### Off

Text: The United States Federal Government should establish that the penalty for violating restrictions on the production of natural gas on federal lands in the Outer Continental Shelf may include entry into a Supplemental Environmental Project.

Implementation of the Supplemental Environmental Projects should follow the 1991 Policy on the Use of Supplemental Environmental Projects in EPA Settlements, and any conflicting federal laws and regulations should be modified to provide a narrow exemption for the above penalty.

The level of penalty determines the level of compliance – restrictions don’t matter if penalties are marginal.

Center for Progressive Reform 2008 (The Center for Progressive Reform, a nonprofit research and educational organization with a network of Member Scholars working to protect health, safety, and the environment through analysis and commentary, 2008, “Environmental Enforcement,” <http://progressiveregulation.org/perspectives/environEnforce.html>)

Effective enforcement is key to ensuring that the ambitious goals of our environmental statutes are realized. Enforcement refers to the set of actions that the government can take to promote compliance with environmental law. . Currently, rates of noncompliance with environmental laws remain disturbingly high; experts believe that as many as twenty to forty percent of firms regulated by federal environmental statutes regularly violate the law. Tens of millions of citizens live in areas out of compliance with the health based standards of the Clean Air Act, and close to half of the water bodies in the country fail to meet water quality standards set by the Clean Water Act. In communities burdened by multiple sources of pollution, noncompliance has particularly serious health consequences for affected residents. ¶ As in virtually every other area of government regulation, environmental enforcement traditionally has been based on the theory of deterrence. This theory assumes that persons and businesses act rationally to maximize profits, and will comply with the law where the costs of noncompliance outweigh the benefits of noncompliance. The job of enforcement agencies is to make both penalties and the probability of detection high enough that it becomes irrational– unprofitable-- for regulated firms to violate the law. ¶ EPA’s enforcement policies traditionally have reflected these principles. EPA has emphasized the importance of regular inspections and monitoring activity to detect noncompliance, and has responded to violations with swift and appropriate sanctions. EPA’s policies also mandate that the agency recover the economic benefit firms realize through noncompliance, since if a firm is able to profit from illegal activity, it has little incentive to comply in the first place. ¶ State environmental agencies actually carry out the majority of enforcement activity in this country because most states have received authority from EPA to administer federal environmental laws under EPA oversight (see CPR Perspective on Devolution) States also administer and enforce their own state laws. As in other areas of environmental regulation, the quality of state enforcement programs vary considerably. Some states carefully follow EPA mandates and vigorously enforce environmental requirements. In other states, enforcement is relatively lax, and agencies rarely respond to violations with penalties. ¶ Citizen enforcement also is a feature of most federal environmental statutes. The statutes allow citizens to sue companies for violations when the government fails to do so and various, often strict, procedural conditions are met. Traditionally, Congress has viewed citizen enforcement as an important supplement to agency enforcement and an important prod to agency regulators. ¶ What People are Fighting About¶ In recent years there has been a sharp debate over the future direction of environmental enforcement. Many states and regulated entities advocate a more business-friendly, conciliatory enforcement strategy, one that does not emphasize enforcement actions and penalties as the keys to securing compliance. In their view, businesses are likely to comply without resort to sanctions because of adherence to social and political norms, market forces, and other factors. ¶ Thus, many states have reduced funding for inspections. enforcement cases and similar activities, and shifted resources toward compliance assistance programs. Some have created “customer service centers” for regulated entities. Many states do not follow EPA guidance for responding to violations with “timely and appropriate” enforcement actions. Many impose only limited penalties on violators, penalties that typically are far lower than those assessed by EPA in similar circumstances. Many states fail to recover economic benefit when assessing penalties--a core element of deterrence theory. In the past decade, almost one-half of the states have enacted environmental audit privilege or immunity laws that preclude penalties for violations voluntarily disclosed and corrected by regulated entities as a result of environmental audits. These laws also keep materials contained in environmental audits secret and exempt from public disclosure. ¶ At the same time, EPA has to some degree deemphasized traditional enforcement and used its limited resources to provide more compliance assistance to small businesses and other regulated sectors. It has also searched for positive incentives for companies that carry out self-policing efforts. Until very recently, however, EPA has continued to demand that the states impose sanctions, conduct inspections, and bring enforcement actions as the main tools for deterring firms from violating the law. EPA also resisted the most far-reaching efforts of states to weaken enforcement of environmental laws. Funding shortfalls and emerging policy changes in such areas as whether new sources must obtain new permits have taken their toll and EPA’s commitment to deterrence-based enforcement appears to be weakening. ¶ In reaction to these changes, environmental groups, contend that government enforcement is too lax, that too often fines for violating environmental requirements have become no more than a routine cost of doing business for regulated entities, and that the government lacks the resources to pursue most violations. They would like to more vigorously enforce environmental violations. During the past decade or so, however, the Supreme Court has erected a series of hurdles to citizen enforcement of environmental laws. The Court has imposed restrictions on who has standing to bring suit, what type of illegal conduct can be challenged, when a decision is “ripe” for suit, when government agencies can be sued, and when attorneys fees can be awarded to successful plaintiffs’ attorneys. These court-imposed obstacles have significantly undermined the role envisioned by Congress for citizen enforcers.

The inclusion of SEPs leads to non-compliance but triggers the same industry response as the plan but leaves the restriction in place.

Dana, 98

[David, or of Law, Boston University School of Law, 1998, ARTICLE: THE UNCERTAIN MERITS OF ENVIRONMENTAL ENFORCEMENT REFORM: THE CASE OF SUPPLEMENTAL ENVIRONMENTAL PROJECTS, 1998 Wis. L. Rev. 1181, Lexis]

The previous analysis illustrates that the inclusion of SEPs in an enforcement regime may lead to negotiated settlements that cost violators substantially less than the standard monetary penalty. The particular implications of this insight for a deterrence analysis depend on whether the standard monetary penalty represents "an optimal penalty" or instead a sub- or super-optimal penalty. As a preliminary matter, a brief discussion of the concept of optimal penalty (PEN<opt>) thus may be in order. Economists typically regard the goal of an enforcement regime as the achievement of "optimal deterrence." The phrase optimal deterrence, of course, implies that absolute or complete deterrence of regulatory violations should not be the goal of an enforcement regime. Rather, the regime should act to prevent violations which will generate social costs in excess of social benefits. Conversely, of course, the regime should not discourage violations that produce net social benefits. In settings involving perfect detection and prosecution of regulatory violations by government agencies, a penalty equalling the social harm of a violation will produce optimal deterrence. Where detection and prosecution are imperfect, a penalty equalling the harm of a violation will result in underdeterrence because potential violators will discount the nominal penalty to take account of the probability that they will evade detection and/or prosecution. To achieve optimal deterrence, therefore, [\*1206] nominal penalties must equal the social harm divided by the probability of detection and prosecution. The standard monetary penalty for any particular regulatory violation - the penalty that would be imposed in the absence of any SEP settlement options - logically can have only one of three relations to the optimal penalty: The standard monetary penalty can be less than the optimal penalty, equal to the optimal penalty, or greater than the optimal penalty. In all three of these cases, the introduction of SEP settlement options into an enforcement regime is troublesome from an optimal deterrence perspective. Each case will be taken in turn. 1. pen[in'mon.std'] < pen<opt> Where the standard monetary penalty is less than the optimal penalty, regulators' exclusive reliance on monetary penalties will produce underdeterrence. n77 That is, some violations will occur even though the social costs of the violations exceed the social benefits. The introduction of SEPs into such regimes will only make matters worse: SEPs will lower regulated entities' expected penalties for regulatory violations n78 and [\*1207] hence produce more underdeterrence and more socially costly violations. For example, imagine that the harm from a particular regulatory violation has a dollar equivalent value of $ 400, and the perceived probability of detection is 0.1. The optimal penalty thus would be $ 400/0.1 or $ 4000. Assume, however, that the standard monetary penalty is only $ 3000 and regulated entities' expected penalty for violating the regulation is thus only $ 300. Profit-maximizing regulated entities will take the risk of violating the regulation if they expect to gain more than $ 300 by doing so. Now assume that a regulatory agency adds SEP settlements to the enforcement regime. The regulated entity in question now believes that there is a fifty percent probability that it could successfully negotiate a SEP in the event government regulators detect its regulatory noncompliance. n79 Assume also that the regulated entity estimates that the SEP discount or savings off the standard monetary penalty would be thirty-three percent, so that the expected cost of a SEP would be $ 2000. The total expected penalty thus would be 0.1[(0.5)($ 3000) + (0.5)(0.66)($ 3000)], or approximately $ 250. This reduction in the expected penalty from $ 300 to $ 250 could translate into real differences in regulated entities' behavior. Under the pre-SEP regime, regulated entities at least would avoid socially undesirable violations offering them less than $ 300 in savings. The addition of SEPs to the regime eliminates deterrence for violations offering between $ 250 and $ 300 in savings. 2. pen[in'mon.std'] = pen<opt> Where the standard monetary penalty equals the optimal penalty, the enforcement regime will achieve optimal deterrence. Regulated entities will be deterred from committing all of the potential violations that result in greater social loss than social gain, but they will not be deterred from [\*1208] committing any potential violations that are, on net, socially beneficial. The introduction of SEPs into the penalty regime will lower expected penalties and thus produce a shift from this state of optimal deterrence to one of underdeterrence.

