of the shale gas boom may offset global coal consumption and carbon emissions, serving as a boon for climate goals as well. By helping other nations, such as Colombia, Brazil and Mexico, adapt to changing energy markets and complex new sources of energy, the U.S. will be simultaneously ensuring its own energy security. 3. Research Ways to Encourage Gas Penetration in the Caribbean With abundant natural gas supply a short distance from the Caribbean, the US should look for ways to back out fuel oil and gasoline as a feedstock for power and transportation. While these nations are trying to maximize renewable energy, they still need a non-intermittent source of power generation. But short driving distance makes CNG or other natural gas technologies a real possibility. The key challenges are moving gas to small islands, ensuring storage or other means of security of supply, and identifying the right forms of vehicle technology. How to make this transition economically is a question for engineers as well as policymakers. The U.S. should design ways that private foundations, in tandem with our national laboratories and perhaps the OAS, can look for near-term, practical ways to increase natural gas utilization. Combined with a permissive policy on natural gas exports to the Caribbean, this could be major step forward for climate and national security for the Caribbean. 4. Reconsider the U.S. Policy Regarding Oil and Gas Exports and Swaps In light of the unconventional revolution, the U.S. will have surpluses of natural gas and even light oil, given that the domestic refining system is primarily configured to process heavy oil. Large price differentials also exist for U.S. resources, largely as a result of infrastructure and policy constraints that keep them trapped in the U.S. Current U.S. policy only permits the export of crude oil in highly limited circumstances. A careful reconsideration of U.S. export policy, particularly towards oil, may be warranted. Allowing some exports or swaps of light oil produced in the U.S. for the heavy oil needed for refineries would enable us to supply our hemispheric neighbors, increase export earnings, and sustain domestic job growth. Granting an additional avenue for sale of energy resources, either oil or gas, will also ensure that artificial barriers to export don’t lead to decreased production, high domestic prices and lost value to the economy, while simultaneously adding to global energy supply stability and security. The hemisphere can also benefit from additional exports of natural gas. Mexico imports costly LNG at oil-linked prices. The Caribbean is dependent on fuel oil for power generation and Brent prices gasoline for transportation. These exports could present a political advantage as well as an economic one, granting the U.S. with another tool to use in the Western Hemisphere, where Venezuelan influence is cemented by subsidized sales of crude oil and products. 5. Complete the U.S.-Mexico Transboundary Agreement On February 20, 2012, the U.S. and Mexico signed a transboundary hydrocarbons agreement that allows for the joint the development of oil and gas reservoirs that cross the international maritime boundary between the two countries in the Gulf of Mexico.30 If implemented, the agreement would end the current moratorium on exploration and production in the border area. While the Mexican Senate ratified the agreement on April 12, 2012, the Obama Administration has not formally submitted the agreement to the U.S. Congress for passage. The entry into force of this agreement would render significant benefits for both the U.S. and Mexico.31 It would provide a means for Pemex to collaborate with private companies in the Gulf of Mexico border area, which would give Pemex a crucial opportunity to gain expertise in deepwater activities that could be applied to the firm’s operations throughout Mexico. This would serve U.S. interests by boosting Mexican production and reducing U.S. dependence on imports from more politically troublesome regions, which have replaced lagging Mexican exports in recent years.32 Conversely, U.S. reticence to implement the agreement may send the wrong signal to Mexico and dampen enthusiasm for energy sector reform at a time when the stage may be set for historic change. Indeed, competent implementation of the agreement could demonstrate to Mexico that its interests can be protected in joint production regimes with U.S. companies and bring about an impetus for broader Mexican energy reforms. 6. Revive Energy Diplomacy and Commercial Engagement Energy diplomacy and commercial advocacy should be vital components of U.S. energy policy in the coming decades. The global energy system is projected to remain dependent upon fossil fuels for the foreseeable future, and as a result, having access to reliable, affordable sources of energy will remain important, as will the stability of energy markets. Energy diplomacy should center on ensuring that the U.S. has good working relationships with the countries that produce and consume energy. Successful energy diplomacy can serve a critical role in managing tensions over energy development, transportation, investment, and other issues. The Department of State has significantly increased its capabilities to conduct energy diplomacy through the establishment of the Energy and Natural Resources Bureau, led by Ambassador Carlos Pascual. Its programs should be robustly funded. We should also deepen the international energy diplomacy capacity of the Department of Energy. The Department of Energy’s relationships with civil servants in ministries across the globe provide a bridge across changes in government here and there. They can talk when the politics of non-energy issues obstruct dialogue among the foreign ministries. It is easier to get Energy Ministers together for regular meetings than Secretaries of State. Their staff should be expanded and serious program budget established to make our cooperation more than rhetorical. For true reform to be achieved, foreign ministers and heads of government will have to be involved, as this will be the key to integrating energy security into foreign policy. The three countries that need robust attention at this time are Mexico, Brazil and Venezuela. Mexico is considering major reforms and we have much we can share at a technical level on gas markets, unconventional oil and gas technology, safe regulation of the deepwater, and energy efficiency. We should create a quiet bilateral mechanism for sharing this information with Mexican ministries, its nascent regulator and PEMEX. Changing global markets also impact Brazil, and we should ensure that the Strategic Energy Dialogue is reactivated as soon as new officials are on board at the Department of Energy. Venezuela is trickier because it is in political transition and there is a great deal of rhetorical hostility. But the US had a technical dialogue with Venezuela that lasted over 30 years. We need to know the new officials at the Ministry and PdVSA and to share our view of market realities, even if we may not agree on them. Sometime in 2013, after the Venezuelan elections, this technical dialogue should be revived, perhaps at the Assistant Secretary, or Deputy Assistant Secretary level. Conclusion Mr. Chairman, the ties between Latin America and the Caribbean and the energy security of the United States are numerous. Here I have addressed only a few of the possible avenues for improving U.S. energy security, and there are undoubtedly more, but the overarching conclusion is that energy security goals in the Hemisphere can be achieved through improved dialogue and relations with allies and adversaries alike. As I stated in 2008, it will require new approaches to energy and foreign policy. It will require fresh policy approaches, money, and creative diplomacy. But more than anything it will require leadership. As a citizen I thank the committee for its leadership on this critical issue.

**This will boost U.S. standing in important Latin American regional forums**

**Delahunt, 12** – chairman of the Venezuela-US Friendship Group and retired U.S. Representative Globe, 30 October 2013, http://www.bostonglobe.com/opinion/2012/10/30/podium-venezuela/EJ6Jd2yRKfaJ76HYrXb4WJ/story.html)

The recent election in Venezuela offers an opportunity to improve the US-Venezuela bilateral relationship. On Oc. 7th, President Hugo Chavez was reelected to a new six-year term by a nine point margin. I — along with hundreds of other international witnesses — was duly impressed with the transparency of the electoral process and the enthusiasm of Venezuelans for democracy. Eighty-one percent percent of registered voters went to the polls! This turnout was remarkable when compared to the United States and other “mature” democracies. Whether or not one agrees with Chávez’s policies, there can be no doubt that he won these elections fairly. There are so many checks and balances in the electoral system in Venezuela that there is virtually no room for fraud. The voter registry, the voting machines, the electronic ballot and the data transmission system are all fully audited by representatives of all the different political parties and independent observers. Former President Jimmy Carter recently called the Venezuelan voting system “the best in the world.” He noted that the voting machines print out a paper receipt that voters can look at to verify that their selection was recorded correctly, and poll workers check those receipts against the electronic tally. I was particularly struck by the atmosphere of peacefulness and mutual respect in the voting centers, where monitors from both pro-government and opposition groups were present. In contrast with elections past, the two main candidates manifested a similar attitude. Once the election authorities announced the results, opposition candidate Henrique Capriles rapidly conceded defeat, and he quickly scolded “radical” opposition supporters who insisted on alleging that fraud had taken place, despite no evidence to support their claims. Chávez also behaved gracefully, calling Capriles the following day to express his willingness to work together to mitigate the polarization that divided Venezuelans. Most of Venezuela’s political leadership — following a tumultuous power struggle, during which a coup d’Etat and violent protests occurred — appear to have accepted to follow the democratic rulebook and be more tolerant of one another. This is an important step forward, and the United States should encourage Venezuelans to continue seeking common ground, rather than support one group over another, as has at times been the case in recent years. Most importantly, over 55 percent of Venezuelan voters cast their vote in favor of Chávez. The United States should respect this outcome and seek to improve relations in areas where we can agree. Commercial relations between our two countries have generally been excellent, despite political differences, and both countries would greatly benefit from their expansion. Venezuela will no doubt continue to play a central role in the region’s new multilateral cooperation and consultation mechanisms, such as the Union of South American Nations (UNASUR) and the Community of Central American and Caribbean States (CELAC). The United States, which has increasingly found itself isolated in regional forums, would do well to find ways to work with these new groups greaton important issues such as drug trafficking and energy cooperation. Improved relations with Venezuela would greatly facilitate this task. Our government will certainly have important differences with Venezuela, particularly in the area of international relations. But we can agree to disagree, as we do with many other partners throughout the world. I am convinced that the Venezuelan government is prepared to respond favorably to such an initiative.

**Latin American relations check all conflict. Only engagement solves.**

**Zedillo, et al., 8** – Commission Co-Chair for the Brookings Institute Report on the Partnership for the Americas and former President of Mexico (Ernesto, Thomas R. Pickering, etc, “Rethinking U.S.-Latin American Relations: A Hemispheric Partnership for a Turbulent World,” Report of the Partnership for the Americas Commission, The Brookings Institution, November 2008, http://www.brookings.edu/~/media/Research/Files/Reports/2008/11/24%20latin%20america%20partnership/1124\_latin\_america\_partnership.PDF)

The Need for a Hemispheric Partnership Historically, the United States and Latin America have rarely developed a genuine and sustained partnership to address regional—let alone global—challenges. Mutual distrust is partly to blame. Also, the LAC countries were often not ready to make stable commitments. The United States had other preoccupations and did not make hemispheric partnership a priority. Problems and solutions were seen from Washington as country-specific and were managed mostly on a country-bycountry basis through bilateral channels. Meanwhile, multilateral forums—such as the Organization of American States and the summits of hemispheric leaders—ran out of steam, became mired in confrontation, or remained underresourced. If a hemispheric partnership remains elusive, the costs to the United States and its neighbors will be high, in terms of both growing risks and missed opportunities. Without a partnership, the risk that criminal networks pose to the region’s people and institutions will continue to grow. Peaceful nuclear technology may be adopted more widely, but without proper safeguards, the risks of nuclear proliferation will increase. Adaptation to climate change will take place through isolated, improvised measures by individual countries, rather than through more effective efforts based on mutual learning and coordination. Illegal immigration to the United States will continue unabated and unregulated, adding to an ever-larger underclass that lives and works at the margins of the law. Finally, the countries around the hemisphere, including the United States, will lose valuable opportunities to tap new markets, make new investments, and access valuable resources. It is important to note at the outset that the term “partnership” as used in this report does not mean equal responsibility for all. The asymmetries between the United States and its neighbors are large and will remain so for the foreseeable future. Partnership here means a type of international cooperation whereby a group of countries identifies common interests, objectives, and solutions, and then each partner country undertakes responsibilities according to its own economic and political capacities to generate shared benefits. Today, four changes in the region have made a hemispheric partnership both possible and necessary. First, the key challenges faced by the United States and the hemisphere’s other countries— such as securing sustainable energy supplies, combating and adapting to climate change, and combating organized crime and drug trafficking—have become so complex and deeply transnational that they cannot be managed or overcome by any single country. Washington needs partners in the LAC region with a shared sense of responsibility and a common stake in the future. For example, drug trafficking and its associated criminal networks have now spread so widely across the hemisphere that they can no longer be regarded as a “U.S. problem,” a “Colombian problem,” or a “Mexican problem.” The threat posed by these networks can only be countered through coordinated efforts across producing, consuming, and transshipment countries, all of which have a shared interest in controlling the flow of arms, money, vehicles, and drugs. The process of combating and adapting to climate change also exemplifies the need for a hemispheric partnership. All carbon-emitting societies contribute to the problem to different degrees, and all will experience its consequences. The solutions—ranging from developing alternative fuels to adapting to ecological shocks—all require sustained cooperation among the hemisphere’s countries.

