# 1AC – NDT Round 6

## 1AC

### Integration---1AC

#### Advantage 1 is Integration:

#### Big tech monopolies force integration between digital and financial systems---that creates systemic risk.

Dean Curran 20. Assistant Professor in Sociology at the University of Calgary, PhD in Sociology. “Connecting risk: Systemic risk from finance to the digital.” Economy and Society 49(2), p. 239-264.

In addition to high interconnectedness, low redundancy and high interactive complexity, pre-crisis finance also exhibited a significant mismatch between the scope of knowledge and activity. As Tett (2009, p. xiv) argues ‘The modern world is littered with these silos – pockets of specialist knowledge, where technical experts work in mental and structural silos. Indeed, these silos are proliferating, for as the pace of innovation speeds up, and spreads further and further around the globe, our world is becoming more technologically complex by the day’. As such, while Tett (2009, 2015) primarily focuses her critique on increasing silos of knowledge, as her quote suggests we are witnessing an even more dangerous process in which we have a dual process of the production of increasingly complex and interconnected systems, alongside the increasingly narrow, cordoned bases of knowledge and responsibility for those who are cumulatively producing this externalized complexity. This process is clearly on display in the lead-up to the financial crisis. While, as discussed above, the complexity of interconnections between Mortgage Backed Securities grew the scope of knowledge of its producers did not correspondingly grow – in fact, in many ways it constricted. Rather than carefully investigating the different potential risks, ‘Mortgage lending had become an assembly-line affair in which loans were made and then quickly reassembled into bonds immediately sold to investors’ (Tett, 2009, p. 112). Even when key additional layers of complexity were added through the development of ABS CDOs, there was little additional knowledge or orientation to the additional connections that were being generated. Ultimately, the primary knowledge base and orientation of the producers and sellers of ABS CDOs was how to attain the desired credit rating on these investments – all other portions of complexity were externalized by the vast majority of those formulating these investments. Consequently, once the model of the Gaussian copula was identified as a way to solve the problem of estimating correlations, the complexities were neglected, with the Gaussian copula functioning as the ‘combustion engine of the CDO world’ (Tett 2009, p. 119–122). As MacKenzie’s (2011) discussion of different clusters of evaluation practices likewise shows, those who made and rated the ABS CDOs lacked a sufficient basis of knowledge to fully understand their actual activity – both in terms of the vulnerabilities of the investments they packaged and the vulnerability of the financial system to these extremely complex investment vehicles. As emphasized above, these mismatches between knowledge and activity not only left open the potential for creating extremely risky financial transactions, but also tended to shield those who created and benefitted from the risk from responsibility for the consequences of these risks. The digital economy likewise manifests extreme mismatches between the scope of knowledge of those developing computing programs and the interdependencies that emerge on top of them. As emphasized above, contemporary computer programs exhibit a level of complexity well beyond the comprehension of a single person or group of people. Alongside this complexity then is a massive mismatch between the extremely small part of an overall program that any one set of programmers develop and understand – which even then can contain flaws in itself (Schneier, 2018) – and the emergent intersections of these units into larger systemic fragilities across the network. As interactive complexities build on top of interconnected and low redundancy systems and intensify the problems emerging from these features, this mismatch between scope of knowledge and activity intensifies these problems of interactive complexity. Moreover, problems of interactive complexity are amplified by how tightly-coupled computing systems can be – massive automated systems can be ~~disabled~~ [harmed] by even a single mistake as computers do not possess the type of hermeneutic interpretability that living agents do (see Kernighan, 2017). Yet, it is not only the physical nature of computing that leads to the potential for a single mistake to cascade through a computing device; the emerging monopolistic business model of the digital economy creates greater interdependencies as large digital companies seek to insert themselves as a universally necessary part of the ‘stack’ of digital computing services (Nunan & Di Domenico, 2017). An illustrative example, the cascading failure of websites in February 2017, exemplifies well how the interconnectedness and complexity of the web interacts with mismatches between the knowledge of specific individuals and the massive ramifications that their actions can have. In February 2017, several websites on the East Coast of the United States stopped functioning properly, including the websites of Slack, GitHub, GitLab, Quora, Medium, Expedia, Adobe Cloud, with reports of Xero, SiriusXM, and Nest internet-connected devices also ceasing to function properly (Nichols, 2017). In fact, outage monitoring sites DownDetector and isitdownrightnow.com were also not functioning properly due to the overloading of the sites because of a massive spike in internet users checking on the functionality of these other websites (Nichols, 2017). Ultimately, this five-hour breakdown in availability of these websites and services was traced back to the malfunctioning of Amazon Web Services (AWS), a core cloud computing provider. The malfunctioning had occurred due to a single typo by an Amazon employee. The employee was debugging a billing system and ended up taking offline more servers than were intended. This ‘error started a domino effect that took down two other server subsystems and so on … ’ (Del Rey, 2017). AWS had also suffered a significant outage due to human error years earlier in 2011. In upgrading its primary servers, the traffic that the server usually manages was sent to a back-up server rather than being sent to the rest of the network. This back-up server was not intended to handle this much higher level of traffic, thus causing a significant amount of the traffic to get ‘stuck’. Despite this single mistake of redirection to the back-up server, if the system had functioned properly, the problem would not have cascaded in this way, but this mistake interacted with other as of yet previously unidentified bugs, thus amplifying the breakdown in service (Goldman, 2011). The massive outage in February 2017 is estimated to have damaged the business of 54 of the top 100 internet retailers, with an estimated total economic impact of $150 million (Bort, 2017). This has led to the incident being described as ‘Amazon and the $150 million typo’ (Hersher, 2017). Reflecting on the systemic importance of a single cloud computing company, it was noted that AWS has ‘quietly become responsible for keeping much of the internet running’ and that ‘AWS has come to underpin so much of our daily life that we hardly even notice how important it’s become — until it stops working’ (Swearingen, 2018). Yet, different parts of AWS malfunctioned again in September 2017 and then in March 2018, hitting Alexa, Slack and Capital One. While Amazon apologized and promised changes, the cascading impacts of AWS outages continue to be felt. As with interconnectedness and low redundancy, the growing complexity and mismatch between knowledge and impacts in the digital economy, though shaped by the technology, is not an inevitable dimension of the technology, but rather massively intensified by the monopolistic characteristics of the digital economy and the goal of digital giants to grow as large as quickly as possible (see Hindman, 2018).

#### Scenario 1 is Cyber:

#### Monopolization makes cyber risks inevitable---dominant digital platforms intensify it by stifling competition.

Dean Curran 20. Assistant Professor in Sociology at the University of Calgary, PhD in Sociology. “Connecting risk: Systemic risk from finance to the digital.” Economy and Society 49(2), p. 239-264.