No Congressional backlash

Robertson 2009 (Brooke, J.D. Candidate (2009), Washington University School of Law, “Expanding the Use of Supplemental Environmental Projects,” Washington University Law Review, Vol. 86, Issue 4¸ 2009, <http://digitalcommons.law.wustl.edu/cgi/viewcontent.cgi?article=1131&context=lawreview>)

Despite the opposition by the DOJ and GAO, courts have found that payments do not have to be paid to the Treasury as long as they are not defined as “penalties” and are made before the defendant is found liable. 27 Settlements are made before a finding of liability; therefore, SEP payments do not fall under the MRA. 28 The Clean Air Act is the only environmental statute in which Congress has explicitly mentioned the use of SEPs. 29 However, SEPs have been used extensively and Congress has not imposed any restrictions on the EPA’s use of SEPs. 30 “Congress is aware of the use of SEPs by the EPA, and has, through legislative history and proposed bills,” displayed congressional acquiescence to the EPA’s use of SEPs. 31

### Off

Immigration Reform will pass—STRONG bipartisan support but drawn out and contentious debates are still to come—

Graham 2-7-13. DAVID A. GRAHAM - David Graham is an associate editor at The Atlantic, where he writes and edits for the Politics Channel. He previously reported for Newsweek, The Wall Street Journal, and The National. “Why Immigration-Reform Advocates Feel Good About Their Chances” [http://www.theatlantic.com/politics/archive/2013/02/why-immigration-reform-advocates-feel-good-about-their-chances/272977/]

The way John McCain and Michael Bennet talk about it, you'd be surprised immigration reform hasn't passed already.

"We have the opportunity to pass a broad-based bill that deals not just with one problem or two problem but takes on the entire of array in ways this touches our economy," said Bennet, a Democratic U.S. senator from Colorado, at an Atlantic conference in Washington Thursday. (Bennet is the brother of Atlantic Editor in Chief James Bennet.) "I do think you've got two parties that've got reasons to get this done."

And McCain, as usual, was colorful and blunt. A veteran of several failed attempts at reform, he offered one big explanation for why this time would be different.

"The climate has changed, American opinion has changed, elections have changed ... and I'm working with people who are effective," he said. "Chuck Schumer is effective. I hate him! But he's effective."

Of course, there's more to it, especially for Republicans like McCain, who along with Bennet is a member of the "Gang of Eight" senators working on a bipartisan proposal. The Arizonan pinpointed three reasons this is the time to get reform done. One is simple political math: As many Republicans seem to be realizing, the GOP will find it harder and harder to win elections if it continues to alienate Latino voters. A second is technological, he said, repeatedly citing drones and other technological advances developed to fight the wars in Iraq and Afghanistan as useful tools for policing the border with Mexico more effectively.

But much of it comes down to fairness, he concluded.

"Can we leave 11 million people in the shadows forever?" McCain asked, referring to the estimated number of illegal immigrants in the country. "The people that wash our dishes, cut our lawns, take care of our children -- is it right to leave them in the shadows forever? I don't think so."

Intriguingly, the two Democratic senators who bookended McCain's appearance -- Bennet and Minnesota's Amy Klobuchar -- offered economic rationales for reform, while the Republican made the compassionate case. But what's interesting is how views often associated with one party or the other seem to have been pushed aside, if not totally dispensed with. Bennet said it was reasonable to expect immigrants to learn English, and he said it was fine to make legislation contingent upon border security as long as employee verification, the standard Democratic priority, was part of a comprehensive bill. Bennet would offer only oblique criticism of GOP hardliners like David Vitter and Ted Cruz, saying, "There are some people that are better at putting themselves in other people's shoes that others."

Meanwhile, the occasionally cranky McCain was all smiles and jokes, with praise for both Klobuchar and Bennet; he saved his fire for budgetary matters. Asked about the sequester -- which he voted for -- he said, "It's insane, and it's unacceptable." And he criticized his 2008 rival Barack Obama's campaign-style strategy of barnstorming the country to drum up grassroots backing for his side. The real solution, McCain said, was to invite legislators to the White House to hash out a compromise. "There's no point in going out and giving another speech."

There should be no illusion that the road forward on immigration reform will be smooth. Panelists identified two big ones. First is the already-cliched "path to citizenship" for illegal immigrants, which McCain pointed out was likely to disappoint some advocates -- it won't be a walk in the park. The second sticking point is likely to be a guest-worker program. While lawmakers in both parties seem to agree that the country should lift caps on visas for highly skilled workers, the fate of agricultural and other low-skill workers seems certain to provoke acrimonious debate.

Political capital is key to RESOLVING these fights and getting it passed—

Foley 1-15 Elise is a writer @ Huff Post Politics. “Obama Gears Up For Immigration Reform Push In Second Term,” 2013, http://www.huffingtonpost.com/2013/01/15/obama-immigration-reform\_n\_2463388.html