**Failure to rebuild ties on oil issues allows China to solidify its stronghold and use oil as a diplomatic weapon against the U.S.**

**Hurst, 8** – political-military research analyst with the Foreign Military Studies Office and a Lieutenant Commander in the United States Navy Reserve (Cindy, “China's Global Quest for Energy; Rocky U.S. Relationship with Venezuela is Playing into China's Energy Policy Despite The Ocean Between Them,” 8 September 2008, www.thecuttingedgenews.com/index.php?article=740&pageid=&pagename=)

The U.S. rocky relationship with Venezuela is playing into China’s hands, perhaps better than Beijing expected. Venezuela exports approximately 60 percent of its oil to the U.S. However, since Hugo Chavez came into power in Venezuela in 1999, the U.S. and Venezuela have maintained a tense relationship, paving a path of continuous energy deals with China. Both China and Venezuela have been striking "International cooperation deals" that would not only not only provide increased oil exports to China, but also bolster Venezuela’s economy and oil infrastructure. In 2004, Chavez, who has visited China at least five times since 1999, signed such eight agreements on energy cooperation with the Asian country. According to China Daily, Venezuela currently ships nearly 300,000 barrels per day (bpd) of oil and fuel to China. 80,000 of this is crude oil, which is up from 39,000 bpd the year before. In addition to various business arrangements between Venezuela’s state-run oil company and China Petroleum that include purchasing Venezuelan fuel oil and power plant fuel, Chinese companies are seeking to invest in oil exploration and production in the country. In return Chavez expects and is receiving Chinese assistance in the areas of telecommunications, food production and culture. The list of joint project is long, including not only oil sales from existing supply, but also the exploration and development of new fields and the development of older fields. In fact, Chavez visited China in December 2004, where he declared that Venezuela was ready to help China establish its own strategic petroleum reserve. He also spoke “of a budding strategic alliance between the two countries, and signed an agreement that would allow Chinese companies to gain developmental rights to 15 oil fields in eastern Venezuela. Although this would appear to be an excellent opportunity for China, there are still a number of hurdles to overcome before the full export potential can be realized. One issue facing China is transportation. China and Venezuela have a big ocean between them. While Chavez is opening the doors and allowing China access to Venezuela’s oil, transporting the oil is still costly. A tanker capable of hauling 500,000 barrels would be profitable on a short haul. However, that same size tanker will undoubtedly lose money hauling oil all the way to Asia. Currently, supertankers are not permitted to pass through the Panama Canal, which would save time and money by drastically cutting back the travel distance to transport the oil. In September 2007, the Panamanian government began a massive effort to widen the 93-year old canal. But the project is estimated to cost $5 billion and will take up to eight years to complete. The new canal will be able to accommodate maximum capacity ships. China will likely benefit most as it ranks second to the U.S. as the canal’s biggest user. But that will be years from now. Another alternative to delivering the oil to China is to build a pipeline from Venezuelan oil fields across Colombia to Pacific ports in Colombia or Ecuador. Unfortunately such a pipeline would currently be vulnerable to sabotage because it would run across a war zone where rebels have long made a habit of attacking the country’s existing pipelines. Additionally, the necessary Pacific port facilities currently do not exist and would have to be constructed. A third alternative would be an existing, refurbished inter-oceanic pipeline located in Panama. Large-scale oil shipments from Venezuela to China would dramatically increase the pipeline’s use. Additionally, the Venezuelan and Panamanian governments have been negotiating the use of the pipeline to pump the oil for quicker access to China. The pipeline reportedly has a capacity of 800,000 bpd. However, the pumps were installed to move oil from the Pacific to the Atlantic and would require modification or reversal to send the fuel the other direction. Chavez has also signed a contract to have China construct a number of supertankers, which will eliminate its dependency on renting these tankers. It will also, according to Chavez, allow him to create one of the greatest fleets in the world. Additionally, Venezuela plans to manufacture parts for the tankers, which will enable it to conduct much of its own maintenance. China’s interest in Venezuela’s oil poses a potential threat to U.S. interests. Venezuela is the U.S.’s fourth largest oil supplier after Canada, Mexico and Saudi Arabia. Tensions between the U.S. and Venezuela have been flaring since an April 2002 coup briefly removed Chavez from office. Chavez put the blame on the U.S., accusing Washington of sponsoring the attempted overthrow as well as a devastating oil lockout in 2002-2003. With a severe distrust of the Bush administration, and a marked “anti-imperialist viewpoint,” Chavez has voiced concerns that President Bush had plans to have him assassinated, adding that if he were killed the U.S. could “forget Venezuelan oil.” As the Venezuelan economy stands today, there is very little likelihood that Venezuela would stop exporting oil to the U.S. Venezuela depends too heavily on its oil industry. In one study it was estimated that over 60 percent of Venezuela’s population live in poverty, earning less than $2 per day. Using the revenues from Venezuela’s oil industry, Chavez has been able to offer a number of programs promoting literacy, job training, land reform, subsidized food and small loans. He has also used the revenue for health care and to import Cuban doctors. Once Venezuela secures an alternate export partner in China to replace the U.S., it could hurt the U.S., which depends on Venezuela to provide oil for 12 to 15 percent of its consumption rate. Despite statements made by Venezuelan officials, such as Ali Rodriguez, president of Venezuela’s state-owned oil company, PDVSA, who called the assumption of replacing its U.S. business with China “absurd,” Chavez has made a number of threats, including that of putting an embargo on oil shipments to the U.S. The U.S. currently has the infrastructure in place, such as refineries capable of processing Venezuela’s crude. Refineries in China are not currently capable of processing Venezuela’s heavy crude oil. In May of this year, however, China and Venezuela agreed to build a refinery in China’s Guangdong province. The refinery will be capable of processing up to 400,000 bpd and will make Chavez’s goal of shipping one million bpd of oil to china by 2011 a reality. As China and Venezuela continue to work together, it will become easier for Chavez to use oil as a geopolitical weapon. China’s influence in certain countries could eventually backfire against the U.S. as certain major U.S. oil supplying nations find an oil export substitute in China. The Venezuelan government and its political disagreements and strong words with the Bush administration provides a perfect example of a country that could potentially cut off the U.S. in favor of doing business with China. Should China be able to carry the Venezuelan oil business with adequate purchases, oil could be used as a weapon of diplomacy against the U.S. Finally China, knowing that it could face a bleak future if its appetite is not curbed, is also searching for technology that will stretch its resources.

**Triggers great power conflict with China**

**Salameh, 11** – international oil economist, a consultant to the World Bank in Washington, DC on energy affairs and a technical expert of the United Nations Industrial Development Organization in Vienna (Mamdouh G., “China’s Oil ‘Adventure’ into Venezuela,” International Association for Energy Economics, Second Quarter 2011, www.iaee.org/en/publications/newsletterdl.aspx?id=130)

China’s Global Oil Diplomacy China’s growing involvement in Venezuela is an integral part of its global oil diplomacy. China is very aware that its robust economic growth would falter without secure oil supplies. China’s global oil diplomacy is, therefore, geared towards ensuring that this never happens. The growing dependence on oil imports has created an increasing sense of ‘energy insecurity’ among Chinese leaders. The Chinese military argue that China’s energy security needs to be taken ‘seriously and dealt with strategically’16 That means less reliance on the Middle East, less transportation of oil via sea lanes policed by the U.S. Navy, more oil brought in by pipeline across Asia and by tanker across the Pacific and more capability for the Chinese navy to protect Chinese tankers. Henry Kissinger has warned of a potential great-power conflict over oil: this is it. For decades the doctrine of peaceful rise has meant that China has tried to secure energy and raw materials without confronting the United States and the West. China’s long-standing willingness to deal with states that the West regards pariahs is in part a recognition that dealing with Sudan, Angola, Iran or Uzbekistan allows China to avoid direct confrontation with Western interests. However, the larger China has become, the sheer scale of its energy needs has forced it more and more to intrude into areas that the United States regards as its own sphere of influence such as Venezuela. China’s penetration into the U.S. backyard could have profound political and economic implications for the U.S., as it is dependent for one-third of its oil on imports from South American oil suppliers that it can’t afford to lose to China. China’s global oil diplomacy could bring it into conflict with the United States unless both countries find a constructive accommodation that allows them to do business. Conclusions Under the cloak of Washington’s indifference, President Chavez is making steady progress in cementing strategic relations with China principally in the oil field. For Chavez, such a strategy enables him to achieve his political ambitions of eliminating U.S. political influence in his country and also reducing his country’s dependence on oil exports to the United States.

