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**2nc Impact Overview**

**Nuclear war involving Russia is the biggest impact in the round they control the world’s largest nuclear arsenal –draw in of the u.s. ensures extinction**

**No other war compares**

Nick **Bostrum** March 200**2** faculty of philosophy at Oxford and winner of the esteemed Eugene Gannon Award, <http://marukuwato.multiply.com/journal/item/157>

A much greater existential risk emerged with the build-up of nuclear arsenals in the US and the USSR. An all-out nuclear war was a possibility with both a substantial probability and with consequences that might have been persistent enough to qualify as global and terminal. There was a real worry among those best acquainted with the information available at the time that a nuclear Armageddon would occur and that it might annihilate our species or permanently destroy human civilization.[4] Russia and the US retain large nuclear arsenals that could be used in a future confrontation, either accidentally or deliberately. There is also a risk that other states may one day build up large nuclear arsenals. Note however that a smaller nuclear exchange, between India and Pakistan for instance, is not an existential risk, since it would not destroy or thwart humankind’s potential permanently. Such a war might however be a local terminal risk for the cities most likely to be targeted. Unfortunately, we shall see that nuclear Armageddon and comet or asteroid strikes are mere preludes to the existential risks that we will encounter in the 21st century.

**Even if Russia doesn’t collapse, opportunistic aggression by China would escalate – causes extinction**

Alexander **Sharavin** 200**1** Director of the Institute for Military and Political Analysis, What the Papers Say, Oct 3)

Now, a few words about the third type of war. A real military threat to Russia from China has not merely been ignored; it has been denied by Russia's leaders and nearly all of the political forces. Let's see some statistic figures at first. The territory of Siberia and the Russian Far East comprises 12,765,900 square kilometers (75% of Russia's entire area), with a population of 40,553,900 people (28% of Russia's population). The territory of China is 9,597,000 square kilometers and its population is 1.265 billion (which is 29 times greater than the population of Siberia and the Russian Far East). **China's economy is** among the fastest-growing economies in the world. It remains socialistic in many aspects, i.e. extensive and highly expensive, **demanding more** and more **natural resources. China's** natural resources **are** rather **limited, whereas** the depths of Siberia and the **Russian Far East are almost inexhaustible**. Chinese propaganda has constantly been showing us skyscrapers in free trade zones in southeastern China. It should not be forgotten, however, that some 250 to 300 million people live there, i.e. at most a quarter of China's population. A billion Chinese people are still living in misery. For them, even the living standards of a backwater Russian town remain inaccessibly high. They have absolutely nothing to lose. There is every prerequisite for "the final throw to the north." The strength of the Chinese People's Liberation Army (CPLA) has been growing quicker than the Chinese economy. A decade ago the CPLA was equipped with inferior copies of Russian arms from late 1950s to the early 1960s. However, through its own efforts Russia has nearly managed to liquidate its most significant technological advantage. Thanks to our zeal, from antique MiG-21 fighters of the earliest modifications and S-75 air defense missile systems the Chinese antiaircraft defense forces have adopted Su-27 fighters and S-300 air defense missile systems. China's air defense forces have received Tor systems instead of anti-aircraft guns which could have been used during World War II. The shock air force of our "eastern brethren" will in the near future replace antique Tu-16 and Il-28 airplanes with Su-30 fighters, which are not yet available to the Russian Armed Forces! Russia may face the "wonderful" prospect of combating the Chinese army, which, if full mobilization is called, is comparable in size with Russia's entire population, which also has nuclear weapons (even tactical weapons become strategic if states have common borders) and would be absolutely insensitive to losses (even a loss of a few million of the servicemen would be acceptable for China). Such a war would be more horrible than the World War II. It would require from our state maximal tension, universal mobilization and complete accumulation of the army military hardware, up to the last tank or a plane, in a single direction (we would have to forget such "trifles" like Talebs and Basaev, but this does not guarantee success either). Massive nuclear strikes on basic military forces and cities of China would finally **be the only way out**, what would exhaust Russia's armament completely. We have not got another set of intercontinental ballistic missiles and submarine-based missiles, whereas the general forces would be extremely exhausted in the border combats. In the long run, even if the aggression would be stopped after the majority of the Chinese are killed, **our country would be absolutely unprotected against** the "Chechen" and the "Balkan" variants both, and even against the first frost of a possible **nuclear winter**.

