# Wiki Doc 6

## 1NC

### 1NC – EU CP

#### The European Commission should

* increase prohibitions on anticompetitive business practices which cause net-harm on one side of platforms.
* prevent companies that violate the rule extraterritorially from accessing the EU market

#### The Brussels effect solves certainty and ensures spillover, but unilateralism is key to maintain influence

Bradford 12 [Anu, International Trade Law Professor @ Columbia Law School, Adam S. Chilton, Professor @ University of Chicago Law School, Katerina Linos, Professor @ University of California, Berkeley. Alex Weaver, Linklaters Law Prof. “The Brussels Effect” p. 44-45 https://scholarship.law.columbia.edu/cgi/viewcontent.cgi?article=1275&context=faculty\_scholarship]

The strictest antitrust laws prevail in situations where conflict exists among different regulators. If lenient antitrust jurisdiction A and stringent antitrust jurisdiction B investigate the same transaction, B's standard will prevail. A company seeking to merge that would be rejected by State B has two options: abandon the merger or abandon State B. If State B's market is relatively insignificant, the company might choose the latter. However, if State B's market is large, abandoning it is not often a realistic option.74 At the international level, the EU antitrust laws are, indeed, often the most stringent." The EU also consists of a consumer market that is too large and important to abandon. For this reason, the EU antitrust laws have often become the de facto global antitrust standards, to which the more permissive U.S. antitrust laws must yield.76 The reasons for the U.S.-EU difference in antitrust enforcement are manifold. At the most basic level, the EU antitrust authorities remain suspicious of the market's ability to deliver efficient outcomes and are therefore more inclined to intervene through a regulatory process." While the EU is more fearful of the harmful effects of nonintervention (so called "false negatives," anti-competitive practices that the EU fails to regulate), the U.S. authorities are often more mindful of the detrimental effects of inefficient intervention (so called "false positives," pro-competitive practices that the United States erroneously restricts)." Yet given the logic of unilateral regulatory globalization, it is the EU approach that determines the outcome. One of the most famous examples of the EU's global regulatory clout was its decision to prohibit the $42 billion proposed acquisition of Honeywell International by General Electric." When the EU blocked this transaction involving two U.S. companies, it was irrelevant that the U.S. antitrust authorities had previously cleared the transaction: the acquisition was banned worldwide because it was legally impossible to let the merger proceed in one market and prohibit it in another. In this sense, merger decisions are legally nondivisible.so The GE/Honeywell case is emblematic 20 107:1 (2012) The Brussels Effect of a difference in the antitrust regulatory approaches of the EU and the United States. The U.S. authorities considered the merger to be efficient and hence welfare enhancing. In contrast, the EU was concerned that any efficiencies that resulted from the transaction, including a short-term decrease in price, would later drive out competitors and result in a longterm increase in price." While GE/Honeywell is the most famous international antitrust enforcement conflict, it does not stand alone.82 The EU similarly threatened to block a merger between two U.S. companies, Boeing and McDonnell Douglas, even though the deal was already cleared by the U.S. authorities without conditions." In the end, the EU let the merger proceed subject to extensive commitments.84 These included abandoning Boeing's exclusive dealing contracts with various U.S. carriers." Similarly, the EU often gets to dictate the code of conduct for dominant companies worldwide. For example, the EU has imposed record-high fines and behavioral remedies against dominant U.S. companies, including Microsoft and Intel. 6 The global nature of antitrust remedies is not unusual. The EU has frequently extracted commitments that require parties to modify their behavior globally or restructure assets in foreign countries." However, the United States has similarly restructured deals where parties' productive assets are located offshore. Both the U.S. and EU agencies are vested with 21 NORTHWESTERN UNIVERSITY LAW REVIEW extraterritorial regulatory capacity." Both recognize their authority to apply laws to foreign companies as long as anticompetitive "effects" are felt on their markets. It is thus not the regulatory capacity as such but the EU's sustained preference to impose more frequent and more invasive remedies that has made it the world's de facto antitrust enforcer. In some respect, however, the EU Commission has an even greater regulatory capacity than its U.S. counterparts: the Commission is empowered to prohibit mergers and impose behavioral and structural remedies without first obtaining a court judgment." Administrative delegation does not reach this far in the United States, where the agencies need federal court endorsement to enjoin a merger.90

### 1NC – FDI DA

#### The plan decks FDI – risk aversion, information asymmetries, protectionist application

Clougherty 21 [Joseph A. Clougherty, Gies College of Business, University of Illinois at Urbana-Champaign, Nan Zhang College of Business Administration, California State University Stanislaus, "Foreign investor reactions to risk and uncertainty in antitrust: U.S. merger policy investigations and the deterrence of foreign acquirer presence", April 2021, Journal of International Business Studies, https://experts.illinois.edu/en/publications/foreign-investor-reactions-to-risk-and-uncertainty-in-antitrust-u]

The concept of risk goes back to Knight’s (1921) fundamental insights, where he considered risk to be a known probability distribution over a set of events; for example, flipping a coin involves risk, but with known odds. In moving from the concept of risk to its application in IB political risk, Kobrin (1979) observes that risk is at play when managers have knowledge regarding the possibility and probability of different political outcomes via either calculations or past experience statistics. While the relevant information is available with political risk, and observers generally agree with respect to the probabilities of different outcomes, foreign investors are often considered to be at a disadvantage as compared to domestic investors due in part to inherent information asymmetries (Gehrig, 1993; Gordon & Bovenberg, 1996; Liesch et al., 2011). As Gehrig (1993: 98) makes clear, “information may have to be interpreted in the light of the legal conventions and business culture of a particular community, which may be difficult for foreigners to assess”. Thus, domestic investors are better informed and better able to interpret the relevant probabilities as compared to foreign investors, and, as a result, foreign managers tend to overestimate the risks and underestimate the benefits involved with host-country investment activities (Liesch et al., 2011). Simply put, the lack of information, knowledge, and experience with respect to the intricacies of host-country activities accentuates the perceptions of risk when considering foreign investments. A great deal of the political risk literature accordingly focuses on the probabilistic estimates of different policy outcomes and how increased risk leads to decreased foreign investment activities. With the above as a backdrop, we consider how the policy risk involved with merger control might disproportionately affect foreign investors considering participating in the local markets for corporate control.

First, the presence of a host-country merger policy involves transaction costs that foreign investors must factor when deciding upon whether – and to what extent – to make a cross-border acquisition. Navigating the host-nation’s merger review process also involves several direct costs – e.g., legal, transaction filing, and advisory services fees – in order to clear the transaction (Hemphill, 2010). In addition, acquiring firms face internal organizational costs that require in-house legal expertise as well as managerial time and commitment due to the presence of host-nation merger policies. Importantly, the direct costs and transaction costs involved with the merger review process are particularly salient for foreign acquirers as compared to domestic acquirers. For one, foreign investors will be generally unfamiliar with the institutions, values, norms, and networks that are embedded within the host-nation’s antitrust institutional environment (Jorde & Teece, 1990). For example, General Electric exhibited unfamiliarity with European Commission (EC) regulatory procedures in offering concessions to EC officials for the proposed Honeywell acquisition that would have been more appropriate in the U.S. institutional context (Desai, Villalonga, & Veblen, 2005; The Economist, 2001). As such, acquiring firms often enter negotiations with antitrust officials in order to come to a negotiated settlement with respect to the conditions and remedial actions necessary for successful resolution of antitrust concerns (Farrell, 2003). Yet, as Grosse and Behrman (1992) highlight, multinational firms are at a distinct bargaining disadvantage when the host-country institutions are strong and when the multinational lacks salient information about the institutional environment. As a result, the policy risk involved with greater degrees of merger policy enforcement will lead to disproportionate deterrence of foreign acquirer activities as compared to domestic acquirer activities, due to foreign acquirers being more likely to incur costly and inappropriate regulatory efforts that do not ultimately deliver successful antitrust approval.

Second, foreign acquirers will tend to be more risk averse as compared to domestic acquirers when factoring the costs involved with greater degrees of merger policy risk. As George, Chattopadhyay, Sitkin, and Barden (2006) point out, risky behavior is more likely when managers perceive a sense of mastery or control over a particular domain; thus, higher degrees of merger policy risk will not be experienced by foreign investors with the same sense of control over the review process as experienced by domestic investors. In fact, Kobrin (1979) highlights that perceptions of risk are a function of the available information and previous experiences – qualities which are both less likely to characterize foreign acquirers as compared to domestic acquirers. Liesch et al. (2011: 856) summarize the above well when they state “many firms have been found to be lacking in information and knowledge about, and experience in … the practicalities of international activity” thereby accentuating perceptions of political risk. As a result, the policy risk involved with greater degrees of merger policy enforcement will lead to disproportionate deterrence of foreign acquirer activities as compared to domestic acquirer activities due to the inherent differences in risk tolerance exhibited by foreign and domestic investors.

Third, the application of merger policy might disproportionately target the acquisitions undertaken by foreign investors as compared to the acquisitions undertaken by domestic investors. Vadlamannati (2012: 115) outlines how a substantial amount of political risk derives from the fact that governments often “buckle under lobbying pressure from local firms seeking preferential treatment vis-à-vis the foreign firms”. Antitrust agencies are ostensibly independent from political influence; yet, in very few instances are such institutions fully independent of politics. In fact, a number of scholars (e.g., Coate, Higgins, & McChesney, 1990; Faith, Leavens, & Tollison, 1982; Mehta, Srinivasan, & Zhao, 2020; Neven, Papandropoulos, & Seabright, 1998) consider antitrust outcomes to be – at least partially – subject to political pressure. Yet, foreign firms suffer from a liability of foreignness when attempting to influence national authorities, as they are simply less capable and legitimate as compared to domestic firms in terms of employing the political economic mechanisms that yield privileges via corporate political strategy (Boddewyn, 1988; Grosse, 2005; Hymer, 1976 [1960]; Kindleberger, 1969; Zaheer, 1995). Accordingly, antitrust authorities face political pressure to provide some leniency that favors domestic investors (Rodriguez & Menon, 2010). In line with these priors, the Chinese (Horton, 2016; Zhang & Zhang, 2010) and EC antitrust authorities (Aktas et al., 2007; Dinc & Erel, 2013) have been reported to protect indigenous firms by treating domestic acquisitions more leniently than foreign acquisitions. As a result, the policy risk involved with greater degrees of merger policy enforcement will lead to disproportionate deterrence of foreign acquirer as compared to domestic acquirer activities due to foreign acquirers receiving greater antitrust scrutiny.

Summarizing the above, merger policy risk likely involves a larger deterrence effect with respect to foreign acquirer activities as compared to domestic acquirer activities in local M&A markets due to the presence of three mechanisms. First, merger policy involves costs that acquiring firms must incur while navigating the merger review process, and foreign investors disproportionately experience these costs due to their inherent liabilities and information asymmetries. Second, foreign investors tend to be more risk averse as compared to domestic investors which in turn generates more cautious investment behavior. Third, antitrust agencies potentially scrutinize the acquisition activities undertaken by foreign investors more than the acquisition activities undertaken by domestic investors. These three mechanisms negatively impact foreign acquisitions of indigenous firms and deter future foreign investors who refrain from cross-border acquisitions due to the presence of these realities (Dinc & Erel, 2013). Based on the above reasoning, our first theoretical prior can be formulated as follows:

#### Great power war

Bussman 10 [Margit Bussman, Professor of International Relations, University of Greifswald. “Foreign direct investment and militarized international conflict.” March 2010. https://www.jstor.org/stable/25654551]

Abstract

Liberals claim that countries avoid conflict in order not to disrupt economically beneficial exchange. The statement that economic integration reduces the likelihood of conflict is largely based on the effects of trade. A similar rationale can be applied to economic interdependence in the form of international capital exchange. A state is expected to avoid political risk, especially severe forms such as militarized disputes, in order not to deter investors. This study tests, on the dyadic and monadic levels of analyses, whether the liberal peace proposition holds when economic integration is operationalized as foreign direct investment (FDI) stocks, inflows, and outflows. The results for the years 1980-2000 indicate that inflows and stock of foreign investment reduce the risk of an outbreak of a fatal dispute, regardless of whether they are tested in a single equation or a simultaneous equation model. Thus, reverse causality does not bias the pacifying effect of foreign investment inflows and stock. The results also support the underlying notion of the commercial peace that militarized conflicts inhibit foreign investment. The onset of a fatal conflict reduces FDI inflows, and, if tested in a two-stage instrumental variable approach, FDI stock, the most complete measure of economic integration through foreign investment. Accounting for endogeneity seems particularly important when analyzing the link between the onset of fatal disputes and the outflow of FDI.

Introduction

The notion that economically integrated states are less likely to be involved in militarized disputes attracts widespread attention in the peace research community. However, the focus is on one aspect of economic integration: trade of goods. Other forms of economic exchange do not receive the same consideration. This is a shortcoming, especially with regard to the growing nature of the exchange of international production. From 1980 to 2002, foreign direct investment (FDI) stock increased tenfold, with a particularly drastic rise in developing countries in the 1990s, when the growth of FDI stock exceeded the growth of world exports (UNCTAD, 1995, 2003). As with trade, foreign investment could be an important factor in promoting peace. States might avoid violent conflict in order not to deter foreign investors.

In turn, the presence or anticipation of armed conflicts plays a potentially crucial role in disrupting not just trade flows (Long, 2008) but also foreign investment. Location decisions of investors are driven not only by the economic policy of the host country but also by the political risk involved. There are several providers that offer political risk assessments to governments and private companies, such as the Economist Intelligent Unit or the Political Risk Services Group that account, among others, for international disputes as a risk factor in the political environment. The importance of war for foreign investment decisions is also reflected in various national investment guarantee programs that insure against political risk. For example, the US government, through the Overseas Private Investment Corporation, or the German government, through PwC Deutsche Revision, permit coverage against expropriation risk, currency inconvertibility risk, and war risk (Wells, 1998). War risk includes hostile actions taken by national or international forces, civil war, revolution, insurrection, or terrorism. By avoiding conflicts and ensuring political stability, host countries can thus create an environment that is favourable to FDI. This study tests whether the liberal peace proposition holds when economic interdependence is operationalized as foreign direct investment inflows, outflows, and stock.

The results indicate that FDI inflows and stock reduce the risk of an onset of a fatal dispute. Endogeneity does not seem to bias this finding. Instead, reverse causality might impede the analysis of the effect of conflict on FDI. The finding that the onset of a fatal conflict reduces FDI inflows, outflows, and stock is significantly supported only if we estimate the relationship in a two-stage model. The results underline the importance of properly accounting for endogeneity when testing the relationship of conflict and economic integration. The endogenous character seems especially crucial for the analysis of the link between outflowing capital and conflict.

Economic interdependence and international conflict

Classical liberal theory states that the existence and spread of free trade regimes reduce the likelihood of conflict. Economically interdependent states are reluctant to become involved in militarized disputes out of fear that conflict disrupts trade and foreign investment and thus induces costs on the opponents. Suspending trade and investment would decrease the income for many industries and reduce economic growth. By creating higher interdependence among countries, mutually beneficial trade encourages states to look for peaceful solutions to conflicts. It is not in a country's interest to go to war with a state with which its private economic agents maintain an extensive exchange of goods and capital (Russett & Oneal, 2001). Hence, the cost-benefit calculations keep states from getting involved in a militarized conflict out of fear of deterring foreign investment. Companies invest in a foreign country because they want to earn higher profits. Benefits depend largely on the size of the market and its potential for development (e.g. Schneider & Frey, 1985). An additional component in the cost-benefit calculations of enterprises is the assessment of economic and political risks. Militarized disputes are such a political risk that investors take into account. If the costs associated with this risk are higher than the expected benefits, corporations might decide against the investment, unless the country is affected by conflict to a small extent so that the risk for investors is minor or non-existent.

Recent theoretical developments qualify the cost-benefit calculations of trade and introduce information as an important component in the explanation of the pacifying aspect of economic interdependence. Through trade and other forms of economic interaction, states reveal information, and thus relations become more transparent and reduce uncertainty. Increased interdependence not only raises the costs of a conflict, but also improves the information about the estimated costs a conflict might impose on its opponents and how these costs are distributed (Reed, 2003). If informational asymmetry is an important cause of conflict, methods, other than war, that reduce uncertainty by sending costly signals can promote peace (Fearon, 1995). Globalization facilitates costly signaling by making communication credible and talk costly. It becomes more difficult for leaders to act politically without considering the economic costs. Thus, global markets act as a forum to signal resolve (Gartzke & Li, 2003; Gartzke, Li & Boehmer, 2001).

### 1NC – Advantage CP

#### The United States federal government should:

* Hold monetary incentives in binding escrow to Iran for continuous verifiable commitment to not proliferate, distributing payments progressively
* Establish a national innovation policy, to oversee procurement reform, incentives for research and development, and workforce training
* Provide research and development funding for small and medium enterprises, especially those in financial technology
* Set federal cybersecurity standards for the electrical grid, including developing resilience measures
* Secretly curtail the federal doctrine to use nuclear weapons in response to an attack on the grid
* Require nuclear power plants to maintain backup generators for power outages
* Create a democratic alliance for norms governing emerging technologies.

#### First plank solves Iran impact AND is binding and verifiable.

Escrow ‘6 [Escrow; carbon dated to March 15; Third-party service mediating financial transactions; Escrow, “What is Escrow? How Does Escrow Work?” <https://www.escrow.com/what-is-escrow>; RP]

What is Escrow?

An escrow is a financial arrangement where a third party holds and regulates payment of the funds required for two parties involved in a given transaction. It helps make transactions more secure by keeping the payment in a secure escrow account which is only released when all of the terms of an agreement are met as overseen by the escrow company.

Escrows are very useful in the case of a transaction where a large amount money is involved and a certain number of obligations need to be fulfilled before a payment is released like in the case of a website being built where the buyer might want confirmation of the quality of work being done before making a full payment, and the seller doesn’t want to extend a massive amount of work without any assurance that he or she will receive payment. While traditional escrow service is quite difficult and must be obtained through banks and lawyers, Escrow.com provides online escrow services at affordable rates. While the payment is 'In Escrow' the transaction can be safely carried out without risk of losing money or merchandise due to fraud. This eliminates all legal jargon and allows for secure transactions and confident buyers and sellers.

#### Plank 2 solves innovation

Sadat ’20 [Mir; November 22; former Policy Director leading interagency coordination on defense and space policy issues, including at the Department of Defense and National Security Council, Ph.D. from Claremont Graduate University; The Hill, “Why innovation is so important to America's global leadership,” <https://thehill.com/opinion/technology/526535-why-innovation-is-so-important-to-americas-global-leadership>]

The U.S. government must mitigate the harm to America’s innovation base. So far, the government has yet to craft a national innovation policy and stand up a true national innovation council to modernize government; coordinate between the government, industry and academia; transform monopolistic or oligopolistic markets into competitive sectors; and ensure that America regains global economic leadership through foreign partnerships. Reform of American innovation is necessary for several reasons.

First, to harness the untapped potential of exponential technologies, the government must democratize its requirements processes that have advantaged legacy systems and traditional technology providers. The government must evolve its industrial age procurement policies, practices and beneficiaries to the digital age by placing innovation at the core of its activities. The innovation base needs public and private investment capital, scaled to the risk and importance of the invention, to level the playing field for startups and scale-ups, and to increase competitiveness. In short, the government must increase funding and incentives for Apollo-scale research and development (R&D) programs.

Second, to create exponential technologies in an era of unprecedented disruption, America’s workforce requires continuous training and education. The “lone innovator” is a myth because every American invention is a mix of persistence, genius, teamwork, business model and resource management. The government must establish whole-of-nation policies that stimulate world-class innovators in the areas of science, technology, engineering and mathematics (STEM); support nationwide STEM access and diversity; promote R&D and economic growth in technologically underserved areas using economic opportunity zones; and improve mentorship programs for underrepresented persons.

Third, individual innovators and their teams are challenged to achieve successful outcomes because of the high costs and risks, the uncertainty and gaps in funding, and the vicissitudes of the market’s readiness. America’s innovators are strewn across the federal enterprise, the national security establishment, state and local governments, startups and established corporations, universities and research institutions, and other consortiums. Innovators must collaborate by leveraging innovation multipliers such as diversity of effort, thought and demographics.

Fourth, if rules-based, free-market innovation is to compete economically and demonstrate American leadership, then the government must create and enhance opportunities for innovators to compete in international markets and garner global funding. Innovation is the global competition that transcends borders. We must be the first to disrupt our markets, rather than others who could render particular industries potentially obsolete.

#### Plank 3 solves innovation and growth—supports SMEs, gives them a leg up over platform companies

#### Plank 4-6 solves cyber—ensure security and resiliency!

Lewis ’20 [James Andrew; 8/17/20; senior vice president and director of the Strategic Technologies Program at the Center for Strategic and International Studies; "Dismissing Cyber Catastrophe," https://www.csis.org/analysis/dismissing-cyber-catastrophe]

One major failing of catastrophe scenarios is that they discount the robustness and resilience of modern economies. These economies present multiple targets and configurations; they are harder to damage through cyberattack than they look, given the growing (albeit incomplete) attention to cybersecurity; and experience shows that people compensate for damage and quickly repair or rebuild. This was one of the counterintuitive lessons of the Strategic Bombing Survey. Pre-war planning assumed that civilian morale and production would crumple under aerial bombardment. In fact, the opposite occurred. Resistance hardened and production was restored.1

#### Last plank solves tech leadership.

Jain **’20** [Ash; 2020; Senior fellow with the Scowcroft Center for Strategy and Security; Strategic Studies Quarterly; “Present at the Re-Creation: A Global Strategy for Revitalizing, Adapting, and Defending a Rules-Based International System,” <https://www.atlanticcouncil.org/wp-content/uploads/2019/10/Present-at-the-Recreation.pdf>]

The United States and its democratic allies need to work with other major powers to develop a framework for harnessing emerging technology in a way that maximizes its upside potential, while mitigating against its downside risks, and also contributing to the maintenance of global stability. The existing international order contains a wide range of agreements for harnessing the technologies of the twentieth century, but they need to be updated for the twenty-first century. The world needs an entire new set of arms-control, nonproliferation, export-control, and other agreements to exploit new technology while mitigating downside risk. These agreements should seek to maintain global strategic stability among the major powers, and prevent the proliferation of dangerous weapons systems to hostile and revisionist states.

A new technology committee established under the auspices of a revamped D10 could serve as a forum for the democratic core to converge on common standards for the protection of privacy, individual rights, and liberal values amid rapid technological change. It is also imperative that the United States and its democratic allies maintain their innovation edge. This means cultivating their traditional advantages in this area, including in education, research and development, openness to immigration, and strong capital markets. It could discuss the creation of formal norms and standards to guide the ethical uses of technology, from AI to genetic engineering to “killer robots.” This D10 Technology Norms Committee could also serve as a platform to coordinate on strategies to ensure that the United States and its democratic allies maintain their innovation edge in areas of critically sensitive technology, and forge agreements to address threats posed by adversaries. It also means properly understanding the threat posed by Chinese technology. China’s 5G investments in Europe, for example, are not about business, but about Chinese Communist Party (CCP) control. The democratic core should counter China’s industrial policies that violate international trading standards, and defend against the national security threat posed by the penetration of Chinese technology into their societies.

### 1NC – FTC DA

#### The FTC has shifted from tech mergers to gas consolidation---that solves energy concentration and hikes.

Botts ‘9/1/21 [Baker Botts is an international law firm of approximately 700 lawyers practicing throughout a network of 13 offices around the globe. Based on our experience and knowledge of our clients' industries, we are recognized as a leading firm in the technology, energy, and life sciences sectors. "FTC Chair Turns Antitrust Attention to Energy Industry." https://www.bakerbotts.com/thought-leadership/publications/2021/september/ftc-chair-turns-antitrust-attention-to-energy-industry]

For the energy sector, one silver lining of the increasingly aggressive rhetoric from antitrust regulators has been their singular focus on “big tech.” It seemed, for a time, that oil & gas had finally abdicated its long-held position as the industry most likely to be on the receiving end of heightened antitrust scrutiny. Any such hope evaporated last week, when Lina Khan, the new chair of the Federal Trade Commission, sent a letter to the White House, making clear that she has the energy industry squarely within her sights.

This renewed focus on the energy industry comes at an already sensitive time. If gas prices rise in the wake of Ida, there will be loud calls for an investigation, as was the case after Hurricanes Katrina and Rita in 2005. Similar to those storms, Ida amounted to a direct hit on the industry, barreling through the Gulf Coast and Louisiana, leaving more than 1 million without power. While it remains to be seen what will ultimately happen with fuel prices, there were already calls for an investigation after prices rose through the summer, even before the hurricane was on the horizon.