**U.S. assistance prevents exclusive Chinese influence**

**Fillingham, 13** –Managing Editor & Asia Analyst and MA in Chinese Studies from the School of Oriental and African Studies in London (Zachary, “Post-Chavez US-Venezuelan Relations: Headed for a Thaw?” 10 March 2013, http://www.geopoliticalmonitor.com/post-chavez-us-venezuelan-relations-headed-for-a-thaw-4790)

Current polls indicate that Maduro would triumph in the coming election, a scenario that does not bode well for a thaw in US-Venezuelan relations. Maduro has dropped several indications that he plans to carry on his predecessor’s anti-American tone, notably by suggesting that the U.S. might be behind Chavez’s illness and by kicking out two U.S. military attaches under the accusation of “trying to destabilize Venezuelan politics.” But to take the inevitability of another United Socialist government as proof of a perpetual flatline in US-Venezuelan relations would be premature. It is a short-term consideration, and it’s only in the medium term that things will likely get interesting.First off, Maduro will have to grapple with the problem plaguing every political system that favors individual personality over rule of law. A vacuum has opened up at the very top of Venezuelan politics, and it remains to be seen whether Maduro has the charisma, and perhaps more importantly, the personal networks with which to fill it. The Chavez-era Venezuelan state was one that operated on a complex system of personal patronage that led all the way to the top; supporters were rewarded and detractors were marginalized. It remains to be seen whether this system will function smoothly with its head cut off. Political patronage goes hand in hand with Venezuela’s other pressing issue: an increasingly dysfunctional economy. Many Chavez-era policies could be described as political patronage on a mass scale, and while these policies did help Venezuela’s poor, they tended to be inefficient and short-sighted. For example, the Chavez government’s adult literacy program cost anywhere from $543 to $977 per adult learner. Compare that to Brazil’s program that uses pre-existing educational infrastructure to achieve a cost of $2.50 per learner. In Venezuela’s case, most of this money went into hiring adult literacy trainers, thus providing people with jobs- but only for as long as the government’s finances can hold out. And by all indications, Venezuela’s finances aren’t going to hold out for very long. The country is currently running a deficit of over 20 percent, and its national inflation rate fluctuates between 20 and 30 percent. Though it presides over one of the world’s largest oil reserves and is a card-carrying member of OPEC, Venezuela’s oil yields have been dropping throughout the Chavez era due to a lack of foreign investment. The same is true of Venezuela’s food industry. A lack of foreign investment, inefficiency, and costly subsidies have stunted overall output, resulting in food shortages that are now showing themselves in the huge lineups spilling out of government food depots nationwide. A reoccurring theme of Chavez’s economic policy was a willful ignorance regarding the creation of infrastructure and social capital that could drive economic growth beyond the era of direct government handouts. Given the structural challenges that the Venezuelan economy now faces, challenges that will preclude the government’s ability to continue Chavez-era patronage ad infinitum, a Maduro government will inevitably be faced with an economic reckoning of sorts. In the aftermath of this economic reckoning, there will be an opportunity for both domestic opposition forces within Venezuela, and American foreign policy to make inroads. Just to recap: what we are likely to see is a Maduro win, followed by a politico-economic crisis that ushers in either a return to credible multi-party democracy or a descent into conspicuous authoritarianism. But how will this impact US-Venezuelan relations? Given its precarious economic situation, Venezuela will need outside assistance in the near future. And while some would say that China is best suited to step up and bail out Caracas, there are a few reasons to question whether this will actually come to pass. First of all, The Chinese Development Bank has already provided a huge amount of money to the Chavez government, about $40 billion between 2008 and 2012 alone. Thus, if Venezuela were to be faced with a default, it would be Chinese investors with their money on the line. Any debt renegotiations would surely include provisions that didn’t sit well with the Venezuelan public. After all, there have already been agreements reached between Venezuela and the Chinese state-owned company Citic Group that have raised populist alarm bells regarding the signing of mineral rights over to foreign companies. In this context, a limited rapprochement makes sense from a Venezuelan point of view, as it would balance against a preponderance of Chinese economic influence. Now that the “Bolivarian Revolution” is all but discredited, and countries like Brazil have proven that it’s possible to alleviate poverty through trade and keep US influence at arm’s length, a US-Venezuelan thaw is theoretically possible. However, authorities in Washington will likely have to endure another round of vitriol and wait until the dust settles in Venezuelan domestic politics before their window of opportunity presents itself.

**Aff is a prerequisite to other forms of engagement – now is the key time to use leverage to change internal Venezuelan policy**

**Roberts, 13** – master’s degree in international and development economics from Yale University and also holds a master of business administration from the University of Pittsburgh, Research Fellow For Economic Freedom and Growth, Center for International Trade and Economics (CITE), and Sergio Daga, Visiting Senior Policy Analyst, Center for International Trade and Economics (CITE) (James, “Venezuela: U.S. Should Push President Maduro Toward Economic Freedom,” Issue Brief #3911, 4-15-13)

Hugo Chavez’s hand-picked successor, former trade union boss Nicolás Maduro, appears to have defeated Governor Henrique Capriles by a narrow margin in a contentious and hard-fought special election on April 14. Venezuela is in such shambles after 14 years of seat-of-the-pants mismanagement that Maduro—assuming his victory is confirmed—may ultimately be forced to pursue more moderate policies and seek help from the U.S. to restore stability. The Obama Administration and Congress should exploit this opening by using U.S. leverage to push Venezuela to turn from Chavez’s failed experiment in oil-cursed[1] “21st-century socialism” toward economic freedom. An Economy in Ruins The foundations of economic freedom in Venezuela have crumbled. When Chavez took office in 1999, Venezuela scored 54 out of 100 possible points in The Heritage Foundation/Wall Street Journal’s annual Index of Economic Freedom. Today, however, after 14 years of Chavez’s soft authoritarian populism, Venezuela merits a score of just 36 points. This nearly 20-point plunge is among the most severe ever recorded by a country in the history of the Index. Its 2013 rank—174th out of 179 countries—places Venezuela among the most repressed nations in the world.[2] Venezuela’s dismal economic freedom score is reflected in statistics that translate into real-time hardship for Venezuelans, who must spend more of their incomes on higher prices for necessities—if they can find them on empty store shelves. There are scarcities of nearly all staple food and fuel products. In fact, according to the Banco Central of Venezuela’s (BCV) shortages index, Venezuela faces the most severe food shortages in four years.[3] And what food is available comes at a price: Mary O’Grady reports in The Wall Street Journal that “over the past 10 years inflation in food and nonalcoholic beverages is 1,284%.”[4] Financial disequilibrium in Venezuela is the result of a sharply widening fiscal deficit that reached almost 15 percent of gross domestic product (GDP) last year.[5] Government control of the formerly independent BCV also contributed to a massive expansion of the money supply. There are anecdotal reports in Caracas of people paying as much as 23 bolívars for one U.S. dollar in the black market as of early April. The official rate is just 6.3 bolívars per dollar—and that is after a significant 32 percent devaluation in February.[6] These problems were aggravated by Chavez’s foreign adventurism—which drained billions of petrodollars from the economy to keep afloat the failed economy in Fidel Castro’s Cuba—as well as generous subsidies to his Chavista cronies in the region through such schemes as ALBA and PetroCaribe. Corruption and Weak Rule of Law As reported in the Index, political interference in Venezuela’s judicial system has become routine, and corruption is rampant. The landscape in Caracas and elsewhere in the country is littered with half-finished, publicly funded infrastructure and housing projects. The government funds needed to complete them often disappear. As government expanded under Chavez, corruption became institutionalized. Chavez doubled the size of the public sector, many of whose 2.4 million[7] employees have no real job other than to work to keep the regime in power. A World Economic Forum (WEF) survey found little trust among businesses, politicians, the judicial system, and the police in Venezuela.[8] The tragic result is that Venezuela is now one of the most dangerous countries of the world. According to the Venezuelan Violence Observatory, in 2012 nearly 22,000 people were murdered.[9] An inefficient and non-transparent regulatory environment that is hostile to private foreign direct investment obstructs long-term development and hampers entrepreneurial growth. The investment regime is tightly controlled by the state and favors investors from China, Russia, Iran, and other democracy-challenged countries.[10] Investor protection in Venezuela is ranked at 140 out of 144 countries, according to the WEF report.[11] In 1998, before Chavez took power, there were more than 14,000 private industrial companies in Venezuela; in 2011, after 13 years of extensive nationalizations and expropriations, only about 9,000 remained.[12] The Chavez government did make one product very inexpensive for Venezuelans: Generous energy subsidies mean a car can be filled up with 15 gallons of gasoline for less than one U.S. dollar.[13] Although that might buy short-term political advantage for the Chavista government, in the long term these energy subsidies are very destructive to future economic growth, since Venezuelan companies have a distorted cost base and thus cannot compete globally. Operations of the state oil company, PDVSA, have also deteriorated significantly under Chavez. When he took office, PDVSA was producing 3.5 million barrels per day (bbl/d); today, it is down to 2.5 bbl/d.[14] Social Programs and Inequality Ironically, Chavez’s years in power did not result in much reduction of poverty and inequality. Although some measures of income inequality (such as the Gini coefficient) did improve under Chavez,[15] according to a recently published research paper by Darryl McLeod and Nora Lustig[16] that used data for 18 Latin American countries, market democracies such as Chile and Brazil were far more successful at reducing inequality and poverty than the populist Chavista regimes. Despite its vast oil wealth, Venezuela’s economic growth performance has also been poor. Between 1999 and 2012, average annual per capita growth was just 1.1 percent, while in the top four Latin American countries (Panama, Peru, the Dominican Republic, and Chile) the rate was 3.6 percent.[17] Not surprisingly, the rate of private investment in Venezuela—under 5 percent—is also one of the lowest in the region. In Peru and Chile, it is almost 20 percent.[18] U.S. Policy Toward the New Maduro Government Washington should insist on strict conditionality before sending a new U.S. ambassador to Caracas or assenting to any new lending to Venezuela by international financial institutions until the new government: Produces a comprehensive plan for reform that reduces the size of the public sector, reverses nationalizations and expropriations of land and enterprises with just compensation to owners, restores the independence of the central bank and judicial institutions, reforms the electoral system, and submits to an internationally supervised audit of the government’s books during the Chavez years; Takes steps to privatize PDVSA to bring in international equity partners with the expertise and financial capacity to restore PDVSA to the high level of professional operational and managerial expertise for which it was widely respected prior to 1999; Immediately stops all subsidies to Cuba and terminates wasteful and economically destabilizing subsidy programs such as PetroCaribe and ALBA; Ceases cooperation with international state sponsors of terrorism (such as Iran) and joins the international community’s cooperative efforts in the fight against transnational crime, narco-trafficking, and terrorism; and Restores freedom of the press and access to information for all Venezuelans. Use U.S. Leverage The foundations of economic freedom in Venezuela were severely weakened during the 14-year misrule by Chavez. Although Chavez’s death may aggravate instability and further polarize Venezuela, it need not be that way. Venezuela is in need of immediate and sweeping reforms, but these changes will take time, effort, determination, and, above all, dedicated reformers in Venezuela. The Obama Administration should step into the breach with active and forward-looking policies to bring Venezuela back into the globalized economic system.

USAID technical assistance now

AA 8/23 (AllAfrica, press release by USAID, “Africa: UNFPA, USAID Strengthen Collaboration to Boost Access to Voluntary Family Planning for Women Across Globe,” <http://allafrica.com/stories/201308260814.html>) gz

USAID, the United States Agency for International Development, and UNFPA, the United Nations Population Fund, two of the longest-serving development agencies addressing population concerns, announced today new efforts to strengthen their collaboration to advance reproductive health, including voluntary family planning, worldwide.¶ With fewer than 900 days remaining until the end of 2015, the deadline set by the international community to meet the Millennium Development Goals (MDGs), the two agencies will build on their work and expertise, accumulated over 40 years, to ensure women who want contraceptives can access them through:¶ Coordinating supply planning to prevent organizations distributing contraceptives on the ground from running out of these life-saving commodities.¶ Addressing funding and technical assistance gaps to allow the two agencies' country teams to smoothly implement national family planning and reproductive health plans.¶ Joint analyses of progress and evidence-based recommendations for future direction - leading to improved collaboration between the two agencies' country teams as we strive to achieve the Millennium Development Goals (MDGs), particularly MDG5, and to input in the post-2015 development agenda.¶ "As the world's leading organizations in advancing family planning and reproductive health, USAID and UNFPA have a special role to play in helping countries achieve MDG 5, to improve maternal health," said USAID Administrator, Rajiv Shah.