**Oil revenue is key to Skolkovo development**

James **Melik** 7-4-20**12**; Reporter, Business Daily, BBC World Service; Russia moves to diversify economy with technology projects, <http://www.bbc.co.uk/news/business-18622834>

Twenty miles west of Moscow, a new technology race, rather like the space race of the 1960s, is opening up. In the area of farmland, **Russia is trying to build its own version of Silicon Valley** - the **Skolkovo** Innovation Centre. **It is part of the government initiative to divert the country away from its economic dependence on oil and gas and towards a new kind of industry.** It has been a key policy for Dmitry Medvedev, the man who was Russia's president until he was replaced by Vladimir Putin at the beginning of May 2012. The Skolkovo project is widely criticised in Russia and construction work has still not started in earnest more than two years after the proposals was announced. Another aim of this proposed technology drive is to keep clever Russians in the country, along with their money-making ideas, rather than them leaving because they are fed up with corruption and the weight of bureaucracy. Cash not credit Many of these technology companies are able to start up because of funds acquired from venture capitalists. But how do these venture capitalists decide who to back? "We look for proven business models that work abroad and we basically copy them and bring them to Russia," says Richard Creitzman at Fast Lane Ventures. "We find the ideas, we find the people, we find the funding," he says. "We give a management team the opportunity to start up a company, assisted with infrastructure, and let them try to build that company." **The Russian government is promoting technology and internet-based companies, and Mr Creitzman says the development at Skolkovo is a good example of using state money along with private funding.** The success of such ventures depends on Russians adapting to new ideas. "The use of the internet and e-commerce sites, buying things online, which is a normal thing to do in the West, is just starting here," Mr Creitzman says.n"People tend not to pay by credit cards, they tend to pay the courier that delivers the item. "There is less trust of credit cards, less trust of the goods, so the market isn't as developed here yet as it is in the West." Business as usual Looking ahead, with the new Vladimir Putin presidency, thoughts turn to what the business climate is going to be in the next few years. "We are not planning for any major changes," says Mr Creitzman. “Every couple of weeks there is an investment committee that sits down and goes through a range of ideas that are developed by the management, the shareholders and the business analysts," he says. He maintains that **the state has money, especially as the oil price is probably going to remain good in the medium-term - maybe three to five years.** "**Skolkovo** was created under President Medvedev's presidency. I don't think that is going to change. I think **that will continue to have support because it's for the good of the state to develop new businesses**," he says.

**Skolkovo solves global IT piracy and Russian business modeling**

**Moscow Times** 3-5-20**11**; Skolkovo, Microsoft Invest in First Startup http://www.themoscowtimes.com/business/article/skolkovo-microsoft-invest-in-first-startup/432104.html

Microsoft gave a $100,000 grant to the anti-piracy startup Pirate Pay on Friday, making it the first company to receive seed funding as the result of cooperation between the IT company and the Skolkovo Foundation, the organization behind the innovation hub near Moscow. In November, when Microsoft head Steve Ballmer visited Russia to sign a memorandum of understanding with the Skolkovo Foundation, he outlined five major areas of cooperation, including the expansion of funding for Russian IT startups. Pirate Pay, a Perm-based company that united three entrepreneurs a year and a half ago, beat several dozen IT startups to get the grant. The company's name stems from the Pirate Bay, a popular Swedish web site that hosts so-called torrent files that make unlawful uploading and downloading of copyrighted audio and video material possible without getting caught. The technology invented by Pirate Pay will allow it to **block existing torrents** and protect the copyright on music and movies that have just been released, **potentially putting an end to the uploading and downloading of unlicensed files first in Russia and, at a later stage of the project, globally**. Unlike other technologies that track files, **Pirate Pay makes torrents virtually undownloadabl**e, said Alexei Klimenko, technical director of the company. "But we do not want to be perceived by [Internet] users as a bad company that just blocks everything, instead we want to help create a distribution system that will allow users to download licensed files for a set nominal fee, yet keep copyright holders happy," he said. Head of Microsoft Russia Nikolai Pryanishnikov said at a news conference Friday that the company intends to sponsor 100 IT startups in the next 10 years, issuing grants ranging between $30,000 and $500,000. While the Skolkovo Foundation participates in the council that issues these grants, the money comes from Microsoft. Skolkovo funds projects of its own and has plans to sponsor 30 this year, Alexander Turkot, director of IT cluster at the Skolkovo Innovation Center, said at the news conference. Pryanishnikov hinted that the runner-up to Pirate Pay on the short list of five is a company that would soon get another grant from Microsoft and that some companies were advised to apply again after they get their business plans in order. While Microsoft did not disclose the names of those companies, the projects included corporate messaging, a city infrastructure project, and a project that allows for the making of complex analytical reports with the use of cloud computing. "IT companies may actually be better off because Skolkovo supports them, Microsoft supports them, and maybe if you write on [President] Dmitry Anatolyevich [Medvedev]'s blog, you can get support," he said, pointing out that **IT companies should become an example to other Russian small- and medium-sized businesses.**