Obama has repeatedly said he will push hard for immigration reform in his second term, and administration officials have said that other contentious legislative initiatives -- including gun control and the debt ceiling -- won't be allowed to get in the way. At least at first glance, he seems to have politics on his side. GOP lawmakers are entering -- or, in some cases, re-entering -- the immigration debate in the wake of disastrous results for their party's presidential nominee with Latino voters, who support reform by large measures. Based on those new political realities, "it would be a suicidal impulse for Republicans in Congress to continue to block [reform]," David Axelrod, a longtime adviser to the president, told The Huffington Post.¶ Now there's the question of how Obama gets there. While confrontation might work with Republicans on other issues -- the debt ceiling, for example -- the consensus is that the GOP is serious enough about reform that the president can, and must, play the role of broker and statesman to get a deal.¶ It starts with a lesson from his first term. Republicans have demanded that the border be secured first, before other elements of immigration reform. Yet the administration has been by many measures the strictest ever on immigration enforcement, and devotes massive sums to policing the borders. The White House has met many of the desired metrics for border security, although there is always more to be done, but Republicans are still calling for more before they will consider reform. Enforcing the border, but not sufficiently touting its record of doing so, the White House has learned, won't be enough to win over Republicans.¶ In a briefing with The Huffington Post, a senior administration official said the White House believes it has met enforcement goals and must now move to a comprehensive solution. The administration is highly skeptical of claims from Republicans that immigration reform can or should be done in a piecemeal fashion. Going down that road, the White House worries, could result in passage of the less politically complicated pieces, such as an enforcement mechanism and high-skilled worker visas, while leaving out more contentious items such as a pathway to citizenship for undocumented immigrants.¶ "Enforcement is certainly part of the picture," the official said. "But if you go back and look at the 2006 and 2007 bills, if you go back and look at John McCain's 10-point 'This is what I've got to get done before I'm prepared to talk about immigration,' and then you look at what we're actually doing, it's like 'check, check, check.' We're there. The border is as secure as it's been in a generation or two, so it's really time."¶ One key in the second term, advocates say, will be convincing skeptics such as Republican Sen. John Cornyn of Texas that the Obama administration held up its end of the bargain by proving a commitment to enforcement. The White House also needs to convince GOP lawmakers that there's support from their constituents for immigration reform, which could be aided by conservative evangelical leaders and members of the business community who are pushing for a bill.¶ Immigrant advocates want more targeted deportations that focus on criminals, while opponents of comprehensive immigration reform say there's too little enforcement and not enough assurances that reform wouldn't be followed by another wave of unauthorized immigration. The Obama administration has made some progress on both fronts, but some advocates worry that the president hasn't done enough to emphasize it. The latest deportation figures were released in the ultimate Friday news dump: mid-afternoon Friday on Dec. 21, a prime travel time four days before Christmas.¶ Last week, the enforcement-is-working argument was bolstered by a report from the nonpartisan Migration Policy Institute, which found that the government is pouring more money into its immigration agencies than the other federal law-enforcement efforts combined. There are some clear metrics to point to on the border in particular, and Doris Meissner, an author of the report and a former commissioner of the U.S. Immigration and Naturalization Service, said she hopes putting out more information can add to the immigration debate.¶ "I've been surprised, frankly, that the administration hasn't done more to lay out its record," she said, adding the administration has kept many of its metrics under wraps.¶ There are already lawmakers working on a broad agreement. Eight senators, coined the gang of eight, are working on a bipartisan immigration bill. It's still in its early stages, but nonmembers of the "gang," such as Sen. Marco Rubio (R-Fla.) are also talking about reform.¶ It's still unclear what exact role the president will play, but sources say he does plan to lead on the issue. Rep. Zoe Lofgren (D-Calif.), the top Democrat on the House immigration subcommittee, said the White House seems sensitive to the fact that Republicans and Democrats need to work out the issue in Congress -- no one is expecting a fiscal cliff-style arrangement jammed by leadership -- while keeping the president heavily involved.

CIR is key to food security and ag competitiveness

ACIR 07 THE AGRICULTURE COALITION FOR IMMIGRATION REFORM, December 4, 2007, http://www.aila.org/content/fileviewer.aspx?docid=24034&linkid=169473

Dear Member of Congress: The Agriculture Coalition for Immigration Reform (ACIR) is deeply concerned with pending immigration enforcement legislation known as the ‘Secure America Through Verification and Enforcement Act of 2007' or ‘SAVE Act’ (H.R.4088 and S.2368). While these bills seek to address the worthy goal of stricter immigration law enforcement, they fail to take a comprehensive approach to solving the immigration problem. History shows that a one dimensional approach to the nation’s immigration problem is doomed to fail. Enforcement alone, without providing a viable means to obtain a legal workforce to sustain economic growth is a formula for disaster. Agriculture best illustrates this point. Agricultural industries that need considerable labor in order to function include the fruit and vegetable, dairy and livestock, nursery, greenhouse, and Christmas tree sectors. Localized labor shortages have resulted in actual crop loss in various parts of the country. More broadly, producers are making decisions to scale back production, limit expansion, and leave many critical tasks unfulfilled. Continued labor shortages could force more producers to shift production out of the U.S., thus stressing already taxed food and import safety systems. Farm lenders are becoming increasingly concerned about the stability of affected industries. This problem is aggravated by the nearly universal acknowledgement that the current H-2A agricultural guest worker program does not work. Based on government statistics and other evidence, roughly 80 percent of the farm labor force in the United States is foreign born, and a significant majority of that labor force is believed to be improperly authorized. The bills’ imposition of mandatory electronic employment eligibility verification will screen out the farm labor force without providing access to legal workers. Careful study of farm labor force demographics and trends indicates that there is not a replacement domestic workforce available to fill these jobs. This feature alone will result in chaos unless combined with labor-stabilizing reforms. Continued failure by Congress to act to address this situation in a comprehensive fashion is placing in jeopardy U.S. food security and global competitiveness. Furthermore, congressional inaction threatens the livelihoods of millions of Americans whose jobs exist because laborintensive agricultural production is occurring in America. If production is forced to move, most of the upstream and downstream jobs will disappear as well. The Coalition cannot defend of the broken status quo. We support well-managed borders and a rational legal system. We have worked for years to develop popular bipartisan legislation that would stabilize the existing experienced farm workforce and provide an orderly transition to wider reliance on a legal agricultural worker program that provides a fair balance of employer and employee rights and protections. We respectfully urge you to oppose S.2368, H.R.4088, or any other bills that would impose employment-based immigration enforcement in isolation from equally important reforms that would provide for a stable and legal farm labor force.

That solves extinction

Lugar 04 (Richard G., former U.S. Senator – Indiana and Former Chair – Senate Foreign Relations Committee, “Plant Power”, Our Planet, 14(3), http://www.unep.org/ourplanet/imgversn/143/lugar.html)

In a world confronted by global terrorism, turmoil in the Middle East, burgeoning nuclear threats and other crises, it is easy to lose sight of the long-range challenges. But we do so at our peril. One of the most daunting of them is meeting the world’s need for food and energy in this century. At stake is not only preventing starvation and saving the environment, but also world peace and security. History tells us that states may go to war over access to resources, and that poverty and famine have often bred fanaticism and terrorism. Working to feed the world will minimize factors that contribute to global instability and the proliferation of weapons of mass destruction. With the world population expected to grow from 6 billion people today to 9 billion by mid-century, the demand for affordable food will increase well beyond current international production levels. People in rapidly developing nations will have the means greatly to improve their standard of living and caloric intake. Inevitably, that means eating more meat. This will raise demand for feed grain at the same time that the growing world population will need vastly more basic food to eat. Complicating a solution to this problem is a dynamic that must be better understood in the West: developing countries often use limited arable land to expand cities to house their growing populations. As good land disappears, people destroy timber resources and even rainforests as they try to create more arable land to feed themselves. The long-term environmental consequences could be disastrous for the entire globe. Productivity revolution To meet the expected demand for food over the next 50 years, we in the United States will have to grow roughly three times more food on the land we have. That’s a tall order. My farm in Marion County, Indiana, for example, yields on average 8.3 to 8.6 tonnes of corn per hectare – typical for a farm in central Indiana. To triple our production by 2050, we will have to produce an annual average of 25 tonnes per hectare. Can we possibly boost output that much? Well, it’s been done before. Advances in the use of fertilizer and water, improved machinery and better tilling techniques combined to generate a threefold increase in yields since 1935 – on our farm back then, my dad produced 2.8 to 3 tonnes per hectare. Much US agriculture has seen similar increases. But of course there is no guarantee that we can achieve those results again. Given the urgency of expanding food production to meet world demand, we must invest much more in scientific research and target that money toward projects that promise to have significant national and global impact. For the United States, that will mean a major shift in the way we conduct and fund agricultural science. Fundamental research will generate the innovations that will be necessary to feed the world. The United States can take a leading position in a productivity revolution. And our success at increasing food production may play a decisive humanitarian role in the survival of billions of people and the health of our planet.