## 2AC

### XT – Iran I/L

#### Iranian-sponsored attack will hit US soil – Iran-Venezuelan ties are key

Noriega ‘12

Roger F. Noriega was ambassador to the Organization of American States from 2001-2003 and assistant secretary of state from 2003-2005. He is a visiting fellow at the American Enterprise Institute Testimony before the US Senate Committee on Foreign Relations – “Iran's influence and activity in Latin America” – February 16, 2012 – http://www.aei.org/files/2012/02/16/-noriega-sfrc-testimony-feb-16-2012\_152815934443.pdf

Since you announced your inquiry, the Director of National Intelligence, James R.Clapper, testified earlier this month that “Iranian officials” at the highest levels “are now more willing to conduct an attack in the United States….” General Clapper also reported that Iran’s so-called “supreme leader” Ali Khamenei was probably aware of the bizarre plot discovered last October to conspire with supposed Mexican drug cartel leaders to commit a terrorist bombing in the heart of our Nation’s capital. Only because American law enforcement officials were willing to set aside conventional wisdom about how and where Iran would wage war against us were they able to thwart that attack. Iranian officials have made no secret of the regime’s intention to carry its asymmetrical struggle to the streets of the United States and Europe. For example, in a May 2011 speech in Bolivia, Iran’s Defense Minister Ahmad Vahidi promised a “tough and crushing response” to any U.S. offensive against Iran. In the same week in early January that Iran caught the world’s attention by threatening to close the Strait of Hormuz and brandishing shore-to-sea cruise missiles in a 10-day naval exercise, Mahmoud Ahmadinejad announced a five-nation swing through Latin America aimed at advancing its influence and operational capabilities on the U.S. doorstep. To comprehend what Iran is up to, we must set aside conventional wisdom about its ambitions, strategies and tactics and follow the evidence where it leads. General Clapper’s public statement represents a dramatic break with the skeptics in the foreign policy establishment—including too many U.S. diplomats—who have failed to appreciate the breadth and depth of Iran’s activities in the Western Hemisphere. The Intelligence Community’s fresh assessment of Iran’s willingness to wage an attack on our soil leads to the in escapable conclusion that Teheran’s activities near our homeland constitute a very real threat that can no longer be ignored. The next logical question is, “W hat is that hostile regime doing with the support of its trusted allies very close to our borders? ” In my capacity as a Visiting Fellow at the A merican Enterprise Institute for Public Policy Research (AEI) , I am coordinat ing an ongoing effort to answer th at very question. I cooperate with a team of experienced experts who are committed to monitor ing and exposing Iran’s activities in Latin America i n order to inform the public as well as policy makers who are responsible for protecting our national securit y . To date, we have conducted dozens of interviews with experts from throughout the world and with eyewitnesses on the ground in the region. We also have obtained reams of official V enezue lan and Iranian documents, only a few of which we have published to support our conclusions. Our exhaustive work lead s us to the following conclusions: • Venezuelan strongman Hugo Chávez and Iranian leader Mahmoud Ahmadinejad are conspiring to wage an asymmetrical struggle aga inst U.S. secur ity and to abet Iran’s illicit nuclear program . Their clandestine activities pose a clear and present danger to regional peace and security. • Iran has provided Venezuela conventional weapon system s capable of attacking the United States and our allies in the region. • Iran has used $30 billion in economic ventures in Venezuela as means to launder money and evade international financial sanctions . • Since 2005, Iran has found uranium in Venezuela , Ecuador and other countries in the region and is conducting sus picious mining operations in some uranium - rich areas. • Two terrorist networks – one home - grown Venezuelan clan and another cultivated by Mohsen Rabbani, a notorious agent of the Qods Force of the Iranian Revolutionary Guard Corps – proselytize, fund - raise, recruit, and train operatives on behalf of Iran and Hezbollah in many countries in the Americas. • Hezbollah conspires with drug - trafficking networks in South America as a means of raising resources and sharing tactics. • The Venezuelan state - owned airline, Co nviasa, operates regular service from Caracas to Damascus and Teheran – providing Iran, Hezbollah, and associated narco - traffickers a surreptitious means to move personnel , weapons, contraband and other materiel . Mr. Chairman, o ur project has shared substantial information about these aforementioned threats with U.S. government officials — either directly or through Members of Congress. Quite frankly, too often the attitude we have encountered has been one of skepticism or indifference. To offer jus t two example s , we understand that U.S. executive branch officials have continued to misinform Members of Congress about the existence of Conviasa flights between Venezuela and the terror states of Syria and Iran. Many months ago, we provided U.S. officia ls the name and contact information of a reliable Venezuelan source with privileged information about those ongoing flights. Unfortunately, th at source was never contacted. A nd Congressional staff members tells us that executive branch officials continue to provide vague or misleading answers to direct questions on this relatively simple subject of whether those Conviasa flights continue . Another example of this official indifference: Almost seven years after the first reports that Iran was seeking ur anium in Venezuela , U.S. officials are still unable or unwilling to state clearly whether Iran is mining uranium in Venezuela — notwithstanding documen tation revealed by our project over a year ago regarding Iranian mining in the uranium - rich Roraima Basin i n eastern Venezuela . That U.S. officials do not know whether Iran is supporting its illicit nuclear program with uranium from Venezuela is in comprehensible. That they do not care enough to find out is unacceptable. I believe that the Executive branch — beginning in the waning days of the last administration and continuing today — has been slow to recognize or respond to this multidimensional threat . At long last, it is time for our national security agencies to get smart and get busy. Mr. Chairman, I a m convinced that Congressional attention, such as this hearing, is essential to encourage Executive branch agencies to act. For example, sanctions last year against Venezuela’s state - owned petroleum company for transactions with Iran were the direct resul t of pressure by the House Committee on Foreign Affairs, acting in part on information provided by my project. Representative Jeff Duncan (R - SC) has introduced H.R. 3783, the “Countering Iran in the Western Hemisphere Act of 2012,” which will require the Executive branch to report to Congress on Iran’s activities in a host of areas and to provide a strategy for countering this threat. I believe that such a thorough, Congressionally - mandated review will require the Executive branch to apply additional ne eded intelligence resources to collect on subject matters in Venezuela, Bolivia, Ecuador and beyond. Once they understand the scope and depth of the problem, I hope for a whole - of - government response to prot ect our security, our interests and our allies a gainst the threat posed by Iran, Hezbollah and their support network in the Americas. Of course, my project at AEI is prepared to cooperate with this policy review by providing the Subcommittee documents and analysis regarding suspicious transactions an d installations operated by Iran in Venezuela, Ecuador, Bolivia and elsewhere in the region. BACKGROUND AND DISCUSSION Iran’s push into the Western Hemisphere is part of a global strategy to break its diplomatic isolation, develop new sources of strategic materials, evade international sanctions and undermine U.S. influence. To these ends, Iran expanded the number of its embassies in the region from six in 2005 to ten in 2010. iv The real game -changer, however, has been the alliance developed between Iran’s Mahmoud Ahmadinejad and Venezuela’s Hugo Chávez. In the last seven years, Iran has begun to take full advantage of its Venezuelan partner. Chávez’s petro-diplomacy has paved the way for Ahmadinejad to cultivate partnerships with anti-U.S. regimes in Cuba, Ecuador, Bolivia, Nicaragua et al. Today, a shadowy network of commercial and industrial enterprises in several countries affords Iran a physical presence in relatively close proximity to the United States. Iran is well positioned to use its relationships with these countries to pose a direct threat to U.S. territory, strategic waterways and American allies. Iran also has provided the Venezuelan military with weapon systems that give Chávez unprecedented capabilities to threaten its neighbors and the United States

#### Iran is utilizing Venezuela to gain a sphere of influence in America – US influence checks

Fite & Cordesma, 12 (Brandon, CSIS, and Anthony, Arleigh A. Burke Chair in Strategy at CSIS, April 4, "U.S. and Iranian Strategic Competition: The Impact of Latin America, Africa and Peripheral States", http://csis.org/files/publication/120404\_Iran\_Chapter\_XIII-Peripheral\_States-Revised.pdf)

Iran’s closest relationship is with Venezuela. Although both countries have very different guiding ideologies and political structures, they are bound by a common rejection of US leadership in the international system and by their significant petroleum exports, signified by their dual membership in OPEC. The State Department has determined Venezuela to be “not cooperating fully United States antiterrorism efforts” since 2006. Distinct from the designation of “state sponsor of terrorism”, this classification nevertheless resulted in an US arms embargo, which was extended in May 201118.In the past decade Tehran and Caracas have engaged in a broad spectrum of commitments ranging from mutual diplomatic support to military exchange. Venezuelan President Hugo Chavez has shown himself to be committed to Iranian sovereignty—supporting Iran’s nuclear program at the IAEA—and to Iran’s vision of an anti-Western coalition of developing states. As long as Venezuelan President Hugo Chavez—or some successor with a similar ideology and hostility to the US—continues to define his role as one of opposition to the US, Washington has little hope of bettering its political position with Caracas or diminishing Iran’s close affiliation. That being said, US-Venezuelan commercial ties are strong and provide links between both countries which help maintain an undercurrent of stability in the relationship. At present, the US need not be too concerned about this Iran-Venezuelan relationship, despite the threatening language used by both presidents. Mutual US-Venezuelan energy dependence mitigates the possibility of a more serious breach in relations.

### 2AC – T: Economic Means

#### We meet – trade includes technical assistance

GAO 13 (The GAO is the Governmental Accountability Office. “SUB-SAHARAN AFRICA Trends in U.S. and Chinese Economic Engagement” http://www.gao.gov/assets/660/652041.pdf February 2013) SC

The United States is the world’s largest trader in goods—that is, total imports and exports—and its market-based economy is the world’s largest economy, producing one-fifth of total global economic output.8 In addition, the United States is the largest exporter of services, primarily education services; financial services; and business, professional, and technical services, among others. As a member of the Organization for Economic Cooperation and Development (OECD), the United States collaborates with other countries and helps set international standards on economic, social, and scientific issues, to help member and nonmember countries promote economic growth, free markets, and efficient use of resources.9 8 In 2011, U.S. GDP, based on purchasing power parity, was $15 trillion and U.S. percapita GDP was approximately $48,400. The United States also coordinates its development assistance activities with other members of the OECD Development Assistance Committee, a forum of many of the largest funders of aid that has a mandate to promote development cooperation and other policies for sustainable development. In accordance with the 2005 Paris Declaration on Aid Effectiveness, the U.S. government generally does not condition its aid on, or “tie” it to, the recipient country’s use of the aid to procure goods or services from the United States.