**That’s key to the global economy – IT piracy is rising and will devastate the industry**

Lance **Whitney**, 5-12-20**10**; contributing editor for Microsoft TechNet Magazine, Piracy costs software industry $51 billion in '09, http://news.cnet.com/8301-1023\_3-20004783-93.html

The software industry missed out on more than $51 billion in profits last year as a result of software piracy, says a new study released Tuesday by IDC and the Business Software Alliance (BSA). The seventh Annual BSA and IDC Global Software Piracy Study found that the rate of software piracy rose by 2 percentage points last year to hit 43 percent. This means that for every $100 of legal software sold last year, another $75 worth of unlicensed software hit the market and reached the hands of consumers. The increase in piracy over 2008 was due largely to higher PC shipments and sales, especially in emerging markets such as Brazil, India, and China, reported the study. One of the biggest markets for pirated software, China, saw the value of illegal software jump to $7.6 billion last year, $900 million more than in 2008. In an ironic positive twist during last year's recession, software piracy actually fell in 54 of the 111 economies covered in the report and grew in only 19. In the United States, the rate of software piracy stayed the same at 20 percent, the lowest in the world. But in light of the nation's huge PC market, pirated software in the U.S. cost the industry $8.4 billion in profits. "Given the economy, 2009 piracy rates are better than we expected," BSA President and CEO Robert Holleyman said in a statement. "But incremental improvements are not enough. Few if any industries could withstand the theft of $51 billion worth of their products." IDC and the BSA believe software piracy doesn't just take profits away from the industry **but also has a domino effect on the economy**. One statistic cited in the study reported that for every dollar of legal software sold, another $3 to $4 in sales are generated for local businesses. "Software theft hurts not just software companies and the IT sector, **but also the broader economy at the local, regional, and global levels by cutting out service and distribution firms**," John Gantz, chief research officer at IDC, said in a statement. "**Lowering software piracy by just 10 percentage points during the next four years would create nearly 500,000 new jobs and pump $140 billion into ailing economies**." Additionally, IDC and the BSA point out that software vendors are hurt by illegal software, businesses and consumers waste time and money dealing with buggy or unsupported applications, and users can face security hazards as well as legal risks running pirated products.

**Skolkovo solves warming – increases Russian efficiency and causes alt energy development**

**Reuters** 11-18-20**10** (Why Business is the Best Bet to Fix Russia's Climate Challenges, http://www.reuters.com/article/idUS314234179120101118?pageNumber=1 )