I. Ms. Khan’s Letter

The letter, sent on August 25, came in response to a request from Brian Deese, Director of the National Economic Council, for the FTC to investigate elevated gas prices. In his August 11 letter, Deese noted, “During this summer driving season, there have been divergences between oil prices and the cost of gasoline at the pump.” He asked the FTC to investigate. Khan’s response went far beyond Deese’s straightforward request, outlining a three-part enforcement plan, tightly focused on the energy industry.

First, Khan stated, she plans to “identify additional legal theories” to challenge retail fuel station mergers “where dominant players are buying up family-run businesses.” This remarkably specific initiative, possibly untethered to traditional concerns about customer impacts, could mean longer and less predictable reviews for deals involving the sale of independent gas stations.

Second, Khan indicated she would be “taking steps to deter unlawful mergers in the oil and gas industry.” While she again made clear that she is focused on retail fuel deals, she clearly left the door open for a broader industry focus. Specifically, Khan referred to a July decision to rescind a prior FTC policy that limited requirements for parties to any merger ultimately deemed unlawful to obtain prior approval from the agency for any future transactions. In her letter from last week, Khan stated: “we will impose ‘prior approval’ requirements to deter those who propose illegal mergers, including in retail gas markets.”

Finally, Khan wrote that she “will be asking our staff to investigate abuses in the franchise market.” She hypothesized that “large national chains” might be forcing their “franchisees to sell gasoline at higher prices, benefitting the chain at the expense of the franchisee’s convenience store operations.” Khan then signed off, stating, “I will continue to assess how the FTC can use its tools to police unlawful business practices in oil and gas markets.”

All of this adds up to a notably focused promise to create new hurdles for proposed transactions in the energy industry and to find new reasons to investigate a variety of conduct.

II. Pricing Investigations

Whether triggered by Hurricane Ida or by letters from concerned officials such as Mr. Deese, any FTC gas pricing investigation would bring significant discovery burdens for industry participants. The post-Katrina report, released in May 2006, explained: “Since August 2005, the Commission has expended substantial resources on this investigation, including the full-time commitment of a significant number of attorneys, economists, financial analysts, paralegals, research analysts, and other support personnel with specialized expertise in the petroleum industry.” Specifically, FTC staff conducted 65 interviews, issued 139 Civil Investigative Demands (similar to subpoenas), and 99 orders seeking profitability and tax expenditure information. Staff identified more than 105 retailers accused of price gouging.

Despite the deep dive, the Commission uncovered very little evidence of wrongdoing. While finding that seven refiners, two wholesalers, and 24 single-location retailers had higher average gasoline prices that were not substantially attributable to higher costs during the relevant period, the report ultimately concluded: “additional analysis…showed that other factors, such as regional or local market trends, appeared to explain the pricing of these firms in nearly all cases.”

This prior failure to find illegal conduct is unlikely to dissuade the current slate of enforcers from pursuing a similar investigation. Aggressive antitrust enforcement has rapidly become a central cause of the current administration. Biden’s antitrust appointees, including Khan, are clearly intent on implementing an elevated level of antitrust scrutiny.

#### The plan causes case cutting---it overburdens the agency.

Hoofnagle, et al, 19—Adjunct Professor of Information and Law, University of California, Berkeley (Chris, with Woodrow Hartzog, Professor of Law and Computer Science, Northeastern University, and Daniel J. Solove, John Marshall Harlan Research Professor of Law, George Washington University Law School, “The FTC can rise to the privacy challenge, but not without help from Congress,” <https://www.brookings.edu/blog/techtank/2019/08/08/the-ftc-can-rise-to-the-privacy-challenge-but-not-without-help-from-congress/>, dml)

Resources are the FTC’s greatest constraint. It is a small agency charged with a broad mission in competition and consumer protection. It carries out this mission with a budget of just over $300 million and a total staff of about 1,100, of whom no more than 50 are tasked with privacy. In comparison, the U.K.’s Information Commissioner’s Office (ICO) has over 700 employees and a £38 million budget for a mission focused entirely on privacy and data protection. In addition, for much of modern history, Congress has kept the FTC on a short leash. In 1980, Congress punished the agency for being too aggressive, causing it to shut down twice. Congress has held authorization over the agency’s head and used oversight power to scrutinize what members of Congress perceive as the expansive use of FTC legal authority, including its interpretation of privacy harm.

Given these constraints, FTC attorneys make pragmatic choices in their case selection. At any given time, line attorneys are investigating many companies and weighing decisions on where to target limited enforcement resources. The FTC can only bring actions against a small fraction of infringers, and it has chosen cases wisely to make loud statements to industry about how to protect privacy.

#### Extinction.

Koranyi ’16 [David; 2016; Chief Advisor of City Diplomacy for the Mayor of Budapest, former Director of the Atlantic Council's Eurasian Energy Futures Initiative; Atlantic Council Strategy Paper, “A US Strategy for Sustainable Energy Security,” <https://espas.secure.europarl.europa.eu/orbis/sites/default/files/generated/document/en/AC_SP_Energy.pdf>]

The United States should work toward a global energy system that is characterized by the reduction of excessive price volatility on global energy markets and the minimization of the impact of geopolitical upheavals. This requires the introduction of more competition, transparency, liquidity, better rules and regulations for energy trade, and the stabilization of global energy trading routes in concert with other key stakeholders. The liberalized global energy trade would be coupled with transparent and efficiently functioning global and regional markets. This necessitates energy market integration and interconnections in Europe, Asia, Africa, and Latin America alike to enhance regional synergies and create markets. This integration process should be supported by US experience and technical assistance.

It is of utmost importance to ensure that competition is not distorted, with special regard to cartelization in the regional and global gas markets. The United States should promote global principles for competition in the energy markets to reduce the risk of cartelization and price setting, cripple the disruptive ability of irresponsible players on the market, enhance security of supplies, and promote open and efficiently functioning markets.

Monitoring the implementation of global and regional climate agreements; promoting dialogue and cooperation between consumer and producer countries; introducing and enhancing dispute resolution mechanisms; increasing transparency and reducing volatility on the international energy markets; and devising international standards of physical and cyber energy infrastructure protection will be at the center of the US international energy governance agenda. Therefore, international institutions that serve US national interests need to be strengthened further with special regard to the International Energy Agency (IEA), the United Nations Sustainable Energy for All Initiative (SE4All,) the International Renewable Energy Agency (IRENA), and the Energy Charter Treaty. In particular, the IEA’s mandate, organization, and budget should be reinforced to allow the organization to conduct a global energy dialogue with all key stakeholders, and to play a robust role in facilitating the exchange of best practices in green technology deployment, energy efficiency, and other key issues in the context of the Paris Climate Agreement.

As the energy sector undergoes a fundamental transformation, new global actors emerge and play a decisive role in how to produce and consume energy and control the climate. The new ‘lateral energy regime’ vastly widens the circle of interested and invested actors and influencers.58 This new paradigm requires a fundamentally different approach to governance on all levels: local, national, and international. The United States should invest in the empowerment and inclusion of constructive new actors to co-govern the energy space, while depowering spoiler actors, such as terrorist organizations that target energy infrastructure. Designing a new model for public-private-people-partnerships (PPPP) is essential to managing the complex interplay between the traditional and new producers, transporters, and consumers of energy—municipal and regional governments and civil society actors.

Conclusion

The first of the Atlantic Council Strategy Paper Series, Dynamic Stability: US Strategy for a World in Transition, identified the protection of global commons by the United States as critically important for both material and moral reasons. It rightly argued that “it is important to include climate in the definition of global commons.”59 That paper defined ‘dynamic stability’ as the key conceptual framework to deal with a fast-changing ‘Westphalian-Plus’ world and argued for “harnessing change to preserve the liberal international order.”60

Harnessing change in the energy sector expeditiously is an existential issue for all humanity. Dynamic stability in the US energy sector would mean leveraging the unique natural bounty and technological prowess of the United States and using the very momentum created by the unconventional hydrocarbon revolution to gradually pivot away from fossil fuels. Leaving the current system unreformed and unmodernized will threaten the security and well-being of American citizens, hurt the US economy at home, and isolate the United States internationally. By compromising on market-friendly public policy measures and leveraging the low oil price environment, the United States can introduce the right incentives into the energy system to shepherd an accelerated energy transition into a more modern, low-carbon energy era that still relies heavily on natural gas—particularly during the transition—and nuclear power to provide baseload generation and counter seasonal intermittency.

### 1NC – Biz Con DA

#### Growth up – best projections

Minikoff 12/31 [Yoel Minikoff, Seeking Alpha News Editor. “Will the U.S. economic recovery continue into 2022?” 12/31/21. https://seekingalpha.com/news/3784335-will-the-us-economic-recovery-continue-into-2022]

Opportunity: The Conference Board, a non-profit research group of more than 1,000 public and private corporations, still forecasts that the U.S. economy will grow by 3.5% in 2022. Take for example the solid growth seen last quarter, despite a rise in coronavirus cases across the U.S., as well as a solid season of corporate earnings. There is also the trend for each successive wave of COVID-19 to having a smaller impact on the economy, while consumers are keeping up robust spending amid improving labor market conditions.

"Supported by the expectation of continued healthy financial market conditions, increased production to restock lean inventories, further gains in the consumption of services as consumer and business travel picks up, and a resilient housing market, continued above-trend growth is likely GDP growth in 2022," read a forecast from Kevin Kliesen, economist at the Federal Reserve Bank of St. Louis. "At this point, the most probable outcome is 3% to 4% real."

#### Changing the legal standards of antitrust spills over to crush otherwise surging growth.

Thierer ’21 [Adam; February 25; Senior Research Fellow with the Mercatus Center at George Mason University; The Hill, “Open-ended antitrust is an innovation killer,” <https://thehill.com/opinion/technology/540391-open-ended-antitrust-is-an-innovation-killer>]

Unfortunately, the calls for more bureaucracy and regulation emanating from all corners of the political world could have an unintended consequence: discouraging the sort of vibrant innovation and consumer choice that made America’s tech companies household names across the globe.

Sen. [Amy Klobuchar](https://thehill.com/people/amy-klobuchar) (D-Minn.) is leading one charge. Klobuchar, who chairs the Judiciary Subcommittee on Antitrust, Competition Policy and Consumer Rights, [recently introduced](https://www.klobuchar.senate.gov/public/_cache/files/e/1/e171ac94-edaf-42bc-95ba-85c985a89200/375AF2AEA4F2AF97FB96DBC6A2A839F9.sil21191.pdf) the “Competition and Antitrust Law Enforcement Reform Act.” This sweeping measure seeks to expand the powers and budgets of antitrust regulators at the Federal Trade Commission and the Department of Justice. It also includes new filing requirements and potentially hefty civil fines.

The most important feature is the proposed change to the legal standard by which regulators approve business deals. It would allow the government to stop any deal that creates an “appreciable risk of materially lessening competition,” and it also defines exclusionary behavior as, “conduct that materially disadvantages one or more actual or potential competitors.”

These may sound like simple, semantic tweaks, but – much like some of the other policy ideas currently circulating – they would upend decades of settled law and create a sea change in U.S. antitrust enforcement. This change could undermine business dynamism, innovation and investment in ways that inhibit the global competitiveness of U.S. businesses.

Critics of merger and acquisition (M&A) activity by large tech firms include not only Sen. Klobuchar but also Republicans such as Sen. [Josh Hawley](https://thehill.com/people/joshua-josh-hawley) (R-Mo.). Hawley recent [offered an amendment](https://www.axios.com/josh-hawley-big-tech-merger-ban-1467081d-216c-45a2-9d09-9416dfbde330.html) to a budget bill that would preemptively prohibit mergers and acquisitions by dominant online firms. Klobuchar and Hawley believe that M&A skews the market in favor of today’s largest firms, entrenching their market power and discouraging innovation.

History teaches a different lesson. Consider DirecTV and Skype, both once considered innovative market leaders in their respective fields of satellite TV and internet telephony. Both firms stumbled, however, and they might not even be with us today without creative business deals. DirecTV has been partially or fully controlled by Hughes Electronics, News Corp., Liberty Media and now AT&T. Skype has swapped hands multiple times, moving from eBay, to a private investment firm and now to Microsoft.

These were complex deals, and some didn’t work, leading to divestitures. But each was a learning experience that illustrated how dynamic media and technology markets can be with firms constantly searching for value-added arrangements that serve their customers and shareholders. If we make this type of activity presumptively illegal, we’re imagining that government bureaucrats are better suited to make these calls than businesspeople and the consumers who choose whether or not to buy the product.

Worse yet, legal tests like those Klobuchar proposes – “conduct that materially disadvantages potential competitors” – are remarkably open-ended and could be easily abused. The system will be gamed by opponents of deals for business reasons. They will claim that their own failure to attract investors or customers must all be the fault of more creative rivals. That’s a recipe for cronyism and economic stagnation.

Those who worry about today’s largest tech giants becoming supposedly unassailable monopolies should consider how similar fears were expressed not so long ago about other tech titans, many of which we laugh about today. Just 14 years ago, headlines [proclaimed](https://www.technewsworld.com/story/55185.html) that “MySpace Is a Natural Monopoly,” and [asked](https://www.theguardian.com/technology/2007/feb/08/business.comment), “Will MySpace Ever Lose Its Monopoly?” We all know how that “monopoly” ceased to exist.

At the same time, pundits [insisted](https://www.marketwatch.com/story/apple-should-pull-the-plug-on-the-iphone) “Apple should pull the plug on the iPhone,” since “there is no likelihood that Apple can be successful in a business this competitive.” The smartphone market of that era was viewed as completely under the control of BlackBerry, Palm, Motorola and Nokia. A few years prior to that, critics lambasted the merger of AOL and TimeWarner as a new [corporate “Big Brother”](http://www.ojr.org/ojr/workplace/1017966109.php?__cf_chl_jschl_tk__=67a5f6a101935b8e3586ca48216d31ba6d4e03de-1612467283-0-AXvbGCtUx-p_N4T-8_2m8OHezQUhQ9kelg9-pVuD6IzKvFfXrllJujU9ERvjqjyIsAeCovUw9bfZqq75_NYasBM87SnQT_027hDJOhjXeowzK1QQH_7vcmr1tS4XgCGC_NNx6UGbAvVgcJNFhSkqkVKKeRJ-BjdDA7Vus-gwmr7wQXcS7KKfTtHyqxdRfureL9alpZHU2IJcbbdYaZpTjTrfcJHCKa8pIZcdiScjaRJmON9X1Ip20Vuv7tyDHbZSvcrn88WrY_9N_qBpKvZhQ4PAe90w5Fx5iHjjNIzoNMKSpToTFGLbPdqawgge9PVubSQbkS7xXDXxCBMA2Sh-Y_U) that would decimate digital diversity and online competition.

Today, we know these tales of the apocalypse ended up instead becoming case studies in the continuing power of “creative destruction.” New innovations and players emerged from many unexpected quarters, decimating whatever dreams of continued domination the old giants once had.

Today’s biggest players face similar pressures, and it’s better to let rivalry and innovation emerge organically, not through the wrecking ball of heavy-handed antitrust regulation.

#### Decline cascades---nuclear war.

Dr. Mathew Maavak 21, PhD in Risk Foresight from the Universiti Teknologi Malaysia, External Researcher (PLATBIDAFO) at the Kazimieras Simonavicius University, Expert and Regular Commentator on Risk-Related Geostrategic Issues at the Russian International Affairs Council, “Horizon 2030: Will Emerging Risks Unravel Our Global Systems?”, Salus Journal – The Australian Journal for Law Enforcement, Security and Intelligence Professionals, Volume 9, Number 1, p. 2-8

Various scholars and institutions regard global social instability as the greatest threat facing this decade. The catalyst has been postulated to be a Second Great Depression which, in turn, will have profound implications for global security and national integrity. This paper, written from a broad systems perspective, illustrates how emerging risks are getting more complex and intertwined; blurring boundaries between the economic, environmental, geopolitical, societal and technological taxonomy used by the World Economic Forum for its annual global risk forecasts. Tight couplings in our global systems have also enabled risks accrued in one area to snowball into a full-blown crisis elsewhere. The COVID-19 pandemic and its socioeconomic fallouts exemplify this systemic chain-reaction. Onceinexorable forces of globalization are rupturing as the current global system can no longer be sustained due to poor governance and runaway wealth fractionation. The coronavirus pandemic is also enabling Big Tech to expropriate the levers of governments and mass communications worldwide. This paper concludes by highlighting how this development poses a dilemma for security professionals.

Key Words: Global Systems, Emergence, VUCA, COVID-9, Social Instability, Big Tech, Great Reset

INTRODUCTION

The new decade is witnessing rising volatility across global systems. Pick any random “system” today and chart out its trajectory: Are our education systems becoming more robust and affordable? What about food security? Are our healthcare systems improving? Are our pension systems sound? Wherever one looks, there are dark clouds gathering on a global horizon marked by volatility, uncertainty, complexity and ambiguity (VUCA).

But what exactly is a global system? Our planet itself is an autonomous and selfsustaining mega-system, marked by periodic cycles and elemental vagaries. Human activities within however are not system isolates as our banking, utility, farming, healthcare and retail sectors etc. are increasingly entwined. Risks accrued in one system may cascade into an unforeseen crisis within and/or without (Choo, Smith & McCusker, 2007). Scholars call this phenomenon “emergence”; one where the behaviour of intersecting systems is determined by complex and largely invisible interactions at the substratum (Goldstein, 1999; Holland, 1998).

The ongoing COVID-19 pandemic is a case in point. While experts remain divided over the source and morphology of the virus, the contagion has ramified into a global health crisis and supply chain nightmare. It is also tilting the geopolitical balance. China is the largest exporter of intermediate products, and had generated nearly 20% of global imports in 2015 alone (Cousin, 2020). The pharmaceutical sector is particularly vulnerable. Nearly “85% of medicines in the U.S. strategic national stockpile” sources components from China (Owens, 2020).

An initial run on respiratory masks has now been eclipsed by rowdy queues at supermarkets and the bankruptcy of small businesses. The entire global population – save for major pockets such as Sweden, Belarus, Taiwan and Japan – have been subjected to cyclical lockdowns and quarantines. Never before in history have humans faced such a systemic, borderless calamity.

COVID-19 represents a classic emergent crisis that necessitates real-time response and adaptivity in a real-time world, particularly since the global Just-in-Time (JIT) production and delivery system serves as both an enabler and vector for transboundary risks. From a systems thinking perspective, emerging risk management should therefore address a whole spectrum of activity across the economic, environmental, geopolitical, societal and technological (EEGST) taxonomy. Every emerging threat can be slotted into this taxonomy – a reason why it is used by the World Economic Forum (WEF) for its annual global risk exercises (Maavak, 2019a). As traditional forces of globalization unravel, security professionals should take cognizance of emerging threats through a systems thinking approach.

METHODOLOGY

An EEGST sectional breakdown was adopted to illustrate a sampling of extreme risks facing the world for the 2020-2030 decade. The transcendental quality of emerging risks, as outlined on Figure 1, below, was primarily informed by the following pillars of systems thinking (Rickards, 2020):

• Diminishing diversity (or increasing homogeneity) of actors in the global system (Boli & Thomas, 1997; Meyer, 2000; Young et al, 2006);

• Interconnections in the global system (Homer-Dixon et al, 2015; Lee & Preston, 2012);

• Interactions of actors, events and components in the global system (Buldyrev et al, 2010; Bashan et al, 2013; Homer-Dixon et al, 2015); and

• Adaptive qualities in particular systems (Bodin & Norberg, 2005; Scheffer et al, 2012) Since scholastic material on this topic remains somewhat inchoate, this paper buttresses many of its contentions through secondary (i.e. news/institutional) sources.

ECONOMY

According to Professor Stanislaw Drozdz (2018) of the Polish Academy of Sciences, “a global financial crash of a previously unprecedented scale is highly probable” by the mid- 2020s. This will lead to a trickle-down meltdown, impacting all areas of human activity.

The economist John Mauldin (2018) similarly warns that the “2020s might be the worst decade in US history” and may lead to a Second Great Depression. Other forecasts are equally alarming. According to the International Institute of Finance, global debt may have surpassed $255 trillion by 2020 (IIF, 2019). Yet another study revealed that global debts and liabilities amounted to a staggering $2.5 quadrillion (Ausman, 2018). The reader should note that these figures were tabulated before the COVID-19 outbreak.

The IMF singles out widening income inequality as the trigger for the next Great Depression (Georgieva, 2020). The wealthiest 1% now own more than twice as much wealth as 6.9 billion people (Coffey et al, 2020) and this chasm is widening with each passing month. COVID-19 had, in fact, boosted global billionaire wealth to an unprecedented $10.2 trillion by July 2020 (UBS-PWC, 2020). Global GDP, worth $88 trillion in 2019, may have contracted by 5.2% in 2020 (World Bank, 2020).

As the Greek historian Plutarch warned in the 1st century AD: “An imbalance between rich and poor is the oldest and most fatal ailment of all republics” (Mauldin, 2014). The stability of a society, as Aristotle argued even earlier, depends on a robust middle element or middle class. At the rate the global middle class is facing catastrophic debt and unemployment levels, widespread social disaffection may morph into outright anarchy (Maavak, 2012; DCDC, 2007).

Economic stressors, in transcendent VUCA fashion, may also induce radical geopolitical realignments. Bullions now carry more weight than NATO’s security guarantees in Eastern Europe. After Poland repatriated 100 tons of gold from the Bank of England in 2019, Slovakia, Serbia and Hungary quickly followed suit.

According to former Slovak Premier Robert Fico, this erosion in regional trust was based on historical precedents – in particular the 1938 Munich Agreement which ceded Czechoslovakia’s Sudetenland to Nazi Germany. As Fico reiterated (Dudik & Tomek, 2019):

“You can hardly trust even the closest allies after the Munich Agreement… I guarantee that if something happens, we won’t see a single gram of this (offshore-held) gold. Let’s do it (repatriation) as quickly as possible.” (Parenthesis added by author).

President Aleksandar Vucic of Serbia (a non-NATO nation) justified his central bank’s gold-repatriation program by hinting at economic headwinds ahead: “We see in which direction the crisis in the world is moving” (Dudik & Tomek, 2019). Indeed, with two global Titanics – the United States and China – set on a collision course with a quadrillions-denominated iceberg in the middle, and a viral outbreak on its tip, the seismic ripples will be felt far, wide and for a considerable period.

A reality check is nonetheless needed here: Can additional bullions realistically circumvallate the economies of 80 million plus peoples in these Eastern European nations, worth a collective $1.8 trillion by purchasing power parity? Gold however is a potent psychological symbol as it represents national sovereignty and economic reassurance in a potentially hyperinflationary world. The portents are clear: The current global economic system will be weakened by rising nationalism and autarkic demands. Much uncertainty remains ahead. Mauldin (2018) proposes the introduction of Old Testament-style debt jubilees to facilitate gradual national recoveries. The World Economic Forum, on the other hand, has long proposed a “Great Reset” by 2030; a socialist utopia where “you’ll own nothing and you’ll be happy” (WEF, 2016).

In the final analysis, COVID-19 is not the root cause of the current global economic turmoil; it is merely an accelerant to a burning house of cards that was left smouldering since the 2008 Great Recession (Maavak, 2020a). We also see how the four main pillars of systems thinking (diversity, interconnectivity, interactivity and “adaptivity”) form the mise en scene in a VUCA decade.

ENVIRONMENTAL

What happens to the environment when our economies implode? Think of a debt-laden workforce at sensitive nuclear and chemical plants, along with a concomitant surge in industrial accidents? Economic stressors, workforce demoralization and rampant profiteering – rather than manmade climate change – arguably pose the biggest threats to the environment. In a WEF report, Buehler et al (2017) made the following pre-COVID-19 observation:

The ILO estimates that the annual cost to the global economy from accidents and work-related diseases alone is a staggering $3 trillion. Moreover, a recent report suggests the world’s 3.2 billion workers are increasingly unwell, with the vast majority facing significant economic insecurity: 77% work in part-time, temporary, “vulnerable” or unpaid jobs.

Shouldn’t this phenomenon be better categorized as a societal or economic risk rather than an environmental one? In line with the systems thinking approach, however, global risks can no longer be boxed into a taxonomical silo. Frazzled workforces may precipitate another Bhopal (1984), Chernobyl (1986), Deepwater Horizon (2010) or Flint water crisis (2014). These disasters were notably not the result of manmade climate change. Neither was the Fukushima nuclear disaster (2011) nor the Indian Ocean tsunami (2004). Indeed, the combustion of a long-overlooked cargo of 2,750 tonnes of ammonium nitrate had nearly levelled the city of Beirut, Lebanon, on Aug 4 2020. The explosion left 204 dead; 7,500 injured; US$15 billion in property damages; and an estimated 300,000 people homeless (Urbina, 2020). The environmental costs have yet to be adequately tabulated.