#### Counter-interpretation – economic engagement is trade, investment, lending, aid and monetary policy

Vickery, 11 – former Assistant Secretary of Commere for Trade and Development in the Clinton Administration and former Public Policy Scholar at the Woodrow Wilson Center (David, The Eagle and the Elephant: Strategic Aspects of U.S.-India Economic Engagement, p. 3-6)

Economic engagement has profound effects on the ability of nations to cooperate on strategic issues. For the purposes of this book, the term “strategic” is used in its broadest sense to denote major issues of transnational significance. These issues require the use of political strategy for their solution or amelioration. From this perspective, defense and military security matters are certainly strategic issues. However, the transnational issues of energy, the environment, economic development, food, and health also require strategic approaches if they are to be addressed successfully. Therefore, these issues are also strategic aspects of international relations. The “economic engagement” under consideration here happens in both the public and private sectors. Trade and investment are the most prominent categories of economic engagement, and the ones usually cited for political effects. Trade and investment in turn can be divided into component parts. Because trade in goods is more easily and more accurately measured than that in services, trade in goods is the type of trade usually referenced for its political effect. But this convention is outdated. Services now tend to hold a dominant position in most developed economies. As a developing economy, India prides itself on having a world-class information technology services industry. Information-technology-enabled services are arguably now preeminent in their political impact on the abilities of India and the United States to cooperate strategically. Similarly, international investment can be broken down into foreign direct investment (FDI) and foreign portfolio, institutional or indirect investment (FII). FDI involves some management of the enterprise is which an equity interest is acquired. FDI is usually thought of as being a more stable and longer-term investment providing greater opportunities for technology and management skill transfer. FDI is viewed by many government officials as having a greater political impact on the ability of the United States and India to cooperate strategically on issues of broad transnational importance. FDI in plant and equipment, infrastructure, and other projects continue to be viewed favorably by both Indian and US officials. In particular, Indian officials see the United States’ FDI in a positive light and profess to encourage more of it. FII seems less welcome in India. FII is viewed as being less stable and more likely to cause domestic dislocation. Heavy US investor withdrawal from the India stock market in 2008 and 2009 were subject to political criticism. However, in 2010 the Indian economy was on a sharper growth path than that of the United States and was likely to remain so for the foreseeable future. Indian commentators took pride in the return of international institutional investors to the Indian market. Although Indian officials resisted calls to restrict FII, the influential Indian elite involved in these markets seemed to give the United States little credit for this inflow of FII. Public and private lending also play a role in US-India economic engagement. Bilaterally, public lending is chiefly through the subsidized mechanism of the US Export-Import Bank. In effect, the Ex-Im Bank’s program allows Indian purchasers of US exports to borrow at below-market rates. The international lending agencies such as the World Bank and the Asian Development Bank are usually not thought of as bilateral institutions. Yet the reality is that because of US influence in the lending operations of both institutions, the funds they provide are significant in the US-India relationship. However, lending from private sources is vastly larger than public lending. Even so, the potential importance of private lending for economic engagement has been held down in the case of India by restrictive Indian laws and regulations. These strictures have been credited by many Indians with helping India avoid some of the worst aspects of both the Asian financial crisis in the 1990s and the recent international financial crisis that began in the United States. Aid flows can also have a significant effect on the ability and willingness of the United States and India to address strategic issues. Historically, US government aid to India has been a fundamental type of US-India economic engagement and has had a direct impact on US-India strategic cooperation. US aid has been both monetary and in kind. Monetary aid has gone to projects ranging from health to energy to child labor. The most outstanding example of in-kind aid has been the so-called Public Law 480 sale of US agricultural commodities for Indian currency that could only be spent within India. With the diminution of US government aid to India during the last two decades, private assistance has become more important. The Bill & Melinda Gates and William J. Clinton foundations, along with numerous India-centric charities such as the American India Foundation, constitute a subcategory of US-India economic engagement particularly important to US-India strategic cooperation in health and education. On a macroeconomic level, the various government actions affecting currency valuations may also be seen as a type of economic engagement that also effects strategic cooperation. Certainly, the struggles at the Group of Twenty and elsewhere to deal with imbalances and stimulus measures are a type of engagement central to international relations. In the case of the United States and India, the strength and mutuality of the underlying trade, investment, lending and aid relationships seem to have driven the two countries in the direction of cooperation in their efforts to meet the most recent worldwide financial and economic crisis. In summary, “economic engagement” includes trade, investment, lending, aid, and the monetary and regulatory interactions that effect these categories of engagement

### 2AC – Consult CP

#### “Resolved” doesn’t require immediacy

PTE, 9 (Online Plain Text English Dictionary 2009 http://www.onelook.com/?other=web1913&w=Resolve)

Resolve: “To form a purpose; to make a decision; especially, to determine after reflection; as, to resolve on a better course of life.”

#### Or certainty

Webster’s 9 – Merriam Webster 2009

(http://www.merriam-webster.com/dictionary/resolved)

# Main Entry: 1re·solve # Pronunciation: \ri-zälv, -zolv also -zäv or -zov\ # Function: verb # Inflected Form(s): **re·solved**; re·solv·ing 1 : to become separated into component parts; also : to become reduced by dissolving or analysis 2 : to form a resolution : determine 3 : **consult, deliberate**

#### Neither does should – it’s a persuasive recommendation

Words and Phrases, 2 (“Words and Phrases: Permanent Edition” Vol. 39 Set to Signed. Pub. By Thomson West. P. 370)

Cal.App. 5 Dist. 1976. Term “should,” as used in statutory provision that motion to suppress search warrant should first be heard by magistrate who issued warrant, is used in regular, persuasive sense, as recommendation, and is thus not mandatory but permissive. West’s Ann.Pen Code, § 1538.5(b).---Cuevas v. Superior Court, 130 Cal. Rptr. 238, 58 Cal.App.3d 406 ----Searches 191.

### AT: Brazil

#### **Brazil says no – acting against U.S. interests increases international perceptions that Brazil has leverage**

PBS 12 (Meeting with Obama, and Rousseff to discuss US Brazil Relations, “U.S., Brazil 'Disagree More Than They Agree,' Analyst Says,” April 2012, <http://www.pbs.org/newshour/bb/world/jan-june12/brazil_04-09.html>)

MARGARET WARNER: A country once best known by Americans for postcard-perfect beaches and a passion for the game of soccer, Brazil has emerged as a powerhouse competitor in the global economy, achieving the number six world GDP ranking this year. Along with Russia, India and China, it's part of the so- called BRIC club of rapidly developing economies. Now this country of 200 million, Latin America's largest, is demanding to be taken more seriously on the world political stage as well. And, today, President Dilma Rousseff was given a cordial welcome by President Obama at the White House. PRESIDENT BARACK OBAMA: I'm -- feel very fortunate to have such a capable and far-sighted partner as President Rousseff. DILMA ROUSSEFF, President of Brazil (through translator): The U.S.-Brazil bilateral relations are, for Brazil, a very important relationship, not only from a bilateral but also from a multilateral perspective. "Americans and Brazilians love to talk about a strategic relationship. Yet, the U.S. rarely consults with Brazil on the important, global issues." - Peter Hakim, Inter-American Dialogue MARGARET WARNER: But though the hemisphere's two biggest democracies should be natural allies, they often don't see eye to eye. PETER HAKIM, president emeritus, Inter-American Dialogue: It would certainly be hard to say the U.S. and Brazil are adversaries or in conflict, but the fact is, they disagree more than they agree. MARGARET WARNER: Peter Hakim is senior fellow and president emeritus at Inter-American Dialogue in Washington. PETER HAKIM: Americans and Brazilians love to talk about a strategic relationship. Yet, the U.S. rarely consults with Brazil on the important global issues. MARGARET WARNER: That shouldn't be surprising, given Brazil's history of being a thorn in the U.S. side. In 2010, then President Luiz Inacio Lula da Silva tried to broker a deal with Turkey on Iran's nuclear program and derail Secretary of State Clinton's push for U.N. sanctions against Tehran. Brazil has staked out positions contrary to Washington's on Cuba, climate change, and the 2009 coup in Honduras as well. PETER HAKIM: Brazil is in many respects still learning what it means to be a global power. And the way it's been successful, ironically, is not by joining with the United States, which would have been one route, but rather in opposition to the United States, that it sort of has gained its international prestige precisely by showing its independence of the United States. MARGARET WARNER: When Dilma Rousseff won Brazil's 2010 presidential election campaign, Washington had high hopes she would be easier to work with than her one-time boss and mentor Lula. The former Marxist-guerrilla-turned-technocrat has been less assertive and flamboyant on the global stage. Noted Eurasia group analyst Joao Augusto de Castro Neves. JOAO AUGUSTO DE CASTRO NEVES, analyst, Eurasia Group: President Dilma's foreign policy is a little bit less rhetorical or ideological than President Lula's, her predecessor, was. I think that in the sense that more risk-averse diplomacy, that more conservative in some sense diplomacy is good for not only relations with Brazil and the United States, but actually for Brazil's goals abroad.

#### US-Brazil Relations high now – trade, students abroad, commercial cooperation, and positive views

**FT, 5/16** – Financial Times (“Politics put to one side in sign of closer ties between Brazil and the US”, Financial Times, 5/16/13, <http://www.ft.com/intl/cms/s/0/9f9d81c6-b883-11e2-869f-00144feabdc0.html#axzz2b28hgOi3)//EX>