### Off

#### Plan crushes Russian energy security – it outweighs oil

Sharples 12 [Jack Sharples (Ph.D. Candidate specializing in EU-Russia natural gas relations at the University of Glaslow) 2012 “Russia-EU gas relations: the Russian perspective” http://glasgow.academia.edu/JackSharples/Papers/1596861/Russia-EU\_Gas\_Relations\_The\_Russian\_Perspective]

The EU as a strategic market for Gazprom and Russia Gas sales to the EU enable Gazprom to subsidise domestic gas prices Domestic gas sales accounted for 56 percent of Gazprom’s sales by volume, but just 29 percent of total sales by revenue in 2010 (Gazprom, 2011b), meaning that the domestic market was under-represented in Gazprom’s sales revenues. Conversely, gas sales to EU-27accounted for 26 percent of sales by volume, but 44.2 percent of Gazprom’s total sales by revenue in 2010 (Gazprom, 2011b), meaning that the EU is over-represented in Gazprom’s sales revenues. The reason for this imbalance is the difference in price between the destinations of Gazprom’s exports. Gazprom’s official figures divide the destinations of Gazprom’s gas sales into three groups: domestic (i.e. Russian); the Former Soviet Union (FSU); and the ‘far abroad’ (countries beyond the FSU – in this case EU-27 minus the three Baltic states, plus Turkey and Former Yugoslavia). In 2010 Gazprom earned just over 1099.2bn Roubles selling148.1bcm of gas to the ‘far abroad’ at an average price of 9166 Roubles per million cubic metres (mcm). This figure also includes 2.5bcm of LNG exports, mainly to the Far East. Using the ‘far abroad’ average price, gas sales of 130.2bcm to the EU in 2010 would have generated 966bn Roubles for Gazprom. Sales to the Former Soviet Union (including the three Baltic states) amounted to 70.2bcm and earned Gazprom approximately 450.1bn Roubles at an average price of 7039 Roubles per mcm. Finally, Gazprom earned 636.8bn Roubles selling277.3bcm of gas to the domestic Russian market at an average price of 2296.8 Roubles per mcm (Gazprom, 2011b). Thus, the price of gas sold by Gazprom on the domestic Russian market in 2010 was a quarter of that sold to the ‘far abroad’ and a third of that sold to the countries of the Former Soviet Union. The result is that gas sales to the EU are crucial for Gazprom’s ability to sell gas at low prices domestically, and for Gazprom’s ability to invest in new gas production. As Dusseault puts it, Gazprom needs export profits to recoup the losses they make on the Russian market (Dusseault, 2010). Therefore, Gazprom’s gas sales to the EU are crucial not only for Russia’s external energy security, but also for Russia’s internal energy security. The role of energy in Russia’s broader economic and political relations with the EU The EU does not only represent a key market for Russian gas exports. The EU is also Russia’s most important economic and political partner on the international stage. According to the European Commission, the EU-27 accounted for 43 percent of Russian imports and 49 percent of Russian exports in 2010 (European Commission Directorate-General for Trade,2011a, pg. 4), and it is estimated that 75 percent of Foreign Direct Investment (FDI) into Russia comes from EU Member States (European Commission, 2011). For comparison, China is Russia’s second-largest import and export partner, accounting for 18.1 percent of Russia’s imports and 5.3 percent of Russia’s exports (European Commission Directorate-General for Trade, 2011a, pg.6) The extent to which energy forms the basis of this relationship is seen in the fact that, according to EU statistics, ‘mineral fuels’ accounted for around 75 percent of Russia’s exports to the EU in 2010. Of these mineral fuel exports, petroleum and petroleum products accounted for 85 percent and gas 11 percent (Ottens, 2011, pg. 3). In 2010 Russia had a positive trade balance of 68.1bn Euro, based on exports worth 138.6bn Euro, with the EU. Of these exports, oil and petroleum products accounted for 100.5bn Euro, while gas, electricity and coal combined accounted for 19.4bn Euro (European Commission Directorate-General for Trade, 2011a, pg. 10). However, these figures seem to slightly underestimate Russia’s revenues from gas sales in 2010 – Using an exchange rate of 37 to 43 Roubles per Euro (XE,2012), the figure of 966bn Roubles used above should have given Gazprom revenues of 22.5-26.1bn Euro for EU gas sales in 2010. Whilst gas sales are significant in that they represent around a third of Russia’s positive trade balance with the EU, it would clearly be impossible for Russia to maintain a positive trade balance with the EU without oil exports. However, while oil may be more important economically, gas is arguably more important politically. In the context of a more regional market still largely based upon a fixed pipeline network, Russian state control over Gazprom, which has both a monopoly on Russian gas exports and a significant role in EU gas imports, means that gas exports to the EU bring far greater influence and political value to Russia than oil exports

#### Russian influence is stabilizing – solves organized crime, prolif and terrorism

**Rykhtik, 12** – Nizhny Novgorod State University, Nizhny Novgorod , Russia. (Mikhail, Responding to a Resurgent Russia, ed: Aggarwal and Govella, p. 28)

Russia sees the European Union as one of its key political and economic partners and will seek to promote intensive, sustained and long-term cooperation with it. So far, dialogue between the EU and Russia has been asymmetric on most issues, including the identification of priority areas for cooperation. The European Union has long been Russia’s main foreign trading partner. EU countries are the major creditors of and investors in the Russian Federation. EU countries account for 40% of all international air passenger traffic into and out of Russia. The same holds true for communications: 61% of Russia’s international telephone traffic is with the EU (Ryzhov 2002 :14–15). These and many other facts show that throughout the past decade the whole of Europe has witnessed a process of cultural, economic, and political integration and that this process has included Russia as well. And most significantly, there are signs that the EU is ready to economize its relations with Russia. There is an understanding among Russian experts and current leaders that Russia’s integration into the main European institutions will benefit everyone (Barysch et al. 2008 ) . Without an active Russian role, it would be difficult to achieve stability and security on the European landscape. Russia plays a crucial role in equipping Europe with energy, and Russia–EU scientific cooperation also has immense potential. In addition, subregional cooperation between the EU and Russia may strengthen Russia’s position, since Russia is interested in more favorable visa regimes. Russia is a key player in the Eurasian community and is eager to cooperate as long as there is no danger of interference in Russian domestic affairs.¶ Russia’s main strategic goal today is to preserve its national, economic, and cultural identity, while maintaining a strategic partnership with Europe. Medvedev has shown that he is interested in building relationships between Russia and the EU. The EU is obviously uncomfortable with its dependence on Russian resources and would like to switch to oil and gas supplies from other regions, including Central Asia and North Africa, or develop alternative sources of energy. But it is in the medium-term interests of both Russia and the EU to preserve the current status quo in their relationship. The overriding question of Russian integration into the reformed security structures of Europe also needs to be resolved in a positive way. Russia is a more interesting partner for the West today, taking into account their shared security agenda of dealing with international terrorism, organized crime, illegal drug trafficking, nonproliferation, conventional arms reductions, illegal migration, and other matters. Current conditions are ripe for a new round of consultations and negotiations on a new European Security Agreement (Helsinki 2). 13 It is obvious that we are dealing with a new type of relations between Brussels and Moscow. The idea of a Helsinki 2 or Helsinki-Plus treaty has found some support in the West (Lo 2009 ) . Some experts have agreed that the 1975 Helsinki Final Act should be changed to reflect post-Cold War realities. 14 What is not welcomed by the West is Medvedev’s emphasis on hard security, which is a reflection of the realist approach which is still popular in Russia. But the new elements of Medvedev’s initiatives prompt some optimism.

### Advantage 1

#### Production high now and inevitable

**Kelly-Detwiler, 11/7**/12 – writes about energy technologies and policies for Forbes (Peter, “In Obama's Second Term, Shale Gas Production Not Likely to Slow Down” Forbes, <http://www.forbes.com/sites/peterdetwiler/2012/11/07/in-obamas-second-term-shale-gas-production-not-likely-to-slow-down/>)

Now that the election numbers are in, it’s time to take a brief look at a key element of both the Romney and Obama energy platforms: increased domestic natural gas production. It is generally expected that the Obama administration will continue to push for more oversight and regulation of shale fracking. The April 2012 EPA decision to reduce air emissions from fracking could well be followed by an effort to end exemptions from certain elements of the Safe Drinking Water Act. In the case of the EPA air emissions oversight, the rules were relaxed somewhat, and industry was given two years to bring activities into compliance. In the case of water regulation, the conversation may well continue to drag along slowly for some time to come. In the end, there is only so much regulation that is likely to occur at the national level. The 2005 Energy Policy Act essentially gave most regulatory responsibility to individual states, and it will probably remain there. Regardless of the final regulatory outcome, gas production is likely to soar, especially as gas use grows in transportation, industry, and electric generation. And don’t forget the significant potential for LNG exports, as numerous license requests have already been tendered. The Marcellus area, and Pennsylvania in particular, should continue to see rapid growth. A new study from ASDReports announced today suggests that production could increase more than seven-fold from 2011 levels, from just over 1,000 billion cubic feet equivalent (bcfe) in 2011 to almost 5,000 bcfe in 2015, before finally leveling off at over 7,600 bcfe in 2020. Just in the eastern US, the shale gas reserves are enormous. The US Geological Survey has pegged Marcellus at an estimated recoverable total of 84 trillion cubic feet (TCF). In October, it released its first estimates for the neighboring (in Ohio) or underlying (in Pennsylvania and New York) Utica shales of 38 TCF, plus 940 million barrels of unconventional oil resources and 208 million barrels of unconventional liquids. The current dominant players, such as Chesapeake, Range Resources, Talisman Energy, and Cabot Oil and Gas have locked up a good deal of the acreage, but they may be joined by others. The drilling will continue, and the conversation will go on as to how to produce domestic shale gas in the most efficiently, clean, and safe manner. The stuff is there, and it’s not going away.