Environmental disasters are more attributable to Black Swan events, systems breakdowns and corporate greed rather than to mundane human activity.

Our JIT world aggravates the cascading potential of risks (Korowicz, 2012). Production and delivery delays, caused by the COVID-19 outbreak, will eventually require industrial overcompensation. This will further stress senior executives, workers, machines and a variety of computerized systems. The trickle-down effects will likely include substandard products, contaminated food and a general lowering in health and safety standards (Maavak, 2019a). Unpaid or demoralized sanitation workers may also resort to indiscriminate waste dumping. Many cities across the United States (and elsewhere in the world) are no longer recycling wastes due to prohibitive costs in the global corona-economy (Liacko, 2021).

Even in good times, strict protocols on waste disposals were routinely ignored. While Sweden championed the global climate change narrative, its clothing flagship H&M was busy covering up toxic effluences disgorged by vendors along the Citarum River in Java, Indonesia. As a result, countless children among 14 million Indonesians straddling the “world’s most polluted river” began to suffer from dermatitis, intestinal problems, developmental disorders, renal failure, chronic bronchitis and cancer (DW, 2020). It is also in cauldrons like the Citarum River where pathogens may mutate with emergent ramifications.

On an equally alarming note, depressed economic conditions have traditionally provided a waste disposal boon for organized crime elements. Throughout 1980s, the Calabriabased ‘Ndrangheta mafia – in collusion with governments in Europe and North America – began to dump radioactive wastes along the coast of Somalia. Reeling from pollution and revenue loss, Somali fisherman eventually resorted to mass piracy (Knaup, 2008).

The coast of Somalia is now a maritime hotspot, and exemplifies an entwined form of economic-environmental-geopolitical-societal emergence. In a VUCA world, indiscriminate waste dumping can unexpectedly morph into a Black Hawk Down incident. The laws of unintended consequences are governed by actors, interconnections, interactions and adaptations in a system under study – as outlined in the methodology section.

Environmentally-devastating industrial sabotages – whether by disgruntled workers, industrial competitors, ideological maniacs or terrorist groups – cannot be discounted in a VUCA world. Immiserated societies, in stark defiance of climate change diktats, may resort to dirty coal plants and wood stoves for survival. Interlinked ecosystems, particularly water resources, may be hijacked by nationalist sentiments. The environmental fallouts of critical infrastructure (CI) breakdowns loom like a Sword of Damocles over this decade.

GEOPOLITICAL

The primary catalyst behind WWII was the Great Depression. Since history often repeats itself, expect familiar bogeymen to reappear in societies roiling with impoverishment and ideological clefts. Anti-Semitism – a societal risk on its own – may reach alarming proportions in the West (Reuters, 2019), possibly forcing Israel to undertake reprisal operations inside allied nations. If that happens, how will affected nations react? Will security resources be reallocated to protect certain minorities (or the Top 1%) while larger segments of society are exposed to restive forces? Balloon effects like these present a classic VUCA problematic.

Contemporary geopolitical risks include a possible Iran-Israel war; US-China military confrontation over Taiwan or the South China Sea; North Korean proliferation of nuclear and missile technologies; an India-Pakistan nuclear war; an Iranian closure of the Straits of Hormuz; fundamentalist-driven implosion in the Islamic world; or a nuclear confrontation between NATO and Russia. Fears that the Jan 3 2020 assassination of Iranian Maj. Gen. Qasem Soleimani might lead to WWIII were grossly overblown. From a systems perspective, the killing of Soleimani did not fundamentally change the actor-interconnection-interaction adaptivity equation in the Middle East. Soleimani was simply a cog who got replaced.

### 1NC – States CP

#### The 50 state governments and relevant sub-federal territories, in coordination through the National Association of Attorneys General’s, should increase prohibitions on anticompetitive business practices which cause net-harm on one side of platforms and state that, if preempted, the states will withhold cooperation with federal initiatives.

#### The United States federal government should not preempt it.

#### The 50 states and subfederal territories should publicly delegate antitrust authority to the state of California

#### California should implement the above prohibitions

#### It solves

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Prior to the enactment of the first federal antitrust law – the Sherman Act – in 1890, state antitrust enforcement was quite robust in the United States because at least 26 states had already enacted some form of antitrust prohibition.[2] In addition, state enforcers had often used general corporation law and common law restraint of trade principles to regulate anticompetitive business practices and transactions.[3] This well-established state antitrust enforcement infrastructure – coupled with the fact that the Antitrust Division and FTC had only recently been created – permitted state attorneys general to continue playing a leading enforcement role for the first 30 years after the Sherman Act’s passage.[4] Indeed, state attorneys general successfully prosecuted a number of the most consequential antitrust enforcement actions during this period.[5]

In the early 1920s, however, state antitrust enforcers began playing a less prominent role because ‘the national dimension of the most important trusts, . . . as well as their ability to restructure in order to evade problematic state laws’, made clear that the federal government needed to step forward in order to adequately protect consumers and the competitive process.[6] As a result, the DOJ and FTC – whose national jurisdiction and greater resources enabled them to tackle the most pressing competition issues of the time – displaced state attorneys general as the primary source of government antitrust enforcement within the United States.[7] This largely remained true until the mid-1970s when Congress, in response to the DOJ and FTC’s perceived inactivity, passed two laws that expanded the authority of state attorneys general to enforce the federal antitrust laws and provided them with financial resources to do so.[8]

In 1976, Congress passed the Hart-Scott-Rodino Antitrust Improvement Act, which, among other things, authorised state attorneys general to bring *parens patriae* suits (i.e., legal actions brought on behalf of natural persons residing within their states) seeking monetary (treble damages) and injunctive relief for Sherman Act violations.[9] Congress also passed the Crime Control Act of 1976, which, among other things, provided state attorneys general with tens of millions in federal grants as ‘seed money’ for the creation of antitrust bureaus within their offices.[10] These laws had their intended effect of reinvigorating state antitrust enforcement.

During the 1980s, for example, state attorneys general once again emerged as vigorous antitrust enforcers, especially with respect to the prosecution of resale price maintenance practices and other vertical restraints.[11] The rise in the level and prominence of state antitrust enforcement during this period was largely due to a perceived enforcement void at the federal level, where the DOJ and FTC had mostly limited their focus to ‘prohibiting cartels and large horizontal mergers’.[12] No longer content with ceding antitrust enforcement to federal enforcers, state attorneys general expanded their antitrust dockets from prosecuting purely ‘local matters, such as bid-rigging on state contracts’, to actively investigating and litigating matters with multistate and national implications.[13] To help ensure that they had a larger seat at the antitrust enforcement table, state attorneys general also increased the coordination of their enforcement efforts and competition advocacy through organisations such as the National Association of Attorneys General (NAAG), which created a Multistate Antitrust Task Force and issued state Vertical Restraints and Horizontal Merger Guidelines during this period.[14]

Since the reawakening of state antitrust enforcement nearly 30 years ago, state attorneys general have continued to play an important role in the enforcement of both state and federal antitrust laws. During periods of lax federal antitrust enforcement, state attorneys general have often ramped up their enforcement activity in order to protect consumers from anticompetitive transactions and business practices.[15] During periods of vigorous federal antitrust enforcement, they have often served as strong partners for the DOJ and FTC by, among other things, offering valuable insights about competitive dynamics in local markets, assisting with obtaining information from key market participants (including state governmental entities that are direct purchasers of goods and services), and helping develop and implement litigation strategies for cases being tried before federal judges presiding in their states.[16]

Since January 2017, state attorneys general have increasingly played a leading and independent antitrust enforcement role. State antitrust enforcers have significantly increased their enforcement activity and willingness to act separately from their federal counterparts because many of them believe that there has been ‘under-enforcement’ by the DOJ and FTC.[17] State antitrust enforcers have also been able to enhance their influence over key competition policy issues and the antitrust enforcement agenda within the United States because there appears to have been a significant decline in the coordination and relationship between the DOJ and FTC.[18]

In once again flexing their enforcement muscle, state attorneys general have shown a willingness to publicly disagree with the DOJ and FTC on both policy and enforcement decisions, and have also sought to pressure their federal counterparts into more aggressively policing certain industries. Recent examples of the increased independence and assertiveness of state antitrust enforcers include:

* The DOJ, FTC and several state attorneys general have been actively investigating and prosecuting ‘no-poach’ agreements (i.e., where competitors for employees agree not to recruit or hire each other’s employees) in recent years. However, the DOJ and state attorneys general have taken directly opposing positions in private litigation challenging the legality of ‘no-poach’ clauses in corporate franchise agreements. The DOJ has argued that courts should review these clauses under the rule of reason whereas various state attorneys general have argued that these clauses should be deemed per se unlawful.[24]
* In their joint investigation into the T-Mobile/Sprint merger, nearly 20 state attorneys general sued to block the transaction in September 2019 even though the DOJ, along with seven state attorneys general, approved the deal after securing certain structural and behavioural remedies.[19] After the DOJ announced its proposed settlement with the companies, the Attorney General for New York, who led the states’ challenge to the merger, issued a press release dismissing the adequacy of the remedies negotiated by the DOJ: ‘The promises made by [the divestiture buyer] and [the merging companies] in this deal are the kinds of promises only robust competition can guarantee. We have serious concerns that cobbling together this new fourth mobile [phone] player, with the government picking winners and losers, will not address the merger’s harm to consumers, workers, and innovation.’[20] Thereafter, the DOJ opposed the states’ enforcement action by, among other things, moving to disqualify the private counsel hired by the states to represent them[21] and filing submissions that argued against the states’ requested injunction.[22] Ultimately, the state attorneys general were unsuccessful in their bid to block the deal.[23]
* None of the more than 20 state attorney general offices that actively investigated the AT&T/Time Warner merger joined the DOJ’s unsuccessful challenge to the transaction despite the DOJ’s concerted effort to secure their support.[25] In fact, nine state attorneys general filed an amicus brief opposing the DOJ’s appeal of the trial court’s decision.[26]
* After the FTC declined to seek any Colorado-related remedies in connection with Optum’s acquisition of DaVita Medical Group, the Attorney General for Colorado required the merging companies to lift the exclusivity provisions in contracts with certain healthcare providers and to extend their existing contracts with certain health insurers. In announcing this settlement, the Colorado Attorney General stated: ‘I recognize that this case marks an important step in state antitrust enforcement . . . . I am committed to protecting all Coloradans from anticompetitive consolidation and practices, and will do so whether or not the federal government acts to protect Coloradans.’[27]

After voicing displeasure with federal antitrust enforcement in the technology sector, numerous state attorneys general launched their independent investigations into ‘Big Tech’ companies even though the DOJ and FTC have ongoing investigations into these companies.[28]

## Platforms

### 1NC – Circumvention

#### Even new laws fail—courts refuse to enforce, including SCOTUS

Newman 19 [John Newman is a University of Miami School of Law professor and a former attorney with the U.S. Department of Justice Antitrust Division, "What Democratic Contenders Are Missing in the Race to Revive Antitrust", 4/1/19, https://www.theatlantic.com/ideas/archive/2019/04/what-2020-democratic-candidates-miss-about-antitrust/586135/]

But the federal courts represent a massive stumbling block for any progressive antitrust movement. Reformers have identified two paths forward; both lead eventually to the court system. The first is relatively moderate: appoint regulators who will actually enforce the laws already on the books. Warren’s plan rests in part on this straightforward idea. The second, more audacious path requires congressional action to amend and strengthen our current laws. Warren’s call for a new ban on technology companies’ buying and selling via their own platforms falls into this category. Klobuchar has also proposed new antitrust legislation that would make it easier to block harmful mergers and acquisitions.

But no matter its content, enforcing a law requires persuading a judge. When it comes to U.S. antitrust laws, federal judges—not Congress, and not regulatory agencies—are the ultimate arbiters. The Department of Justice Antitrust Division, one of our two public enforcement agencies, files all its cases in federal courts. And although the Federal Trade Commission (the other) can decide cases internally, the inevitable appeals eventually end up in court as well.

No matter how strongly worded a law may be, ideologically driven judges can usually find a way around enforcing it. The cyclical history of U.S. antitrust law is proof that judges wield nearly limitless institutional power in this area.

Soon after Congress passed the Sherman Act in 1890, a conservative Supreme Court began to chip away at its effectiveness. Congress reacted in 1914 with the Clayton Act, which sought to ban anticompetitive mergers. In 1936, at the height of the New Deal era, Congress passed the Robinson-Patman Act, which prohibits price discrimination (charging different prices to different buyers for the same product). These laws were actively enforced for decades.

But starting in the late 1970s, conservative judges began to erode the Clayton Act. Today, megamergers among competitors such as Bayer and Monsanto barely raise eyebrows. So-called vertical mergers, which combine suppliers and their customers, are now all but immune from antitrust enforcement—see the DOJ’s failed challenge to AT&T and Time Warner’s recent tie-up.

Under the business-friendly Roberts Court, the Robinson-Patman Act has similarly been eviscerated. By the 2000s, the ideas of the conservative Chicago School had become mainstream in antitrust circles. Robinson-Patman, a law intended to protect small businesses, was an easy target for Chicago School critics narrowly focused on efficiency and low consumer prices. Their attacks found a receptive audience in the federal judiciary. Among insiders, Robinson-Patman is now known as “zombie law.” It remains on the books, but regulators no longer bother trying to enforce it.

If Democrats want to change antitrust law, they will first and foremost need to change the judges who apply it. Yet none of the 2020 contenders championing antitrust reform have even mentioned the possibility of appointing progressive antitrust thinkers to the bench.

Conservatives, on the other hand, have long recognized the centrality of antitrust to broader questions about the apportionment of power in society. In his seminal work, The Antitrust Paradox, Robert Bork called antitrust a “microcosm in which larger movements of our society are reflected.” Battles fought in this arena, Bork wrote, “are likely to affect the outcome of parallel struggles in others.” Strong antitrust enforcement keeps powerful monopolies in check. Toothless antitrust allows the unlimited accumulation of corporate power.

Recognizing the high stakes, the Republican Party has gone to great lengths to appoint conservative antitrust experts to the federal judiciary. Bork was an antitrust professor at Yale Law School before becoming an appellate judge in 1982.\* Frank Easterbrook practiced and taught antitrust before donning the black robe in 1985. Douglas Ginsburg served as the head of the Justice Department’s Antitrust Division before he became a federal judge in 1986. None of the three managed to join the Supreme Court, but not for lack of trying. Reagan nominated both Bork and Ginsburg to serve as justices, though Ginsburg withdrew and Bork was famously rejected after a contentious Senate hearing.

And whom did the GOP select as its very first U.S. Supreme Court nominee during the Trump Administration? None other than Neil Gorsuch, who practiced antitrust law for more than a decade before joining the Tenth Circuit. Even as a judge, Gorsuch continued to teach a law-school course on antitrust until his confirmation to the Supreme Court in 2017.

Once upon a time, progressives demonstrated similar concern about judicial treatment of antitrust laws. Justice Stephen Breyer, for example, served as special assistant to the head of the DOJ Antitrust Division before his judicial appointment by President Jimmy Carter. Earlier still, Justice John Paul Stevens was an antitrust lawyer, scholar, and professor before his appointment to the bench.

Today’s Democratic 2020 hopefuls seem to have forgotten the lessons of history. Their antitrust proposals focus exclusively on appointing the right regulators and amending our current statutes. These are right-minded ideas, but they overlook the central role judges play in our political system.

There is an old saying in the legal community: “Hard cases make bad law.” That may be true, but it is just as often the case that bad judges make bad law. Real antitrust reform will require more than regulatory and legislative tweaks; it will require the right judges.

### 1NC – Innovation Turn

#### U.S. innovation preserves global leadership over China

Erbas 6/25 [Yunus Erbas, Research Assistant at Beyond the Horizon ISSG, GSI Consulting Newswatch Manager, Masters in Political Science – Comparative Politics, University of Bordeaux, Masters in Political Science – Diplomatic Negotiations Strategy. “China-U.S. Tech war: New Hegemony.” 6/25/21. https://behorizon.org/china-u-s-tech-war-new-hegemony/]

On 14 May 2021, China became the second country to have successfully landed a rover on Mars after its Zhurong spacecraft touched down on the surface of the red planet. Zhurong (祝融), carrying the name of the “god of fire” in ancient Chinese mythology, was the sixth rover to land on Mars, the first five managed by the American NASA Jet Propulsion Laboratory. Although registering as a great success for China, Zhurong received lesser global attention when compared to its American competitor, Perseverance. Yet, it heralds once again that China constantly gains more ground against competing with the U.S. even in cutting-edge technology alongside other sectors.

China is undisputedly becoming a technological superpower and is currently undergoing the fastest expansion in world history despite the recent pandemic crisis. One of the reasons behind the phenomenon is that innovation is at the top of the country’s priority list.

In the year 2017, Chinese President Xi Jinping set out clearly his vision at the 19th CPC National Congress for China to achieve global leadership in science and innovation by 2050. The government has been leading the way for years, and the country’s high-tech sectors are developing at a rapid pace. At the congress, President Xi envisioned China to become one of the world’s most innovative countries by 2020 and a leading global science and technology power by 2049. Surely, how much of those goals China can be achieved in prescribed time is a matter of debate. But in accordance with these objectives, it is evident that China prioritizes innovation in key generic technologies, cutting-edge frontier technologies, modern engineering technologies, and disruptive technologies.

In the terms of Sino-American relationship, the rigorous competition between two major powers has already expanded to numerous fields, from trade to the protection of cutting-edge technologies and the formation of regional strategies. Their development models are supported by different values and norms. The increased intertwining of geopolitics and technology reflects the underlying intensification of competition between China and the United States and exacerbates the direct competition between the two powers for control over the rules, norms, and institutions which will govern international relations of the new world order in the coming decades, including high-technological developments like artificial intelligence and 5G.

The political leaders of both countries are well aware that technological innovation is a strong source of national power. As a result, technology is now largely politicized and has become a more prominent element of great power rivalry.

There is no doubt that the U.S. is the technological superpower in the world. But China is trying hard to seize this title from it. It has grown very rapidly over the development and application of the critical high tech areas such as artificial intelligence, big data, robotics and 5G and likes and there are concerns about whether China would evolve into a new hegemonic superpower based on superiority in high-tech.

#### Antitrust cedes US leadership

Atkinson 7/5 [Robert D. Atkinson, president of the Information Technology and Innovation Foundation. "Antitrust Can Hurt U.S. Competitiveness." 7/5/21/. https://www.wsj.com/articles/antitrust-can-hurt-u-s-competitiveness-11625520340]

When it comes to technology and the economy, the U.S. is grappling with two contradictory goals: competing with China in advanced technology industries and ramping up antitrust enforcement against leading U.S. tech companies.

Antimonopoly advocates argue that we can have our cake and eat it too. Go ahead and break up big tech, they say; we can still compete with China. But there is a long history of U.S. antitrust actions against technology companies, and the results suggest regulators should exercise caution.

Consider the case of Western Electric, AT&T’s equipment subsidiary. By the early 1920s, it had factories in Austria, Belgium, Canada, China, Germany, France, Italy, Japan, the Netherlands, Russia and the U.K. But because AT&T relied on it exclusively for equipment, in 1925 the Justice Department threatened AT&T with breakup unless it divested Western Electric’s foreign assets, creating International Telephone & Telegraph and ultimately giving birth to robust foreign-owned competitors.

Antitrust regulators also pressured AT&T’s Bell Labs in the early 1950s to license its newly invented transistor technology. That spurred innovation because it helped emerging companies such as Texas Instruments and Fairchild. But because of government pressure, AT&T also licensed its technology, almost for free, to foreign companies. This eventually enabled Sony to take global leadership from the U.S. in consumer electronics, and it gave a major leg up to Europe’s Ericsson and Siemens.

The U.S. also used to be the global leader in television technology thanks to the Radio Corp. of America, the pathbreaker in color television. But in the 1950s the Justice Department required RCA to let other U.S. companies use its patents at no charge. RCA had long relied on licensing revenue, so it started making money where it could—in Japan. “RCA licenses made Japanese color television possible,” technology historian James Abegglen has written.

In 1972, the Federal Trade Commission brought a similar antitrust suit against Xerox, the world’s then-leading producer of copier technology thanks in part to its Silicon Valley-based innovation incubator Xerox PARC. Evidently unimpressed, the head of the FTC’s Bureau of Competition F.M. Scherer said he would be “dissatisfied if Xerox’s market share isn’t significantly diminished in several years.” To that end, the FTC forced Xerox to give up its blueprints and other discoveries, allowing an estimated 1,700 patents to make their way to Xerox competitors. Sure enough, Xerox lost half its market share—mostly to Japanese firms such as Canon, Toshiba and Sharp. Xerox’s only viable path to survival was to strengthen its alliance with Fuji, creating a new giant, Fuji Xerox.

Two years later in 1974, the Justice Department targeted AT&T again, forcing it to break up over the objections of Commerce Secretary Malcolm Baldridge that the suit jeopardized America’s leadership position. This was the death knell for Bell Labs, arguably the most innovative organization that has ever existed.

None of this is to say that antitrust authorities should be passive or turn a blind eye to anticompetitive behavior. But they should recognize that firms’ size can be an important factor in their ability to innovate. Rather than rely on market share as the alarm bell that signals the need for antitrust enforcement, regulators should focus more on firms’ conduct, and they should look first to behavioral remedies, not structural ones. Antitrust analysis should also consider that tech companies compete globally, not nationally, so cutting them down to size usually has significant economic consequences.

The Federal Communications Commission has provided a model for the behavioral approach by conducting a series of inquiries starting in 1970 to investigate the convergence of telephone and computing services and establish rules enabling competition among established and upstart players across sectors that are increasingly intertwined. U.S. courts also provided a model in judgments against Microsoft, which compelled it to let other companies more easily integrate their software into Windows.

As policy makers now consider competition issues related to today’s large technology firms, they would be well advised to learn from this history. With Chinese internet and tech companies waiting in the wings, aggressive antitrust actions against U.S. leaders run the risk of giving a new generation of foreign rivals the boost they need to dominate global markets, just as Japanese and European firms have benefited in the past.

### 1NC – AT: Emerging Tech War = China

#### No China war

Shifrinson 19 [Joshua Shifrinson is an Assistant Professor of International Relations with the Pardee School of Global Affairs at Boston University. Should the United States Fear China’s Rise? Winter 2019. www.bu.edu/pardeeschool/files/2019/01/Winter-2019\_Shifrinson\_0.pdf]

In short, limited predation—not an overt and outright push to overtake and challenge the United States—is the name of China’s current and highly rational game. As significantly, it appears Chinese leaders are aware of the structural logic of the situation. Despite ongoing debate over the extent to which China has departed from its long-standing “hide strength, bide time” strategy first formulated by Deng Xiaoping in favor a more assertive course seeking to increase Chinese influence in world affairs, Chinese leaders and China watchers have been at pains to point out that Chinese strategy still seeks to avoid provoking conflict with the United States.49 As one analyst notes, China’s decision to carve out a more prominent role for itself in world politics has been coupled with an effort to reassure and engage the United States so as to avoid unneeded competition while facilitating stability.50 Chinese leaders echo these themes, with one senior official noting in 2014 that Chinese policy focused on “properly addressing] conflicts and differences through dialogue and cooperation instead of confrontational approaches.”51 Xi Jinping himself has underlined these currents, arguing even before taking office that U.S.-Chinese relations should be premised on “preventing conflict and confrontation,” and more recently vowing that “China will promote coordination and cooperation with other major countries.”52 Ultimately, as one scholar observes, there is “hardly evidence that [... China has] begun to focus on hegemonic competition.”53 Put another way, China’s leaders appear aware of the risks of taking an overly confrontational stance toward a still-potent United States and have scoped Chinese ambitions accordingly.

#### Tech doesn’t change balance of power

Lanoszka 19 – Alexander Lanoszka, Political Science Professor at the University of Waterloo. [How Emerging Technologies Might Affect Baltic Security, in *The Return of Deterrence: Credibility and Capabilities in a New Era*, eds. William G. Braun III, Stéfanie von Hlatky, and Kim Richard Nossal]

The Baltic Countries and Emerging Technologies

So where does this leave the Baltic countries? The discussion above suggests that in the foreseeable these emerging technologies will marginally enhance Russia’s military capabilities while the United States will gradually and cautiously adopt them. The local balance of power will remain largely static. For one, Russia already enjoys a massive military advantage over the Baltic countries, with or without autonomous weapons. For another, these emerging technologies do not alter how the Baltic countries receive an Article 5 commitment from their NATO partners. Any military activity that triggers this clause of the Washington Treaty could lead to escalatory dynamics that Russia would prefer to avoid. As for the Baltic countries, capabilities remain underdeveloped. Having already embraced digital technologies for its governance, Estonia has been the most advanced of the three Baltic countries in thinking about AI. In March 2018 the Estonian government announced the development of a national strategy towards AI.53 It will also contemplate how to address AI in its legal structures, with one subject being the provision of a special legal status conferred upon robots.