When the Brazilian diplomat Roberto Azevêdo clinched the biggest job in global trade last week – as director-general of the World Trade Organisation – he received a relatively **warm response from Washington.** The US could not have been expected to do anything other than vote for Mr Azevêdo’s rival, Herminio Blanco, the former trade minister of Mexico. But Washington’s decision to “join the consensus” when Mr Azevêdo was selected by the WTO and back the Brazilian candidate showed both respect for the man and for the emerging power he represents. The growing sense of bonhomie between the two countries makes sense. **For the US, Brazil is looking more than ever like a friendly** **face** in an increasingly multipolar world, one that is tilting slowly towards east Asia. **For Brazil, the US, with its technology, quality higher education and capital markets**, is an ever more important partner in the effort to become more internationally competitive and escape the middle income trap in which it has languished for decades. Perhaps for this reason, Barack Obama, the US president, is expected later this year to roll out the red carpet and offer Dilma Rousseff, his Brazilian counterpart, the first state visit for a leader of her country since 1995. “It’s an important time between the US and Brazil,” says Eric Farnsworth, vice-president of the Council of Americas and Americas Society. “Everything I see indicates that Washington views Brazil’s rise as a favourable development.” Brazilian and US relations date back to 1824 when Washington became the first state to recognise the independence of the Latin American power to the south. Brazil was also the only South American country to send troops to fight on the allied side in the second world war. Although the relationship has usually been cordial, it has been characterised by periods of indifference. Like two good enough neighbours, relations remain reasonably good as long as the conversation does not stray too much towards politics, a subject on which Brazil, with its social democratic leanings, mostly sits to the left of Washington. In spite of this, Brazilian presidents **in recent decades have got on well with their US counterparts.** Fernando Henrique Cardoso, president during the 1990s and early 2000s, was very close to US president Bill Clinton. Former Brazilian president, Luiz Inácio Lula da Silva, though once a trade union firebrand, got on famously with his US counterpart, George W. Bush. Ms Rousseff and Mr Obama are not seen to have the same rapport and both have been more preoccupied with domestic politics. But **relations between them are warming**. On the policy side, things have not always been smooth. Mr Lula da Silva prompted US suspicion in 2010 when he tried to intervene alongside Turkey in the dispute over Iran’s nuclear programme. Mr Lula da Silva and Ms Rousseff’s ruling Workers party has been a traditional friend of regimes considered unpalatable by the US, such as Cuba and Venezuela under the recently deceased Hugo Chávez. Brazil’s independent stance, not only on these countries but in seeking to establish alternative power blocs, has grated on Washington. Ms Rousseff’s first overseas trip, for instance, was to Beijing rather than to its western trading partners. “There is a certain frustration in Washington,” says Mr Farnsworth. “Brazil seems to be as interested in developing a relationship with China as they are with the US. I don’t think most people would suggest the Chinese and US models are compatible.” Throughout it all, **trade in goods has continued to grow**. It increased from as little as $28bn in 2002 to nearly $77bn last year, with a $11.6bn surplus in favour of the US, according to the US Census Bureau. Brazil is the kind of trading partner the US needs, and it supports about 300,000 jobs in its northerly neighbour. It also buys the types of products the US wants to sell more of – aircraft parts, machinery and plastics. US services exports to Brazil have also increased, more than tripling between 2002 and 2011 to nearly $20bn. For Brazil, the US, with its transparent business practices and focus on innovation and intellectual property, is the kind of **trading partner it prefers.** After an initial honeymoon with Beijing in the first decade of this century, when China became its biggest trading partner, Brazil is growing frustrated with aspects of the business relationship. An old developing world ally, China is importing Brazil’s iron ore and soyabeans but in return swamps the Latin American country with cheap imports. “We are a rare example of a country that holds a sizeable trade surplus with China – $11bn in 2011 – but it’s not the quality of trade that we would like to see sometimes,” says Antônio Patriota, foreign minister. Mindful that US universities are one means of improving its competitiveness, **Brazil is sending a large number of students** under its R$3bn ($1.5bn) science without borders scholarship programme to colleges in the US. Brazilian companies, meanwhile, are tapping the **strengthened capital markets of the US for private sector investment.** Defence co-operation is improving, with the US maintaining an order for a group of Brazilian light attack aircraft, the country’s first such contract with the US military. Embraer, the Brazilian builder of the aircraft, has signed a co-operation agreement with Boeing to develop a jet-engined military transport aircraft. This has strengthened aspirations in Washington that the US might eventually win a contract to supply the Brazilian air force with fighters. The growing relationship is leading to hopes that thorny technical issues may one day be worked out. These include visa-free access for Brazilians to the US and a tax treaty that would simplify business dealings between the two. The two countries which are competitors on global soya, orange juice and other commodities markets, are occasionally at odds on trade.

**No food scarcity**

**Jalsevac 4** (Paul, Life site news a division of Interim Publishing, “The Inherent Racism of Population Control”, <http://www.lifesite.net/waronfamily/Population_Control/Inherentracism.pdf>)

The pattern continues today. Economist Dennis Avery explained in 1995 that, food production was more than keeping pace with population growth since the world had, “more than doubled world food output in the past 30 years. We have raised food supplies per person by 25 percent in the populous Third World.”4 The United Nations Food and Agriculture Organization (UNFAO) also dispelled fears of shortages in the food supply when, in preparation for the World Food Summit in Rome in November of 1995 it reported that, “Globally food supplies have more than doubled in the last 40 years…at a global level, there is probably no obstacle to food production rising to meet demand.”5 The UNFAO also later estimated that, simply with the present available technologies fully employed, the world could feed 30 to 35 billion people, i.e. roughly six times the present world population.6 It also reported that the number of people considered malnourished has declined from 36 percent in 1961-1970 to 20 percent in 1988-90 and later proclaimed that “earlier fears of chronic food shortages over much of the world proved unfounded.”7 The World Bank joined in to predict in 1993 that the improvement in the world food supply would continue, while pointing out that in developing countries grain production has grown at a faster rate than population since 1985. Grain production has slowed in the United States, but that is because stocks have grown so large that additional production could not be stored.8 A further wealth of evidence is available to remove any concerns about resource shortage in the modern world.

**No impact to failed states**

Finel, 9 senior fellow – American Security Project,

(Bernard, http://www.acus.org/new\_atlanticist/afghanistan-irrelevant)

Second, there is no straight-line between state failure and threats to the United States. Indeed, the problem with Afghanistan was not that it failed but rather that it “unfailed” and becameruled by the Taliban. Congo/Zaire is a failed state. Somalia is a failed state. There are many parts of the globe that are essentially ungoverned. Clearly criminality, human rights abuses, and other global ills flourish in these spaces. But the notion that any and all ungoverned space represents a core national security threat to the United States is simply unsustainable.

### 2AC – Debt Ceiling DA

#### Non-unique – Syria thumps budget debates – no time for both

Kapur, 9/6

Sahil Kapur is TPM's senior congressional reporter and Supreme Court correspondent. His articles covering politics and public policy have been published in The Huffington Post, The Guardian and The New Republic. “Could Syria Lead To Fiscal Armageddon Back Home?” 9/6/13, http://tpmdc.talkingpointsmemo.com/2013/09/syria-government-shutdown-cr-default-debt-limit.php

The congressional debate over whether to authorize President Barack Obama’s push to attack Syria is poised to bleed into at least next week, when Congress officially returns to session and faces tight deadlines to avert fiscal Armageddon this fall. When Congress reconvenes Monday, it has just nine working days to keep the government funded past Sept. 30, and an additional seven working days after that to ensure the country can continue to meet its debt service obligations beyond mid-October. Leaders in both chambers have promised Syria votes next week. A Senate committee has approved a resolution to strike Syria. Its House counterpart has held hearings, but the House Republican majority hasn’t yet drafted its own resolution, so nothing has advanced out of committee yet. All of which means the debate over military action will eat up part of the calendar next week. “Instead of coming into session next week and diving right into a budget debate, we will be debating Syria and budget issues will be on the back burner,” said a senior Democratic aide. “This means that after Syria is finished, the [government funding] debate will be extremely compressed and the debt limit debate will be shorter.”

#### Economic engagement with LA is popular – top priority for Boehner, Republicans view it as a means to check Iran

Palmer, 13 (Doug Palmer, writer for Reuters- Reuters is an international intelligence agency based in London. May 8, 2013. “Top Republican Urges deeper engagement in Latin America.” http://www.reuters.com/article/2012/05/08/us-usa-trade-boehner-idUSBRE84718520120508)

(Reuters) - The Congress' **top Republican** called on Tuesday **for deeper economic engagement with Latin America** as a bulwark against Iran's attempt to gain influence in the region and the destabilizing effects of international drug cartels. "The best defense against an expansion of Iranian influence in Latin America - and against the destructive aspirations of international criminals in the region - is for the United States to double down on a policy of direct engagement," U.S. House of Representatives Speaker John Boehner said at the State Department. "We must be clear that we will be there, with our friends and partners in the region, committed to fighting and winning the war for a free, stable, and prosperous hemisphere," Boehner said in a speech to the Council of Americas, which represents companies that do business in Latin America. Boehner said Iranian President Mahmoud Ahmadinejad's visits to [Venezuela](http://www.reuters.com/places/venezuela?lc=int_mb_1001)**,** Cuba, Nicaragua and Ecuador this year "underscored the designs Iran has for expanding its influence in Latin America, and its eagerness to forge [bonds](http://www.reuters.com/finance/bonds?lc=int_mb_1001) with governments in the Western Hemisphere that have demonstrated a lesser interest in freedom and democracy." Iran's attempt to gain influence was one of three "major threats" facing Latin America, Boehner said, along with the violence caused by drug trafficking and the possibility of the United States losing interest in the region. "The threat of U.S. disengagement is the most serious of the three threats I have identified because if it occurs, the other two threats will multiply exponentially," he said. Boehner called for a re-energized "Plan Colombia" program, referring to the billions of dollars in military aid the United States has poured into the country. "Colombia still has the second largest insurgency in the world, and we need to take seriously the threat it still poses to the people of Colombia and to the region," he said. Boehner received an award from the group for his work last year on winning congressional approval of free trade agreements with Colombia, Panama and South Korea. The pacts were negotiated during the Republican administration of President George W. Bush. But President [Barack Obama](http://www.reuters.com/people/barack-obama?lc=int_mb_1001), a Democrat, did not submit the agreements to Congress until October 2011, after negotiating changes to make them more palatable to Democrats and securing a commitment for renewal of a worker retraining program known as trade adjustment assistance. Boehner called the upcoming entry-into-force of the U.S-Colombia agreement on May 15 "an important moment for the prosperity" of the Western Hemisphere and said it was vital the Panama agreement be fully implemented in the months ahead. He said it was important the United States "keep the momentum going" by negotiating new agreements to open markets to American exports. He expressed disappointment that Obama has not sought legislation known as "Trade Promotion Authority" which would help the White House do that. In an apparent reference to Argentina's expropriation of Spanish oil giant Repsol's subsidiary YPF and the billions in unpaid debt obligations the country still owes foreign investors, Boehner said the United States "must also be clear about what we expect from all of our neighbors." "We will insist that every nation honor the rule of law, meet its obligations, and respect international norms. That means paying debts to bondholders, honoring legal commitments and the decisions made by international arbiters, and respecting private property," he said. "Some governments in the region have demonstrated an alarming willingness to drift away from such norms when it suits their objectives. When this occurs, it's harmful not only to the people of those countries, but to the potential of all of the Americas. And it cannot be excused."

#### Presidential leadership’s irrelevant – ideology, institutional roadblocks, constituencies

Jacobs and King 10

Lawrence Jacobs and Desmond King 10, University of Minnesota, Nuffield College, 8-2010 “Varieties of Obamaism: Structure, Agency, and the Obama Presidency,” Perspectives on Politics, 793-802

But personality is not a solid foundation for a persuasive explanation of presidential impact and the shortfalls or accomplishments of Obama's presidency. Modern presidents have brought divergent individual traits to their jobs and yet they have routinely failed to enact much of their agendas. Preeminent policy goals of Bill Clinton (health reform) and George W. Bush (Social Security privatization) met the same fate, though these presidents' personalities vary widely. And presidents like Jimmy Carter—whose personality traits have been criticized as ill-suited for effective leadership—enjoyed comparable or stronger success in Congress than presidents lauded for their personal knack for leadership—from Lyndon Johnson to Ronald Reagan.7 Indeed, a personalistic account provides little leverage for explaining the disparities in Obama's record—for example why he succeeded legislatively in restructuring health care and higher education, failed in other areas, and often accommodated stakeholders. Decades of rigorous research find that impersonal, structural forces offer the most compelling explanations for presidential impact.8 Quantitative research that compares legislative success and presidential personality finds no overall relationship.9 In his magisterial qualitative and historical study, Stephen Skowronek reveals that institutional dynamics and ideological commitments structure presidential choice and success in ways that **trump** the personal predilections of individual presidents.10 Findings point to the predominant influence on presidential legislative success of the ideological and partisan composition of Congress, entrenched interests, identities, and institutional design, and a constitutional order that invites multiple and competing lines of authority. The widespread presumption, then, that Obama's personal traits or leadership style account for the obstacles to his policy proposals is called into question by a generation of scholarship on the presidency. Indeed, the presumption is not simply problematic analytically, but practically as well. For the misdiagnosis of the source of presidential weakness may, paradoxically, induce failure by distracting the White House from strategies and tactics where presidents can make a difference. Following a meeting with Obama shortly after Brown's win, one Democratic senator lamented the White House's delusion that a presidential sales pitch will pass health reform—“Just declaring that he's still for it doesn't mean that it comes off life support.”11 Although Obama's re-engagement after the Brown victory did contribute to restarting reform, the senator's comment points to the importance of ideological and partisan coalitions in Congress, organizational combat, institutional roadblocks, and anticipated voter reactions. Presidential **sales pitches go only so far**.