#### Obama’s demand-side policies outweigh the effect of regulations

**Drajem, 11/8**/12 (Mark, Bloomberg, “Natural Gas That Backed Romney May Gain From Obama Win” <http://www.bloomberg.com/news/2012-11-08/natural-gas-that-backed-romney-may-gain-from-obama-win.html>)

While Obama will continue with a series of environmental regulations that would curb the production and use of coal, his policies promise to boost demand for natural gas in vehicles and power plants and facilitate domestic oil and gas output to levels not seen in more than two decades.¶ “Facts are stubborn things and they often defy people’s ideology,” John Hanger, a special counsel at Eckert Seamans Cherin & Mellott, LLC in Harrisburg, Pennsylvania, and the former top environmental regulator in that state, said in an interview. Obama’s “policies on the demand side are most favorable.”¶ The re-election of Obama and continuation of Republican control of the House of Representatives opens the possibility for legislation to boost demand for gas, including incentives for natural-gas vehicles, Hanger said. Republicans lawmakers may also try to limit actions the administration could take to regulate hydraulic fracturing or curb production on federal lands.

#### They have the advantage backward – supply is low now BECAUSE exports are prohibited; prices are too low, and exports increase them

**Levi, ’12** David M. Rubenstein Senior Fellow for Energy and the Environment at the Council on Foreign Relations (CFR) and Director of the CFR program on energy security and climate change (Michael Levi, The Hamilton Project, June 2012, “A Strategy for US Natural Gas Exports,” <http://www.hamiltonproject.org/files/downloads_and_links/06_exports_levi.pdf)//CC>

The market has signaled its endorsement of this development by hammering natural gas prices. U.S. benchmark natural gas dipped below $2 for a thousand cubic feet in early 2012, and as of mid-April 2012, delivery of the same amount in March 2015 could be assured for $4.43. Wellhead prices, meanwhile, fell to levels unseen since 1995. 1 But the world looks different from overseas. In Europe, a thousand cubic feet of gas sold on the spot market for about $11 as of March 2012, and in East Asia, the price was north of $15 (Platts 2012). These prices are all the more striking since it costs roughly $4 to liquefy and ship a thousand cubic feet of natural gas from the United States to Europe, and only about $2 more to send it to Asia (Morse et al. 2012). Yet the United States does not export natural gas to those markets. Many have thus argued that it is leaving money on the table. The potential profits from exports have prompted several companies to apply for permits to export liquefied natural gas (LNG) without restriction. In March 2011, the U.S. Department of Energy (DOE) approved the first such permit, for Cheniere Energy, and in April 2012, the Federal Energy Regulatory Committee (FERC) approved Cheniere’s Sabine Pass, Louisiana facility. As of May 2012, another eight projects had applied to the DOE for similar permits, and four more had applied for permits to export LNG to countries with which the United States has free trade agreements (DOE 2012). The DOE has signaled that it will begin making decisions on these applications after receiving the results of a contractor study on the possible impacts of LNG exports in late summer 2012. The DOE can be expected to solicit input from several agencies, including the Departments of State and Commerce, the Environmental Protection Agency, and the Office of the U.S. Trade Representative, as well as from the National Economic Council, the National Security Council, and the Council on Environmental Quality in making its ultimate decisions. Indeed, if currently anticipated price differences hold up, and fully free trade in natural gas is allowed, several developers will likely attempt to build LNG export terminals. A wide range of analysts have claimed that as many as six billion cubic feet of daily exports by the end of the decade is plausible. That trade could expand U.S. gas production substantially and, in principle, net U.S. producers, exporters, and their suppliers north of $10 billion a year. 2 Gas exports could help narrow the U.S. current account deficit, shake up geopolitics, and give the United States new leverage in trade negotiations. This has led many people to advocate for a U.S. policy that allows—or even encourages—natural gas exports.

#### Status quo solves

**Levi, ’12** David M. Rubenstein Senior Fellow for Energy and the Environment at the Council on Foreign Relations (CFR) and Director of the CFR program on energy security and climate change (Michael Levi, The Hamilton Project, June 2012, “A Strategy for US Natural Gas Exports,” <http://www.hamiltonproject.org/files/downloads_and_links/06_exports_levi.pdf)//CC>

However, no major LNG importer other than South Korea has an applicable FTA with the United States (Ratner et al. 2011). Would-be exporters have thus sought approval to export without restriction. Cheniere Energy’s Sabine Pass Facility has received DOE and Federal Energy Regulatory Commission (FERC) approval for 2.2 billion cubic feet of daily LNG exports to non-FTA countries, and applications totaling another 10.3 billion cubic feet per day are under review. These combined applications involve total volumes similar to current U.S. LNG import capacity (Guegel 2010). Exports from the first facilities would start no earlier than 2015

Hegemonic decline causes peaceful retrenchment—prevents great power war.

MacDonald and Parent 11 – Asst Prof. of PoliSci @ Williams College and Parent, Asst Prof. PoliSci @ U of Miami, Paul and Joseph, “Graceful Decline?” International Security, 35.4, Project MUSE

In this article, we question the logic and evidence of the retrenchment pessimists. To date there has been neither a comprehensive study of great power retrenchment nor a study that lays out the case for retrenchment as a practical or probable policy. This article fills these gaps by systematically examining the relationship between acute relative decline and the responses of great powers. We examine eighteen cases of acute relative decline since 1870 and advance three main arguments.

First, we challenge the retrenchment pessimists' claim that domestic or international constraints inhibit the ability of declining great powers to retrench. In fact, when states fall in the hierarchy of great powers, peaceful retrenchment is the most common response, even over short time spans. Based on the empirical record, we find that great powers retrenched in no less than eleven and no more than fifteen of the eighteen cases, a range of 61-83 percent. When international conditions demand it, states renounce risky ties, increase reliance on allies or adversaries, draw down their military obligations, and impose adjustments on domestic populations.

Second, we find that the magnitude of relative decline helps explain the extent of great power retrenchment. Following the dictates of neorealist theory, great powers retrench for the same reason they expand: the rigors of great power politics compel them to do so.12 Retrenchment is by no means easy, but [End Page 9] necessity is the mother of invention, and declining great powers face powerful incentives to contract their interests in a prompt and proportionate manner. Knowing only a state's rate of relative economic decline explains its corresponding degree of retrenchment in as much as 61 percent of the cases we examined.

Third, we argue that the rate of decline helps explain what forms great power retrenchment will take. How fast great powers fall contributes to whether these retrenching states will internally reform, seek new allies or rely more heavily on old ones, and make diplomatic overtures to enemies. Further, our analysis suggests that great powers facing acute decline are less likely to initiate or escalate militarized interstate disputes. Faced with diminishing resources, great powers moderate their foreign policy ambitions and offer concessions in areas of lesser strategic value. Contrary to the pessimistic conclusions of critics, retrenchment neither requires aggression nor invites predation. Great powers are able to rebalance their commitments through compromise, rather than conflict. In these ways, states respond to penury the same way they do to plenty: they seek to adopt policies that maximize security given available means. Far from being a hazardous policy, retrenchment can be successful. States that retrench often regain their position in the hierarchy of great powers. Of the fifteen great powers that adopted retrenchment in response to acute relative decline, 40 percent managed to recover their ordinal rank. In contrast, none of the declining powers that failed to retrench recovered their relative position.