Military robotics and AI could be leveraged for various purposes in the Baltic context. In the long-term, military robots might compensate for the lack of available manpower that Estonia, Latvia, and Lithuania might face in the future due to high emigration, low birthrates, and low immigration. As Mick Ryan argues, “it is possible that a technologically advanced country with a smaller population could build a significant advantage using AI-based military systems and fielding large numbers of robotic warfighters.”54 Such systems — redolent of many Hollywood films — remain a distant possibility. In the medium term, military robotics and AI could serve logistical as well as intelligence, surveillance, and reconnaissance (ISR) purposes.

In the more immediate term, however, AI would be most useful for early warning, especially with respect to the monitoring of social media, energy flows, or even encrypted communications between Russia and sources inside the Baltic countries. Consider how AI could help bolster Baltic defences in such a way as to defeat, if not to prevent, some of the tactics that Russia used against Ukraine in its annexation of Crimea in early 2014. Recall that so-called “little green men” — military personnel bearing no insignia or other identifying marks — suddenly appeared in Crimea manning checkpoints, clearing areas, and intimidating members of the local population in the run-up to the independence referendum that Russia used to lend legitimacy to its effort. The Baltic countries fear that Russia might attempt something similar against them, not least because — especially in the case of Estonia and Latvia — their populations contain Russian-speakers who may sympathize with the Kremlin enough to do its bidding.55 One measure that they have taken is to practice retaking sites from paramilitary forces of unknown origin.56

AI is useful for such situations because the Baltic countries have home-field advantage. As such, they can amass data on certain environments and sites most at risk of being targeted by Russia. Such data could thus be used to understand regular patterns of behaviour of individual contained within those environments, thereby offering earlier detection and warning in the event that something untoward or irregular is happening. Of course, this technology is not impervious to countermeasures. Algorithms could be vulnerable to a battery of malicious queries by adversaries, leading those very algorithms to make faulty or bad predictions.57

As for 3D printing, the Baltic countries could benefit in at least two ways. To begin with, observers believe that because they face such a massive imbalance of power, the Baltic countries should not prepare their armed forces for fighting set-piece battles with the Russian military. Instead, they should prepare to wage an insurgency campaign designed to make themselves difficult to swallow and to occupy.58 Because 3D printing might reduce supply chains, violent organizations may be able to make their own weapons or weapons parts. 3D printed guns have so far proven to be unreliable, but as one Deloitte report warns, 3D printing “can help terrorist groups not only acquire new weapons or capabilities, but also allow them to do so more rapidly and stealthily than before, across a wider range of locations.”59 This can apply equally to insurgent groups, with such capabilities being homemade firearms and improvised explosive devices. 3D printers are not impervious to countermeasures, however. A RAND study cautions that 3D printers — if they are connected to the global internet — can be susceptible to sabotage if a malicious actor hacks into the system and encodes a flaw into the designs of a product that would be printed.60 Moreover, if Russia could mass firepower and saturate hostile environments by using killer robots, then the advantage gained from 3D printing weapons could be offset. Finally, 3D printing could allow forward deployed forces — like the NATO battlegroups stationed on Baltic territory as part of the alliance’s “Enhanced Forward Presence” — to buy more time before reinforcements arrive. They can replenish themselves “on the spot” without relying too much on supply chains and logistical tails. Such additional time could help if Russian aerial and naval assets located in Kaliningrad complicate NATO efforts to enter, and to move within, the theater of operations if war were to erupt.61

Conclusion  
Some security analysts argue that the introduction of emerging technologies on the battlefield will have a transformational impact on international security. Military robots, AI, and additive manufacturing (3Dprinting) could allow non-state or weak actors to level the playing field with more powerful countries. Yet the preceding discussion suggests that a more tentative attitude is appropriate. In the long-term, the impact of these technologies could be dramatic. However, in the foreseeable future at least, the changes generated by these technologies will be gradual, if not modest. Their significance for Baltic regional security will remain limited despite Russian investments in military robotics and AI. Nevertheless, AI holds some promise for the Baltic countries, especially if it enables them to improve their early warning capabilities so as to thwart “little green men” scenarios.

This essay offers some policy implications for NATO to consider. First, the United States, the Baltic countries, and their fellow allies should be mindful of how these emerging technologies might affect interoperability. If progress in robotics, AI, and 3D printing will be more evolutionary than revolutionary, then the development of these technologies could produce further capability gaps between the United States and its NATO allies. Buying American might help prevent a greater widening of those gaps, but European countries — especially those in the Baltic region — will need to invest in their own research and development (R&D) so that they can tailor these technologies to their own needs.62 Indeed, capability gaps could develop between the Baltic countries. Since Estonia may already be ahead of the curve, Latvia and Lithuania could find themselves lagging too far behind. Capability gaps could create gaps in coverage if AI has the potential for enhancing early warning.

Second, because AI draws on deep learning methods to improve prediction, more data would allow for a more robust understanding of trends and behaviour patterns. NATO’s new Baltic-focused regional command could provide a clearinghouse of the data drawn from individual allies. Of course, European allies have already agreed to a Declaration of Cooperation on AI in order to share information and to foster research and development links. Yet the regional command can focus on the peculiarities of the Baltic security economy and exploit economies of scale. This regional command can offset the risk of stove piping between the three NATO Centers of Excellence in the Baltic countries. The one in Riga focuses on strategic communications; the one in Tallinn addresses cyber security; and the one in Vilnius is dedicated to energy security. Although these centers of excellence should preserve their specialisations, they admittedly work on overlapping areas and AI is most effective when algorithms crunch the largest amount of relevant data possible. Indeed, another advantage of data sharing and aggregation is to reduce the possibility of bias and to improve the quality of algorithms.

Third, emerging technologies offer no “absolute weapon,” since countermeasures are possible. This could be both good news and bad news. For example, if Russia leans too heavily on military robotics, then it would face new problems that manned systems might not have to confront. Latvia has many forests, but it also has marshes and swamps like the Teiči State Reserve in its east. This terrain would already be difficult for military robots to overcome without further intervention. Russian RPAs might also be vulnerable to man-portable air-defence systems. If Russia comes to rely on AI for military purposes, then it might be susceptible to hacking and manipulation. NATO should also heed these issues. Hence the importance of regional cooperation: no one country should find itself a potential weak link that can be exploited.

### 1NC – AT: Fintech

#### Fintech startups are booming.

Griffith ’21 [Erin; March 29; reporter, citing Suryadevara, Stripe’s chief financial officer, and public data; the New York Times, “The Start-Up Enemies of Wall Street Are Booming,” https://www.nytimes.com/2021/03/29/technology/fintech-startups-wall-street.html]

Sila is one of thousands of financial technology start-ups riding an investor frenzy driven by a growing realization that Big Finance is ripe for a tech makeover. When the pandemic forced businesses to speed up their usage of digital tools, including e-commerce and online banking, the demand for what is known as fintech exploded.

Now start-ups with names like Blend, Brex and Dave that provide decidedly unglamorous banking, lending and payment processing offerings are hot tickets. That was punctuated this month when Stripe, a payments company, raised $600 million in a financing that valued it at $95 billion, the highest ever for a private start-up in the United States.

Financial technology companies are also making a splash on the stock market. On Tuesday, Robinhood, a stock trading app popular with young adults, filed for an initial public offering. And Coinbase, a cryptocurrency start-up, is scheduled to go public in the next few weeks in what could be a $100 billion listing.

Even tiny financial start-ups that have not formally introduced their products — such as Zeller, which will offer banking services to businesses; and Sivo, which is building lending software — have raised millions of dollars and been valued at nine-digit sums.

In total, venture capital investors poured $44.4 billion into financial technology start-ups last year, up from $1.1 billion in 2009, according to PitchBook, which tracks private financings.

Many investors are now making bold predictions that these start-ups will upend big banks, established credit card providers — and in some cases, the entire financial system.

“The banks are extremely vulnerable” because they have not kept up with what customers expect, said Mark Goldberg, an investor at the venture capital firm Index Ventures. He predicted $1 trillion of market value could transfer from old guard financial institutions to tech companies over the next two decades.

“It’s what Amazon did to offline retail,” he said. “It’s just playing out 10 years later in fintech right now.”

The financial technology start-ups that are riding the boom run the gamut. They provide services including checking accounts, mortgages, insurance, investing, payment processing and cryptocurrencies.

Many are capitalizing on people’s long-simmering distrust of the big banks, especially after the 2008 financial crisis. Often, the start-ups offer slick and easy-to-use apps, no physical branches and low or no fees. And they are building on people’s growing familiarity over the past decade with tech tools and digital payments, a shift that has accelerated in the pandemic.

Just as cheap cloud computing and smartphones once enabled a wave of new app start-ups, the financial technology sector has developed its own set of building blocks, allowing new companies to spring up faster.

One of the building-block companies is Stripe. Founded in 2010, Stripe started out by offering to process payments for small businesses and start-ups. By 2018, it was worth $20 billion and had begun investing in other start-ups.

Stripe now processes hundreds of billions of dollars in payments a year, has expanded to larger customers including Salesforce and Booking.com, and has made more than 30 investments in other fintech start-ups.

“We are in a hyper-growth industry and within that, the company itself is experiencing hyper-growth,” Dhivya Suryadevara, Stripe’s chief financial officer, said in an interview.

Domm Holland, chief executive of Fast, an e-commerce checkout software start-up, said Stripe sped up his company’s progress. Customers who use Stripe to accept online payments can then use Fast’s software for their checkout process.

“If Stripe didn’t exist today, we would first have to build Stripe,” Mr. Holland said. “That’s a lot of work. They’ve already done that.”

Last year, as Fast’s business grew in the pandemic, investors began messaging Mr. Holland daily asking to invest in the company. “I have people LinkedIn messaging and emailing, just offering, ‘Take $5 million at any valuation you like,’” he said. “It is a bizarre world to live in.”

He ended up raising $102 million for Fast in January. Stripe was one of the main investors in the financing.

Other companies that play similar “building block” roles in the financial technology boom include Affirm, which offers lending and went public this year; Shopify, which enables e-commerce transactions; and Plaid, which helps apps connect with bank accounts.

“The infrastructure has gone to a whole other level,” said CJ MacDonald, founder of Step, a debit card provider aimed at teenagers. Introduced in September, Step quickly reached one million customers, partly from endorsements from social media influencers like Charli D’Amelio.

In December, Step raised $50 million in funding. The company was not looking for more money, Mr. MacDonald said. But investors started calling as soon as the app joined the top-downloaded finance app list shortly after it was released. The money came together in a matter of weeks, he said.

Investors are even clamoring to buy into broken deals. Plaid, which had agreed to sell itself to Visa for $5.6 billion last year, saw the deal unravel in January after facing antitrust scrutiny. Now the fast-growing company is in talks with investors to raise funding at a valuation near $15 billion, said two people with knowledge of the company who spoke on the condition they not be identified because the discussions are confidential. The Information earlier reported Plaid’s funding talks.

### 1NC – Sanctions Resilient

#### Sanctions regime are resilient to cryptocurrencies

Tweed ‘18 (David Tweed, Former Hong Kong-based reporter at Bloomberg, Bitcoin can't save world's autocrats from the sanctions squeeze, 1-16, <https://economictimes.indiatimes.com/markets/stocks/news/bitcoin-cant-save-worlds-autocrats-from-the-sanctions-squeeze/articleshow/62518096.cms&hl=en&gl=us&strip=1&vwsrc=0>, y2k)

All three leaders are wading into the crypto-craze as their regimes grapple with the same problem: Sanctions curbing their access to the global financial system. But while bitcoin and opaque virtual currencies can provide sources of cash for political pariahs, the market’s still too nascent to make a meaningful skirting of a U.S.-led economic blockade possible.

Any autocrat eyeing bitcoin as a sanctions safe haven must confront a simple matter of scale. All the world’s digital tokens are worth about $700 billion, according to Coinmarketcap.com. That’s about one-seventh of the daily foreign exchange market.

“Think about how many U.S. dollars are in circulation and how much each bitcoin would have to be worth to match that value -- it would be a ludicrously big number,” said Tom Uren, a visiting fellow at the Australian Strategic Policy Institute’s International Cyber Policy Centre. “In the long term, that’s possible, but we are talking decades and decades. Cash isn’t going away any time soon.”

Curbing the Market

Moreover, regulators are quickly moving to rein in digital currencies. China’s central bank declared initial coin offerings illegal in September. And on Thursday, South Korea’s justice minister reiterated a proposal to ban cryptocurrency exchanges altogether. Yonhap New Agency reported Saturday that authorities asked banks to adopt real-name digital currency accounts.

U.S. Treasury Secretary Steve Mnuchin told the Economic Club of Washington, D.C., on Friday he was “not at all” worried that Russia or others countries could use digital tokens to evade sanctions. “I don’t think that’s a concern,” Mnuchin said, noting that digital coin exchanges were subject to the same requirements as banks to scrutinize who their customers are.

The U.S. sanctions people and organizations, not assets, and those measures still apply to states that park their earnings in cryptocurrencies. Even if Maduro can overcome investor skepticism and attract support to Venezuela’s oil-backed “petro,” those who use the token could find themselves ensnared by sanctions.

“The detail of how you issue it is critical because you have to trust the currency and there has to be a market for it,” said Jim Fitzsimmons, a director at Control Risks in Singapore. “Venezuela is having a really bad time. I just don’t see how the gee-wizzery cryptocurrency stuff is going to help.”

In Russia, the central bank opposes a finance ministry effort -- announced Thursday -- to allow cryptocurrency trading on official exchanges. Undeterred, Deputy Finance Minister Alexey Moiseev told reporters the ministry would use the “power of thoughts and words” to convince the central bank.

Using digital currencies to evade sanctions would be particularly problematic for petro-states that need access to the mainstream financial system -- especially U.S. dollars -- to sell their oil. Iran’s economy, for instance, is too big for bitcoin to serve as savoir.

### 1NC – AT: Iran Nukes

#### No Iran war or great power draw in

Trofimov 1/5/19 [Yaroslav Trofimov is an award-winning author and journalist who serves as Chief Foreign-Affairs Correspondent at The Wall Street Journal. Previously he wrote a weekly column on the Greater Middle East, Middle East Crossroads, in The Wall Street Journal. Iran Lacks Allies in Confronting the U.S. January 5, 2019. https://www.wsj.com/articles/iran-lacks-allies-in-confronting-the-u-s-11578253765]

Instead of leaving, President Trump now is sending thousands more American troops to the Middle East to confront Iran. As for Russia and China, they have shown little desire to get embroiled in an increasingly unpredictable conflict.

This means that despite the feverish talk of Gen. Soleimani’s death sparking a World War III, Iran nowadays can only count on itself—and on the network of irregular Shiite militias and proxies that the Quds Force commander had nurtured in Lebanon, Iraq, Syria, Yemen and beyond.

“Iran is one of the most strategically lonely countries in the world. It considers dozens of countries around the world its adversary, and its only reliable friend has been the Assad regime in Syria,” said Karim Sadjadpour, an Iran specialist at the Carnegie Endowment for International Peace in Washington.

As for Russia, Mr. Sadjadpour added, “it benefits from an isolated, anti-American Iran that can’t exploit its energy resources.”

While observers say Beijing and Moscow would be happy to watch the U.S. get bogged down even deeper in the Middle East—a diversion that would give them a freer hand in their own neighborhoods—they have no appetite for exposing themselves to the risks of a possible confrontation.

“Russia doesn’t have the slightest intention of getting involved in this squabble, and is trying to distance itself from it as far as possible—even though it will keep expressing support for Iran with very loud declarations,” said Ruslan Pukhov, director of the Center for Analysis of Strategies and Technologies, a Moscow think tank that advises Russia’s defense establishment.

“Short-term at least, this is all beneficial to Russia: oil prices are up, and the Iranians—a very difficult partner—are being forced to become much more cooperative,” he added.

Iran’s strategic isolation perhaps explains a tone of caution that has accompanied its denunciations of Gen. Soleimani’s death. Iranian Armed Forces spokesman Brig. Gen. Abolfazl Shekarchi on Saturday promised a revenge that will be “tough”—but “not hasty,” an indication that Tehran may seek to avoid an immediate escalation that could risk sparking an all-out war with the U.S.

“Iran is talking about a response, a revenge, and not about initiating a war,” said Abas Aslani, senior fellow at the Center for Middle East Strategic Studies in Tehran.

Should such a direct conflict erupt, he added, “I don’t think Iran expects Russia and China to start a war with the U.S. on its behalf. The help they may offer to Iran is different: political support, support in some international institutions. Whether that can also be applicable to providing Iran with some equipment, that is the question.”

Iran certainly craves military hardware to replace its obsolete warplanes, ships and tanks—but neither Russia nor China can legally supply such equipment until October at the earliest, the date when United Nations sanctions on most military sales to Tehran are set to expire.

Russia did deliver an S-300 air-defense system to Iran in 2016, but even that happened after six years of delays that ended only as a result of Moscow’s alienation from the West following its invasion of Ukraine.

In their official reactions, both Moscow and Beijing condemned the strike against Gen. Soleimani—but stopped short of pledging to do anything about it.

Russian Foreign Minister Sergei Lavrov said in a phone call Friday with Secretary of State Mike Pompeo that the killing “grossly violates the norms of international law” and urged Washington to “solve all problems at the negotiating table,” according to a Russian foreign ministry statement.

China’s foreign minister, Wang Yi, a day later told his Iranian counterpart that Beijing condemns “the military adventurist act by the U.S.” and that China will continue to “play a constructive role in safeguarding peace and security in the Gulf region.”

Though China has promised to invest hundreds of billions of dollars in Iran’s oil and gas infrastructure, so far U.S. economic sanctions on Iran have hobbled such plans.

Russia and Iran have teamed up in Syria—with Russian warplanes using Iranian airspace and even briefly operating out of an air base in Iran—but as the Syrian regime stabilized and Moscow found a new accommodation with Turkey in recent months, Moscow’s and Tehran’s interests there have begun to diverge.

Both Moscow and Beijing maintain friendly ties with Iran’s archenemies in the region: Saudi Arabia and Israel.

Russia’s and Iran’s mutual history is rife with hostility. Russians remember the murder of Russia’s ambassador and playwright Alexander Griboedov when the Russian embassy in Tehran was sacked in 1829, and the Islamic Republic’s support for anti-Soviet rebels in Afghanistan in the 1980s.

Looming in Iran’s national memory are lands that Russia annexed from the Persian Empire over the centuries, and the Soviet military invasions and occupations of Iran in 1920 and 1941.

“Nobody in Russia really cares about Iran, the society

doesn’t see Iran as a partner, and certainly not as a friend worth dying for,” said Alexander Gabuev, chair of the Russia in the Asia-Pacific program at the Carnegie Moscow Center.

Both Russia and China, he added, are secretly delighted by the rise of tensions between the U.S. and Iran, hoping that a conflict in the Middle East would give them a few years of respite by distracting American attention away from their own core areas of interests in Eastern Europe and Asia, respectively.

Even though China is now the biggest buyer of Middle Eastern oil, experts in the country’s security and foreign-policy establishment have long argued that Beijing should resist the temptation of getting involved in the volatile region—in part because oil has continued to flow despite the political shocks of recent decades.

“The Middle East presents a falling significance in the grand strategy of China,” Niu Xinchun, director of the Institute of Middle East Studies at CICIR, a think tank affiliated with China’s Ministry of State Security, wrote in a 2017 policy paper. “As a matter of fact, since 2011, many Middle Eastern countries have descended into civil war at the same time, which failed to exert material impacts on China’s economy.”

China’s participation in the December naval exercises with Iran is “more symbolic than substantial,” added Zhu Feng, director of the Institute of International Studies at Nanjing University. “I don’t think China has any interest in getting involved in the escalation of tensions there.”

## Conduct

### 1NC – Cyber D

#### No catastrophic cyberattacks---25 years of empirics prove they stay low-level and non-escalatory.

Lewis 20---senior vice president and director of the Technology Policy Program at the Center for Strategic and International Studies). Lewis, James. 2020. “Dismissing Cyber Catastrophe.” Center for Strategic & International Studies. August 17, 2020. https://www.csis.org/analysis/dismissing-cyber-catastrophe.

A catastrophic cyberattack was first predicted in the mid-1990s. Since then, predictions of a catastrophe have appeared regularly and have entered the popular consciousness. As a trope, a cyber catastrophe captures our imagination, but as analysis, it remains entirely imaginary and is of dubious value as a basis for policymaking. There has never been a catastrophic cyberattack. To qualify as a catastrophe, an event must produce damaging mass effect, including casualties and destruction. The fires that swept across California last summer were a catastrophe. Covid-19 has been a catastrophe, especially in countries with inadequate responses. With man-made actions, however, a catastrophe is harder to produce than it may seem, and for cyberattacks a catastrophe requires organizational and technical skills most actors still do not possess. It requires planning, reconnaissance to find vulnerabilities, and then acquiring or building attack tools—things that require resources and experience. To achieve mass effect, either a few central targets (like an electrical grid) need to be hit or multiple targets would have to be hit simultaneously (as is the case with urban water systems), something that is itself an operational challenge. It is easier to imagine a catastrophe than to produce it. The 2003 East Coast blackout is the archetype for an attack on the U.S. electrical grid. No one died in this blackout, and services were restored in a few days. As electric production is digitized, vulnerability increases, but many electrical companies have made cybersecurity a priority. Similarly, at water treatment plants, the chemicals used to purify water are controlled in ways that make mass releases difficult. In any case, it would take a massive amount of chemicals to poison large rivers or lakes, more than most companies keep on hand, and any release would quickly be diluted. More importantly, there are powerful strategic constraints on those who have the ability to launch catastrophe attacks. We have more than two decades of experience with the use of cyber techniques and operations for coercive and criminal purposes and have a clear understanding of motives, capabilities, and intentions. We can be guided by the methods of the Strategic Bombing Survey, which used interviews and observation (rather than hypotheses) to determine effect. These methods apply equally to cyberattacks. The conclusions we can draw from this are: Nonstate actors and most states lack the capability to launch attacks that cause physical damage at any level, much less a catastrophe. There have been regular predictions every year for over a decade that nonstate actors will acquire these high-end cyber capabilities in two or three years in what has become a cycle of repetition. The monetary return is negligible, which dissuades the skilled cybercriminals (mostly Russian speaking) who might have the necessary skills. One mystery is why these groups have not been used as mercenaries, and this may reflect either a degree of control by the Russian state (if it has forbidden mercenary acts) or a degree of caution by criminals. There is enough uncertainty among potential attackers about the United States’ ability to attribute that they are unwilling to risk massive retaliation in response to a catastrophic attack. (They are perfectly willing to take the risk of attribution for espionage and coercive cyber actions.) No one has ever died from a cyberattack, and only a handful of these attacks have produced physical damage. A cyberattack is not a nuclear weapon, and it is intellectually lazy to equate them to nuclear weapons. Using a tactical nuclear weapon against an urban center would produce several hundred thousand casualties, while a strategic nuclear exchange would cause tens of millions of casualties and immense physical destruction. These are catastrophes that some hack cannot duplicate. The shadow of nuclear war distorts discussion of cyber warfare. State use of cyber operations is consistent with their broad national strategies and interests. Their primary emphasis is on espionage and political coercion. The United States has opponents and is in conflict with them, but they have no interest in launching a catastrophic cyberattack since it would certainly produce an equally catastrophic retaliation. Their goal is to stay below the “use-of-force” threshold and undertake damaging cyber actions against the United States, not start a war. This has implications for the discussion of inadvertent escalation, something that has also never occurred. The concern over escalation deserves a longer discussion, as there are both technological and strategic constraints that shape and limit risk in cyber operations, and the absence of inadvertent escalation suggests a high degree of control for cyber capabilities by advanced states. Attackers, particularly among the United States’ major opponents for whom cyber is just one of the tools for confrontation, seek to avoid actions that could trigger escalation. The United States has two opponents (China and Russia) who are capable of damaging cyberattacks. Russia has demonstrated its attack skills on the Ukrainian power grid, but neither Russia nor China would be well served by a similar attack on the United States. Iran is improving and may reach the point where it could use cyberattacks to cause major damage, but it would only do so when it has decided to engage in a major armed conflict with the United States. Iran might attack targets outside the United States and its allies with less risk and continues to experiment with cyberattacks against Israeli critical infrastructure. North Korea has not yet developed this kind of capability. One major failing of catastrophe scenarios is that they discount the robustness and resilience of modern economies. These economies present multiple targets and configurations; they are harder to damage through cyberattack than they look, given the growing (albeit incomplete) attention to cybersecurity; and experience shows that people compensate for damage and quickly repair or rebuild. This was one of the counterintuitive lessons of the Strategic Bombing Survey. Pre-war planning assumed that civilian morale and production would crumple under aerial bombardment. In fact, the opposite occurred. Resistance hardened and production was restored.1 This is a short overview of why catastrophe is unlikely. Several longer CSIS reports go into the reasons in some detail. Past performance may not necessarily predict the future, but after 25 years without a single catastrophic cyberattack, we should invoke the concept cautiously, if at all. Why then, it is raised so often? Some of the explanation for the emphasis on cyber catastrophe is hortatory. When the author of one of the first reports (in the 1990s) to sound the alarm over cyber catastrophe was asked later why he had warned of a cyber Pearl Harbor when it was clear this was not going to happen, his reply was that he hoped to scare people into action. "Catastrophe is nigh; we must act" was possibly a reasonable strategy 22 years ago, but no longer. The resilience of historical events to remain culturally significant must be taken into account for an objective assessment of cyber warfare, and this will require the United States to discard some hypothetical scenarios. The long experience of living under the shadow of nuclear annihilation still shapes American thinking and conditions the United States to expect extreme outcomes. American thinking is also shaped by the experience of 9/11, a wrenching attack that caught the United States by surprise. Fears of another 9/11 reinforce the memory of nuclear war in driving the catastrophe trope, but when applied to cyberattack, these scenarios do not track with operational requirements or the nature of opponent strategy and planning. The contours of cyber warfare are emerging, but they are not always what we discuss. Better policy will require greater objectivity.