**Managers who want to lead on climate and energy should be looking carefully at Russia,** where President Dmitry Medvedev has decreed a 40 percent reduction in energy intensity over the next decade. The potential for scale is immense: **Russia is one of the most inefficient countries in the world, the third-highest emitter of greenhouse gase**s (GHG) -- both by traditional measures and in terms of exports for consumption **-- and its per capita emissions are on a path for the top spot by 2030. Yet Russia receives far less attention than its GHG-emitting peers**, **such as China and tropical rainforest countries**. Why is it overlooked? There are several reasons: Russia's list of sustainability challenges, from nuclear waste to governance, is long, so **climate change gets lost in the shuffle.** Commentators focus on Russia's struggling economy, asking things like whether "BRIC" really needs an "R," signaling that attention is better paid where business is growing more predictably. Furthermore, non-Russians are perplexed about operating in what seems like too foreign a place -- one that is European, Asian, and most of all, its own category altogether -- and so give it wide berth. Nonetheless, there are growing reasons for companies invested in Russia to proactively manage and reduce energy use in operations, by suppliers, and for customers. The first is that **Russia's climate challenge is one that business is uniquely,** and profitably**, good at solving: audacious inefficiency, stemming from outdated equipment and obsolete management practice**s. **Russia is the most energy-intensive (PDF) of the world's 10 largest countries**. Few, regardless of size, score higher, and many that do are Russia's neighbors**. Cost-effective efficiency measures could cut Russia's energy use by as much as 45 percent** (PDF), with prime opportunities in industry and manufacturing. One study has identified 60 measures representing more than $200 million in investments that can be made profitably. Second, the government is showing increased willingness to incentivize action. In 2008, Medvedev signed presidential decree No. 889, a commitment to cut energy intensity by 40 percent by 2020. Last year he committed Russia to growing its renewables portfolio from less than 1 percent to 4.5 percent in that period. Medvedev then developed Russia's first executive climate doctrine and began calling for action on climate change -- a reversal of Vladimir Putin's stance, symbolized by Putin's infamous quip that climate change would be beneficial because it would mean fewer fur coats. **Now an innovation center is under development near Skolkovo**, where companies such as Google and Intel are setting up research and development centers, similar to special business zones in China. In sum, **there has been a change in the terms of debate in Russia, with climate change being taken more seriously by the government and productivity now a priority**. **Another reason is that the drama of climate change is clearly unfolding in Russia, and so people are starting to appreciate the benefits of managing energy for sustainabil**ity. This summer, the hottest in 130 years, led to 27,000 wildfires and burning bogs, sending global wheat prices through the roof. **Meanwhile, global warming is melting the arctic, where the government is leading a high-profile exploration, turning the most iconic imagery of climate change into a point of local news. Climate change is increasingly seen as real and important, making conversations more natural**.

# 1nr uq

Prices high now – Saudi Arabia decreasing production

Mikillop 10/14/12<http://www.marketoracle.co.uk/Article36997.html>

Crude oil output from the Organization of Petroleum Exporting Countries (OPEC) fell by 390,000 barrels per day (b/d) to 31.15 million b/d in September, with Saudi Arabia and Nigeria accounting for the bulk of the month-on-month drop, a Platts survey of OPEC and oil industry officials and analysts showed October 11. This follows August production of 31.54 million b/d and leaves OPEC overproducing its 30 million b/d ceiling by 1.15 million b/d.

Saudi Arabia pumped an average 9.85 million b/d in September, 150,000 b/d lower than August’s 10 million b/d, a level it had maintained since May.

“The continued ability for Saudi Arabia to continue producing 10-million b/d has been called into question by some skeptics; the decline to less than 10 million b/d, small as it is, will be viewed as significant,” said John Kingston , Platts global director of news. “Skeptics will also point to a big drop out of Nigeria . Still, OPEC output is above various estimates of what OPEC needs to maintain to keep inventories balanced.”

Prices high now – recent reports prove

Business times 10/14/12 <http://www.ibtimes.com/opec-oil-output-drops-3115-million-barrels-day-846297>

The IEA's latest Oil Market Report, released 12 October, maintains the IEA storyline of global oil shortage and extreme high prices being almost certain - by about 2017 - unless and until the 28 OECD member countries of the IEA enact and pay for a whole range of new energy policies and programs. For a flavor of these heavily promoted big-spending policies and programs from the IEA, high level conferences like its 'Clean Energy Future' ministerial meeting held in London, 25 April (for which the IEA Web page no longer exists) provide all that is needed.

At that meeting and similar ministerial-level get togethers, the IEA pushes for OECD spending on what it calls "new energy" that it costs at $5 trillion by 2020.

There is of course the inevitable dire crisis of global warming to fight. The IEA's deputy director Richard H. Jones has no problem saying global average temperatures "will probably rise by at least 6 degrees centigrade by 2050" http://www.platts.com/RSSFeedDetailedNews/RSSFeed/Oil/8221271 but also says that big spending on New Energy could or might mitigate that outright disaster. Apparently, nobody at the IEA told Jones what +6 degC would do to world sea levels and energy demand in the flooded cities that resulted from this fantastic and impossible temprise - as if that concerned Jones!