#### Winning controversial issues creates a bandwagon effect

Hirsh, 13

Michael Hirsh is chief correspondent for National Journal. He also contributes to 2012 Decoded. Hirsh previously served as the senior editor and national economics correspondent for Newsweek, based in its Washington bureau. He was also Newsweek’s Washington web editor and authored a weekly column for Newsweek.com. (“There’s No Such Thing as Political Capital”, National Journal, 2/7/2013, http://www.nationaljournal.com/magazine/there-s-no-such-thing-as-political-capital-20130207)

But the abrupt emergence of the immigration and gun-control issues illustrates how suddenly shifts in mood can occur and how political interests can align in new ways just as suddenly. Indeed, the pseudo-concept of political capital masks a larger truth about Washington that is kindergarten simple: You just don’t know what you can do until you try. Or as Ornstein himself once wrote years ago, “Winning wins.” In theory, and in practice, depending on Obama’s handling of any particular issue, even in a polarized time, he could still deliver on a lot of his second-term goals, depending on his skill and the breaks. Unforeseen catalysts can appear, like Newtown. Epiphanies can dawn, such as when many Republican Party leaders suddenly woke up in panic to the huge disparity in the Hispanic vote. Some political scientists who study the elusive calculus of how to pass legislation and run successful presidencies say that political capital is, at best, an empty concept, and that almost nothing in the academic literature successfully quantifies or even defines it. “It can refer to a very abstract thing, like a president’s popularity, but there’s no mechanism there. That makes it kind of useless,” says Richard Bensel, a government professor at Cornell University. Even Ornstein concedes that the calculus is far more complex than the term suggests. Winning on one issue often changes the calculation for the next issue; there is never any known amount of capital. “The idea here is, if an issue comes up where the conventional wisdom is that president is not going to get what he wants, and he gets it, then each time that happens, it changes the calculus of the other actors” Ornstein says. “If they think he’s going to win, they may change positions to get on the winning side. It’s a bandwagon effect.”

You can’t access your impact – even if they raise the ceiling, multiple factors make us default

Berman and Reis 8/27 (“How Syria, a Hurricane, or Ben Bernanke Could Move the Debt-Ceiling Deadline,” <http://www.nationaljournal.com/domesticpolicy/how-syria-a-hurricane-or-ben-bernanke-could-move-the-debt-ceiling-deadline-20130827>) gz

Deadlocked over a deal to raise the debt ceiling, Congress and the White House are flirting with a federal default. But that's not the worst of it: Because the exact date of default is uncertain, any number of unforeseen events could push our federal finances over the edge.¶ Treasury Secretary Jacob Lew told Congress on Monday that the government is likely to default on its debts by mid-October unless the debt limit is raised. But mid-October could just as easily be early October. Or it could be late September. Or Treasury's extraordinary measures may, as some analysts are still predicting, stave off default until November.¶ Setting an exact default date is difficult, if not impossible, because the government's day-to-day finances are dictated by a wildly unpredictable cocktail of political, economic, and natural forces. Here are a few hypotheticals that could buy Congress more time—or trigger default more quickly than anyone saw coming.¶ Syria¶ Few events wreak more havoc than military interventions. Federal budgets, of course, do not escape unscathed. And now it's looking like there's a decent chance there will be some form of U.S. intervention in Syria.¶ Such an intervention, even if it's just a targeted missile strike, could cost billions of dollars and alter the debt-limit timeline. In July, Joint Chiefs of Staff Chairman Martin Dempsey told Congress that the cost of targeted strikes against Bashar al-Assad's military "would be in the billions" and that just instituting a no-fly zone over the country would cost about $1 billion a month.¶ One other way of thinking about the possible cost of targeted strikes is to look back to the 1999 NATO response to ethnic cleansing in Kosovo, which the Obama administration is reportedly citing as a "precedent" for a possible Syria campaign. NATO conducted strikes on Serbia for 78 days starting in March, at a cost to the U.S. of about $5 billion (not adjusted for inflation) through September 1999.¶ Act of God¶ By late November of last year, New Jersey Gov. Chris Christie estimated that superstorm Sandy had cost his state $36.8 billion after making landfall in October. Around the same time, New York Gov. Andrew Cuomo was asking for $41 billion in federal aid for his state, with $15 billion going to New York City alone.¶ After months of arguing, Congress approved a $50.5 billion aid package in January. That's a bit more than the amount of money the Treasury expects to have on hand come mid-October. And we're about to hit peak hurricane and tropical-storm season.¶ A massive storm or hurricane isn't likely to drastically (or quickly) alter the Treasury's debt-ceiling estimate, and Sandy was surely something of an outlier. It would have to be a "pretty big" storm to make a sizable difference, says the Bipartisan Policy Center's Steve Bell, and Sandy was one of the biggest ever. But when every billion counts, an unexpected act of God could make the deadline rush up just a bit quicker.¶ Act of Bernanke ¶ It's the economy, stupid. The strength of the U.S. economy largely dictates how much tax revenue hits Treasury's coffers, and if the recovery takes flight this fall, it could buy the government more time, says Bill Frenzel, a guest scholar at the Brookings Institution.¶ Economic growth, however, is a double-edged sword because any number of shocks could blow a hole in the recovery, sending tax revenue crashing and accelerating the default date. Think back to 2008, when the government was expecting the economy to keep chugging along and provide a steady revenue stream. But by mid-October, financial firms were collapsing, the economy was contracting, and a series of confident revenue expectations ended up being wildly off.¶ And then there's Federal Reserve Board Chairman Ben Bernanke, who—with fiscal policy locked in a perpetual stalemate—arguably wields the nation's last policy lever in his central bank's monetary policy. But after years of providing unprecedented stimulus, Bernanke has been sending signals that the bank may soon back off.¶ That tapering could send shock waves through a stock market that many have long argued is overdue for a contraction. Given that stocks shuddered in June when Bernanke said the Fed would eventually taper, provided the economy stayed strong, the decision to peel back on some—but not all—of its stimulus efforts would likely set back the economy and move up the default date.¶ The Debt-Ceiling Debate Itself¶ The very possibility of default could accelerate the debt ceiling's arrival. In 2011, investors got jittery as the due date drew near and the White House and congressional Republicans were mired in stalemate. The Dow dropped nearly 2,000 points from late July to mid-August of that year, a plunge the market did not undo until 2012.¶ At a time when Treasury is scraping for every tax dollar, a similar market run could be enough to tip the needle.¶ There are signs, however, that the market has been inoculated against D.C.'s drama. When Congress took the country to the edge of the fiscal cliff in late 2012, markets didn't budge, prompting many to speculate that investors no longer buy hard-liner bluster and just assume a last-minute deal is coming.¶ Either way, Congress's day of reckoning is coming, because—absent legislation extending the ceiling—no upcoming event will long delay default, Frenzel says.¶ "I think we've taken it just about as far as we can go," he says. "I wouldn't expect any miracles."

### AT: Econ

#### No impact to the economy

Barnett, 9 (senior managing director of Enterra Solutions LLC and a contributing editor/online columnist for Esquire magazine) August 2009 “The New Rules: Security Remains Stable Amid Financial Crisis” http://www.aprodex.com/the-new-rules--security-remains-stable-amid-financial-crisis-398-bl.aspx)

When the global financial crisis struck roughly a year ago, the blogosphere was ablaze with all sorts of scary predictions of, and commentary regarding, ensuing conflict and wars -- a rerun of the Great Depression leading to world war, as it were. Now, as global economic news brightens and recovery -- surprisingly led by China and emerging markets -- is the talk of the day, it's interesting to look back over the past year and realize how globalization's first truly worldwide recession has had virtually no impact whatsoever on the international security landscape. None of the more than three-dozen ongoing conflicts listed by GlobalSecurity.org can be clearly attributed to the global recession. Indeed, the last new entry (civil conflict between Hamas and Fatah in the Palestine) predates the economic crisis by a year, and three quarters of the chronic struggles began in the last century. Ditto for the 15 low-intensity conflicts listed by Wikipedia (where the latest entry is the Mexican "drug war" begun in 2006). Certainly, the Russia-Georgia conflict last August was specifically timed, but by most accounts the opening ceremony of the Beijing Olympics was the most important external trigger (followed by the U.S. presidential campaign) for that sudden spike in an almost two-decade long struggle between Georgia and its two breakaway regions. Looking over the various databases, then, we see a most familiar picture: the usual mix of civil conflicts, insurgencies, and liberation-themed terrorist movements. Besides the recent Russia-Georgia dust-up, the only two potential state-on-state wars (North v. South Korea, Israel v. Iran) are both tied to one side acquiring a nuclear weapon capacity -- a process wholly unrelated to global economic trends. And with the United States effectively tied down by its two ongoing major interventions (Iraq and Afghanistan-bleeding-into-Pakistan), our involvement elsewhere around the planet has been quite modest, both leading up to and following the onset of the economic crisis: e.g., the usual counter-drug efforts in Latin America, the usual military exercises with allies across Asia, mixing it up with pirates off Somalia's coast). Everywhere else we find serious instability we pretty much let it burn, occasionally pressing the Chinese -- unsuccessfully -- to do something. Our new Africa Command, for example, hasn't led us to anything beyond advising and training local forces. So, to sum up: \* No significant uptick in mass violence or unrest (remember the smattering of urban riots last year in places like Greece, Moldova and Latvia?); \* The usual frequency maintained in civil conflicts (in all the usual places); \* Not a single state-on-state war directly caused (and no great-power-on-great-power crises even triggered); \* No great improvement or disruption in great-power cooperation regarding the emergence of new nuclear powers (despite all that diplomacy); \* A modest scaling back of international policing efforts by the system's acknowledged Leviathan power (inevitable given the strain); and \* No serious efforts by any rising great power to challenge that Leviathan or supplant its role. (The worst things we can cite are Moscow's occasional deployments of strategic assets to the Western hemisphere and its weak efforts to outbid the United States on basing rights in Kyrgyzstan; but the best include China and India stepping up their aid and investments in Afghanistan and Iraq.) Sure, we've finally seen global defense spending surpass the previous world record set in the late 1980s, but even that's likely to wane given the stress on public budgets created by all this unprecedented "stimulus" spending. If anything, the friendly cooperation on such stimulus packaging was the most notable great-power dynamic caused by the crisis. Can we say that the world has suffered a distinct shift to political radicalism as a result of the economic crisis? Indeed, no. The world's major economies remain governed by center-left or center-right political factions that remain decidedly friendly to both markets and trade. In the short run, there were attempts across the board to insulate economies from immediate damage (in effect, as much protectionism as allowed under current trade rules), but there was no great slide into "trade wars." Instead, the World Trade Organization is functioning as it was designed to function, and regional efforts toward free-trade agreements have not slowed. Can we say Islamic radicalism was inflamed by the economic crisis? If it was, that shift was clearly overwhelmed by the Islamic world's growing disenchantment with the brutality displayed by violent extremist groups such as al-Qaida. And looking forward, austere economic times are just as likely to breed connecting evangelicalism as disconnecting fundamentalism. At the end of the day, the economic crisis did not prove to be sufficiently frightening to provoke major economies into establishing global regulatory schemes, even as it has sparked a spirited -- and much needed, as I argued last week -- discussion of the continuing viability of the U.S. dollar as the world's primary reserve currency. Naturally, plenty of experts and pundits have attached great significance to this debate, seeing in it the beginning of "economic warfare" and the like between "fading" America and "rising" China. And yet, in a world of globally integrated production chains and interconnected financial markets, such "diverging interests" hardly constitute signposts for wars up ahead. Frankly, I don't welcome a world in which America's fiscal profligacy goes undisciplined, so bring it on -- please! Add it all up and it's fair to say that this global financial crisis has proven the great resilience of America's post-World War II international liberal trade order. Do I expect to read any analyses along those lines in the blogosphere any time soon? Absolutely not. I expect the fantastic fear-mongering to proceed apace. That's what the Internet is for.