### 1NC – Cyber Turn

#### Big Tech companies are driving increased cybersecurity now

Page 21 – Carly Page, writer at TechCrunch, “Big Tech pledges billions to bolster US cybersecurity defenses,” 8/26/21, https://techcrunch.com/2021/08/26/big-tech-pledges-billions-to-bolster-u-s-cybersecurity-defenses/

Tech giants Apple, Google and Microsoft have pledged billions to bolster U.S. cybersecurity following a meeting with President Joe Biden at the White House on Wednesday.

The meeting, which also included attendees from the financial and education sectors, was held following months of high-profile cyberattacks against critical infrastructure and several U.S. government agencies, along with a glaring cybersecurity skills gap; according to data from CyberSeek, there are currently almost 500,000 cybersecurity jobs across the U.S that remain unfilled.

“Most of our critical infrastructure is owned and operated by the private sector, and the federal government can’t meet this challenge alone,” Biden said at the start of the meeting. “I’ve invited you all here today because you have the power, the capacity and the responsibility, I believe, to raise the bar on cybersecurity.”

In order to help the U.S. in its fight against a growing number of cyberattacks, Big Tech pledged to invest billions of dollars to strengthen cybersecurity defenses and to train skilled cybersecurity workers.

Apple has vowed to work with its 9,000-plus suppliers in the U.S. to drive “mass adoption” of multi-factor authentication and security training, according to the White House, as well as to establish a new program to drive continuous security improvements throughout the technology supply chain.

Google said it will invest more than $10 billion over the next five years to expand zero-trust programs, help secure the software supply chain and enhance open-source security. The search and ads giant has also pledged to train 100,000 Americans in fields like IT support and data analytics, learning in-demand skills including data privacy and security.

“Robust cybersecurity ultimately depends on having the people to implement it,” said Kent Walker, Google’s global affairs chief. “That includes people with digital skills capable of designing and executing cybersecurity solutions, as well as promoting awareness of cybersecurity risks and protocols among the broader population.”

And, Microsoft said it’s committing $20 billion to integrate cybersecurity by design and deliver “advanced security solutions.” It also announced that it will immediately make available $150 million in technical services to help federal, state and local governments with upgrading security protection, and will expand partnerships with community colleges and nonprofits for cybersecurity training.

Other attendees included Amazon Web Services (AWS), Amazon’s cloud computing arm, and IBM. The former has said it will make its security awareness training available to the public and equip all AWS customers with hardware multi-factor authentication devices, while IBM said it will help to train more than 150,000 people in cybersecurity skills over the next five years.

### 1NC – SME D

#### SMEs are fine – have fully recovered from COVID.

Dane Stangler 10/13/21. Contributor. “State Of Small Business: What Recent Surveys Say At End Of 2021”. Forbes. Dec 13 2021. https://www.forbes.com/sites/danestangler/2021/12/13/state-of-small-business-what-recent-surveys-say-at-end-of-2021/?sh=7f60f7806c0b

Overall Sentiment: On One Hand, On the Other

First, the good news. In its Q3 report, released in October, Yelp found that “the vast majority [85%] of businesses that experienced a temporary closure during the pandemic have reopened.” In the most recent Small Business Pulse Survey data from the Census Bureau (now in Phase 7, through the first week of December), 36% of respondents expect recovery to take longer than six months. That is the best reading since July and far better than a year ago, when nearly half of small businesses saw prolonged recovery.

This improvement in small business outlook may reflect the banner day that many experienced two days after Thanksgiving, on what’s become known as Small Business Saturday. An American Express survey said consumer spending at small businesses hit an all-time high of $23.3 billion this year. That was an 18% increase from 2020. Over half (58%) of respondent shoppers said they bought something from a small business online. That was just 43% in 2019.

Fortified optimism among small businesses is also reflected in new business openings, the total number of which is higher through the first three quarters of 2021 than during the same time period in 2019, according to Yelp. Increases have been seen especially among hotels, nightlife (dance clubs, comedy clubs, lounges), and beauty services.

### 1NC – Antitrust Fails

#### Antitrust fails – history, resources, and political opposition

Jones 20 [Alison Jones, Professor of Law at King's and a solicitor at Freshfields Bruckhaus Deringer LLP. William E. Kovacic, George Mason University Foundation Professor at the George Mason University School of Law. “Antitrust’s Implementation Blind Side: Challenges to Major Expansion of U.S. Competition Policy.” 2020. https://journals.sagepub.com/doi/pdf/10.1177/0003603X20912884]

The proponents of change have set out a breathtaking agenda for reform. The various papers and reports are powerfully reasoned and argued but devote relatively little attention to the question of how their proposals can be achieved successfully. Rather many of them seem to be predicated on the assumption that any legislative changes required can be introduced rapidly and that the new, more aspiring, program can be driven home straightforwardly by agencies led by courageous leaders and supported by a larger staff that shares the vision for fundamental change.

The discussion below, and history, seems to indicate, however, that more courage and more people will not necessarily overcome the implementation obstacles that stand in the way of a program that requires the rapid prosecution of a large number of complex cases against well-resourced and powerful companies. Indeed, the criticisms levied at the current system, the proposals for more effective enforcement and reform, and the scale of the action being demanded bear some resemblance to those that led to a more re-invigorated and aggressive antitrust enforcement policy in the 1960s and early 1970s. For example, at that time complaints that the FTC was in decay, was obsessed with trivial cases and failing to address matters of economic importance, anticompetitive conduct, and rising concentration,77 led the FTC to embark on a new, bold, and astoundingly broad enforcement program.78 In an effort to meet criticisms of it as a shambolic and failing institution, the FTC sought to upgrade its processes for policy planning, made concerted efforts to improve its human capital in management and case handling, and sought to improve substantive processes and the quality of its competition and consumer protection analysis.

In the end, FTC’s efforts to improve capability proved insufficient to support the expanded enforcement agenda, partly because the Commission failed to formulate an adequate plan to overcome the full range of implementation obstacles. The FTC seriously overreached because it did not grasp, or devise strategies to deal with, the scale and intricacies of its expanded program of cases and trade regulation rules, the ferocious opposition that big cases with huge remedial stakes would provoke from large defendants seeking to avoid divestitures, compulsory licensing, or other measures striking at the heart of their business, and the resources required

to deliver good results. The Commission lacked the capacity to run novel shared monopoly cases that sought the break-up of the country’s eight leading petroleum refiners and four leading breakfast cereal manufacturers79 and simultaneously pursue an abundance of other high stake, difficult matters involving monopolization, distribution practices, and horizontal collaboration. The FTC also overlooked swelling political opposition, stoked by the vigorous lobbying of Congress, that its aggressive litigation program provoked.80

New legislation envisaged by reform advocates could ease the path for current government agencies seeking to reduce excessive levels of industrial concentration by arresting anticompetitive behavior of dominant enterprises (through interim and permanent relief) and by blocking mergers that pose incipient threats to competition. It seems clear, however, that such dramatic legislative proposals are likely to be fiercely contested through the legislative process and so will take time, and be difficult, to enact. Further, even if armed with a more powerful mandate, the DOJ and the FTC will still have to bring what are likely to be challenging cases applying the new laws (see Section F). The adoption, setting up, and bedding in of new legislation or regulatory structures and bodies is therefore unlikely to happen very quickly and is, consequently, unlikely to meet the demands of those seeking urgent and immediate action now.

These difficulties suggest that for the near future, at least, the agencies will have to achieve successful extensions of policy mainly through launching themselves into a number of lengthy, complex investigations and litigation based on the current regime. This means establishing violations under existing judicial interpretations of the antitrust laws and making a convincing case for the imposition of effective remedies, including structural relief.

# 2NC

### Adv CP

#### Iran says yes – they’re broke and need money now

Iran International 12/31 [Iran International News, “Iran's Economy Minister Calls On People To 'Be Patient'.” 12/31/21. https://www.iranintl.com/en/202112316845]

Iran's economy minister has said Thursday that the government has no immediate solution for the hardship families face, urging people to be patient.

"We have no immediate solution for the problems of families except compensation through adjusting the amount of cash handouts but there are efforts underway the results of which can be felt in a few months’ time," Ehsan Khandouzi said at a meeting with economy professors.

The cash handouts referred to amount to $3-4 dollars a month, for each person.

#### R&D is self-reinforcing and drives economic growth – every 1% increase more than doubles the return and encourages investment from other sources.

Mandt et al. ’20 [Rebecca, Kushal Seetharam, and Michael Cheng; August 20; Ph.D. Candidate in the Department of Immunology and Infectious Diseases at Harvard University; Ph.D. Candidate in the Department of Electrical Engineering and Computer Science at the Massachusetts Institute of Technology; M.S. from Harvard University; MIT Science Policy Review, “Federal R&D funding: the bedrock of national innovation,” <https://sciencepolicyreview.org/2020/08/federal-rd-funding-the-bedrock-of-national-innovation/>]

Virtuous Cycles of Federal Funding

In addition to directly supporting research related to public priorities, federal investment also produces a domino effect in resource commitment, inducing investment from non-federal sources such as the private and philanthropic sectors into R&D related to broad societal objectives [41]. A multitude of studies have found that government investment in R&D increases private investment and effort (see, for example, [42]). Analysis done by Lanahan et al. in 2016 estimated that every 1% increase in federal research funding leads to a 0.468% increase in industry research investment, a 0.411% increase in nonprofit research investment, and a 0.217% increase in state and local research funding, cumulatively more than doubling the initial federal investment [41]. This positive feedback effect generally holds true across different disciplines including life sciences, physical sciences, and engineering. We therefore see that federal funding has an effect of “crowding-in” R&D investment from non-federal sources rather than crowding them out, as is sometimes erroneously assumed. As federal R&D investments are typically made in line with the missions of federal agencies which are in line with public priorities, increasing federal funding would lead the entire national R&D infrastructure to move more in step with societal needs and public benefits rather than purely market considerations. Additionally, federally-supported research is much more likely to be publicly disclosed compared to private sector R&D, and is therefore more likely to catalyze other innovations [23]. For example, as previously discussed, advances in supercomputing, and even the invention of the web browser, were built upon research done on computationally modeling black hole collisions [43]. As another example, fundamental physics research studying the movement of atoms led to the invention of molecular resonance imaging (MRI), a medical technology that helps save countless lives today [44, 45].

Federal R&D expenditure is also responsible for both the education and training of scientists and engineers who move into the broader workforce as well as the physical infrastructure that often forms the kernel for regional hubs of technological innovation [46]. A core part of the NSF’s mission, for example, is supporting science, technology, engineering, and mathematics (STEM) education and the broader development of the human capital pipeline for national R&D [23]. The agency is also tasked with maintenance of large-scale research infrastructure such as facilities for materials research and fabrication, high-performance computing facilities, and particle accelerators, out of which technologies underlying countless start-ups and private sector innovations have been born [47]. The work done by university research centers and national labs, both of which are primarily funded by the federal government, also end up attracting technology incubators, start-ups, and a larger industry presence [3]. Therefore, federal funding is often responsible for the key centers around which technology hubs form and lead to regional economic growth; examples include Silicon Valley in California; Boston, Massachusetts; the Research Triangle Park in North Carolina; the Boulder-Denver corridor in Colorado; and Madison, Wisconsin. In addition to its indirect role in forming such innovation hubs, the federal government often takes a direct role in creating infrastructure critical to future private sector R&D including advanced manufacturing, high-performance computing, and smart cities [48]. Federal funding, therefore, plays two major roles: it spurs the general pace of national innovation forward, and it guides the national innovation ecosystem towards societal priorities. Both of these tasks are accomplished by utilizing the “crowd-in” effect of federal R&D investments, the training of the STEM workforce, the tendency for technology hubs to form around academic and federal research centers, and the types of R&D infrastructure the government catalyzes.

#### Internet is resilient.

Jonathan Strickland 10, "HowStuffWorks "What would happen if the Internet collapsed?"," 2-10-12, HowStuffWorks, http://computer.howstuffworks.com/internet/basics/internet-collapse4.htm, DOA: 10-1-2014, y2k

Here's the good news -- a total collapse of the Internet would be almost impossible. The Internet isn't a magic box with an on/off switch. It's not even a physical thing. It's a collection of physical things and it's constantly changing. The Internet isn't the same entity from one moment to the next -- machines are always joining or leaving the Internet. It's possible for parts of the Internet to go offline. In fact, this happens all the time. Whether it's a particular server that crashes and needs to be rebooted or replaced or a cable under the ocean gets snagged by an anchor, there are events that can disrupt Internet service. But the effects tend to be isolated and temporary. While there is such a thing as the Internet backbone -- a collection of cables and servers that carry the bulk of data across various networks -- it's not centralized. There's no plug you could pull out from a socket or a cable you could cut that would cripple [destroy] the Internet. For the Internet to experience a global collapse, either the protocols that allow machines to communicate would have to stop working for some reason or the infrastructure itself would have to suffer massive damage. Since the protocols aren't likely to stop working spontaneously, we can rule out that eventuality. As for the massive damage scenario -- that could happen. An asteroid or comet could collide with the Earth with enough force to destroy a significant portion of the Internet's infrastructure. Overwhelming gamma radiation or electromagnetic fluctuations coming from the sun might also do the trick. But in those scenarios, the Earth itself would become a lifeless hulk. At that stage it hardly matters whether or not you can log in to MySpace. The positive way to look at this is to realize that the men and women who helped design the Internet created an amazing tool that's remarkably stable. Even when sections of the Internet have a technical hiccup, the rest carries on with business as usual. While the collapse of the Internet would be a catastrophic event, it's not one you need to worry about.

#### No Chinese data localization laws

Lu 20 (Xiaomeng Lu is Access Partnership’s Senior Policy Manager and China practice lead, Is China Changing Its Thinking on Data Localization? 6-4, https://thediplomat.com/2020/06/is-china-changing-its-thinking-on-data-localization/, y2k)

Under pressure from the COVID-19 economic downturn, China’s authorities revealed mild interest in exploring less restrictive data localization measures. Global tech companies have long advocated for this approach, to no avail, and their Chinese counterparts have been only slightly more successful in getting the same message across.

Now, some emerging provincial proposals aim to allow cross-border data flow in free trade zones.

In January 2020, China’s Hainan provincial legislature discussed the regulatory proposal “Administrative Rules for International Internet Access for Enterprises and Individuals” and studied other aspects of cross-border data flow. A few months later China’s Cabinet, the State Council, published the “Hainan Free Trade Harbor Construction Plan,” which includes a pilot project for “secure cross-border data flow” and “measures to facilitate more convenient personal date outbound flow.”

This is not the first time the holiday island’s provincial government attempted to explore wider access to the free internet. In 2018, they briefly posted a three-year action plan on an official government website announcing that tourists entering Hainan’s special designated zones, Haikou and Sanya, will be able to access some websites blocked by China’s great firewall, namely Twitter, Facebook, and YouTube. It also planned to hire 50,000 English-speaking foreign workers and buy 2,000 minutes of advertising time a year on international networks, including the BBC, CNN and CNBC. The intent was to market this new feature of the free trade zone in order to boost tourism and spur economic growth.

In fact, Hainan is not the only provincial government trying to push the envelope on data localization in pursuit of commercial benefits. Also in 2018, the Hong Kong privacy commissioner for personal data, Stephen Kai-yi Wong, presented a cross-border data flow policy proposal, including a white list regulatory mechanism, in Beijing to advocate for the converging of data flow mechanisms across mainland China and Hong Kong. Such an alignment will shore up economic activities across the Greater Bay Area and enhance Hong Kong’s competitiveness as one of Asia’s financial hubs.

Unfortunately, these proposals appear to run counter to China’s long-standing censorship regime and stringent data localization principal as stipulated by the 2017 Cybersecurity Law. Is this a sign of provincial and local governments moving the needle on data localization policy in China, or is it simply a case of the central government’s failure to notice?

In the case of the Hainan legislative proposal, the Communist Party Politburo Standing Committee member Han Zheng visited the province in November 2019 and discussed the next steps for Hainan’s free trade harbor plan. At this meeting Han specifically mentioned further measures in opening data governance and cross-border data flow. So it appears that this recent round of data flow discussions in Hainan has been carried out in coordination with the country’s top decision makers.

In parallel with the Hainan effort, the Shanghai municipal government issued a new five-year guideline in April for its free-trade zone, which includes new experiments to explore cross-border internet governance and data exchange. It presents options for relaxing restrictions, such as setting up offshore data centers and generating a white list to explore how select companies can directly access the “international internet.” Unlike the Hainan three-year plan, which was removed from government website within hours, the Shanghai five-year guideline has been widely reported by Chinese media and is still available online, weeks after being posted.

One reason for the potential rethinking of data localization policy is the daunting economic pressure China faces post-COVID-19 pandemic.

In the first quarter of 2020, the national GDP suffered an unprecedented 6.8 percent contraction. To revitalize the economy and get people back to work, Beijing authorities launched an ambitious $1.4 trillion digital infrastructure investment plan, calling on governments and private entities to forge ahead in 5G, artificial intelligence, the Internet of Things, and other emerging technologies development and deployment.

In March, Premier Li Keqiang told China’s State Council, “We must implement targeted policies to arrest the slide in foreign trade and foreign investment, to forestall damage to the wider economy.” Around the same time, Vice Commerce Minister Wang Shouwen held hours-long conference calls with the American Chamber of Commerce in China and the European Union Chamber of Commerce in China to answer questions about China’s economic outlook and policy response. At the National People’s Congress, in May, Li outlined three priorities for 2020: stabilizing employment, ensuring living standards, and winning the battle against poverty – all objectives that rely on economic recovery supported by foreign investment.

Following this guidance from the top, Chinese officials from the central, provincial, and local levels are going out of their way to help foreign investors revive supply chains and keep manufacturing jobs in China. As the political focus shifts to post-COVID-19 economic revitalization, these local government proposals for moderation of data localization rules are potentially back on the table.

Major global technology companies have been advocating for cross-border data flow liberalization for years. The U.S. government repeatedly raised this market barrier issue on behalf of companies like Microsoft, Google, Amazon Web Services (AWS), IBM, and Oracle at U.S.-China bilateral trade negotiation venues during the Obama years, as well as in the context of the Trump administration’s Phase One trade deal. Today, there are still indications data localization issues are in discussion related to Phase Two negotiations. However, most China observers don’t have much hope for Phase Two progress. After all, the Phase One deal itself is in danger as President Trump increasingly sees it as a political liability in an election year amid a sliding economy and climbing unemployment rate.

Yet global tech leaders never cease to work on this important issue through their local partners. For example, last year Microsoft sponsored a legal research paper titled “Proposal for Hong Kong to be a Data Center Hub for the Greater Bay Area and China.” The study recommends a special pilot project of free data flow within the Greater Bay Area and describes related requirements and criteria for a gradual approach to liberalization depending on the nature of the data (e.g. non-critical information/non-personal data, pure commercial data, R&D data, personal data, and sensitive/national security data). It also analyzes the feasibility of the recommendations from both legal and policy perspectives.

More importantly, in addition to the advocacy efforts of Western tech companies, Chinese internet companies have also been quietly working to soften China’s draft data localization rules. As Chinese firms expand their presence overseas, these internal rules limit their ability to transfer and process data in locations that best serve business, operational, and data security purposes. Both Alibaba and Tencent have produced studies on the negative economic and innovation impact of data localization measures. Their representatives have argued at public forums that the overly burdensome General Data Protection Regulation regulatory model stifles the innovation of Chinese companies, making them less competitive vs. Google, Facebook, and AWS. Behind closed doors, they pressured Chinese regulators for a more lenient data localization model. As a result of these efforts, they were able to slightly loosen the tight restrictions proposed in the first draft of data localization rules and successfully delayed the completion of these rules for over two years.

These free trade zone data flow policy proposals present an interesting policy advocacy opportunity to tech and service companies that rely on data to operate and innovate. As data regulators become open to explore new models to manage cross-border data issues, companies could leverage their interest and shape the conversation on data flows policy in China.

### EU CP

#### EU solves MNCs now – that means the plan only undermines other company innovation

Bradford 20 [Anu Bradford, Henry L. Moses Distinguished Professor of Law and International Organization at the Columbia Law School, expert in international trade law, the author of The Brussels Effect: How the European Union Rules the World. “Hey, US Tech: Here Comes the Brussels Effect.” 12/17/20. https://www8.gsb.columbia.edu/articles/chazen-global-insights/hey-us-tech-here-comes-brussels-effect]

The European Commission has just unveiled landmark regulations for the digital economy, setting yet another global standard. The Digital Services Act (DSA) and the Digital Markets Act (DMA), designed to curtail the power of Big Tech, will have a far-reaching impact on the business practices of Apple, Amazon, Facebook, Google, and other primarily US-based giants. The European Union is expected to designate these companies as the “gatekeepers” of the Internet, justifying a targeted regulatory push to rein in their outsize market power.

The new regulations will complement the EU’s antitrust authority, which has repeatedly been used to extract billions of dollars in fines from US tech giants and to mandate changes to their business practices. Under the DMA, for example, practices such as self-preferencing will be “blacklisted” – presumed illegal without the need for the EU to bring an antitrust challenge to demonstrate harm to competition.

The DSA, for its part, will impose more onerous obligations on Big Tech companies to disclose their algorithms or remove illegal or harmful online content, including hate speech and disinformation. Together, these measures will assert significant new regulatory control over the digital economy both in Europe and beyond.

The stakes for the Big Tech giants are particularly high because EU regulations often have a global impact – a phenomenon known as the “Brussels effect.” Because the EU is one of the world’s largest consumer markets, most multinational corporations accept its terms of business as the price of admission. To avoid the cost of complying with multiple regulatory regimes around the world, these companies often extend EU rules to their operations globally. That is why so many large non-EU companies follow the EU’s General Data Protection Regulation (GDPR) across all of their operations.

### Platforms Adv

#### Trump appointments means litigation fails

Jones 20 [Alison Jones, Professor of Law at King's and a solicitor at Freshfields Bruckhaus Deringer LLP. William E. Kovacic, George Mason University Foundation Professor at the George Mason University School of Law. “Antitrust’s Implementation Blind Side: Challenges to Major Expansion of U.S. Competition Policy.” 2020. <https://journals.sagepub.com/doi/pdf/10.1177/0003603X20912884>]

The discussion in this section identifies likely impediments to the implementation of ambitious reforms, either through litigation (under the present-day regime) or legislation. These include judicial resistance to broader applications of the Sherman, Clayton, and FTC Acts, the complexities of designing effective remedies, the uncertainty of long-term political support for ambitious reforms and the possibilities for political backlash once agencies begin prosecuting major new cases, and the complications, and resistance, that confronts any effort in the United States to make legislative change.