This is likewise where the ‘networked digitalisation of daily life’, akin to the financialisation of daily life, is increasingly important. As with the role of finance as an intermediary, digital giants are developing massive platforms that increasingly mediate almost all the basic functionings that human beings seek to achieve (Mansell, 2012; Srnicek, 2017).14 With the status of increasingly a universal intermediary for different social functions, if any of these platforms were to fail, all of the networks of dependence that rely on that platform would in turn fail. As banks enjoyed intermediary power as a means of enjoying market power, the major digital companies, including Apple, Alphabet, Amazon, Facebook and Microsoft are doing all they can to heighten their intermediary power by making themselves increasingly indispensable to more and more social and economic functions. As with finance, this growing systemic risk should not be viewed simply as a relatively exogenous process of growing interdependencies due to globalization and technological development (cf. Centeno et al., 2015; Goldin & Mariathasan, 2014; World Economic Forum, 2015), but rather as fundamentally intensified by the pursuit of private efficiencies and monopoly power so as to realize profit and value maximization. Exemplified in the Silicon Valley ideology of ‘Unless you are breaking stuff … you are not moving fast enough’ (Zuckerberg in Anthony, 2017), the dependence of society on specific digital platforms continues to grow. The potential for ‘Schumpeterian profits’ from impeding competition by occupying the role of essential intermediaries for different social functions thus likewise intensifies the systemic risk associated with the failure of any of these digital giants. As with contemporary finance, these digital giants seek to exhibit universal intermediary power. Insofar as they are necessary conditions to key functionings of our life, they exhibit a kind of dual power, that enables them to appropriate massive levels of economic rents due to their monopolistic position (Mazzucato, 2018), while also creating immense risks for society when they fail to successfully fulfil their roles – thus making it a core social interest that they not fail in their function. In these cases, companies, through what has been called ‘infrastructural imperialism’ (Vaidhyanathan, 2011) have sought to insert themselves as a universal means to the goods of our lives. More recently, cities themselves have been increasingly targeted by ransomware, which have threatened to bring urban governance to a halt. After a cyber attack hobbled Atlanta in 2018, which cost millions of dollars to recover from, in 2019 more than 40 municipalities in the United States have been hacked. These include major cities such as Albany and Baltimore, several smaller cities in Florida, along with 22 towns across Texas, which have been simultaneously afflicted (Fernandez & Sanger, 2019). As Wu (2010), has shown, insofar as digital companies appropriate these public ‘common carrier’ positions – including providing the infrastructure through which cities function – they become part of the critical infrastructure of social life. Yet, by enabling such a systemically risky system as the contemporary digital economy to develop in a manner that both amplifies the risk of the system itself and the social dependence on this system, we repeat the mistakes that were made in the lead-up to the 2008 financial crisis. While at this point these cyber-attacks may be considered a considerable harm rather than a crisis, the growing infiltration of networked devices throughout our basic infrastructure associated with the revolution in IoT 15 and the potential for an entire networked smart city means that a level of interconnectedness implicit in current dynamics of innovation would turn a penetration at the scale of WannaCry or NotPetya, or the cyber-security and safety failures of AWS or Mirai, into a social catastrophe, in which the basic infrastructure of the city or an entire region could be disabled, or used as a tool for even more damaging cyber or infrastructural attacks. While cybersecurity is sophisticated and more can be done on this front, it is in many ways fighting a losing battle of trying to patch over an excessively interconnected and fragile system, on which we are increasingly intensely dependent. As Hypponen declares, summarizing the security status of digitally interconnected devices, ‘Whenever an appliance is described as being ‘smart’, it’s vulnerable’ (Hypponen & Nyman, 2017, p. 5). And yet the current trajectory is ever-greater damages as companies continue to work towards their goals of ever-greater network integration of social, material and political life with the digital economy. With the growing complexity of digital interconnections – both within the digital system and at the human-digital interface (see Greenfield, 2017) – mismatches between the knowledge of programmers who create the code for software and the impacts that software’s vulnerabilities have continue to grow. This mismatch thus further intensifies the space for avoiding responsibility for the damages promulgated across these systems. As Naughton (2017) has highlighted, legal responsibility in the digital economy is rarely even close to commensurate to the damages wreaked through the failures of their created products. That it has not been seriously broached that any of the companies above be held even partially legally culpable for the collateral damages due to the breaches of their software exemplifies the extent to which the digital economy is dominated by intermediaries that are always seeking to further install themselves in people’s basic functionings and general capabilities, but are not held responsible when their intermediary roles are suspended – even when there are enormous path-dependent negative side-effects from breaches and breakdowns. The massive complexity of the networks of information they have contributed to creating and the inchoate nature of the damages they enable, which interact with many other causes – that is, they are not solely responsible for Russian political influence or the damaging of political discourse, but their business models play a definite, but indeterminate role in these processes – institutionalizes a kind of structural recklessness and irresponsibility at the centre of digital innovation. While a critical, reflexive systemic risk analysis cannot be used to predict the future, it can aid in identifying important vulnerabilities that create the potential for system-wide risks. High levels of interconnectedness, complexity, low redundancy and high levels of mismatch between activity and knowledge, alongside low culpability is a toxic combination that created the conditions for a social crisis in 2008. Likewise this toxic combination is increasingly being manifested in the contemporary networked digital economy, which could generate another systemic social crisis that, given the existing scope and granularity of dependence of social life on digitally networked devices, potentially could be of even greater proportions.

#### Specifically, big tech has become too big to fail. The combination of network effects and financial services makes cyber-attacks inevitable.

Agustín Carstens 22. He holds an MA and a PhD in economics from the University of Chicago. General Manager of the BIS on 1 December 2017. Mr Carstens was Governor of the Bank of Mexico from 2010 to 2017. A member of the BIS Board from 2011 to 2017, he was chair of the Global Economy Meeting and the Economic Consultative Committee from 2013 until 2017. He also chaired the International Monetary and Financial Committee, the IMF's policy advisory committee from 2015 to 2017. “The ascent of big tech.” <https://www.suerf.org/suer-policy-brief/40473/regulating-big-tech-in-the-public-interest>.