Multilateralism solves extinction from future tech and environmental collapse.

Masciulli 11—Professor of Political Science @ St Thomas University, Joseph Masciulli, “The Governance Challenge for Global Political and Technoscientific Leaders in an Era of Globalization and Globalizing Technologies,” Bulletin of Science, Technology & Society February 2011 vol. 31 no. 1 pg. 3-5

What is most to be feared is enhanced global disorder resulting from the combination of weak global regulations; the unforeseen destructive consequences of converging technologies and economic globalization; military competition among the great powers; and the prevalent biases of short-term thinking held by most leaders and elites. But no practical person would wish that such a disorder scenario come true, given all the weapons of mass destruction (WMDs) available now or which will surely become available in the foreseeable future. As converging technologies united by IT, cognitive science, nanotechnology, and robotics advance synergistically in monitored and unmonitored laboratories, we may be blindsided by these future developments brought about by technoscientists with a variety of good or destructive or mercenary motives. The current laudable but problematic openness about publishing scientific results on the Internet would contribute greatly to such negative outcomes.

To be sure, if the global disorder-emergency scenario occurred because of postmodern terrorism or rogue states using biological, chemical, or nuclear WMDs, or a regional war with nuclear weapons in the Middle East or South Asia, there might well be a positive result for global governance. Such a global emergency might unite the global great and major powers in the conviction that a global concert was necessary for their survival and planetary survival as well. In such a global great power concert, basic rules of economic, security, and legal order would be uncompromisingly enforced both globally and in the particular regions where they held hegemonic status. That concert scenario, however, is flawed by the limited legitimacy of its structure based on the members having the greatest hard and soft power on planet Earth.

At the base of our concerns, I would argue, are human proclivities for narrow, short-term thinking tied to individual self-interest or corporate and national interests in decision making. For globalization, though propelled by technologies of various kinds, “remains an essentially human phenomenon . . . and the main drivers for the establishment and uses of disseminative systems are hardy perennials: profit, convenience, greed, relative advantage, curiosity, demonstrations of prowess, ideological fervor, malign destructiveness.” These human drives and capacities will not disappear. Their “manifestations now extend considerably beyond more familiarly empowered governmental, technoscientific and corporate actors to include even individuals: terrorists, computer hackers and rogue market traders” (Whitman, 2005, p. 104).

In this dangerous world, if people are to have their human dignity recognized and enjoy their human rights, above all, to life, security, a healthy environment, and freedom, we need new forms of comprehensive global regulation and control. Such effective global leadership and governance with robust enforcement powers alone can adequately respond to destructive current global problems, and prevent new ones. However, successful human adaptation and innovation to our current complex environment through the social construction of effective global governance will be a daunting collective task for global political and technoscientific leaders and citizens. For our global society is caught in “the whirlpool of an accelerating process of modernization” that has for the most part “been left to its own devices” (Habermas, 2001, p. 112). We need to progress in human adaptation to and innovation for our complex and problematical global social and natural planetary environments through global governance. I suggest we need to begin by ending the prevalent biases of short-termism in thinking and acting and the false values attached to the narrow self-interest of individuals, corporations, and states.

I agree with Stephen Hawking that the long-term future of the human race must be in space. It will be difficult enough to avoid disaster on planet Earth in the next hundred years, let alone the next thousand, or million. . . . There have been a number of times in the past when its survival has been a question of touch and go. The Cuban missile crisis in 1962 was one of these. The frequency of such occasions is likely to increase in the future. We shall need great care and judgment to negotiate them all successfully. But I’m an optimist. If we can avoid disaster for the next two centuries, our species should be safe, as we spread into space. . . . But we are entering an increasingly dangerous period of our history. Our population and our use of the finite resources of planet Earth, are growing exponentially, along with our technical ability to change the environment for good or ill. But our genetic code still carries the selfish and aggressive instincts that were of survival advantage in the past. . . . Our only chance of long term survival is not to remain inward looking on planet Earth, but to spread out into space. We have made remarkable progress in the last hundred years. But if we want to continue beyond the next hundred years, our future is in space.” (Hawking, 2010)

Nonetheless, to reinvent humanity pluralistically in outer space and beyond will require securing our one and only global society and planet Earth through effective global governance in the foreseeable future. And our dilemma is that the enforcement powers of multilateral institutions are not likely to be strengthened because of the competition for greater (relative, not absolute) hard and soft power by the great and major powers. They seek their national or alliance superiority, or at least, parity, for the sake of their state’s survival and security now. Unless the global disorder-emergency scenario was to occur soon—God forbid—the great powers will most likely, recklessly and tragically, leave global survival and security to their longer term agendas.

Hege is unsustainable.

Layne 12—Professor and Robert M. Gates Chair in National Security at Texas A&M’s George H.W. Bush School of Government & Public Service, This Time It’s Real: The End of Unipolarity and the Pax American , International Studies Quarterly Volume 56, Issue 1, March

Some twenty years after the Cold War’s end, it now is evident that both the 1980s declinists and the unipolar pessimists were right after all. The Unipolar Era has ended and the Unipolar Exit has begun. The Great Recession has underscored the reality of US decline, and only “denialists” can now bury their heads in the sand and maintain otherwise. To be sure, the Great Recession itself is not the cause either of American decline or the shift in global power, both of which are the culmination of decades-long processes driven by the big, impersonal forces of history. However, it is fair to say the Great Recession has both accelerated the causal forces driving these trends and magnified their impact.

There are two drivers of American decline, one external and one domestic. The external driver of US decline is the emergence of new great powers in world politics and the unprecedented shift in the center of global economic power from the Euro-Atlantic area to Asia. In this respect, the relative decline of the United States and the end of unipolarity are linked inextricably: the rise of new great powers—especially China—is in itself the most tangible evidence of the erosion of the United States’ power. China’s rise signals unipolarity’s end. Domestically, the driver of change is the relative—and in some ways absolute—decline in America’s economic power, the looming fiscal crisis confronting the United States, and increasing doubts about the dollar’s long-term hold on reserve currency status.

Unipolarity’s demise marks the end of era of the post-World War II Pax Americana. When World War II ended, the United States, by virtue of its overwhelming military and economic supremacy, was incontestably the most powerful actor in the international system. Indeed, 1945 was the United States’first unipolar moment. The United States used its commanding, hegemonic position to construct the postwar international order—the Pax Americana—which endured for more than six decades. During the Cold War, the Pax Americana reflected the fact that outside the Soviet sphere, the United States was the preponderant power in the three regions of the world it cared most about: Western Europe, East Asia, and the Persian Gulf. The Pax Americana rested on the foundational pillars of US military dominance and economic leadership and was buttressed by two supporting pillars: America’s ideological appeal (“soft power”) and the framework of international institutions that the United States built after 1945.

Following the Cold War’s end, the United States used its second unipolar moment to consolidate the Pax Americana by expanding both its geopolitical and ideological ambitions. In the Great Recession’s aftermath, however, the economic foundation of the Pax Americana has crumbled, and its ideational and institutional pillars have been weakened. Although the United States remains preeminent militarily, the rise of new great powers like China, coupled with US fiscal and economic constraints, means that over the next decade or two the United States’ military dominance will be challenged. The decline of American power means the end of US dominance in world politics and a transition to a new constellation of world power. Without the “hard” power (military and economic) upon which it was built, the Pax Americana is doomed to wither in the early twenty-first century. Indeed, because of China’s great-power emergence, and the United States’ own domestic economic weaknesses, it already is withering.