A. Judicial Resistance to Extensions of Existing Antitrust Doctrine

As noted in Section II.A, judicial decisions since the mid-1970s have reshaped antitrust law; created more permissive substantive standards governing dominant firm conduct, mergers, and vertical restraints; and raised the bar to antitrust claims in a number of ways. This remolding has been facilitated by the Court’s conclusion that the Sherman Act constitutes “a special kind of common law offense,”81 so that Congress “expected the courts to give shape to the statute’s broad mandate by drawing on common-law tradition.”82 This has allowed the statutory commands to be interpreted flexibly and the law to evolve with new circumstances and new wisdom;83 for example, where there is widespread agreement that the previous position is inappropriate or where the theoretical underpinnings of those decisions have been called into question.84

The proposed solutions will depend, in the short term at least, on the ability of enforcement agencies to navigate the described jurisprudence to find an antitrust infringement and, in some instances, a further rethinking, refinement, and/or development of doctrine, through softening, modification, or even a reversal of current case law. Although such an evolution could, in theory, result, as it did over the last forty years, from a steady stream of antitrust cases, judicial appointments since 2017 have arguably made such a change in direction unlikely. Rather, it seems more probable that successful prosecution of major antitrust, and especially Section 2 Sherman Act monopolization cases, will remain challenging and may even become more difficult. Cases will be litigated before judges who are ordinarily predisposed to accept the current framework, either by personal preference or by a felt compulsion to abide by forty years of jurisprudence that tells them to do so.85 A new president could gradually change the philosophy of the federal courts by appointing judges sympathetic to the aims of the proposed transformation.86 The reorientation of the courts through judicial appointments is, however, likely to take a long time.87

#### Enforcement is too slow – investigation, litigation, and appeals

Jones 20 [Alison Jones, Professor of Law at King's and a solicitor at Freshfields Bruckhaus Deringer LLP. William E. Kovacic, George Mason University Foundation Professor at the George Mason University School of Law. “Antitrust’s Implementation Blind Side: Challenges to Major Expansion of U.S. Competition Policy.” 2020. <https://journals.sagepub.com/doi/pdf/10.1177/0003603X20912884>]

In the discussion above, we have been addressing the types of remedies that are imposed at the conclusion of a lawsuit. A problem in highly dynamic markets, however, is that the lag between the initiation of a case and a final order on relief may be so great that market circumstances have changed dramatically or the victim of allegedly improper exclusion may have left the market or otherwise lost its opportunity to expand and contest the position of the incumbent dominant firm. In this context, the antitrust cure arrives far too late to protect competition. The relatively slow pace of antitrust investigations and litigation (with appeals that follow an initial decision) has led some observers to doubt the efficacy of antitrust cases as effective policy-making tools in dynamic commercial sectors.

#### Enforcement and prohibition are distinct steps

Alan S. Kaplinsky & Mark J. Levin 1, Kaplinsky is the former longtime Practice Leader of the firm's Consumer Financial Services Group; Senior Counsel @ Ballard Spahr, “ANATOMY OF AN ARBITRATION CLAUSE: DRAFTING AND IMPLEMENTATION ISSUES WHICH SHOULD BE CONSIDERED BY A CONSUMER LENDER,” May 2001, ALI-ABA COURSE OF STUDY MATERIALS, Lexis

. So that there is no misunderstanding on the part of the consumer, the lender should consider expressly disclosing the unavailability of class actions in arbitration, as in the sample clause language. Some lenders go even further and include an express "waiver" by the consumer of any right to participate in or prosecute a class action. But, see, the Reporter's Notes to Section 10 of the Proposed Revisions of the Uniform Arbitration Act (February, 2000) which states: "In some cases [i.e., where the clause specifically precludes class actions], such provisions may effectively undermine consumer's rights by making the relative cost of arbitrating or securing effective legal representation cost prohibitive. In such cases, it may be appropriate for a court to refuse to enforce the term prohibiting class actions and consolidation under Section 6 of the Act." Section 6(a) of the Revised UAA provides that an arbitration agreement "is valid, enforceable, and irrevocable except upon grounds that exist in law or in equity for the revocation of any contract."

#### Dependency inevitable—China fills-in.

Gurumurthy 21 (Anita Gurumurthy, Executive Director @ IT for Change, Bengaluru, India, advisor and expert on various bodies including the United Nations Secretary-General’s 10-Member Group in support of the Technology Facilitation Mechanism, the Paris Peace Forum’s working group on algorithmic governance, Save the Children’s ICT4D Brain Trust, and Minderoo Tech & Policy Lab‘s Board; Nandini Chami, Deputy Director at IT for Change; “Towards a Global Digital Constitutionalism: A Radical New Agenda for UN75,” 05-03-21, *Development (2021)*, Springer Link, <https://doi.org/10.1057/s41301-021-00287-z>, TM)

With Big Tech corporations extending their monopoly control through integration of multi-sector vertical markets (e.g., Amazon has branched out from e-commerce into health and pharma, digital streaming, and robotics) and data-based horizontal markets (that is, Amazon is not only a data collector, but also cloud and analytics provider), norm- and rule-making in the digital arena is in the throes of a major shift. This is represented in the hollowing out of public infrastructures, not simply through privatization, but a systemic socialization of privately controlled platforms. The platformization epoch in the digital society hence represents a de-democratization and de-publicization of governance. The private platform and its constituent functionalities are the public protocols, and the data-based intelligence that powers it is the law.

This shifting terrain of power has ushered in what has been referred to as a new bipolar world, with China’s rise as a new AI superpower. China has historically pursued a different route to digital capability—digital and data sovereignty to expand domestic digital industry, and export of surplus industrial output through e-commerce (UNECA 2019). In the post-COVID-19 context, through its ‘Digital Silk Road’ initiative, the country has sought to export advanced technologies such as 5G and facial recognition (Triolo and Greene 2020). Chinese Big Tech companies are also establishing supply chains in agriculture, dairy, and retail commerce, extending their markets, in the South East Asian region.Footnote16 The fourth industrial revolution thus presents a Hobson’s choice in which countries may be forced to choose between US and Chinese corporations for access to advanced digital prowess.

#### The economy will boom in ’22 – inflation, unemployment, wages, housing, and Covid

Baker 1/1 [Dean Baker, economist and co-founder of the Center for Economic and Policy Research. “Commentary: The good news in 2022 will be the economy.” 1/1/22. https://fredericksburg.com/opinion/columns/commentary-the-good-news-in-2022-will-be-the-economy/article\_1b6e1f27-828c-5fd8-8652-a6f2a1669386.html]

THIS IS probably a minority position, but I feel very confident in saying that 2022 will be a very good year for the economy. We are looking at a situation where we have low unemployment, falling inflation and rising real wages. It is likely to be the best economy we have seen in many decades.

In recent weeks, inflation has been front and center in people’s minds as the media have given us endless stories about higher prices for gasoline, milk and other items.

Many have been convinced that inflation will only get higher, outstripping wages and leaving most workers worse off. This is not going to be the case.

We now see inflation driven by supply chain problems associated with reopening. This is demonstrated by the fact that we see big jumps in inflation almost everywhere. The United Kingdom, Germany, Spain and many other countries have all seen a rise in prices similar to what we see in the United States.

The reason this matters is because we will get through these supply chain problems. When we do, inflation will slow, and in many cases, be reversed.

We are already seeing this story in some cases. The price of gasoline has risen by almost 50 percent over the last year. This was the result of a surge in oil prices following a pandemic plunge. Oil producers who had shut down in the pandemic were surprised by the economy’s rapid growth. They are now catching up, and the world price of oil has fallen by 20 percent from its November peaks. Gas prices will soon follow oil prices down.

There is a similar story with cars. New- and used-car prices have soared in the last year primarily because a worldwide shortage of semiconductors forced auto manufacturers to cut back production. Several manufacturers are back up to capacity now, and the others are likely to be soon. This means the price hikes of 2021 will be largely reversed in 2022.

With inflation coming down rapidly, workers’ pay will go further. And, many workers should be in a position in 2022 to secure pay increases well in excess of inflation.

The 4.2 percent unemployment rate reported for November is already low by historical standards, but it will get still lower in 2022.

We are likely to see an unemployment rate close to 3.5 percent by the middle of the year, putting us at a 50-year low.

Low unemployment primarily benefits the most disadvantaged workers. Black and Hispanic workers, workers with less education, and people with criminal records get opportunities in a tight labor market that they would not typically see.

We are also likely to see mortgage interest rates remain low. This is good news for both home buyers and for people who have not yet refinanced a mortgage.

Low mortgage interest rates should also help fuel the sort of relocation process that started during the pandemic with increased opportunities for people to work from home. With many employers now making work-from-home options permanent, people are moving from high-priced cities like New York and San Francisco to lower-priced towns and cities. This process will continue and pick up speed in 2022.

A huge wild card in any forecast for the economy for 2022 is the path of the pandemic. This is obviously uncertain, but there are some grounds for optimism, even as we see cases and deaths skyrocket in this holiday season. Vaccination rates continue to rise, and the evidence shows that fully vaccinated people are largely protected from serious illness or death.

The other factor that could potentially be very good news is the spread of the omicron variant. We know that omicron is far more transmissible than delta or other COVID-19 variants. But, the evidence to date indicates that it is considerably less severe. Even though cases have skyrocketed in South Africa, the first country where omicron was identified, there has been no corresponding increase in hospitalizations and deaths. It’s still early, and more data may give us a different picture. However, from what we see to date, if omicron becomes the dominant variant, we may have much less to fear from the pandemic.

#### No Iran prolif

Gerecht and Takeyh 18

Reuel Marc Gerecht (a senior fellow at the Foundation for Defense of Democracies) and Ray Takeyh (a senior fellow at the Council on Foreign Relations). “Why Iran won’t rush to a bomb if Trump pulls out of the nuclear deal.” The Washington Post. April 3, 2018. <https://www.washingtonpost.com/news/global-opinions/wp/2018/04/03/why-iran-wont-rush-to-a-bomb-if-trump-pulls-out-of-the-nuclear-deal/?utm_term=.a47d43ab10b5>

With John Bolton’s appointment as national security adviser, the odds have significantly risen that President Trump will abandon his predecessor’s nuclear deal with Iran. But there’s no need for hysteria. If Trump abandons the deal, the Islamic Republic still isn’t likely to run amok, ramping up its nuclear program and killing American soldiers in the Middle East. The calculated caution of Ali Akbar Salehi, the head of Iran’s Atomic Energy Organization, will probably win out. His tortoise-beats-the-hare approach to his country’s nuclear quest will be reinforced by the wild card that surely scares the mullahs the most: Trump. A bit of history. Salehi, an MIT-trained nuclear physicist and the likely architect behind the Islamic Republic’s massive illicit dual-use import network, is close to Supreme Leader Ali Khamenei. Salehi was dismayed by former President Mahmoud Ahmadinejad’s rapid accumulation of primitive IR-1 centrifuges, which offered Tehran neither an efficient path to nuclear energy nor an intelligent route to atomic weaponry. These clunky machines are prone to breakdown, and many thousands were required to produce enriched uranium, making their cascades impossible to hide. Salehi wanted to leapfrog to more advanced, high-velocity IR-6 and IR-8 centrifuges. With Hassan Rouhani’s presidential election in 2013, Salehi moved ahead with his ambitious plan to modernize atomic infrastructure. His principal problem: it would take Tehran at least eight years to fully develop a new generation of centrifuges. The clerical regime needed an arms-control agreement that would not just lift sanctions but also be permissive enough to allow the development of these machines. As Salehi has explained: “We do not take that [the Iran deal’s restrictions on centrifuges] as a constraint. So I would say on R&D, the apparent limitations that we have accepted, that we have agreed to, it’s not really a limitation.” Contrary to the nightmare scenarios of former secretary of state John Kerry, Iran is unlikely to rush to a bomb using one of its monitored facilities and the thousands of IR-1s that such a task would demand. It would take time to reinstall the higher-yield 1,000 IR-2ms currently under the surveillance of the International Atomic Energy Agency. Such stark actions would be detected, likely bringing on U.S. military strikes. The advantage of the most advanced centrifuges is that a small number can rapidly enrich uranium to weapons-grade. Their cascades can be easily concealed in a warehouse, making them extremely difficult to detect. They are key to a nuclear fait accompli. And technical problems are compounded by politics: President Trump obviously unsettles Tehran’s oligarchs. The regime follows Western media. The Europeans, much of the U.S. press, and especially former Obama officials are palpably scared of the president’s perceived bellicosity. Bolton’s appointment has amplified that fear. A headline in a Revolutionary Guard publication sums it up: “Trump’s Raging Bull Has Arrived.” So it’s reasonable to assume that Tehran will not want to challenge Trump and his new team, at least until the Iranians have had a chance to take their measure. It is worth recalling that the Iranian hostage crisis came to an end when Ronald Reagan, the “reckless cowboy,” replaced the hapless Jimmy Carter. Tehran temporarily froze its atomic program when George W. Bush geared up to invade Iraq. What Rouhani once explained about that decision is as applicable today to Iran’s actions if Trump abandons the nuclear accord: “Back then [the United States] was drunk with pride and victory. Had we shown passivity or radicalism, we would have given the knife into the hands of a drunk Abyssinian [George W. Bush]. We managed to put that phase behind us by prudence. .  .  . We managed to pass through that perilous curve. .  .  . Salehi cannot do much to speed up the development of advanced centrifuges. It routinely takes a country at least a decade to design and construct a new generation. Which is why Salehi, Khamenei, and Rouhani and their nuclear scientists want to preserve the agreement and thus their ingenious accomplishment. The clerical regime may still embark on some nuclear activities as a gesture of defiance to Trump. It may reinstall some of its mothballed centrifuges and continue to perfect the IR2ms. It may stockpile uranium currently committed to shipping abroad. It may even enrich uranium to 20 percent. All these moves are troublesome and will provoke hyperventilating headlines, but they hardly constitute a mad rush to the bomb. Tehran cannot have a realistic weapons option until Salehi finishes work on the advanced centrifuges. As the French tried to argue before the nuclear agreement was concluded, the West actually had more than one option to slow down, possibly halt, Iran’s atomic ambitions. It wasn’t, as President Barack Obama argued, his way or war. Paris was willing to take a slower approach, make fewer concessions, and let sanctions bite more deeply. Alone now, Washington has to be willing to play hardball with Tehran by insisting that it does have military options. But our primary task ought to be to squeeze the theocracy relentlessly. Enormous economic pressure can still be brought to bear on Tehran. As the recent nationwide anti-regime demonstrations in Iran revealed, economic frustration and political disgust are widespread in areas the mullahs had assumed were still faithful to theocracy. We should always want a different regime. The Islamic Republic is a discredited relic of the twentieth century, and the sooner we can expedite its demise, the safer the Middle East will be.

#### No Saudi prolif – reputation and sanctions.

Burkhard ‘17 [Sarah; March 30; Research Fellow at the Institute for Science And International Security & Erica Wenig & David Albright & Andrea Stricker; “Saudi Arabia’s Nuclear Ambitions and Proliferation Risks,” https://isis-online.org/uploads/isis-reports/documents/SaudiArabiaProliferationRisks\_30Mar2017\_Final.pdf]

Disincentives. Saudi Arabia is expected to continually weigh these incentives to acquire advanced nuclear capabilities (which possibly include the ability to weaponize fissile material and deliver a nuclear weapon) against a considerable list of disincentives. For starters, Saudi Arabia would jeopardize its good standing in the international community, which it has established through signing several treaties and joining nonproliferation regimes. These include the NPT, IAEA, Convention for the Suppression of Acts of Nuclear Terrorism, Proliferation Security Initiative (PSI), Convention on the Physical Protection of Nuclear Material (CPPNM), and 2005 amendment of the CPPNM. Following the discovery of a covert program, Saudi Arabia would risk severe United Nations and other countries’ sanctions. While economic in nature, the sanctions take on a security dimension because Saudi Arabia’s economy is predominantly reliant on its oil exports. They accounted for nearly 50 percent of gross domestic product and about 85 percent of export earnings in 2015.39 Its imported reactors would also likely remain dependent on the supply of low enriched uranium fuel. Therefore, a targeted sanctions regime focused on Saudi oil exports and imported nuclear fuel could cripple [devastate] its economy and hurt its security

. On the other hand, the countries and organizations applying sanctions would have to weigh their own significant energy and security demands against concerns that Saudi Arabia could get advanced nuclear capabilities. Saudi Arabia’s contribution to the global oil market (which is roughly three times greater than that of Iran) grants it substantial leverage in determining global oil prices.40 As such, establishing a credible sanctions regime targeting Saudi oil would pose a difficult choice for the oil-dependent West. This will be particularly true if some in the international community become sympathetic to a Saudi desire to obtain a nuclear deterrent to balance Iran. The threat of potential sanctions would also carry great weight in Saudi Arabia’s nuclear weapons calculus as the government is facing its largest budget deficit in history. It is currently seeking to diversify its energy usage in order to sell more oil abroad rather than use it domestically at an expensive loss.41 If there is a decrease in revenue, the Saudis would be unable to spend as much money balancing Iranian influence in neighboring countries as they are now.

#### Israel won’t strike Iran’s nukes.

Rafizadeh ‘14 [Dr. Majid; October 30; President of the International American Council, Harvard Scholar, Political Scientist, Board Member Harvard International Review and the US-Middle East Chamber of Business and Commerce; Huffington Post, “Will Israel Attack Iran’s Nuclear Installation?” <https://www.huffpost.com/entry/will-israel-attack-irans-_b_5741784?guccounter=1>; KP]

Unintended Consequences: Regional Conflagration

Israel does have the military capability to strike the Islamic Republic’s nuclear installations. Nevertheless, for several reasons, it is very unlikely that Israel will unilaterally carry out strikes against Iran’s nuclear installations.

First of all, Israeli leaders are cognizant of the fact that any strikes aimed at Iran’s nuclear installations will not completely thwart Iran’s nuclear program. The strikes might turn the clock a few years back and postpone the process for Iran to become a nuclear state or build an atomic bomb, but an Israeli attack will give further incentive to Iran to pursue its nuclear ambitions with more determination. Even several senior Israeli security and military officials have admitted that any Israeli attack on Iran will boost Iran’s determination to build a bomb, and will endanger Israel’s own survival.

Second, an external Israeli attack on Iran will rally the Iranian people behind their government for their right of nuclear enrichment. It will also grant the hardliners firmer motive to reach the nuclear threshold with full-fledged speed.

Thirdly, the Islamic Republic will likely decline to cooperate with the international community as well as pull out of the Non-Proliferation Treaty.

As a result, the unintended repercussions and negative consequences of an Israeli attack- such as Iran becoming more determined to accelerate its nuclear program — do outweigh the delay that the strikes might impose on Iran’s nuclear program.

While it might be easy to start a war or carry out strikes, it is almost impossible to know where the war will head afterwards. In case Iran responds militarily, few strikes can turn the region into a conflagration affecting many lives of ordinary civilians, the Gulf (with the price of oil skyrocketing and price of gasoline increasing in Western countries), and impacting the security of other regional countries including Turkey and Saudi Arabia. The war can not only endanger regional security, but also Israel’s own security, and drag in global powers including the United States and Russia.

According to polls, many Israeli citizens are against their country attacking Iran unilaterally.

Finally, although Israeli leaders believe that the Obama administration has not been firm enough in terms of thwarting Iran’s ambition to reach a nuclear threshold, Israel is in fact dependent on the United States when it comes to dealing with Iran’s nuclear program.

### Conduct Adv

#### Attribution solves resiliency.

Lynch ’19 [Justin; 2/8/19; Associate Editor at Fifth Domain, contributor to the New Yorker, Foreign Policy, the Atlantic; "The struggle behind predicting a cyberattack," https://www.fifthdomain.com/industry/2019/02/08/the-struggle-behind-predicting-a-cyberattack/]

The idea that public data can point to future cyberattacks has been embraced by several government agencies.

The intelligence community’s research arm, the Intelligence Advanced Research Projects Activity, is researching how data can help forecast a cyberattack by using sensors that predict when a target is vulnerable to hackers. BAE Systems, Charles River Analytics, Leidos, and the University of Southern California are the prime contractors on the project.

There is a “significant link between hackers use of social media platforms, especially Twitter and Facebook, and the volume of web defacement attack,” according to 2017 research backed by the Office of the Director of National Intelligence and IARPA.

But experts have had mixed results with predicting cyberattacks with machine learning and open data.

By analyzing conversations of known criminals on the dark web, researchers from the University of California also tried to create an early warning system for incoming cyberattacks in 2017. That approach was 84 percent effective

e at predicting current or imminent cyberattacks.

Also in 2017, three researchers used historical attack count data to predict future cyberattacks to some success. It was 14 percent more effective than other models.

However, others believe the future of predicting cyberattacks through artificial intelligence will combine both humans and computers.

Researchers from the Massachusetts Institute of Technology created a computer system in 2016 that continuously incorporated information from human experts with a success rate of 85 percent while also decreasing false positives by a significant factor.

“The more attacks the system detects, the more analyst feedback it receives, which, in turn, improves the accuracy of future predictions,” said Kalyan Veeramachaneni, a research scientist at MIT in a release. “That human-machine interaction creates a beautiful, cascading effect.”

#### Unemployment is and will be the lowest in 50 years – you don’t solve anything

CNN 11/15 [News Network, “The unemployment rate will match 50-year low by end of 2022, Goldman Sachs says”. https://whdh.com/news/the-unemployment-rate-will-match-50-year-low-by-end-of-2022-goldman-sachs-says/]

(CNN) — The economic recovery from Covid-19 will reaccelerate in the coming quarters, driving the unemployment rate back to a 50-year low by the end of next year, Goldman Sachs told clients on Sunday.

After slowing this summer, the US economy will get a boost from the reopening of the service sector, consumer spending and inventory restocking, the Wall Street bank said.

That’s why the jobs market will likely reach maximum employment by mid-2022, boosted by “red-hot demand for workers,” Goldman Sachs said. The unemployment rate is expected to slip from 4.6% today to 3.7% by mid-year and 3.5% by the end of the year.

At 3.5%, the unemployment rate would match the 50-year low hit in late 2019 and repeated in early 2020. This would mark a dramatic improvement from April 2020 when the eruption of the pandemic sent the unemployment rate skyrocketing to 14.8%.

#### Large firms enable small business success – solves the link turn

Keating 21 [Raymond J. Keating, chief economist for the Small Business & Entrepreneurship Council and an adjunct professor in the MBA program at the Townsend School of Business at Dowling College. “The Treacherous Turn on Antitrust Regulation of U.S. Tech Companies.” 2/24/21. https://sbecouncil.org/2021/02/24/the-treacherous-turn-on-antitrust-regulation-of-u-s-tech-companies/]

Since its inception in the late 19th century, antitrust regulation has rested more on the whims of progressive and populist politics rather than on sound economics. Indeed, that has remained the case now more than 130 years after the first major piece of antitrust legislation was signed into law, and for over two decades into the 21st century and our dynamic, entrepreneurial, high-technology economy.

The Benefits of Big Tech, Including COVID-19 Lifelines

Creativity, innovation and advancements in computer, telecommunications, digital and online technologies and services have transformed daily life, business and our economy in exciting, beneficial and previously unimaginable ways. Tech companies, and the tech economy, serve as another example of how entrepreneurs generate new and improved products, create and transform industries, and drive economic growth forward – which has been the history of free enterprise in the U.S. and around the globe.

When the COVID-19 pandemic hit, these technologies became more vital – serving as lifelines for individuals, families and businesses, including small businesses.

The toll of the coronavirus has been brutal. According to the Johns Hopkins Coronavirus Resource Center, as of February 22, 2021, global COVID-19 cases registered 111.7 million, with 2.47 million deaths. In the United States, the numbers of cases had reached 28.18 million, with the number of deaths exceeding 500,000.

In addition, millions of small business have closed (see a recent SBE Council analysis), either permanently or temporarily, and U.S. employment was down in January 2021 by 8 million to 10 million compared to pre-pandemic levels.

But even during a pandemic, with accompanying shutdowns and quarantines, people were able to ease the suffering somewhat thanks to staying in contact via social networks like Facebook, purchasing products via sites like Amazon.com or online from their local stores for pickup or delivery, and being engaged and entertained via an assortment of streaming services like Disney+, Netflix, Google’s YouTube, Amazon Prime, HBOMax, and more.

For millions of Americans, their small businesses and careers were able to survive, pivot, and/or even thrive by creating or seizing upon new opportunities thanks, again, in part, to advancements in the tech economy. Consider some key points from recent surveys:

Cloud Services. An SBE Council June 2020 small business survey found benefits for small businesses thanks to cloud services during COVID-19:

• “Saving time and money (89 percent) is the most widely perceived benefit of cloud services among small businesses, followed by improved employee productivity and collaboration (84 percent). Nearly eight in ten agree that cloud services have helped their business better communicate with or manage customers during COVID-19 (79 percent) and have been critical to the survival and operation of their business amid the outbreak (76 percent).”