One of the most striking features of the digital economy is the rise of large digital platform companies – or big techs.2 Big techs are increasingly a part of our daily lives. Just look at the billions of people affected earlier this week by a temporary outage of some of these platforms. Many of us here have used a big tech service today, perhaps by checking our email or sending a message on social media. At other times, we might be ordering a product on an e-commerce platform. Big techs are also entering financial services. We at the BIS have been following closely how big techs offer payments, credit, insurance, wealth management and more in every major region of the world.3 These trends are all the more remarkable as big techs were virtually non-existent in financial services only a decade ago. But thanks to network effects, where users attract more users, big techs have achieved scale rapidly. For example, big techs have come to account for 94% of mobile payments in China in the space of just a few years.4 Big tech credit grew by 40% in 2020 alone, to a global total of over $700 billion.5 Beyond credit, big tech stablecoin proposals like Facebook’s Diem may soon go live, likely with rapid adoption around the world. Certainly, big tech services in general, but also in finance, have brought numerous benefits.6 BIS research has studied how big tech lenders can use new data and machine learning to efficiently allocate and price credit to small businesses, reducing the need for collateral.7 They have lowered the cost of onboarding new clients, and have helped to overcome geographic barriers to reach previously underserved customers. In this way, big techs have lowered costs and enhanced financial inclusion around the world.8 Yet big techs in finance raise at least three new challenges. Some of these are familiar to financial regulators, and some are decidedly not. Challenges of big tech in finance For central banks and financial regulators, the first and most direct set of challenges from big tech centres on financial stability. Big techs have advantages stemming from their user data, leading to vast networks and a huge range of activities. This advantage flowing from data gives rise to the so-called data-network-activities, or DNA, feedback loop. With this, big techs can move very quickly from "too small to care", to "too big to ignore" to "too big to fail".9 Just four big techs provide nearly two thirds of global cloud services, which are becoming a critical service for the financial sector.10 Cloud services certainly bring advantages in terms of efficiency for individual institutions, but the dependence of the entire financial sector on just a few players makes the system more vulnerable to large-scale operational failures, insolvency or cyber attacks.11

#### Monopolization undermines any defense---even small vulnerabilities multiply in scale due to network effects.

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In addition to the risks emerging from being a highly interconnected and low redundancy network, high levels of complexity in finance played a key role in the lead-up to the financial crisis of 2008. Perrow (1984) provides a basis for distinguishing between the risk properties of different types of complexity through his differentiation between linear complexity and interactive complexity. Linear complexity involves a system with many parts, but the interactions between these parts are linear, visible and generally predictable. Interactive complexity involves relations between parts that are not linear, such that there is a much greater chance of one component of the system interacting with and impacting components in many different parts of the system.9 This distinction is akin to Haldane’s (2009) distinction between more modular complexities, where there are relatively separable sub-structures, and interactively complex systems, where any part of the system exhibits a higher likelihood of dependence on any other part of the system in highly unpredictable, irregular ways. For the purpose of exposition, these two types of complexity will be called separable complexity and interactive complexity. The lead-up to the financial crisis is widely acknowledged as having experienced a massive increase in the complexity of the financial system. Simple, short-chain securitization is consistent with risk reduction strategies (Engelen et al., 2011); however, complex forms of securitization led to such a level of opacity and unpredictable interactions between different financial transactions, and ultimately financial institutions, that a ‘modest increase of seriously delinquent subprime mortgages’ of 3 per cent ($34 billion) led to the fundamental disruption of the $57 trillion US financial system (Dodd, 2007). In terms of the level of complexity that was reached in the years leading up to the 2008 crisis, ABS CDOs (Collateralized Debt Obligations in which the underlying assets are Asset-Backed Securities), can provide a useful illustrative case. ABS CDOs were a particularly complex security, in which the underlying components were bundles of different tranches of a series of ABSs. The tranches of these ABSs were built out of thousands of mortgages, with the different tranches classified based on the probability of default of their underlying mortgages, with the AAA tranches offering lower rates of return due to greater security, while the lower tranches (including BBB and BB) offering higher rates of return in compensation for a higher probability of default (see Financial Crisis Inquiry Commission, 2011, p. 73). ABS CDOs (which the Financial Crisis Inquiry Commission just calls ‘CDOs’) were then made out of the ‘mezzanine tranches’ of ABSs, in particular the AA, A, BBB and BB tranches, which were more difficult to sell because of the higher risk attached to them. Through constructing a new security by pooling together these different tranches, the sellers of these investments were able to claim that the process of creating ABS CDOs reduced correlation between assets through diversification and hence these mezzanine tranches were then sold as securities in which the majority of the ABS CDO was rated AAA (80 per cent), despite being made almost solely of higher probability of default securities (see Financial Crisis Inquiry Commission, 2011, pp. 127–129). The repackaging of these securities provided important arbitrage opportunities, especially because of the symbolic value attached to AAA rated investments. The resulting losses from these complex forms of securitization though played a key role in the lead-up to the 2008 financial crisis (MacKenzie, 2011, pp. 1779, 1782–1786). In addition to high levels of interconnectedness and low redundancy, high levels of complexity are another key feature of the digital economy. In particular, the digital economy manifests not just a high level of complexity, but in particular a high level of interactive complexity, in which wide-ranging and unpredictable interconnections between different parts of a system are possible. Many of the software programs that are necessary to the web are immensely complex – much too complex for even the most sophisticated programmers in the world to adequately understand. Windows, for example, has over 60 million lines of code (Gisel & Olejnik, 2018). Pasquale (2015) highlights an important element of contemporary power dynamics in that digital companies implement a two-sided mirror. They seek to know everything about their users, while their users know nothing about how they function. Yet, from a risk perspective there is also the larger point that given this level of complexity of these programs, no one, whether inside the company or outside, can hope to have a comprehensive picture of the interactions between these different lines of code – much less, how this software interacts with the external, social world. Even with the best programmers in the world, the complexity of these software systems regularly creates unanticipated mistakes in coding.10 When this level of complexity intersects with how tightly-coupled many software systems are, the exploitation of a single key vulnerability can lead to the complete breakdown of a computer or network of computers, as occurred with WannaCry and NotPetya. This complexity is so much more problematic in the context of the particularities of cyber-security. That is, it does not matter how many attacks are repelled because a single breach is enough to potentially generate a ‘class break’, in which a number of devices with similar software vulnerabilities can have their confidentiality, availability, or integrity breached (Schneier, 2018). Yet, despite the continuing failures of cyber-security and the fragility of the system, the current trajectory of the business model of the digital economy, of seeking monopolistic network effects and of collecting as much data as possible, incessantly drives further growth in the size and complexity of the network (Hindman, 2018; Srnicek, 2017; Zuboff, 2019). While this is manifested by many trends, the pivot towards the Internet of Things (IoT) – as associated with projects such as the ‘smart home’ of surveillance capitalism (Zuboff, 2019) and ‘smart cities’ (Kitchin & Dodge, 2019) – exemplifies this in particularly stark terms. The addition of billions of further devices to the internet has not only immensely increased the ‘attack surface’ of interconnected devices on which cyber-security depends; it has also amplified the complexity of potential interactions between internet connected devices (see Schneier, 2018). The Mirai botnet11 exemplifies well the potential risks of the interactive complexity of the contemporary networked digital economy, as well as some of the particular risks involved in shifting from a modular infrastructure to an interconnected infrastructure that is exposed to weaknesses anywhere across the global digital network. Unlike WannaCry and NotPetya, which involved sophisticated teams of computer hackers, the original source code for Mirai was developed by three 21 year olds in the United States. The botnet in turn was built out of this source code – which the original hackers had released onto the web (as an attempt to hide their identities from the FBI). Other, as of yet unidentified hackers, using the Mirai botnet to take control of IoT devices that had default passwords (security cameras, DVRs, routers (Graff, 2017)) used them to pursue a Distributed Denial of Service (DDoS) against the company Dyn. This attack caused widespread problems across the web because of Dyn’s core infrastructural role in the internet through its role as a Domain Name System (DNS) for other websites. This attack led to large parts of the internet on the Eastern Coast of the United States not working, causing disruptions to Twitter, Amazon, Spotify, PayPal, Reddit and Airbnb amongst others, while also disrupting parts of the internet in the rest of North America and in Europe (Graff, 2017). As a DNS, Dyn helps web browsers translate written addresses into numbered IP addresses and vice versa and thus is a core part of the functionality of the web. At the height of the attack, hackers were able to use over 600,000 infected devices through the Mirai botnet to launch an unprecedented record attack of 1.2 terrabits of network-clogging traffic to Dyn’s servers, which overloaded their servers, thus disrupting their ability to fulfil their normal functions (Graff, 2017). While the disruption from this attack was felt in the United States and Europe, the insecure, infected devices did not come from these areas. Highlighting the complex interdependencies of the global nature of the internet and how any two devices with an IP address can be directly and instantaneously connected, this was ‘harm at a distance’ at its best, as the infected devices were primarily from Brazil, Columbia and Vietnam, while China, South Korea, Russia, Turkey and India also exhibited significant levels of infection (listed in descending order (Bursztein, 2017)). Contrary to separable complexity, interactive complexity functioned across the system as devices of different types (DVRs versus core infrastructure DNS) and geographical locations (Asia and South American versus the United States and Europe) became intricately interconnected because of a breach of a seemingly distant and disparate part of the system.