#### Multiple factors ensure chemical industry resiliency

Economic Outlook 2o12; world economic review, “Economic Outlook — Economic Outlook No.2-2012” http://www.mydigitalpublication.com/display\_article.php?id=1058343

Rebound in the US Benefiting from the impact of the last two massive public budget support plans for industry, the American chemical industry was also helped in 2011 by favourable dollar/euro exchange rate and by the restored health of the Auto sector, one of its leading user industries.While construction, the chemical industry’s second major customer, has not yet genuinely recovered, its decline has at least halted, stabilising demand at levels which are manageable in the end for its chemical suppliers. The willingness of American politicians to support a forced march to US economic growth offers a reassuring outlook for activity in the sector in 2012. Additional factors include relatively stable oil prices, the good health of the inorganic chemical sector – notably fertilisers – and the improved financial structure of actors in the industry after their restructuring efforts implemented during the 2008- 2009 crisis. On top of this, there are the prospects of the juicy but more distant benefits of innovations in green chemistry.

### Solvency

#### Plan’s effect is delayed – takes forever to develop infrastructure and get leases

Kenneth Medlock III (Fellow in Energy Studies, at the James A. Baker Institute for Public Policy, Adjunct assistant professor in the department of economics at Rice University) July 2008 “THE OCS LEASING MORATORIUM: WHICH WAY FORWARD?” <http://www.bakerinstitute.org/publications/EF-WWT-OCSMoratorium-071008.pdf>

Of course, opening the OCS will not likely have an immediate impact on oil prices because of the time necessary to organize lease sales and to develop supply delivery infrastructure. However, once development progresses, the expected growth in supply would eventually influence market prices. Thus, opening the OCS should be viewed as a relevant part of a larger strategy encompassing a portfolio of options aimed at easing prices over time

#### Decrease in dependence is too small – your author (for GMU’s aff)

Baker Institute, ‘8 (Baker Institute for Public Policy, Rice University, Baker Institute Policy Report, January 2008, “Natural Gas in North America: Markets and Security,” <http://connection.ebscohost.com/c/articles/30064519/study-lift-u-s-drilling-restrictions-avoid-international-lng-cartel>)//CC

The reduced U.S. requirement for LNG is not extremely large in a volumetric sense, and it certainly would not eliminate imports of natural gas under any scenario examined by the study. Moreover, the price impact of lifting access restrictions in the OCS and Rockies also is limited. The shift in the near term from exploitation of high-cost natural gas resources to lower-cost OCS development would lower annual domestic prices by only roughly 10 percent. The effect is greater in some “end-of-pipe” markets such as the West Coast and the Middle Atlantic, particularly where restricted resources have a direct impact on regional supply. Average prices at the SoCal border (Southern California) market area and in the Tetco-M3 market area (Philadelphia and New Jersey) could be as much as $0.50 per MMBtu lower by 2017, but even this does not represent a large percentage change in average prices.

#### Lifting restrictions doesn’t sufficiently reduce demand, and status quo solves

Baker Institute, ‘8 (Baker Institute for Public Policy, Rice University, Baker Institute Policy Report, January 2008, “Natural Gas in North America: Markets and Security,” <http://connection.ebscohost.com/c/articles/30064519/study-lift-u-s-drilling-restrictions-avoid-international-lng-cartel>)//CC

This supply picture has raised questions about growing dependence on the Middle East for both oil and gas supply. However, scenario analysis shows that opening restricted areas in the OCS and Rocky Mountains to drilling and natural gas resource development will not render the United States energy independent nor will it even lower U.S. dependence on LNG imports in 2015 by a significant volume. Price impacts also are limited, with U.S. prices only registering marginal reductions. And, in scenarios of a temporary or sporadic cutoff of Middle East supply, higher OCS and Rocky Mountain production again only produce limited benefits in pricing and supply diversification. In the intermediate term, supply diversity is available at a relatively reasonable cost from a wide variety of alternative fringe exporters in the global market.

#### MMS overreach tanks the aff

Curry L. Hagerty (Specialist in Energy and Natural Resources Policy at the Congressional Research Service) June 15, 2010 “Outer Continental Shelf Moratoria on Oil and Gas Development” <http://crs.ncseonline.org/nle/crsreports/10Jul/R41132.pdf>

Minerals Management Service (MMS)34

Generally, federal agencies take OCS leasing moratoria direction from Congress and the President. In some cases however, lack of coordination between federal agency actions and the actions of Congress and the President in terms of OCS leasing moratoria, has created tension and controversy. For example, MMS has exercised agency authority to constrain leasing activities in areas not under moratoria policy set by Congress or the President. Deferring oil and gas development is within agency authority even when it is inconsistent with prevailing moratoria policy. MMS has deferred from offering OCS areas numerous times over the years in response to recommendations from governors, stakeholders, and others.35

#### State regulations negate the effect of the aff

Sheena Martin (Writer for ICIS – a news agency specializing in Chemicals, Energy, and Fertilizer) January 2011 “Shale gas revolution in the US presents regulatory and infrastructure challenges” http://www.icis.com/Articles/2011/01/10/9423607/shale-gas-revolution-in-the-us-presents-regulatory-and-infrastructure.html

Most state legislation - more than 30 states have varying degrees of shale production - has been based on rules laid down by Colorado after a year of stakeholder discussions. The Colorado laws include development of a comprehensive drilling plan, ways to minimize the effect on communities and the environment, drilling at a required distance from residences and reporting chemical identities in case of a related environmental or medical need to a state commission. The information would be kept confidential. New York, Wyoming and Pennsylvania have been active in creating similar regulations, and Pennsylvania passed regulations on fracking in November 2010. Regulations in Pennsylvania require disclosure of a Material Safety Data Sheet (MSDS) with a list of additives used in drilling. Wyoming also requires MSDS reporting but companies must disclose the main ingredient of chemical additives. New York tried to place a temporary stop on fracking, so environmental impacts could be studied. In early December, the New York legislative body, the state Assembly, passed a moratorium on fracking until May 2011. However, the governor vetoed the bill.

#### Removing restrictions for gas-only leases doesn’t spur OCS development – companies aren’t willing to take the risk

MarEx 11 [Maritime Executive, “Gas-Only Drilling in Offshore Moratorium Areas Suggested,” January 19, http://www.maritime-executive.com/article/2005-10-20gas-only-drilling-in-offshore-moratori]

Oil and gas industry groups are criticizing a provision in House offshore drilling legislation that would allow the government to offer "natural gas-only" leases in areas that are currently off-limits to new production.¶ The criticism is included in wider comments by petroleum producers to the Minerals Management Service (MMS), which has begun collecting public comments as it begins preparing an outer continental shelf leasing plan for 2007-2012. MMS asked for comment on the gas-only concept.¶ Gas-only leasing was included in a bill by House Resources Committee Chairman Richard Pombo (R-CA.) that allows states to "opt-out" of offshore leasing bans. States exercising the option could allow gas-only leasing, or oil and gas leasing.¶ Senate legislation by Senator Lamar Alexander (R-TN.)—and supported by chemical companies and other industries that rely on the costly fuel—also accepts the idea.¶ However, the American Petroleum Institute (API), in comments this week to MMS, says gas-only and gas-preference leasing would offer the "false promise" of future supplies. The group says the concept would create uncertainties that could dampen investment, since it is impossible to predict with certainty what types of resources will be in an area.¶ "A company might spend up to $80 million to buy a lease, conduct seismic testing, obtain the necessary permits, and drill a well(s) to determine whether any resources are present in amounts that make the prospect economic," the group says. "A company is unlikely to know if it had met the gas only or gas preference requirement until the capital investment had been made. Companies will be reluctant to spend tens of millions of dollars to explore for and develop a prospect, only to be forced to abandon the resource, stranding substantial investments."