Digital Investment. A Verizon survey noted the following about investments in digital technologies:

• “As these small businesses have faced challenges both in managing remote employees, rules and regulations surrounding opening and venue capacity, and the overall downturn in the economy, they’ve found and continue to investigate new ways to drive the bottom line. These pivots include:

-“43% plan on expanding their businesses through digital and related technology”

-“30% already added ways in which they deliver products and services digitally.”

Boosting Tech Preparedness.

An October 2020 survey of businesses by Avaya reported the following findings on what amounts to enhancing technological preparedness:

• “83 percent of businesses responded that they thought their technology stack was prepared for remote working – however, many businesses did have to implement new technologies to improve their work-from-anywhere capabilities, including 65 percent adding video conference tools, 54 percent adding chat/messaging software and 53 percent adding project collaboration tools.”

• “85 percent of businesses reported they plan on making the new technologies they have adopted during this time a permanent addition to their tech stacks.”

• “71 percent of tech decision makers reported faster adoption of new technologies in their organization due to COVID-19. Most companies also had a shift in technology priorities with 52 percent increasing investment in collaboration software, second only to spending on security, which nearly two-thirds of businesses increased.”

Accelerating Change. McKinsey and Company reported the following in October 2020 on accelerating adoption of digitization:

• “According to a new McKinsey Global Survey of executives, their companies have accelerated the digitization of their customer and supply-chain interactions and of their internal operations by three to four years. And the share of digital or digitally enabled products in their portfolios has accelerated by a shocking seven years.”

Remote Work. SBE Council also highlighted a Gallup poll released on February 12, 2021, with some findings on working remotely and attitudes toward doing so:

• “[W]hile coming down from the 70 percent level registered in April 2020, 56 percent of workers reported working remotely ‘sometimes’ or ‘always.’ The trend has shown a leveling off since September. This compares to 31 percent, according to a March 13-15, 2020 survey, just as the virus was starting to spread… Gallup asked about what workers would prefer post-pandemic in terms of work arrangements. Remote workers saying that they would prefer working remotely due to pandemic concerns declined notably, from about 35 percent in July, to 17 percent in January 2021. Those preferring to get back to an office moved up from 35 percent in September to 44 percent in January. Most interestingly, though, those saying that would preferto work remotely over heading to a workplace increased from 28 percent in July to 39 percent in January.”

• “Even as this pandemic recedes, many have been arguing that remote work would stick as one of the major shifts in how businesses operate and employees work. These numbers seem to bear that out. However, it is still important to point out that a good share of the workforce still prefers the traditional workplace setting. Whether it’s remote all the time, sometimes, or occasionally, there is no doubt that technology and broadband have vastly increased our ability to work more dynamically. Today’s entrepreneurs perhaps understand this better than most.”

Given all of these findings and trends, assorted large tech companies offer a wide array of benefits for small businesses across industries, including during COVID-19. That includes various tools for communicating with, advertising to, delivering products to customers.

Small Businesses: Advertising, Customer Service, Operations and More. Highly targeted advertising is extremely cost effective and beneficial to small businesses, for example, such as through Facebook. That, obviously, has been a key positive for small firms. Consider some points from a Facebook report titled “Digital Tools in Crisis and Recovery: US Report” released in December 2020, based on survey and research from Deloitte:

• “The findings illustrate how SMBs [i.e., small and mid-sized businesses] have leveraged digital tools to overcome the challenges of the current crisis and have continued to reach consumers whose lives have been disrupted. The report illustrates how paid advertising, including targeted advertising on social media, has enabled SMBs to reach existing and new customers, both locally and farther afield. The report also looks at how direct online communications through social media and online messaging have allowed a personal and seamless customer experience, further nurturing digital-born discovery and converting it into digital sales.”

• “84% of SMBs reported that they had started using, or increased their usage of, digital tools throughout their businesses since the outbreak of COVID-19. That was particularly the case for social media and online messaging, which 62% of SMBs had started using, or increased their usage of, during the pandemic. Notably, usage of social media increased more than any other digital tool, including video calling (54%), which seeks to replicate face-to-face interaction.”

• “44% of SMBs surveyed said they started using, or increased their usage of, targeted advertisements on social media, more than for search engine advertising (37%) and display advertising (36%). Further analysis shows that SMBs that used targeted advertising on social media were nearly twice as likely to report that they increased their revenue compared to last year.”

Also, in February 2021, the Small Business Roundtable and Facebook released the “U.S. State of Small Business: 2020 – A Challenging Year for SMBs,” and among the findings were:

• “34% of businesses have increased their use of online or digital tools since the pandemic began, consistent with other research (Deloitte 2020).”

• “In addition, more businesses started selling online for the first time. The proportion making no sales through digital channels in the past 30 days fell from 35% before COVID-19 to 13% in the 30 days prior to the December survey, and the proportion making 100% of their sales online rose from 13% to 20%.”

• “Many businesses have also used digital channels to advertise. 57% of businesses reported that they use social media to advertise, second only to the number using word of mouth (59%).”

Meanwhile, Amazon.com serves as a partner to a wide array of small businesses. Being able to work with the largest online retailer serves as a major benefit for small businesses in terms of selling and delivering products. On February 3, 2021, Amazon.com reported:

• “[W]e are supporting the rapid growth of more than 1.7 million small and medium-sized businesses (SMBs) around the world that are selling their products in our store. SMBs now makeup close to 60% of the sales in our store, and they have created more than 2.2 million jobs globally as a result of selling on Amazon. In fact, SMBs from all 50 states that sell with Amazon are more than twice as likely to see 25-50% hiring growth compared to those that do not, according to researchby IDC.”

The benefits to consumers, to small businesses, and to the overall economy are manifest. Indeed, tech companies like Facebook, Amazon.com, Apple and Google achieved their growth, market valuation, profits and market share by serving customers well.

# 1NR

### 1NR - Impact

#### Outweighs the aff—there are countless hotspots like Iran, Russian, and North Korea that only FDI-driven interdependence solves—the da turns and solves aff impacts

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But that overlooked the ways in which the risk of interstate war was already rising before COVID-19 began to spread. Civil wars were becoming more numerous, lasting longer and attracting more outside involvement, with dangerous consequences for stability in many regions of the world. And the global dynamics most commonly cited to explain the falling incidence of interstate war—democracy, economic prosperity, international cooperation and others—were being upended.

If the spread of democracy kept the peace, then its global decline is unnerving. If globalization and economic interdependence kept the peace, then a looming global depression and the rise of nationalism and protectionism are disconcerting. If regional and global institutions kept the peace, then their degradation is unsettling. If the balance of nuclear weapons kept the peace, then growing risks of proliferation are disquieting. And if America’s preeminent power kept the peace, then its relative decline is troubling.

Now, the pandemic, or more specifically the world’s reaction to it, is revealing the extent to which the factors holding major wars in check are withering. The idea that war between nations is a relic of the past no longer seems so convincing.

The Pessimists Strike Back

More than any other individual, it was cognitive scientist Steven Pinker who popularized the idea that we are living in the most peaceful moment in human history. Starting with his 2011 bestseller, “The Better Angels of Our Nature: Why Violence Has Declined,” Pinker argued that the frequency, duration and lethality of wars between great powers have all decreased. In his 2019 book, “Enlightenment Now: The Case for Reason, Science, Humanism, and Progress,” he wrote that war “between the uniformed armies of two nation-states appears to be obsolescent. There have been no more than three in any year since 1945, none in most years since 1989, and none since the American-led invasion of Iraq in 2003.”

Optimists like Pinker held that, rather than the world falling apart, as a quick glance at headline news might suggest, the opposite was true: Humanity was flourishing. More regions are characterized by peace; fewer mass killings are occurring; governance and the rule of law are improving; and people are richer, healthier, better educated and happier than ever before.

In their book, “Clear and Present Safety: The World Has Never Been Better and Why That Matters to Americans,” Michael A. Cohen and Micah Zenko argued that the evidence is so overwhelming that it is difficult to argue against the idea that wars between great powers, and all other interstate wars, are becoming vanishingly rare. Even when wars do break out, they tend to be shorter and less deadly than they were in the past. John Mueller, a senior fellow at the Cato Institute, also reasoned that the idea of war, like slavery and dueling before it, was in terminal decline, while Joshua Goldstein, an international relations researcher at American University, credited the United Nations and the rise of peacekeeping operations for helping win the “war on war.”

But in recent years, a range of critics have begun to poke holes in these arguments. Tanisha M. Fazal, an international relations professor at the University of Minnesota, contends that the decline in war is overstated. Major advances in medicine, speedier evacuations of wounded soldiers from the field of battle and better armor have made war less fatal—but not necessarily less frequent. Fazal and Paul Poast, who is at the University of Chicago, further assert that the notion of war between great powers as a thing of the past is based on the assumption that all such conflicts resemble World War I and II—both are historical anomalies—and overlooks the actual wars fought between great powers since 1945, from the Korean War and the Vietnam War to proxy wars from Afghanistan to Ukraine. Meanwhile, Bear F. Braumoeller, an Ohio State political science professor, analyzed the same historical data on conflicts used by Pinker, Mueller and Goldstein, and found no general downward trend in either the initiation or deadliness of warfare over the past two centuries. What’s more, Braumoeller contends that the so-called “long peace”—the 75 years that have passed without systemic war since World War II—is far from invulnerable, and that wars are just as likely to escalate now as they used to be. Just because a major interstate war hasn’t happened for a long time, doesn’t mean it never will again. In all probability, it will.

And by focusing solely on interstate wars, the optimists miss half the story, at least. Wars between states have declined, but civil wars never disappeared—and these internal conflicts could easily escalate into regional or global wars.

The number of conflicts in the world reached its highest point since World War II in 2016, with 53 state-based armed conflicts in 37 countries. All but two of these conflicts were considered civil wars. To make matters worse, new studies have shown that civil wars are becoming longer, deadlier and harder to conclusively end, and that these internal conflicts are not really internal. Civil wars harm the economies and stability of neighboring countries, since armed groups, refugees, illicit goods and diseases all spill over borders. Some 10 million refugees have fled to other countries since 2012. The countries that now host them are more likely to experience war, which means states with huge refugee populations like Lebanon, Jordan and Turkey face legitimate security challenges. Even after the threat of violence has diminished in refugees’ countries of origin, return migration can reignite conflicts, repeating the brutal cycle.

A Yugoslav Federal Army tank.

Perhaps most importantly, recent research indicates that civil wars increase the risk of interstate war, in large part because they are attracting more and more outside involvement. In a 2008 paper, researchers Kristian Skrede Gleditsch, Idean Salehyan and Kenneth Schultz explained that, in addition to the spillover effects, two other factors in civil wars increase international tensions and could possibly provoke wider interstate wars: external interventions in support of rebel groups and regime attacks on insurgents across international borders.

Immediately after the Cold War, none of the ongoing civil wars around the world were internationalized. According to the Uppsala Conflict Data Program, there were 12 full-fledged civil wars in 1991—in Afghanistan, Iraq, Peru, Sri Lanka, Sudan, and elsewhere—and foreign militaries were not active on the ground in any of them. Last year, by contrast, every single full-fledged civil war involved external military participants. This is due, in part, to the huge growth in U.S. military interventions abroad into civil conflicts, but it’s not only the Americans. All of today’s major wars are in essence proxy wars, pitting external rivals against one another. Conflicts in Syria, Yemen and Libya are best understood not as civil wars, but as international warzones, attracting meddlers including the United States, Russia, Saudi Arabia, Turkey, Iran, France and many others, which often intervene not to build peace, but to resolve conflicts in a way that is favorable to their own interests. These internationalized wars are more lethal, harder to resolve and possibly more likely to recur than civil wars that remain localized. It is not that difficult to imagine how these conflicts could spark wider international conflagrations. Wars, after all, can quickly spiral out of control.

As Risks Increase, Deterrents Decline

To make matters worse, most of the global trends that explained why interstate war had decreased in recent decades are now reversing. The theories that democracy, prosperity, cooperation and other factors kept the peace have been much debated—but if there was any truth to them, their reversals are likely to increase the chance of war, irrespective of how long the coronavirus pandemic lasts.

Democracy is often considered a prophylactic for war. Fully democratic countries are less likely to experience civil war and rarely, if ever, go to war with other democracies—though, of course, they do still go to war against non-democracies. While this would be great news if democracy and pluralism were spreading, there have now been 14 consecutive years of global democratic decline, and there have been signs of additional authoritarian power grabs in countries like Hungary and Serbia during the pandemic. If democracy backslides far enough, internal conflicts and foreign aggression will become more likely.

Other theories posit that economic bonds between countries have limited wars in recent decades. Dale Copeland, a professor of international relations at the University of Virginia, has argued that countries work to preserve ties when there are high expectations for future trade, but war becomes increasingly possible when trade is predicted to fall. If globalization brought peace, the recent wave of far-right nationalism and populism around the world may increase the chances of war, as tariffs and other trade barriers go up—mostly from the United States under President Donald Trump, who has launched trade wars with allies and adversaries alike.

The coronavirus pandemic immediately elicited further calls to reduce dependence on other countries, with Trump using the opportunity to pressure U.S. companies to reconfigure their supply chains away from China. For its part, China made sure that it had the homemade supplies it needed to fight the virus before exporting extras, while countries like France and Germany barred the export of face masks, even to friendly nations. And widening economic inequalities, a consequence of the pandemic, are not likely to enhance support for free trade.

This assault on open trade and globalization is just one aspect of a decaying liberal international order, which, its proponents argue, has largely helped to preserve peace between nations since World War II. But that old order is almost gone, and in all likelihood isn’t coming back. The U.N. Security Council appears increasingly fragmented and dysfunctional. Even before Trump, the world’s most powerful country ratified fewer treaties per year under the Obama administration than at any time since 1945.

Trump’s presidency only harms multilateral cooperation further. He has backed out of the Paris Agreement on climate change, reneged on the Iran nuclear deal, picked fights with allies, questioned the value of NATO and defunded the World Health Organization in the middle of a global health crisis. Hyper-nationalism, rather than international collaboration, was the default response to the coronavirus outbreak in the U.S. and many other countries around the world.

It’s hard to see the U.S. reluctance to lead as anything other than a sign of its inevitable, if slow, decline. The country’s institutionalized inequalities and systemic racism have been laid bare in recent months, and it no longer looks like a beacon for others to follow. The global balance of power is changing. China is both keen to assert a greater leadership role within traditionally Western-led institutions and to challenge the existing regional order in Asia. Between a rising China, revanchist Russia and new global actors, including non-state groups, we may be heading toward an increasingly multipolar or nonpolar world, which could prove destabilizing in its own right.

Finally, the pacifying effect of nuclear weapons could be waning. While vast nuclear arsenals once compelled the United States and the Soviet Union to reach arms control agreements, old treaties are expiring and new talks are breaking down. Mistrust is growing, and the chance of an unwanted U.S.-Russia nuclear confrontation is arguably as high as it has been since the Cuban missile crisis.

The theory of nuclear peace may no longer hold if more countries are tempted to obtain their own nuclear deterrent. Trump’s decision to abandon the Iran nuclear deal, for one thing, has only increased the chance that Tehran will acquire nuclear weapons. It’s almost easy to forget that, just a few short months ago, the United States and Iran were one miscalculation or dumb mistake away from waging all-out war. And despite Trump’s efforts to negotiate nuclear disarmament with Kim Jong Un’s regime in Pyongyang, it is wishful thinking to believe North Korea will give up its nuclear weapons. At this point, negotiators can only realistically try to ensure that North Korea’s nuclear menace doesn’t get even more potent.

In other words, by turning inward, the United States is choosing to leave other countries to fend for themselves. The end result may be a less stable world with more nuclear actors.

If leaders are smart, they will take seriously the warning signs exposed by this global emergency and work to reverse the drift toward war.

If only one of these theories for peace were worsening, concerns would be easier to dismiss. But together, they are unsettling. While the world is not yet on the brink of World War III and no two countries are destined for war, the odds of avoiding future conflicts don’t look good.

The pandemic is already degrading democracies, harming economies and curtailing international cooperation, and it also seems to be fostering internal instability within states. Rachel Brown, Heather Hurlburt and Alexandra Stark argue that the coronavirus could in fact sow more civil conflict. If this proves accurate, the increase in civil wars is likely to lead to more external meddling, and these next proxy wars could soon precipitate all-out international conflicts if outsiders aren’t careful. With the usual deterrents to conflict declining around the world, major wars could soon return.

### 1NR - Turns SCS

#### DA turns case first – FDI prevents escalation at every step of the ladder. Causes SCS escalation.

Lee 12 [Hoon Lee, Department of Political Science, Texas Tech University. Sara McLaughlin Mitchell, Department of Political Science, University of Iowa. “Foreign Direct Investment and Territorial Disputes.” August 2012. https://www.jstor.org/stable/23248908]

In this article, we evaluate the relationship between monadic, bilateral, and global FDI flows and the management of geopolitical disputes, including contention over territory, cross-border rivers, and maritime areas. We identify four causal mechanisms linking FDI and interstate conflict prevalent in the international relations literature, focusing on the effect of FDI at different stages of the conflict process. In the first stage, a potential challenger decides whether to challenge the status quo over some interstate border. In the second stage, once a challenge to a land or water border has been issued, the disputing states can choose peaceful or militarized strategies to pursue their issue related goals. We identify two potential mechanisms at the first stage of the process (issue claim onset): (1) declining benefits of territorial conquest due to increased globalization and economic exchange and (2) increased foreign policy preference similarity between states with higher bilateral levels of investment flows. In the second stage of the conflict process (issue claim management), we discuss two potential mechanisms by which monadic and bilateral FDI flows might reduce the chances for militarized conflict and promote peaceful negotiations: (1) increased opportunity costs for violence in dyads characterized by high levels of monadic and bilateral FDI and (2) improved information and signaling in pairs of states with FDI, which should improve the chances for peaceful interstate agreements to be struck. We evaluate these different causal mechanisms using data from the ICOW project on territorial, maritime, and river conflicts in the Western Hemisphere, Europe, and Middle East from 1970 to 2001 and data from Huth and Allee's (2002) territorial dispute data set from 1970 to 1995.

Our empirical analyses provide strong support for the idea that there are declining benefits of territorial conquest in an economically globalized world. As world FDI levels have increased, states have become significantly less likely to make new diplomatic claims to other states' land or water territories. This reflects the sheer size of FDI globally today, which was not felt in earlier periods, as well as the increasing importance of FDI for states' GDP relative to trade, especially in the developing world. However, world FDI levels dropped sharply in 2008 and 2009. In the same period, China pressed its claims to islands and contiguous land areas in Southeast Asia more strongly. This strategy makes sense given that China's FDI is more urgently needed by states in its region, as the 2009 incident involving Vietnam illustrates. Given this systemic change in FDI flows, it will be important to analyze more recent issue claim data as it becomes available.

Second, we find evidence that monadic and bilateral FDI flows create opportunity costs for governments seeking to grab contested territory with violent strategies. Higher levels of bilateral and monadic FDI flows reduce the chances for severe militarized disputes over border issues. While conflict scholars find repeated disputes to be dangerous in terms of raising the probability of future disputes, pairs of countries who are mutually invested in each other's territories are less likely to employ militarized strategies for resolving territorial disputes. We find a similar effect for monadic FDI, which implies that governments who depend on outside financing for economic growth and development are more restricted in the coercive foreign policy strategies that they can employ. This is an important finding for the steps-to-war model, as it identifies FDI as a potential path to peace for countries embroiled in long-standing border disputes.

Third, we find that the pacifying effect of FDI works primarily as an opportunity costs causal mechanism, which makes sense when we consider that issue claim data sets allow for a broader range of diplomatic interaction over contentious issues. Less than half of all issue claims coded by the ICOW project have resulted in even a single militarized dispute. Many studies of economic interdependence and conflict treat all politically relevant dyads as the set of cases for which the effect of economic exchange on conflict is evaluated. Our research design more fully captures the mechanisms linking economic interdependence and conflict. We are able to show how FDI influences foreign policy decision making at different stages of diplomatic contention. Multinational corporations might not be able to completely avoid making investments in countries that have diplomatic territorial disputes with their home government. However, as the cases of China India, Croatia-Slovenia, and Cambodia-Thailand illustrate, multinational companies can lobby their respective governments for a peaceful resolution of the disputed issues, moves that will encourage further FDI and trade between the disputing states.

#### That causes global nuke war and turns their China scenario—encourages revisionism.

Brands and Edel 18, [Hal Brands is the Henry A. Kissinger Distinguished Professor of Global Affairs at the Johns Hopkins School of Advanced International Studies, Charles Edel serves as senior fellow and visiting scholar at the U.S. Studies Centre at the University of Sydney and is the author of Nation Builder: John Quincy Adams and the Grand Strategy of the Republic, The Disharmony of the Spheres, https://www.commentarymagazine.com/articles/hal-brands/the-disharmony-of-the-spheres/]

Unfortunately, today’s rising or resurgent powers are also motivated—as is America—by honor, ambition, and the timeless desire to make their international habitats reflect their own interests and ideals. It is a risky gamble indeed, then, to think that ceding Russia or China an uncontested sphere of influence would turn a revisionist authoritarian regime into a satisfied power. The result, as Robert Kagan has noted, might be to embolden those actors all the more, by giving them freer rein to bring their near-abroads under control, greater latitude and resources to pursue their ambitions, and enhanced confidence that the U.S.-led order is fracturing at its foundations. For China, dominance over the first island chain might simply intensify desires to achieve primacy in the second island chain and beyond; for Russia, renewed mastery in the former Soviet space could lead to desires to bring parts of the former Warsaw Pact to heel, as well. To observe how China is developing ever longer-range anti-access/area denial capabilities, or how Russia has been projecting military power ever farther afield, is to see this process in action.

The reemergence of a spheres-of-influence world would thus undercut one of the great historical achievements of U.S. foreign policy: the creation of a system in which America is the dominant power in each major geopolitical region and can act decisively to shape events and protect its interests. It would foster an environment in which democratic values are less prominent, authoritarian models are ascendant, and mercantilism advances as economic openness recedes. And rather than leading to multipolar stability, this change could simply encourage greater revisionism on the part of powers whose appetite grows with the eating. This would lead the world away from the relative stability of the post–Cold War era and back into the darker environment it seemed to have relegated to history a quarter-century ago. The phrase “spheres of influence” may sound vaguely theoretical and benign, but its real-world effects are likely to be tangible and pernicious.

### 1NR - Turns Innovation

#### FDI’s key to innovation.

Mohseni 21 [Amin Mohseni-Cheraghlou, collaborator on the Bretton Woods 2.0 project with the GeoEconomics Center and an assistant professor of Economics at the American University in Washington, DC. He previously served as a research economist and consultant in different departments of the World Bank between 2007 and 2020. “Foreign Direct Investment: A new strategy for the United States.” 8/5/21. https://www.atlanticcouncil.org/blogs/foreign-direct-investment-a-new-strategy-for-the-united-states/]

However, the United States is not able to meet the current financing and technological gap solely through domestic private and public investment schemes. Therefore, it is imperative for the US to incentivize greenfield and brownfield FDI in US infrastructure – traditional and non-traditional – to improve its quality and resilience in the face of the growing frequency of adverse events and vulnerabilities. This will in turn increase the productivity, efficiency, and competitiveness of the US economy, contributing to its sustained appeal as a leading FDI destination in the second quarter of the twenty-first century.

### 1NR - Solves Case

#### But--FDI solves the case – it is the most effective competition factor for local firms

Barrios 4 [Salvador Barrios, CORE, University Catholique de Louvain, Holger Gorg, University of Nottingham, UK, Eric Strobl, CORE, University Catholique de Louvain. “Foreign direct investment, competition, and industrial development in the host country.” May 24, 2004. https://www.sciencedirect.com/science/article/pii/S0014292104000637]

This paper examines the effect of FDI on the entry of local firms in host economies. In our theoretical framework we show that the impact of FDI on local development depends on two countervailing forces: first, a competition effect which provokes the exit of local firms; second, positive market externalities related with foreign presence which foster domestic firms’ start-up. With a continuous flow of FDI, the evolution of the number of local firms can be depicted as a u-curve where the competition effect first dominates but is gradually outweighed by positive externalities effects. Taking this as a motivating framework for our empirical analysis and applying semi-parametric regression techniques on plant level panel data for the manufacturing sector in the Republic of Ireland, we find support for such a u-shape.