#### Cyber risks are increasing---Russia will target the financial system in response to sanctions. Dominant digital platforms create points of entry.

Andrew Martin 22. Cyber Security Editor at Bloomberg News, Nieman Fellow at Harvard University. “Financial Firms Poised for Worse Cyber Threats After Trying Year.” <https://news.bloomberglaw.com/tech-and-telecom-law/financial-firms-poised-for-worse-cyber-threats-after-trying-year>.

After an unrelenting year of fighting off cyber threats, the financial services sector should expect more of the same or even worse, as nation-state hacking campaigns are expected to mirror geopolitical tensions and ransomware gangs retool to dodge increased scrutiny, according to an industry group report. The Financial Services Information Sharing and Analysis Center, known as FS-ISAC, said in its annual report on cyber threats that global tensions could fuel further attacks by state-backed hackers and patriotic hacktivists. In addition, after a series of devastating breaches on the software supply chain, the group warned that its members need to be wary of potential nation-state meddling in products and services being used. “We expect current trends to continue and possibly worsen over the next year,” according the report, which was released on Thursday. Saying that cybersecurity is “no longer just a back-office cost,” the group warned that cyber threats pose critical business risks, including operational disruption, lawsuits and credit downgrades. FS-ISAC, which shares cyber intelligence among financial institutions around the world, published the report at a time when Russia’s invasion of Ukraine has kept organizations in the U.S. and elsewhere on alert for possible retaliatory attacks. So far, those fears appear largely unrealized, and cyberattacks have played a smaller role in the conflict than many predicted. The report represents a relatively rare example of an industry publicly acknowledging cyber risks and encouraging its members to prepare for them. In an interview about the report’s findings, Teresa Walsh, who leads FS-ISAC’s global intelligence office, said the biggest worry remains a cyberattack that disrupts members’ ability to conduct business. Industry leaders, meanwhile, have previously sounded the alarm about the possibility for global conflicts to erupt into digital attacks capable of destabilizing the financial system. At a January event, Goldman Sachs Group Inc. President John Waldron said the potential for a cyberattack that “hits at the core of the financial markets” poses a significant danger. “It doesn’t get enough attention,” Waldron said. “When you sort of marry what’s going on with Russia and Ukraine and China and other actors around the world geopolitically, you have to come back and think that one of their major weapons is cyber.” The FS-ISAC report details a year of relentless cyberattacks globally in which the group raised its threat level from guarded to elevated three times. It typically does so once a year. The threat level system follows a color scheme, with green denoting a guarded status and yellow meaning elevated. However, the threat level wasn’t raised to high (orange) or severe (red) last year, according to the group. The organization also hosted five member-wide webinars last year to address a security incident with the potential to impact the financial services sector, Walsh said. Typically, FS-ISAC hosts one such “spotlight” session annually. The increases were due to several factors, including the “rapid digitization of financial services, which accelerated during the pandemic” and increased entry points for hackers to possibly exploit, as well as a sharp rise in “zero-day” vulnerabilities being identified. Zero days are flaws in software and hardware that developers and cybersecurity professionals don’t know about, meaning that once a hacker exploits one of them, they have zero days to fix it.

#### Russian cyberattacks escalate---they circumvent traditional deterrence and trigger escalation to nuclear war.

Peter Vincent Pry 22. Executive director of the EMP Task Force on National and Homeland Security, served as chief of staff of the Congressional EMP Commission, as director of the U.S. Nuclear Strategy Forum and on the staffs of the House Armed Services Committee and the CIA. “U.S. risking cybergeddon with Russia.” <https://www.washingtontimes.com/news/2022/jan/18/us-risking-cybergeddon-with-russia/>.