To be sure, the IEA says, apart from the renewables there must also be flat-out development of shale gas, stranded gas, shale oil, tarsand oil production, condensate oil production, gas-to-oil conversion, even coal-to-oil conversion and of course biofuels to meet the giddy pace of oil demand growth. Even if there is no trace of oil demand growth since 2010, perhaps 2008, it will surely come back to haunt us. Coal-fired electric power will also be OK, says the IEA, if continental scale carbon capture and sequestration is rapidly developed, with of course 24/7 trading of carbon dioxide dumping sites and pipeline availability. Everything is possible if you throw enough money at the problem and consumers supinely go on paying sky high prices for oil energy!

**Oil prices are high and stable –**

#### Expectations for OECD demand

AP 9-12-2012; Oil price falls on questions about global economy http://fuelfix.com/blog/2012/09/12/oil-prices-hover-above-93-a-barrel-in-asia/

Benchmark oil fell 16 cents Wednesday to end at $97.01 per barrel in New York. Brent crude, which is used to price international varieties of oil, gained 56 cents to $115.33 per barrel in London. A German court cleared a path for Europe to create a fund to help financially troubled countries. It is just one of several strategies being pursued to resolve Europe’s debt crisis. Oil prices briefly topped $98 per barrel after the ruling was announced. Those gains were erased after the U.S. government said crude inventories increased last week. Now, traders are looking ahead to Thursday when the Federal Reserve wraps up a two-day policy meeting. There is broad speculation that Chairman Ben Bernanke will unveil a bond-buying program or other steps designed to boost the U.S. economy. Since hitting a low of $77.69 per barrel in late June, oil has risen about $20 per barrel on expectations that the U.S., Europe and China will do more to help their economies.

#### Fear over insufficient supply and geopolitical risks

Stuart Burns 9-4-2012; Why Oil Prices Will Remain High <http://oilprice.com/Energy/Oil-Prices/Why-Oil-Prices-Will-Remain-High.html>

I don’t know about you, but in the absence of any dramatic news about Iran in the papers, and especially set against the general background of a weakening global economy, the relentless rise in gas prices each time I pull up at the pump has come as a bit of a shock. And before anyone leaves a comment about being a bit tight-fisted, let me tell you, here in the UK it costs me about $200 to fill up my tank — no small outlay. So if anyone else is wondering what’s going on, an Economist article makes depressing reading, because rather than report this as just another temporary Ayatollah-induced spike, the learned news mag reports that in spite of oil market indicators being bearish, oil prices are likely to stay above $100 per barrel for the rest of the year. Brent Crude Oil Price Source: The Economist Unfortunately, while the Economist gives credit to suggestions that on-going tension between Iran and the West are spooking the oil markets, it bizarrely spends much more time focusing on poor growth prospects in many developed economies, particularly Europe and China. The oil market is obviously delving deeply to find this speculation about a possible Israeli strike on Iran’s nuclear facilities, and retaliatory threats by Iran to block the Strait of Hormuz, because while the headlines were rife with just such possibilities nine months ago, there has been precious little of late. Still, be that as it may, and even though the world’s storage tanks are awash with oil, the little bit of news and the fear (not backed up by hard evidence from what I can see) that the loss of about 1 million barrels per day of embargoed exports from Iran cannot be made up by Saudi Arabia and Russia is enough to get oil investors running for the hills.

#### Rising over positive bond market indicators

PressTV 9-12-2012; Oil prices hit new high in global markets <http://www.presstv.ir/detail/2012/09/12/261156/global-oil-prices-hit-new-high/?utm_source=dlvr.it&utm_medium=twitter>

Oil prices in global markets have hit a new high as Brent crude rose above USD 115 per barrel after the US Federal Reserve announced a third round of bond buying. On Wednesday, London Brent crude for October delivery, due to expire on Thursday, increased 35 cents to settle at USD 115.75 per barrel, its highest record this week. Meanwhile, US crude for October delivery gained 3 cents to USD 97.20 a barrel.