Our results have important implications for economic policies pursued in host countries. This concerns questions such as incentives for resources transfer with FDI. Our model shows how FDI can be positive for local firms expansion and that positive externalities are more likely to occur the larger is the amount of capital transferred through FDI and the greater is the efficiency of local firms. We also show that local firms need to adapt to new competitors since FDI represents a greater competition factor than imports due to the factor market size limitation. FDI may provoke the exit of a given number of local firms while the remaining firms will be able to capture the positive spillovers effects related to FDI. This implies a transition period in which the competition effect dominates. In this case policy may be aimed at shortening this period and smoothing the transition process by assisting domestic firms to improve their capacities in order to be able to compete with multinationals. Thus, policy could be aimed at increasing R&D and innovative activity, as well as training of workers

### 1NR – Link – General

#### The plan is a shock that crushes FDI predictability and certainty – data

Qiang 20 [Christine Zhenwei Qiang, Practice Manager of Investment Climate. Her teams advise client governments in over 100 countries on catalyzing private investment and competition through legal, policy, regulatory and institutional reforms. She oversees the Global Investment Competitiveness Report series. and Peter Kusek, managing author of several flagship publications, including the Global Investment Competitiveness Report 2017-2018. “Global Investment Competitiveness Report 2019/2020.” May 27, 2020. https://pubdocs.worldbank.org/en/978991591134447289/211536-Overview.pdf]

Pillar 2: Government Actions Can Rebuild Investor Confidence—Reducing Investor Risk, Fostering Investment Expansion, and Attracting New FDI through Policy Predictability, Regulatory Certainty, and Targeted Investment Promotion

The COVID-19 pandemic has rapidly escalated business uncertainty, in turn magnifying investment risks and depressing foreign investor confidence. Multinational firms are realizing that their historical push toward low-cost, low-inventory supply chains has opened them up to significant risk. In response, some of them are changing their corporate strategies, reassessing their approaches to sourcing production inputs, diversifying their suppliers, and making greater use of digital technologies (Baldwin and Evenett 2020).

They are also responding to changes in the policy environments, which in some markets have seen introductions of morerestrictive regulations, including during the outbreak. For example, to protect sensitive assets from foreign takeovers—notably in sectors such as health, medical research, biotechnology, and infrastructure—some countries are adopting new foreign investment screening mechanisms.

Traditionally, investors rely on a country’s legal and regulatory framework to recognize their property rights and enforce those rights in a predictable and efficient manner. Economic theory suggests that when investors incur fixed and irreversible setup costs, uncertainty about the local conditions—especially policy uncertainty—will have a dampening effect that reduces investors’ response to new investment opportunities (Bernanke 1983; Bloom 2009; Dixit 1989). Amid the COVID19 outbreak, nationalization of essential supply chains, cancellation of government procurement contracts, and exchange control restrictions have come as sudden regulatory changes. Investors identify these political risks among their top concerns in the current crisis. It is therefore vital for governments to endeavor to reduce investor risk and help restore their confidence.

This report presents a new global database and a novel quantitative measure of regulatory risk (see chapter 4). This measure draws on, among others, data on the content of domestic laws and international treaties to assess countries’ regulatory frameworks for investment in three dimensions (figure O.10): transparency, protection, and recourse. More specifically, it evaluates (a) transparency and predictability in both the content and process of making laws and regulations that apply to investors; (b) legal protection of investors against arbitrary and nontransparent government interference; and (c) investor access to effective mechanisms for recourse, including grievance management and dispute settlement.

Evidence at both the country and investor levels suggests that regulatory risk—as measured in this framework—matters for investment decisions. First, at the country level, higher regulatory risk is correlated with higher risk premia measured by other indexes. Second, higher regulatory risk is associated with lower FDI inflows (figure O.11).

Consistent with this result, investor data lend support at the microeconomic level to the negative relationship found between regulatory risk and FDI. To test the relationship between a host country’s regulatory risk and foreign companies’ investment entry and expansion decisions, the report uses a dataset of over 14,000 parent companies investing in nearly 28,000 FDI greenfield and expansion projects across 168 host countries between 2014 and 2016.9 Estimations from this investor location decision model suggest that regulatory risk can deter MNEs from entering or expanding operations in a country

The effect of regulatory risk on FDI is sizable and comparable in magnitude to the investment-enhancing effects of trade openness in the same regression models. In fact, in some of the models, the effect of regulatory risk on FDI exceeds that of trade openness, showing that a 1 percentage point reduction in regulatory risk increases the likelihood of an investor entering or expanding in a host country by 0.5–2 percentage points. In contrast, a 1 percentage point increase in the host country’s trade-GDP ratio is associated with a 0.3–0.6 percentage point increase in an investor’s likelihood to enter or expand.

The critical importance of the regulatory environment is further confirmed by results from the 2019 GIC Survey, in which investors rank countries’ legal and regulatory environments as one of the top three factors for investment. In line with findings from the 2017 GIC Survey (World Bank 2018), 84 percent of respondents list regulatory environment as an “important” or “critically important” factor in their investment decisions (figure O.12).

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When it comes to investors who consider these factors “critically important,” the legal and regulatory conditions of the host countries rank behind only political and macroeconomic stability, and ahead of considerations such as low taxes and low input costs. The legal and regulatory environment is especially important for larger firms. On average, large firms rank it as their top investment consideration.10

Overall, to reduce risks, governments need to remain committed to creating open and predictable environments for FDI. Given that the sources of policy uncertainty that erode investor confidence are both international and domestic, solutions at both levels are needed.

Internationally, reaffirming commitments to market access and rules-based international systems would decrease policy uncertainty related to protectionism and economic nationalism. To further advance this objective, a growing group of countries is calling for a new multilateral framework on investment facilitation. Although the framework’s future is not yet clear, its emerging contours suggest it could encompass a set of practical measures concerned with improving the transparency and predictability of investment frameworks; streamlining procedures related to foreign investors; and enhancing coordination and cooperation between stakeholders such as host and home country governments, foreign investors, and domestic corporations as well as societal actors (Berger, Gsell, and Olekseyuk 2019; WTO 2017).

In addition to pursuing global, multilateral, or bilateral efforts toward providing clearer policy directions and investment frameworks, the 2019 GIC Survey results presented in this report point to the central role of domestic policy stability, with a particular emphasis on political and macroeconomic conditions. Indeed, evidence shows that the key elements of stable political environments include strong institutions, a level playing field, and predictable policy making. Macroeconomic stability is also vital, centered on implementing macroprudential policies, ensuring central bank independence, and optimizing fiscal policy.

Governments can further help reduce risks for investors by improving the legal, regulatory, and institutional frameworks for FDI. Business operations can be made more predictable by improving transparency and reducing room for bureaucratic discretion. Transparency can be strengthened by systematically consulting with the private sector and other stakeholders, developing information portals to make laws and regulations publicly available, and articulating clear and specific FDI-related legal provisions and administrative procedures.

Investment promotion agencies can play a critical role in these efforts given their role as governments’ key interlocutors with foreign businesses. Empirical evidence shows that IPAs can help increase FDI inflows, attract higher-quality FDI, and even transform their economies (Charlton and Davis 2007; Freund and Moran 2017; Harding and Javorcik 2012; Moran et al. 2018; Morisset and Andrews-Johnson 2004; Wells and Wint 2000). They can play a significant role in strengthening their countries’ investment competitiveness (see chapter 5).

Yet although IPAs have proliferated over the past two decades, success stories are still scarce, especially in the developing world. Many IPAs are unfocused—with too many mandates and target sectors—and are not providing the key services investors expect. At the same time, many IPAs are not evolving dynamically enough to align with both challenges and opportunities in the changing FDI landscape. The current literature, combined with surveys of IPAs and operational experience by the World Bank Group, suggests that IPAs can have greater positive impact if they sharpen their strategic alignment and focus, adopt a coherent institutional framework, and strengthen their delivery of investor services (figure O.13). In contrast, IPAs should not overestimate the role of investment incentives in increasing a location’s overall investment competitiveness, although these may be needed to help companies during the pandemic crisis.11

When creating or strengthening their IPAs, policy makers should consider critical success factors (box O.1). The right strategic and institutional frameworks vary, depending on the country’s political economy, the government’s existing institutional setup, available legal formats, the civil service culture, and the institutional collaboration culture (Heilbron and Whyte 2019).

In the current COVID-19 crisis situation, IPAs are in large part shifting their principal focus from FDI attraction to retention of existing foreign investors as well as preservation of supply chains connecting foreign firms and their domestic suppliers. Through IPAs’ responses to market signals and MNEs’ needs, governments have an opportunity to minimize the risk exposure of MNEs and their associated supply chain linkages. Specific investment services to be prioritized by IPAs include (a) identifying and directly contacting at-risk or systemically strategic firms according to number of employees, region, or sector; (b) expediting foreign exchange approvals; and (c) advocating for urgent government actions to solve the firms’ grievance issues more systematically.

Governments Can Leverage FDI for Robust Recovery from COVID-19

What can governments do, on the one hand, to leverage FDI to strengthen the resilience of their economies and help absorb future shocks, and on the other hand, to turn the current COVID-19 crisis into new opportunities to increase their competitiveness for FDI?

Avoid Protectionist Policies

Governments should avoid protectionist policies, which would further exacerbate disruptions to GVCs and amplify the already elevated uncertainty. Instead, to attract additional investment, countries should counter the global protectionist trend by further easing FDI entry and operational restrictions. Being more open to FDI relative to peers helps attract new investment. In fact, some countries are already using this crisis as an opportunity to open new sectors of their economies to foreign investment.

### 1NR – Link – Spillover (Antitrust)

#### Even targeted antitrust sends a broad signal of aggressive overregulation.

Keating ’21 [Raymond; June 18; Chief Economics for the Small Business and Entrepreneurship Council and Adjunct Professor in the MBA Program at the Townsend School of Business at Dowling College; SBE Council, “Antitrust Fictions (and Actions) Will Have Real, Negative Economic Consequences,” <https://sbecouncil.org/2021/06/18/antitrust-fictions-and-actions-will-have-real-negative-economic-consequences/>]

The Real Outcome: Less Competition and Innovation, Fewer Choices, Diminished Investment and Entrepreneurially Opportunity

It needs to be understood that while supposedly targeting so-called “Big Tech,” these intrusive regulations and substantial costs would fall on competitors as well, thereby actually discouraging competition in technology markets. For good measure, moving ahead with his kind of hyper-antitrust regulation of tech firms lays the groundwork for doing so in other industries, such as in retail, energy, health and medical sectors, and so on. This is what Senate anti-trust crusaders hope to accomplish.

The message is clear: Beware entrepreneurs, businesses and investors if you become too successful or if you cross certain political constituencies. The government stands ready to punish you via intrusive and costly regulation.

It doesn’t matter that this entire attack on “Big Tech” is based on political fictions, as the policies would generate negative economic consequences. Political, antitrust fictions do not somehow make the fallout for entrepreneurship, investment and innovation any less real.

### 1NR – Link – Chilling

#### PRECEDENT---the plan introduces the possibility that antitrust law will be reapplied, chilling investment from risk-averse firms.

Okuliar ’20 [Alexander; December 8; J.D. from Vanderbilt University Law School, B.S. in Economics and B.A. in History from The Wharton School of the University of Pennsylvania; U.S. Department of Justice, “Promoting Predictability and Transparency in Antitrust Enforcement and Standards Essential Patents,” <https://www.justice.gov/opa/speech/deputy-assistant-attorney-general-okuliar-delivers-remarks-telecommunications-industry>]

The Importance of Predictability and Transparency to Antitrust Enforcement

Good afternoon. It’s a pleasure to join you today, thank you for the invitation. I’d like to begin with some prepared remarks addressing the importance of predictability and transparency to antitrust enforcement, particularly as it relates to standards-essential patents, give an overview of the Division’s recent activity in this space, and then turn to some questions.

Antitrust law can be a very powerful tool to promote economic dynamism and innovation. It establishes important rules regarding how firms may operate in marketplaces across the economy. Firms, in turn, rely on these rules when making all sorts of strategic decisions, from day-to-day concerns to overall operating plans, from pricing or discounting strategies to long-term growth strategies.

For any economy to realize meaningful long-term growth, firms (and consumers) must have confidence in the underlying legal rules governing their existence and behavior. Starting and growing a company is often expensive and risky. Maintaining a business is also costly, and firms are constantly assessing their ongoing viability and potential for growth. Confidence in the basic legal system is, of course, critical. Confidence in specialized regulatory regimes is likewise important. Firms are more likely to engage in costly R&D, and in the kind of expensive, time-consuming experimentation that innovation tends to require, when they are confident they will be rewarded for these investments—that, for example, antitrust laws will not change in the interim between investment and return in a way that deprives the firm from being able to recoup and benefit from its investments.

This innovation and dynamic competition are critical to our modern economy. So the more that we, as enforcers, can do to ensure the basic competition law rules of the road are clear and predictable, the more we can help to preserve competition and to spur economic growth. Not only do firms benefit from this, but so, too, do consumers. They are the beneficiaries of the increased R&D and innovation that can thrive in a reliable regulatory and enforcement regime. Moreover, clear and foreseeable enforcement empowers consumers, who can then more readily understand when unlawful conduct may be occurring, and be better-positioned to identify violations and to protect themselves and others.

Predictability and transparency in antitrust enforcement are important across markets and industries, but are often particularly important at the intersection of antitrust and intellectual property. Both competition and IP laws seek to foster long-term innovation and dynamic competition—which, again, depend on firms continuing to engage in risky and costly efforts today in the hopes of achieving rewards tomorrow. This is true for owners of various IP rights, including standards-essential patent holders.

### 1NR – Link – Tech

#### The plan wrecks digital FDI – that’s key to the COVID recovery

Stephenson 20 [Matthew Stephenson, Policy and Community Lead, International Trade and Investment, World Economic Forum. Nivedita Sen, Research and Analysis Specialist, World Economic Forum. “How digital investment can help the COVID-19 recovery.” 4/15/20. https://www.weforum.org/agenda/2020/04/covid-19-digital-foreign-direct-investment-economic-recovery/]

COVID-19 has changed the way we live and work almost overnight. Analysts are struggling to keep pace with the impact on economies, sectors and firms. One thing that we already know, however, is that this crisis is accelerating an already growing trend towards digitalization.

From virtual meetings to automated factories, online orders to drone delivery, digital services are growing in importance, permeating an increasing number of sectors and activities. Digitally agile firms are adapting to the ongoing crisis more successfully, and others are rapidly skilling up in response to challenges to their business models.

For governments looking to drive economic recovery after the pandemic, supporting such digital competitiveness will be key. One way is through foreign direct investment (FDI) in the digital economy, in other words, "Digital FDI."

The power of investing in the digital economy

There is significant evidence that FDI can bring technology, know-how, jobs and growth. FDI is also often the largest source of finance for developing economies. Just like traditional firms, digital firms invest abroad to be close to customers, access local knowledge, open new markets and more.

Yet attracting FDI in the digital economy requires different policies and regulations, because digital firms have business models that vary from traditional brick-and-mortar businesses. Digital firms rely heavily on data and technology, often involve platform economies and leverage non-traditional assets.

The World Economic Forum’s new Digital FDI initiative seeks to identify policies, regulations and measures that governments can adopt to attract such investment. We're working with technology firms, governments and experts to answer the question: What is the ‘secret sauce’ to creating a digital-friendly investment climate? The answer will become even more important in the looming economic downturn where there may be fewer resources for investment and therefore more competition to attract scarce capital.

### 1NR – Link – Data

#### New data regs deck FDI – compliance costs

Peterson 21 [Erik R. Peterson, Partner and MD, Kearney Global Business Policy Council. Paul A. Laudicina, Chairman Emeritus, Kearney, Founder, Global Business Policy Council. “On shaky ground: The 2021 FDI Confidence Index® Executive summary.” 3/24/21. https://www.kearney.com/foreign-direct-investment-confidence-index]

As investors increasingly rely on data and the cross-border flow of data to support their operations, many cite burgeoning data regulations as impacting their foreign direct investments

Investors say data is integral to generating revenue, with most stating that a large portion of their turnover is generated through data. But they are also cognizant of growing data regulations and the costs that they incur. A majority report that cross-border data restric­tions have a moderate to significant impact on FDI, while complying with data regulations already comes with a heavy price tag (see figure 3). Further, many are concerned about how data nationalism—moves by nation–states to ensure control over data—might affect their investments over the next three years.

### 1NR – Link – Enforcement

#### Adverse enforcement is inevitable and will be perceived as protectionist

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IV. COSTS OF NONCOOPERATION

As the above theoretical explanation shows, attempts to regulate international trade creates costs and benefits that are not fully accounted for in the domestic policy decisions of states. Transaction costs and bias stand out as two prominent costs of the de facto regime.

Since regulatory bodies exist in many different countries, and since some of those bodies apply their laws extraterritorially, firms that conduct business on a global scale must contend with increased and duplicative costs. In order to operate in accord with regulatory policies in many different countries, firms must retain legal counsel in multiple states in order to satisfy jurisdictional differences in reporting and disclosure requirements. This is slow, burdensome, and expensive for the fi rms, while it also increases costs carried by the various regulatory agencies. Because regulatory bodies in different states all act independently, from the perspective of global efficiency, the regulatory bodies are expending duplicative energy in reviewing the same activities.

In the context of international trade under the de facto international competition policy regime, firms operating in multiple states are subject to multiple regulatory reviews. As already noted, this overregulation is costly in terms of duplicative work on the part of both fi rms and regulatory states, but it also introduces yet another cost of noncooperation in the form of bias. A regulatory agency has the temptation to be more lenient when reviewing activities by local firms and potentially more restrictive when reviewing activities by foreign firms.

From the point of view of the firms, even if regulatory activities by states are unbiased, it might appear that unfavorable rulings stem from bias. Perception, in this case, is important because the way firms perceive regulatory actions or regulatory policies by states has implications for the way firms conduct their business activities. Furthermore, states might perceive the regulatory activities of other states on their firms as biased or even as punitive regulatory activity, which potentially drives a wedge between any possibility of interstate regulatory cooperation. Bias is more apparent in the choice of which cases to pursue, rather than in statutory language, but nevertheless, the presence of export cartel exemptions is the most ready example of substantial evidence that points to state bias in regulatory activity. Again, as mentioned above, the United States reveals its bias in exemptions for firms operating in the international markets in aviation, energy, ocean shipping, and communications.

### 1NR – AT: Link Turn

#### Their studies are flawed and don’t consider confounding variables – prefer our’s because it employs U.S. sector specific data

Clougherty 21 [Joseph A. Clougherty, Gies College of Business, University of Illinois at Urbana-Champaign, Nan Zhang College of Business Administration, California State University Stanislaus, "Foreign investor reactions to risk and uncertainty in antitrust: U.S. merger policy investigations and the deterrence of foreign acquirer presence", April 2021, Journal of International Business Studies, https://experts.illinois.edu/en/publications/foreign-investor-reactions-to-risk-and-uncertainty-in-antitrust-u]

There exists, however, both theoretical and empirical scholarship in the related fields of international trade, law and economics, and finance economics; yet, Evenett (2003) observes that the literature in these fields has presented mixed findings. For instance, a number of scholars (e.g., Bris, Brisley, & Cabolis, 2008; Bris, Cabolis, & Janowski, 2007; Clarke, 2003; Oliveira, Hochstetler, & Kalil, 2001) have found the enforcement of competition policy to encourage inward FDI activity. Those who find support for a positive relationship often focus on the premise that well-run competition policy establishes a level playing field for all competitors – where such fairness in treating foreign and domestic firms alike (Grosse & Trevino, 2005) is particularly advantageous for foreign investors who generally suffer from a liability of foreignness (Zaheer, 1995). Yet other scholars have considered the enforcement of competition policy to be best characterized as protectionist in nature (e.g., Aktas, Bodt, & Roll, 2007; Conybeare & Kim, 2010; Deshpande, Svetina, & Zhu, 2016; Dinc & Erel, 2013; Evenett, 2002; Francois & Horn, 2007; Hemphill, 2010; Li, 2007). The prior in this literature stream is that governments prefer domesticallyowned entities; hence, authorities conduct competition policy – especially the sub-policy of merger control – in a manner so as to deter foreign ownership and encourage domestic ownership of local businesses. Foreign firms are accordingly subjected to regulatory requirements that ensure that investments support, rather than compete with, domestic business (Brooks, 2007). While such requirements reflect the interests of national governments in protecting local business (Caporaso & Levine, 1992), the use of competition policies in such a manner would ultimately lead to diminished inward FDI.

The methodological practices generally employed by the pre-existing empirical literature potentially contribute to these mixed empirical findings, as such practices can yield biased results. Specifically, the empirical literature exhibits a proclivity to engage in cross-country empirical studies (e.g., Bris et al., 2007; Clarke, 2003) that do not comprehensively account for potentially confounding factors. Yet, establishing sound causal inferences regarding the relationship between competition policy and inward FDI is fraught with identification challenges in empirical contexts, where omitted country-level factors likely correlate with both the implementation of competition policy and the openness of a country toward FDI. For instance, the pro-market tendencies characteristic of the U.S. – observed by Peng, Wang and Jiang (2008) and others – represents a potential omitted construct that will tend to enhance both competition policy and inward FDI activity, thereby adding observations to a naı¨ve cross-country OLS estimation that would bias the coefficient estimates toward a positive relationship (Bascle, 2008; Wooldridge, 2013).

With the above methodological deficiencies in the pre-existing literature in mind, we attempt to bring some definitive empirical evidence to bear in order to establish whether competition policy might negatively affect inward FDI activity levels. We first narrow the focus of study by considering the impact of U.S. merger policy enforcement on the proclivity of foreign acquirers to participate in the U.S. markets for corporate control. While competition policy involves three elements (merger review, price collusion, and abuse of dominance), merger policy represents the most important element of a national commitment to antitrust principles (Viscusi, Vernon, & Harrington, 1995), and the most salient element of competition policy concerning foreign investors.1 Second, we move beyond a cross-country methodological approach by employing sector-level data on U.S. merger policy investigations and sector-level data on the acquisition activities undertaken by foreign and domestic firms. The sector-level empirical approach mitigates the concern with respect to omitted country-level factors being responsible for a spurious causal relationship between competition policy and inward FDI.

### 1NR – AT: Thumpers

#### 3. Deadlock prevents antitrust enforcement

Doesn’t interfere with privacy enforcement because there’s consensus. The plan changes this by FIAT

Eleanor Tyler 10/7/21. Legal Analyst on the Litigation team, with a focus on antitrust, at Bloomberg Law. “ANALYSIS: FTC May Be Headed Into Deadlock, Delaying Big Deals.” https://news.bloomberglaw.com/bloomberg-law-analysis/analysis-ftc-may-be-headed-into-deadlock-delaying-big-deals

The Federal Trade Commission may be about to pause, unable to act on antitrust enforcement and policy until President Biden’s nominee can be confirmed and seated.

On Oct. 8, Federal Trade Commissioner Rohit Chopra is stepping down to take up his new position as head of the Consumer Financial Protection Bureau. Because it takes a majority among the Commissioners present to conduct business, and because the remaining commissioners will be split 2-2 between Democrat and Republican appointees, the Commission may find itself sitting on its hands until an equally divided Senate can approve privacy expert Alvaro Bedoya, whom Biden nominated Sept. 20 for Chopra’s seat.

In the past, the Commission has typically managed to continue making decisions and bringing cases while short a member (or several). These aren’t normal times, however. Many actions could be easily conducted on a bipartisan basis, but decisions about antitrust policy—and, potentially, antitrust enforcement—have proven contentious. That poses a potential obstacle for deals currently under investigation at the FTC, which tend to be large deals and those with market overlap between the parties.

#### 4. Khan’s agenda can’t make it through.

Joseph M. Miller 21. Seasoned anti-trust attorney. Has served as Assistant Chief of the Health Care and Consumer Products Section of the US Department of Justice’s Antitrust Division, a lead attorney on DOJ antitrust investigations in multiple industries, and a trial attorney in the Federal Trade Commission's Bureau of Competition."Big News, But Maybe Not so Big?," National Law Review, https://www.natlawreview.com/article/big-news-maybe-not-so-big

Khan's views may make for interesting political discussions but she's a long way from implementing her agenda in a lasting way. First, and most immediately, the Commission will be split 2-2 as soon as Commissioner Rohit Chopra is replaced, which may come soon. Chopra has been nominated to lead the Consumer Financial Protection Bureau and if the next FTC nominee is a traditional democrat, in the mold of former FTC Chairs Bill Pitofsky or Jon Leibowitz, that person will be the swing vote on cases. Second, as Chair of the Commission she is running a federal agency which comes with significant management responsibilities. Recall that she is 32 years old and nothing on her resume suggests she has the experience to be effective in that aspect of her role. Third, I predict the career staff will resist her admonition to put her vision into practice -- she advocates for bringing cases that are contrary to current law -- and no one likes getting yelled at by a federal judge. Fourth, and relatedly, the courts will emphatically reject her views. Just this week a unanimous Supreme Court decided *NCAA v. Alston* and reaffirmed the consumer welfare standard and other values that Ms. Khan is fighting against.