Washington and the West still do not understand that cyber warfare is an existential threat that could explode the world powder keg, with catastrophic consequences. In April 2021, Russia massed troops on Ukraine’s border, threatening invasion, raising alarms in the U.S. and NATO. Ventriloquizing for the Kremlin, Putin intimate and director of Russia’s state-run international media giants, RT and Sputnik, Margarita Simonyan, declared on TV: “Russia will invade Ukraine, sparking a conflict with the U.S. that will force entire cities into blackout. … All-out cyber warfare, nationwide forced blackouts.” “War is inevitable,” according to Russia’s Ms. Simonyan, “I do not believe that this will be a large-scale hot war, like World War II, and I do not believe there will be a long Cold War. It will be a war of the third type: the Cyber War.” Russia’s Ms. Simonyan: “In conventional war, we could defeat Ukraine in two days. But it will be another kind of war. We’ll do it, and then [the U.S.] will respond by turning off power to [a major Russian city like] Voronezh.” She also stated: “Russia needs to be ready for this war, which is unavoidable, and of course, it will start in Ukraine.” Continuing, “Russia is “invincible where conventional war is concerned, but forget about conventional war … it will be a war of infrastructures.” Adding: “I’ve been agitating and even demanding that we take Donbas [eastern Ukraine]. We need to patch up our vulnerabilities as fast as we can, and then we can do whatever we want.” “We only lose if we do nothing,” agreed Russian TV interviewer Vladimir Soloviev. He argued that “by absorbing parts of Ukraine — or the entire country — Russia would be able to remove the zone of American influence further from its borders.” Cyber warfare expert Edward M. Roche, in “Cyber-Attacking Electric Power Grids: A New Strategic Weapon” (“Blackout Warfare: Attacking the U.S. Electric Power Grid A Revolution in Military Affairs,” 2021), warns that America is far more vulnerable and less prepared than Russia and China: • “Russia is capable of launching a major attack that would shut down in one coordinated attack at least 80% of America’s electrical grid”; • “Russia has likely experimented with placement of cyber logic-bombs in portions of America’s electrical grid”; • “Russia is more capable than other countries in placement of assets (human agents) into critical parts of the management structure of the American electrical grid”; • “During an extreme international crisis, a massive Russian cyber-attack against the entire U.S. electric grid prior to the outbreak of conventional or nuclear war is likely, to deter or defeat the U.S. with ‘gray-zone aggression’ instead of or prior to outbreak of a ‘real shooting war’ consistent with Russian military doctrine that Cyber Warfare is an unprecedented and decisive Revolution in Military Affairs”; • “Russia’s response to a major cyber-attack made by the United States is likely to be at least proportional but more likely disproportional and massive, possibly even resulting in Russian nuclear retaliation as threatened in their military doctrine.” Mr. Roche also warns that “In cyber, China Is A Mortal Threat To The United States … China has the capability to disable all or at least very large parts of the electrical grid (Eastern, Western, Texas Grid Interconnects) as well as target specific areas, such as power in a single metropolitan area.” “For U.S. relations with both nations, Russia and China, the emergence of viable paths to cyber-attacks against critical infrastructure as a new strategic weapon has lowered the barriers to conflict and presents a heightened danger with the potential to disrupt the long-standing balancing calculus dependent upon nuclear deterrence.” Proving Mr. Roche prophetic, a member of the Russian Duma, equivalent to the U.S. Congress, proposes launching a hypersonic nuclear warhead to detonate in the Nevada desert nuclear test area, to demonstrate Ukraine entering NATO would start a nuclear war. The U.S. is fast running out of time to harden its electric grid against cyber warfare and EMP.

#### Even if Russian attacks don’t cause nuclear war, US cyber retaliation will.

Brian Krebs quoting Dmitri Alperovitch 22. Journalist and Investigative Reporter, winner of the Carnegie Mellon CyLab Cybersecurity Journalism Award of Merit & National Press Foundation, “Chairman's Citation Award”. Alperovitch is a Senior Fellow at the Atlantic Council and VP in Threat Research at McAfee, Inc, M.S. in Information Security from Georgia Tech. “Russia Sanctions May Spark Escalating Cyber Conflict.” <https://krebsonsecurity.com/2022/02/russia-sanctions-may-spark-escalating-cyber-conflict/>.

“The proposed combination of sanctions on top Russian banks and implementation of export controls on semiconductors would be likely to severely debilitate the Russian economy,” Alperovitch wrote. “And although many in the West may initially cheer this outcome as righteous punishment for Russia’s blatant violation of Ukrainian sovereignty, these measures will probably trigger significant Russian retaliation against America. That prospect all but guarantees that the conflict will not come to an end with an invasion of Ukraine.” Faced with a potentially existential threat to its economic well-being — and seeing itself as having nothing more to lose — Russia will have several tools at its disposal with which to respond, he said: One of those will be carrying out cyber-attacks against American and European financial institutions and energy infrastructure. “Having already exhausted the power of economic sanctions, America and its European allies would have few choices other than to respond to these attacks with offensive cyber-strikes of their own,” Alperovitch wrote. “This pattern of tit-for-tat cyber retaliation could place Russia and the West on a worrying path. It could end with the conflict spilling out of cyberspace and into the realm of a hot conflict. This outcome—a hot conflict between two nuclear powers with extensive cyber capabilities—is one that everyone in the world should be anxious to avoid.” In May 2021, Russian cybercriminals unleashed a ransomware attack against Colonial Pipeline, a major fuel distributor in the United States. The resulting outage caused fuel shortages and price spikes across the nation. Alperovitch says a retaliation from Russia in response to sanctions could make the Colonial Pipeline attack seem paltry by comparison.

#### US-Russia war causes nuclear winter.

Mark Lynas 22. Visiting fellow with the Cornell Alliance for Science at Cornell University. Analyzing results from the 2019 and 2008 Robock & Toon study, Brian Toon is chair of the department of atmospheric and oceanic sciences and a member of the laboratory for atmospheric and space physics at the University of Colorado at Boulder. Alan Robock is a professor of atmospheric science at Rutgers University in New Brunswick, New Jersey. “What the science says: Could humans survive a nuclear war between NATO and Russia?” <https://allianceforscience.cornell.edu/blog/2022/03/what-the-science-says-could-humans-survive-a-nuclear-war-between-nato-and-russia/>.

Full-scale nuclear exchange If global nuclear famine could result from just 100 nuclear detonations, what might be the result of a fuller exchange of the several thousand warheads held in current inventories by the US and Russia? One 2008 study looked at a Russia-US nuclear war scenario, where Russia would target 2,200 weapons on Western countries and the US would target 1,100 weapons each on China and Russia. In total, therefore, 4,400 warheads detonate, equivalent to roughly half the current inventories held each by Russia and the US. Nuclear weapons held by other states were not used in this scenario, which has a 440-Mt explosive yield, equivalent to about 150 times all the bombs detonated in World War II. This full-scale nuclear war was estimated to cause 770 million direct deaths and generate 180 Tg of soot from burning cities and forests. In the US, about half the population would be within 5km of a ground zero, and a fifth of the country’s citizens would be killed outright. A subsequent study, published in 2019, looked at a comparable but slightly lower 150 Tg atmospheric soot injection following an equivalent scale nuclear war. The devastation causes so much smoke that only 30-40 percent of sunlight reaches the Earth’s surface for the subsequent six months. A massive drop in temperature follows, with the weather staying below freezing throughout the subsequent Northern Hemisphere summer. In Iowa, for example, the model shows temperatures staying below 0°C for 730 days straight. There is no growing season. This is a true nuclear winter. Nor is it just a short blip. Temperatures still drop below freezing in summer for several years thereafter, and global precipitation falls by half by years three and four. It takes over a decade for anything like climatic normality to return to the planet. By this time, most of Earth’s human population will be long dead. The world’s food production would crash by more than 90 percent, causing global famine that would kill billions by starvation. In most countries less than a quarter of the population survives by the end of year two in this scenario. Global fish stocks are decimated and the ozone layer collapses. The models are eerily specific. In the 4,400 warhead/150 Tg soot nuclear war scenario, averaged over the subsequent five years, China sees a reduction in food calories of 97.2 percent, France by 97.5 percent, Russia by 99.7 percent, the UK by 99.5 percent and the US by 98.9 percent. In all these countries, virtually everyone who survived the initial blasts would subsequently starve.