# 1nr no link

**US demand is crucial to oil exporter revenue – transition to domestic energy would devastate petrostates**

Gregory D. **Miller**, April 20**10**; assistant professor of political science at the University of Oklahoma, “The Security Costs of Energy Independence” Center for Strategic and International Studies The Washington Quarterly • 33:2 pp. 107119 http://csis.org/files/publication/twq10aprilmiller.pdf

The United States should not maintain its dependence on oil simply to prevent economic instability in Russia, regional conflict in the Middle East, or the growth of the drug trade in Venezuela, but **the United States must be cautious regarding how it goes about reducing its consumption. Some states are even more dependent on oil revenues than the West is on oil imports, and the United States must be careful about rushing toward energy independence without first considering the unintended consequences. The United States only gets about 15 percent of its oil from the Middle East. Nearly 22 percent of all OPEC oil, however, is sold to the United States**.26 **The United States is the world’s largest consumer of oil (more than 25 percent), and a reduction in U.S. demand will have a dramatic effect on the price of oil and on the world’s oil-exporting states.** **The real effects of a drop in U.S. consumption are difficult to predict** and may depend on how the United States reduces its demand. If it does so simply through conservation, then the gradual decline in demand will likely have minimal effects on oil exporters. On the other hand, **a drastic drop in demand, such as that associated with the development of a new technology, will have significant economic repercussions for a number of countries, even those that do not sell much oil to the United States.**

**Economies of scale make wind cheaper than natural gas for electricity – that allows natural gas to move to transportation**

Stephen **Lacey** 11-14-20**11** ; writer for Think Progress citing Bloomberg New Energy Finance, Wind Electricity To Be Fully Competitive With Natural Gas by 2016, Says Bloomberg New Energy Finance http://thinkprogress.org/climate/2011/11/14/367883/wind-electricity-competitive-natural-gas/

**The best wind farms in the world are already competitive with coal, gas and nuclear plants**. **But over the next five years, continued performance improvements and cost reductions will bring the average onshore wind plant in line with cheap natural gas, even without a price on carbo**n, according analysis from Bloomberg New Energy Finance. **After analyzing the cost curve for wind projects** since the mind-1980′s, **BNEF researchers showed that the cost of wind-generated electricity has fallen 14% for every doubling of installation capacity**. **These cost reductions are due to a number of factors: more sophisticated manufacturing, better materials, larger turbines, and more experience with plant operations and maintenance**. Those improvements, combined with an oversupply of turbines on the global market, will bring the average cost of wind electricity down another 12% by 2016. **These two changes will drive the cost of wind energy down further, to parity with conventional energy sources**. Assuming specific learning rates for these components, we expect wind to become fully competitive with energy produced from combined-cycle gas turbines by 2016 in most regions offering fair wind conditions. That would be the case with wind turbine prices at EUR 0.80m/MW by then. **Any increase in the cost of gas, which will consequently raise the cost of energy of gas-fired turbines, would bring forward the timing of grid parity for wind.**

**Wind development causes investment and speculation in hydrogen to compete with oil**

Lester **Brown** 6-25-200**3**; United States environmental analyst, founder of the Worldwatch Institute, and founder and president of the Earth Policy InstituteWind Power Set to Become World's Leading Energy Source http://www.commondreams.org/headlines03/0625-09.htm

Wind power is now a viable, robust, fast-growing industry. **Cheap electricity from wind makes it economical to electrolyze water and produce hydrogen**. **Hydrogen is the fuel of choice for the highly efficient fuel cells that will be used widely in the future to power motor vehicles and to supply electricity, heating, and cooling for buildings**. Hydrogen also offers a way of storing wind energy and of transporting it efficiently by pipeline or in liquefied form by ship. With the wind industry's engineering know-how and manufacturing experience, **it would be relatively easy to scale up the size of the industry**, even doubling it annually for several years, if the need arose. If, for example, crop-shrinking heat waves raise food prices and generate public pressure to quickly reduce carbon emissions by replacing coal and oil with wind and hydrogen, it will be possible to do so. **If the need arises to shift quickly to hydrogen-fueled automobiles, this can be done by converting gasoline-burning internal combustion engines to hydrogen with inexpensive conversion kits. For energy investors, growth in the future lies with wind and the hydrogen produced with cheap wind-generated electricity**. Solar cell sales are growing at over 30 percent a year and are likely to supply much of the electricity for the 1.7 billion people who are still without electricity, most of them living in developing country villages. But solar cells are still too costly to supply the vast amounts of energy required to power a modern economy.