## 1AR

### 1AR – Say Yes

**Their arg’s too general – oil is distinct for Maduro**

Neuman & Thompson ‘13

("A Leader Cries, 'I Am Chavez', as U.S. Seeks Policy Clues", March 6, William and Ginger, www.nytimes.com/2013/03/07/world/americas/a-leaders-cry-in-venezuela-i-am-chavez.html?pagewanted=all)

Among oil executives and analysts, there was cautious optimism that Mr. Chávez’s death could soften the hostility his government had toward foreign investment in exploration and refining. “It makes sense that Maduro will be more pragmatic to get the country going,” said Jorge R. Piñon, former president of Amoco Oil Latin America. He said he had talked with several oil executives and come away surprised by their optimism. “Industry executives believe that there is a high probability that a Maduro administration will be a bit more realistic on what is needed to increase the country’s oil production,” Mr. Piñon added, “and change the investment model to attract more foreign investment.”

**Maduro will say yes – recent events are an outlier, Venezuela is committed to bilateral engagement**

Embassy of the Bolivarian Republic of Venezuela, 7/26 An official press report released by the Venezuelan Embassy/Ministry of People's Power for Foreign Affairs(Venezuelan Embassy, "Venezuela Willing to Have a ‘Friendly’ Relationship with the U.S." 7/26/13, http://venezuela-us.org/2013/07/26/venezuela-willing-to-have-a-%E2%80%98friendly%E2%80%99-relationship-with-the-u-s/)//AD

Calixto Ortega Ríos, chargé d’affaires of the Embassy of the Bolivarian Republic of Venezuela in the United States, said yesterday that the Maduro administration is **willing to have a friendly bilateral relationship** with the United States, although efforts made last month to improve ties are currently “interrupted,” according to a statement made to the news agency EFE and published in the Venezuelan newspaper El Universal, a Venezuelan newspaper.¶ “The goals expressed in Guatemala in the meeting between foreign ministers are currently suspended… the path was interrupted in the conversation which began in Guatemala,” Ortega told EFE.¶ Several days ago the Ministry of People’s Power for Foreign Affairs categorically rejected statements made by Samantha Power, nominated to become the U.S. Ambassador to the United Nations, in her confirmation hearing at the U.S. Senate Foreign Relations Committee. Power declared that part of her job would be “contesting the crackdown on civil society” in several countries, including Venezuela.¶ A Statement sent by the Venezuelan Foreign Ministry read in part: “[Power’s] disrespectful opinions have been lauded and backed by the Department of State, contradicting the tone and content of what Secretary of State John Kerry expressed in a meeting with the Foreign Minister of the Bolivarian Republic of Venezuela, Elías Jaua Milano, in the city of Antigua, Guatemala, last June.”¶ Ortega, who is currently in Caracas for meetings in the Foreign Ministry, indicated that President Maduro and Foreign Minister Jaua “**have been very clear**” in saying that they are willing to have “**friendly relations based on mutual respect** between the governments of President Obama and Nicolás Maduro, as two sovereign States,” El Universal reported.¶ The diplomat said that his office, which he has held since last April, is currently in touch with “the contacts that are necessary… [for] operations, which we have with some officials from the State Department.”¶Finally, El Universal reported that Maduro said Tuesday that if the U.S. Government “corrects” its attitude, a bilateral dialogue could be restarted.

**Recent failures are not a setback – Maduro is open to engagement**

El Universal, 7/25 El Universal is a major Venezuelan newspaper that is based in Caracas, distributing news via an online website and printed copies. It covers news, politics, sports, and economics. El Universal is part of the Latin American Newspaper Association, an organization of leading newspapers in Latin America(El Universal, "Venezuela willing to have friendly relations with the United States" 7/25/13, http://english.eluniversal.com/nacional-y-politica/130725/venezuela-willing-to-have-friendly-relations-with-the-united-states)//AD

From Caracas, Chargé d'Affaires Calixto Ortega explained that Venezuelan President Nicolás Maduro and Foreign Minister Elías Jaua "have made it clear" that they are willing to establish **"friendly relations** on the basis of mutual respect between the administrations of (Barack) Obama and Nicolás Maduro as two sovereign States"¶ Venezuelan Chargé d'Affaires to the United States Calixto Ortega stated on Thursday that a bilateral rapprochement launched in June to restore relations between the US and Venezuela has been "suspended," but stressed that Nicolás Maduro's Administration is willing to have "friendly" bilateral relations with Washington.¶ The Venezuelan Government discontinued talks with the US last week upon a statement issued by the US ambassador nominee to the United Nations, Samantha Power.¶ From Caracas, Ortega explained that Venezuelan President Nicolás Maduro and Foreign Minister Elías Jaua "have made it clear" that they are willing to establish "friendly relations on the basis of mutual respect between the administrations of (Barack) Obama and Nicolás Maduro as two sovereign States."¶ Back on Tuesday, President Maduro pointed out that restoration of bilateral dialogue would depend on Washington's "rectification."

### 1AR – Politics

### UQ

Debt Ceiling won’t pass and Syria thumps – pc fails

USA TODAY 9/8 - http://www.usatoday.com/story/news/politics/2013/09/08/congress-syria-fall-agenda-debt-shutdown-immigration/2777765/

Obama has vowed not to negotiate over the debt limit because the risk of defaulting on the nation's debts holds potentially severe economic consequences. Republicans see the vote as a leverage point to extract additional fiscal changes from Obama and congressional Democrats, such as overhauling the tax code and revamping entitlement programs such as Medicare and Social Security. "Of course, (Obama) is going to negotiate on the debt ceiling. He's negotiated in the past, and he'll negotiate in the future," Roskam said. Fueling the intensity around the fall legislative agenda is skepticism that Congress and the White House can come to budget agreements. In late August, attempts by the White House to find common ground on the budget with a group of eight GOP senators collapsed after a final round of private talks with White House Chief of Staff Denis McDonough proved fruitless. "Everyone agrees they can't shut the government down or allow the debt ceiling to breach, but no one can figure out how they're going to avoid it," Bennett said. Beyond the budget battles, a broad domestic agenda remains. For the House Republican leadership, legislation on food stamps, energy policy and GOP-led IRS and Benghazi investigations "remain priorities," according to a memo sent Friday to members by House Majority Leader Eric Cantor, R-Va. Cantor said the House may consider legislation aimed at addressing immigration concerns this fall, but he offered no timetable. The Senate has passed a comprehensive bill that provides a path to citizenship for the 11 million undocumented immigrants living in the USA. Frank Sharry, the executive director of America's Voice, which supports a comprehensive immigration bill, refutes the view that immigration cannot pass the House. "We still think we have a shot this fall," he said, citing the broad coalition behind the legislation ranging from Silicon Valley to evangelical groups and the political reality that Republicans are unlikely to ignore the issue before the midterm elections. "We actually think our fundamentals are stronger than their (Congress') dysfunction," he said. Mark Krikorian, executive director of the Center for Immigration Studies, which opposes the Senate bill, said he believes Syria and the fiscal fights are likely to knock immigration off the agenda for the year. "It's increasingly likely the House won't pass anything by the end of the year," he said, "Number one, there's so much else going on. So much is crowding it out. Number two, the president has become weaker and more disliked because of (Syria)." Roskam said the Syria vote, no matter the outcome, is likely to have repercussions for the White House-Congress relationship, particularly in the GOP-led House. "It has to," he said, "They find it deeply distressing that the president seems to be leading us in to a cul-de-sac. Like he's making it up as he goes along, and there's a reluctance about that and a wariness, I think."

### Link Turn

Their link arguments assume a Chavez government – his death changed the equation

Spetalnick ‘13

Matt Spetalnick – White House correspondent who has covered news on four continents for Reuters, from Latin American coups and drug wars – Reuter’s – March 6th, 2013 – “Despite new hopes, U.S. treads cautiously after death of Venezuela's Chavez” – <http://uk.reuters.com/article/2013/03/06/uk-venezuela-chavez-usa-idUKBRE92504920130306>

Washington's challenge will be to figure out how far to go in seizing the opening to engage with Venezuelan leaders as well as its political opposition without giving the impression of U.S. meddling following the socialist president's death after a two-year battle with cancer. "We're not interested in having a confrontational relationship with Venezuela," a senior U.S. official told Reuters. "We're going to have to see how things evolve. It's a dynamic period." For Washington, a major test will be whether Venezuela follows its own constitution - which has been widely interpreted to require a special election to pick Chavez's successor - and if such a vote is conducted in a free and fair way in "accordance with hemispheric norms," the official said. Washington had accused Chavez and his allies of electoral abuses, such as intimidating foes and misusing state media during his 14-year rule. Chavez had created headaches for successive U.S. administrations with his strong anti-American rhetoric and his alliances with some of Washington's main foes, including Cuba and Iran. The question now is whether his leftist "revolution" and incendiary foreign policy can live on without his dominant personality at the helm. In a normally divided Washington, Chavez's death brought a rare moment of bipartisan agreement,

**MARKED**

with Republicans and Democrats alike seeing it as a chance to turn a page after a long period of strained U.S.-Venezuelan ties