#### Scenario 2 is Growth:

#### Dominant digital platforms create a chokepoint---small failures erode global financial stability.

Dean Curran 20. Assistant Professor in Sociology at the University of Calgary, PhD in Sociology. “Connecting risk: Systemic risk from finance to the digital.” Economy and Society 49(2), p. 239-264.

Systemic financial and digital risk

The digital economy, which comprises ‘those businesses that increasingly rely upon information technology, data, and the internet for their business models’ (Srnicek, 2017, p. 4), is increasingly presenting itself as a hegemonic business model, which requires its own analytical treatment (Srnicek, 2017; see also Bauer & Latzer, 2016; Elder-Vass, 2016). Issues of risk and crisis raised by the financial crisis are particularly relevant to the emerging study of the digital economy in the face of the significant impacts from recent cyberattacks WannaCry and NotPetya and several breaches of confidential data, including 145 million people’s data held by Equifax and over 100 million held by Capital One. While the shorthand of ‘digital economy’ is often and usefully used (Bauer & Latzer, 2016; Elder-Vass, 2016), core to this revolution is not simply the shift from analogue to digital, but in particular, the shift towards the use of computing devices that are networked. 4 As such ‘digital economy’ is employed as shorthand for the ‘networked digital economy’. This section further develops the framework for investigating emerging systemic risk proposed above, while also advancing evidence for the claim that the contemporary digital economy is manifesting systemic risk characteristics that have important similarities to the systemic risk characteristics of pre-2008 crisis finance. To pursue this dual task, I briefly develop a comparative systemic risk analysis of pre-crisis finance and the digital economy with respect to the following characteristics: interconnectedness and redundancy; interactive complexity, and mismatches between scope of knowledge and activity. Each of these subsections introduces brief illustrative cases to both clarify how to use this framework, or ‘toolbox’ of the political economy of systemic risk, and to provide prima facie evidence that significant digital systemic risk, and as is subsequently shown below, significant social systemic risk, is emerging from the current trajectory of the digital economy. Problems of interconnectedness and redundancy in finance and the digital economy As has been widely discussed in the literature on the 2008 financial crisis, in the lead-up to the crisis, the financial institutions that comprised the financial network became much more interconnected to the rest of the network, which increased the likelihood that solvency problems of one financial institution could threaten many other institutions in the network (Goldin & Mariathasan, 2014; Haldane, 2009; May et al., 2008). Alongside the growing interconnectedness of the financial network was a trend towards reduced redundancy, as banks significantly increased their leverage levels (Haldane et al., 2010). With increasing levels of leverage (the ratio of assets to equity), each financial institution had less back-up equity to employ when one of its investments failed to provide its anticipated return. In the context of high interconnectedness and low redundancy, the failure of a small number of investments (such as when two of Bear Stearns’ hedge funds collapsed in July 2007) or, alternatively failure by an institution’s counterparty to meet their obligations (as occurred with Lehman Brothers in September 2008) could propagate risk across the network as these losses in turn created problems of liquidity and solvency for other counterparties and so on throughout the entire network (see Haldane, 2009). As the literature has previously discussed, with many investment banks having leverage ratios of 30 to one, losses of little more than 3 per cent could cause a bank to be insolvent (Curran, 2015; Haldane et al., 2010). With such a tightly connected network of firms and such little redundancy, the network was primed to have losses cascade throughout the network, until an institution with much greater levels of redundancy, the state, stepped in and ended the cascading losses through bailouts and stimulus packages. In terms of analysing interconnectedness in the digitally networked economy, it is one of those few sectors that is considered to be even more connected than global finance. The growing scale of computing devices and their connection via the internet is a widely noted phenomenon (see Goldin & Mariathasan, 2014), with the internet being described as the world’s largest network (Perrow 2007, p. 249), and as a ‘world-spanning living organism’ (Pentland 2009, in Zuboff, 2015, p. 85). Moreover, this growth of connectivity has been extremely rapid, with not only massive increases in the number of digitally interconnected devices, but also the types of devices that are being connected continuing to proliferate (Schneier, 2018). In terms of redundancy, while the internet is a massive network – which enables potential connection between any two devices that have IP addresses – it has been noted that the physical infrastructure of the internet exhibits a reasonably high level of redundancy. Even if one of the root-level servers was to be disabled, the system would be able to adjust, thus enabling continued availability of internet services (Perrow, 2007). Nevertheless, on top of this physical infrastructure of the internet has developed a series of oligopolistic or monopolistic providers of key services on the web such as Amazon, Apple, Google, Facebook and Microsoft, while Alibaba, Baidu and Tencent, occupy similar levels of market dominance in China (Webb, 2019). While monopolistic market structures are primarily viewed from a pricing perspective, market dominance also raises important questions from a systemic risk perspective that have only been addressed within the sector of finance. As such, while there is some recognition of the importance of ‘systematically important financial institutions’ (FSB, 2011), there has not yet been a corresponding regulatory recognition of the systemic risk associated with ‘systematically important digital institutions’. These dominant firms have become key nodes that support a vast array of web services, which in turn support a multitude of social practices. Google has eight products that have over one billion users, while Amazon, Microsoft, and Facebook exhibit similar levels of market dominance in their respective markets (Lardinois, 2018; Mazzucato 2018). This political economic structure of the digital economy, which benefits from the network effects of digital information markets (Hindman, 2018; Srnicek, 2017), alongside light-touch regulation (Curran, 2018), consequently has built a much more centralized functional web onto of the distributed technology of the internet. Given the interoperability