**Oil is responsive to international market forces – clean energy economies of scale would affect prices**

Mark **Heesen and** Lezlee **Westine** 5-22-200**8**; Mark Heesen is President of the National Venture Capital Association and Lezlee Westine is President and CEO of TechNet. U.S. Needs to Extend Renewable Tax Credits Now http://www.technet.org/u-s-needs-to-extend-renewable-tax-credits-now/

There is another way. **Technological advances in** solar, wind, biofuels, energy efficiency, fuel cell design and other **emerging energy sources are creating the energy and cost efficiencies necessary to transform the world¿s energy consumption**. **This shift can reduce** drive gas **prices**, improve America¿s competitiveness and help address the world¿s environmental challenges. Today, however, common sense legislation supporting renewable energy creation is being held up because of Washington politics. Some may ask **what is the connection between green energy and the price of oil**? The answer is the most basic of economic tenets ¿ **high demand and limited supply lead to higher prices**. Today, **two-thirds of the oil used in the United States is for transportation. Outside the U.S., roughly 50 percent of the oil consumed is used for non-transportation purposes such as electricity generation**. **Given the world¿s limited supply and heavy reliance on oil, there simply are no market forces working to drive down costs**. To bring down and keep down the price of oil (and America¿s gas prices), **greater competition in the world energy market is needed**. Consumption must shift from oil to a more balanced mix that includes greener energy alternatives. But **without reliable federal policy** that drives this transformation, **clean energy sources are unlikely to reach the economies of scale necessary to compete with oil in the world energy market.**

# Flexible Ruble

**1). We don’t have to win a total collapse-just a major swoon that’s sufficient to threaten putin’s legitimacy**

**Not resilient --**

**--totally vulnerable to commodity price swings**

**Felix Goryunov 1-31-2012; Moscow-based economic journalist who has been covering international economic and trade issues for more than 30 years. “Russia Needs An Economic Strategy If It Wants To Compete With The Rest Of The BRICS” January 31st http://articles.businessinsider.com/2012-01-31/europe/31008426\_1\_russian-economy-gdp-industrial-production/2#ixzz20FnDnq86**

**Since 1992**, China’s GDP increased 5.3 times, India’s rose by 3.5 times and Brazil’s more than three. It is noteworthy that this growth went hand-in-hand with the structural diversification of economies, renovation of their industrial base and infrastructure as well as an expansion of purchasing power, social services and public welfare. But what about Russia? During the same time span, **Russia suffered an industrial and technological degradation that was more devastating than its losses in World War II. As a result, Russia reached its 1990 GDP level only in 2007 while the volume of industrial production remains less than in the Soviet era**. In terms of GDP estimated in PPP by the IMF, Russia is now number six in the world, while China is second**. In contrast to China and the other BRICS members, which are steadily increasing industrial production, the main drivers of the Russian economy continue to be domestic consumption and exports of raw materials**. Most Russian enterprises are not expanding for a lack of fixed investment. (Although the extraction, metals and defense industries are exceptions here). The Russian government dreams of raising fixed investment to 25 percent of GDP, whereas in China its share is already 45 percent of GDP. The outflow of capital from Russia ($85 billion in 2011) is more than twice as big as direct foreign investment (about $36 billion**). Even a balanced budget, a current account surplus and sizable hard currency reserves** (about $500 billion at the end of 2011) **can’t guarantee Russia’s technological resurgence and higher competitive leverage.** **The poorly diversified economy, addicted to imports of high-tech goods and even some agricultural products, makes Russia fully dependent on the whims of the world commodities markets**. The country may face a slump even this year if the world oil prices fall below $60 per barrel. A repetition of the serious contraction of Russia’s GDP in 2009 ( -7.8%) after a sharp decrease in oil prices is very likely, and last September, the World Bank already projected a slowing of GDP growth in 2012 from 4.4 percent in 2011 to around 3.5 percent.