#### sq production solves ---

#### a) companies are only reducing shale plays because it’s so abundant and cheap---but low prices are self-correcting

Knowledge@Wharton 12, the University of Pennsylvania’s business school, “The Once and Future U.S. Shale Gas Revolution,” 8/29/12, http://knowledge.wharton.upenn.edu/article.cfm?articleid=3068

Today, operators are pulling back from more mature shale gas fields, such as the Barnett in Texas and the Haynesville in Arkansas, Louisiana, and Texas, and deploying to newer fields with the potential of producing gas along with oil -- including the Utica in Ohio and Bone Spring in Texas and New Mexico, says Drew Koecher, KPMG's U.S. energy leader in transactions and restructuring. With low gas prices, many shale gas developers are facing financial challenges. Chesapeake Energy, based in Oklahoma City and the nation's second largest shale gas company after Exxon Mobil, needs to raise cash through asset sales, while managing a U.S. Securities and Exchange Commission investigation into CEO Aubrey McClendon's alleged conflicts of interest, which involve taking loans against his personal stake in the company's wells, according to news reports.¶ Still, the recent shale gas boom is far from over, and a full realization of the U.S. shale gas revolution is yet to come, say experts. For starters, the U.S. has significantly more resources to recover. "The U.S. has a long way to go before it depletes shale gas," says Brandon Beard, KPMG's managing director for U.S. energy transactions and restructuring. "It will take 10 to 20 years to play through." Moreover, as new demand for gas develops, gas prices will recover and buck up the industry. "The glut of gas is somewhat temporary," states Noam Lior, a Penn mechanical engineering and applied mechanics professor who is also on the graduate faculty of Penn/Wharton's Lauder Institute. "As long as oil prices are holding above $100 a barrel or so, gas will be very competitive." Jonathan Banks, senior climate policy advisor at the Clean Air Task Force in Boston, agrees. "Nothing cures low prices like low prices," he says. Spurred by these low prices, demand from electric utilities, chemical manufacturers, natural gas vehicles and overseas markets will restore health to the shale gas industry, and relatively low natural gas energy prices could help buoy the U.S. economy, experts predict. "It's a game changer," notes A.J. Scamuffa, U.S. chemicals leader at PwC in Philadelphia.

#### b) No impact to decline rates---continual tech improvements

Jason Baihly 11, the Schlumberger product line manager for multistage stimulation, focusing on directing new technology research and market analysis for multistage acidized and hydraulically fractured reservoirs, May 2011, “Study Assesses Shale Decline Rates,” http://www.slb.com/~/media/Files/dcs/industry\_articles/201105\_aogr\_shale\_baihly.ashx

Lessons learned from earlier analyses of shale plays are benefiting the later developments in terms of improved log and core evaluation, leading to more precise well placement in reservoir sweet spots as well as better completion and stimulation design. Improvements have been made in lateral length, stage selection, diverter use and pumping techniques. Real-time microseismic hydraulic fracture mapping has enabled operators to avoid geohazards while maximizing reservoir contact.¶ While the Barnett Shale has the lowest initial production compared with the other plays, the decline rate for Barnett wells is markedly flatter, leading to the conclusion that fracture conductivity is sustained longer in the Barnett because of the favorable rock properties. However, a large number of open natural fractures in this area characterize the Barnett Shale.¶ With this wealth of data, any number of comparisons can be made to determine if there are relationships among basins, production years, initial production rates or decline rates. This allows EUR forecasts to be made.¶ It is perhaps an unfair comparison, but when shale gas wells are compared with tight gas sands wells, and when vertical wells are compared with horizontal wells, in a general sense it is clear that horizontal shale gas wells offer significantly higher EURs-definitely when compared with vertical wells, but also when compared with tight gas sands horizontal wells. The normalized decline curves were similar for both horizontal shale gas and horizontal tight gas sands, if not slightly better for the shales.¶ For the time frame analyzed, the Cotton Valley sand is a lower limit for normalized production decline behavior for all commercial horizontal shale gas plays analyzed in the study (Table 1). Considering that the study was conducted using only publicly available data, and did not include production improvements from workovers, recompletions or refracs, one can conclude that the study results are likely on the conservative side.¶ Costs Versus Gas Prices¶ Bottom-line financial success in the shale plays depends on many things, not the least of which is the capital cost of leasehold acquisitions. Early entrants have a decided advantage, some paying one-tenth of the lease prices of latecomers. Different basins have exhibited decidedly different cost structures (Table 2). which impact the economic parameters. Consequently, differences were factored into the economic analysis by determining discount profitability indexes (DPI) to allow basins to be compared. For this analysis, well construction, royalty and operating costs were compared with the EUR at three discount rates, assuming a constant wellhead gas price of $4.00 an Mcf for the life of the well (Table 3). Profitability is defined for wells whose DPI is greater than 1.0 at a given discount rate.¶ Accordingly, for wells analyzed in core play areas in 2008 and 2009, only wells in the Barnett and Fayetteville were deemed to be profitable under spot gas prices. That said, it is important to note that many operators have some or all of their gas prices hedged at higher than spot price values. However, it also is clear that modern methods and technology supported by experience and knowledge are improving results significantly in most plays. The results shown in Table 4 reflect the break-even price for wells drilled in each formation based on wells completed in 2008 and 2009.¶ It is important to note that actual drilling, completing, stimulating and operating costs may vary1 greatly from operator to operator, resulting in a large impact on overall economics. Some operators may have better production in a given core area versus others, further improving the picture. In addition, as noted, nearly all operators have at least some portion of their gas prices hedged at levels that may make all or most of the shale plays analyzed viable.

#### Shale’s sustainable for decades, cyclical rise and fall doesn’t mean it’s a bubble

John Hanger 11-26, expert on energy, electric markets, and utility regulation with unique experience in and out of government, Special Counsel at the law firm Eckert Seamans and a Democratic candidate for Governor of PA, former Secretary of the Pennsylvania Department of Environmental Protection and Commissioner of the Pennsylvania Public Utility Commission, 11/26/12, “Debunking Latest Attacks On Shale Gas As Bubble/Ponzi Scheme & Systemic Threat To Economy,” <http://johnhanger.blogspot.com/2012/11/debunking-latest-attacks-on-shale-gas.html>

Shale gas production for nearly a dozen years. A massive shale gas boom for now 5 years or since 2008. Record US natural gas production that crashed prices to below $2 for a thousand cubic feet. ¶ Nothing stops the vampire like quality of attacks portraying the shale gas resource as soon to run out, as a bubble ready to pop, or a ponzi scheme. Here is the link to one of the latest:¶ http://www.desmogblog.com/2012/11/13/shale-sas-bubble-about-to-burst-say-energy-insiders-art-berman-bill-powers. Indeed, Bill Powers is promoting a book to be published in May, 2013 theorizing that the shale gas resource will last just 5 to 7 years more. Mind you such forecasts of impending shale gas supply doom are already about 3 years old, and soon US shale gas production will enter its 13th year. ¶ Powers and Art Berman, who has done more than anyone to assert that the shale gas resource will soon collapse, also state that the economy faces cataclysm, like the financial catastrophe of 2008, when the shale gas resource is soon exhausted. This comparison of the shale gas industry to the US financial system is, however, absurd. ¶ The industry has no too big to fail problem. Indeed, with about 60 different companies holding drilling permits in just Pennsylvania, the gas industry features a lack of concentration and has traits opposite of too big to fail. ¶ Moreover, the gas industry is not the equivalent of a basic, economic infrastructure, unlike the banking system that is. Economic life goes on through gas booms and busts, while a financial collapse brings all commerce crashing down. ¶ By pointing to the 2008 financial collapse and suggesting that shale gas is another round of such disaster, Berman and Powers engage in fear mongering and attention seeking behavior. ¶ Tellingly, the recent pull back in dry gas production in the US, of course, results from the opposite of an emerging gas supply shortage. Instead, a very real gas supply glut crashed the price and caused rigs to redeploy to oil and wet gas. ¶ But as some rigs went to more profitable opportunities, the gas in the ground stayed put, where it will be, when the gas rigs return. And return they will, once gas prices move to $4 to $6 per thousand cubic feet range. And there is conservatively 20 years of shale gas to be produced within that price range. ¶ Moreover, were the US price to go above $6--hardly a high price, when today Europe and Asia pay $10 to $16 for natural gas-- the available shale gas supply certainly totals many decades more.