and interdependencies within these companies, the monopolistic, centralized nature of the web provision creates the potential for vulnerabilities to cascade widely through the web, even if the physical infrastructure is distributed. As Perrow (2007) has emphasized, having many systems that utilize the same software systems leaves them open to ‘commonmode’ failures, where a potential failure or breach anywhere in the network can lead to multiple, potentially cascading failures due to the systems being vulnerable to the same failure. The economic centralization of the infrastructure of the web thus leads to the potential for the identification and exploitation of a single vulnerability leading to the failure of thousands or even potentially millions of computing devices, which are vulnerable to the same weakness.5 The WannaCry cyberattack exemplifies the growing importance of the systemic fragilities involved with cyber risk, and on a truly global scale – affecting over 100 countries worldwide – based on the identification and exploitation of a single key vulnerability in Microsoft software (Larson, 2017). In terms of its impacts, one-third of the UK’s National Health Service (NHS) was rendered inoperative, Chinese students were locked out of their university files, over 1,000 computers at Russia’s interior ministry were disrupted, as were billion dollar businesses, such as FedEx and Telefónica. In total it is estimated that over 230,000 computers were infected by WannaCry (Thomas, 2019) and the costs of the attack are estimated at somewhere between $4–8 billion (Greenberg, 2018). For WannaCry, the malware took advantage of a vulnerability in Windows, which had been previously developed by the US-based NSA into an attack tool for its own hacking operations. This penetration tool, EternalBlue – based on a key ‘zero-day vulnerability’ for Windows operating systems – was stolen from the NSA and subsequently leaked on the internet in 2017 so that others could use it for cyber-attacks. In evaluating cyber-threats there are three commonly discussed criteria for computer security: confidentiality, availability and integrity (Schneier, 2018). Confidentiality is that only parties that are authorized gain access to the information held on a system. Availability involves the continued access and functionality of computing services to authorized parties. Integrity involves only authorized parties making changes in a computer system.6 In the lead-up to WannaCry, one of, if not the most, sophisticated hacking groups in the world, the NSA, were unable to keep their own hacking tools confidential. The EternalBlue vulnerability was again used the following year in the NotPetya malware. The NotPetya ransomware attack is considered the most costly attack yet, with estimates that it cost companies over $20 billion, while also shutting down key infrastructure (Clarke & Knake, 2019, p. 18). In this case, it was vulnerabilities in the update servers of a Ukrainian software company, Linkos, that provided a back door to thousands of computers in Ukraine, which enabled the hackers to release the NotPetya malware (Greenberg, 2018). NotPetya ‘crippled multinational companies including Maersk, pharmaceutical giant Merck, FedEx’s European subsidiary TNT Express, French construction company Saint-Gobain, food producer Mondele¯z, and manufacturer Reckitt Benckiser. In each case, it inflicted nine-figure costs’ (Greenberg, 2018). Again, as with WannaCry, there were cascading effects on economic and material life. One example of its impacts is instructive, especially given the primary business model of the internet of maximizing connectivity and data collection and analysis.7 The Danish logistics company, Maersk, was hobbled by the attack. While Ukraine was the original target, given Maersk’s role in the global supply chain, ‘an attack on Maersk strikes everywhere at once’ (Greenberg, 2018). With a single breach of Maersk’s systems due to the installation of the unknowingly infected software in Odessa, this led to problems around the globe, as the malware caused the failure of a key ‘choke point’ in its shipping terminal system. This led to the closure for the day of 17 of its 76 terminals, including New Jersey, Los Angeles, Algericas (Spain), Rotterdam, and Mumbai, leading to massive delays and further problems given the focus on efficiencies and just-in-time deliveries in the global supply chain (Greenberg, 2018; see also Goldin & Mariathasan, 2014). While the software on Maersk’s ships were not infected, the terminals’ software had been wiped away, such that for ‘days to come, one of the world’s most complex and interconnected distributed machines, underpinning the circulatory system of the global economy itself, would remain broken’ (Greenberg, 2018). The NotPetya attack is estimated to have cost Maersk $300 million; however, luckily the fundamental principle of the digital economy – connect (and collect) everything – was unintentionally violated in this case. In seeking to rebuild the logistics systems that plan how to sort and arrange their shipping process, a copy of the ‘domain controllers’, which serve as a map to the network, needed to be found. Maersk though had been syncing together all 150 domain controllers, and hence, in a clear case of the risks of the ethos of growing, almost reckless interconnectivity, all were wiped out by the NotPetya malware, except one, which remained exempt from the syncing process because a blackout in the Ghanaian office prior to the NotPetya infection had rendered the machine offline and disconnected from the network when NotPetya struck.8 As this case illustrates, a component can only serve effectively as redundancy if it is not too tightly-coupled to the network. If there is a high correlation between the failure of the part and its ‘back-up’ then there is not effective redundancy; yet the push to connectivity tends to infect all the parts in the case of an infection. In this case, redundancy was achieved, through a core principle of systemic risk minimization (modularity) unintentionally trumping the business model of the digital economy, of maximizing connectivity and interdependence. Software increasingly functions as a core part of the infrastructure of our economic, social and political world. Yet, unlike the modularity of conventional infrastructure, networked software exhibits a series of interdependencies and potentialities for ‘common-mode’ failures that provides scope for an initial, single infection somewhere in the globe to cascade across the globe. Yet, despite the growing accumulation of costly ‘near-misses’ (see Perrow, 1984) little has changed in the fundamental business model of the digital economy, or of governments’ refusal to regulate for the systemic risk that is emerging from this massive growth in interconnectedness. In fact the digital economy aims to ever further increase the connectedness of life through the Internet of Things (IoT) (Schneier, 2018).

#### Big tech is this decades CDOs---monopolization increases systemic risks that makes financial crisis inevitable.

Kurt Marko 20. IT analyst, consultant and regular contributor to a number of technology publications. “Too big to fail as well? Systemic risks of cloud dependency and an existential enterprise threat.” <https://diginomica.com/too-big-fail-well-systemic-risks-cloud-dependency-and-existential-enterprise-threat>.

The financial crisis of 2007-2008 was a teachable moment about the obscure, under-appreciated risks of highly interconnected and interdependent systems. Prior to the almost complete freeze of the world’s financial system, few outside of the rarified environs of bond traders and financial speculators had heard of loan tranches, CDSs and synthetic CDOs. However, once home prices began to fall, they toppled hedge funds that made highly-leveraged bets on the booming market in mortgage-backed securities. Once the house of cards started falling, the damage cascaded to huge brokerages and insurers like Bear Stearns, Lehman Brothers and AIG, which threatened the entire financial system and gave everyone a lesson in how interconnected the financial system truly was. The tech world has provided similar lessons in systemic risks when highly interconnected systems like DNS, cloud infrastructure or online marketplaces fail. For example, the 2016 bonnet attack on Dyn DNS blocked or hampered name resolutions for dozens of websites including mega sites like Amazon, Netflix, Paypal and Twitter. While some of these restored service by switching to backup providers, the scope and ramifications of the attacker were, in the words of one security researcher, “really ominous.” Last year, I wrote about another incident with a wide blast radius when a Google Cloud outage disrupted its Gmail, G Suite and YouTube products, along with services from Apple iCloud, Snapchat and others. I noted that many of these disruptions could have been averted via designs that used available cloud redundancy features, however, what if the outage had been more extensive? What if a system-wide outage at one cloud or network provider set off a chain reaction of failures like the 2007 financial crisis? Is such a systemic shock possible or are such services so interconnected that we don’t understand the dependencies and linkages? Earlier this year, two researchers at RAND decided to find out via some innovative research into systemic risks from inter-firm networks and supplier-customer ties. The Gordian knot of cloud services Economists often use the term “too big to fail” when describing financial firms whose failure would have such catastrophic implications for the broader economy that it would be irresponsible to allow them to become insolvent. The term came into common use during the 2007 financial crisis to justify huge loans and grants to firms like AIG, Citibank and Fannie Mae. RAND researchers Jonathan Welburn and Aaron Strong used the financial crisis as a cautionary example when summarizing their research findings in a recent column that questions whether some technology firms have become “Too interconnected to fail.” The parallels of today’s online economy to the 2007 financial one run deeper than most realize since that crisis extended to manufacturing firms. For example, automobile manufacturers received bailouts for fear the collapse of one could take out an entire network of parts suppliers. As Welburn and Strong note in their report (emphasis added), “If one looks more closely at the 2008 crisis, the broader economy has already been a driver of systemic risk. In an effort to prevent a deeper crisis, Chrysler, Ford, and General Motors— the so-called “Big Three” American automakers—each received emergency loans to abate a larger crisis (Goolsbee and Krueger, 2015). Although the need for rescuing Ford and General Motors was apparent—both were under pressure from sharply decreased auto demand and had the potential to drive significant job losses and aggregate losses if they failed—the need for rescuing Chrysler was, above all, about systemic risk. Leading up to the crisis, it had been estimated that of Chrysler’s suppliers, 54% and 66% were also suppliers to Ford and General Motors, respectively (Goolsbee and Krueger, 2015). As a result, the risk of a Chrysler failure was the risk that it could pull down Ford, General Motors, or both, by first toppling shared suppliers. Unlike 2008, no one today is worried about Amazon, Apple or Google going out of buinesss. Instead, the risk in the online, cloud-based economy is that sustained, wide-scale outages at one could quickly disturb business throughout the economy. As Welburn and Strong put it in their column (emphasis added): Just like CDOs, however, the cascading network effects present a much larger risk to the whole economy. A single disruption to AWS, perhaps due to a large-scale cyberattack, would instantly be a cross-sector problem, potentially shutting down swaths of the economy. And private enterprises wouldn’t be the only ones affected: GovCloud, a tailor-made version of AWS, provides cloud services for the Defense and Justice departments and the Internal Revenue Service. Measuring enterprise connectedness The RAND paper describes a mathematical model to estimate the connectedness of enterprise production networks, aka supply chains, using both publicly available data and statistical inference. As the authors note, “Production networks provide a channel for economic contagion,” adding that (emphasis added): This mix of traditional economics and data science let us see how firms are connected within a network across sectors—and thus which ones represent central hubs of the economy. The most-connected companies, if hit with a seemingly isolated revenue shock, could cause outsize losses to the whole US economy. I won’t bore you with the details, but know that the paper has the requisite number of Greek-infused equations. As they describe it, the report’s methodology extends inter-firm risk analysis from: The general study of systemic risk and aggregate shocks and into the study of specific events. For example, firm-level analysis could heighten the understand- ing of the potential aggregate impact of localized events, such as natural disasters. The estimation of interfirm production networks in this report are a first step to true firm-level analysis. What’s the potential damage? The result of all the statistical inference and graph theory is a model that estimates the distribution of total losses for a one percent shock to an individual firm’s output (revenue). Thus, the report estimates that if Amazon were offline for one percent of the year, or about 4 days, the total lost revenue to both it and its customers would be $77 billion - or 54% of Amazon’s total revenue. In contrast, a one percent distribution at GoDaddy, a domain registrar and Web hosting company, would create disproportionately large aggregate losses of 18-times its total revenue. Charting the data for hundreds of firms shows a highly skewed distribution with a very long tail demonstrating, in the words of the report, “many firms are relatively unimportant when considering systemic outages, but there are a small number of firms of critical importance.” The following table summarizes the companies posing the largest absolute and relative systemic risk based on a one percent disruption of their operations. Note that even a loss ratio less than one indicates a sizeable economic multiplier (54-times in the case of Amazon). Counter to perceptions honed during the financial crisis, the most interconnected companies are often in retail, communications, electronics and insurance, while those with the largest loss multiplier typically provide business, engineering or production services. As the authors conclude (emphasis added): Firms posing systemic risk have more heterogeneity than the focus on financial firms has led many to believe. Instead, our estimations demonstrate that many of the most central firms—and thereby firms posing the risk of largest aggregate losses following an idiosyncratic shock—are of varying sizes and in varying industries. Furthermore, focusing on those aggregate losses as a ratio of firm revenue revealed how some firms have a disproportionate impact on the economy through a multiplier effect borne out of network ties. … Of those heavily interconnected firms, we observed that many represent top financial firms (e.g., Bank of America, J.P. Morgan) while others represent top technology (e.g., Alphabet, Amazon, Apple, Cisco), telecommunica- tions (e.g., AT&T), and health care (e.g., UnitedHealth Group, CVS Health) firms. My take Cloud and communications services have proven indispensable for enterprises and employees seeking to maintain a semblance of normalcy and functioning business operations during the coronacrisis. Unfortunately, as the RAND research and various outage incidents demonstrate, tying one’s business to the fortunes of another creates new revenue and operational risks that are beyond one’s control. The RAND work marks the first effort at exposing sources of systemic risk outside the financial sector and quantifying those risks across the entire economy. If the financial engineering before the 2007 crisis taught us anything, it’s that any highly interconnected system designed to eliminate risks contains obscure, unperceived threats that only manifest themselves after the damage is done. Online marketplaces, app stores, cloud, communication and application services could be this decade’s version of CDOs and CDSs, but with ramifications across a broader swath of the economy. The RAND authors provide a valuable early warning of potential disruption and the need for long-term mitigation planning when they write (emphasis added): The highly networked nature of the economy has the potential to amplify known sources of systemic risks and add new ones. … Advanced economic modeling can locate the central nodes in the network—those that, if disrupted, will lead to significant economic damage. After the Covid-19 pandemic, which is accelerating the transition to a virtual economy, policy makers need to broaden their definition of systemic risk.

#### Crisis causes war---data proves.

Tania Lațici & Elena Lazarou 21. Tania Lațici is a Non-resident Fellow with the Transatlantic Leadership Program at the Center for European Policy Analysis. Elena Lazarou is the Head of the External Policies Unit of the European Parliamentary Research Service. “Peace and Security in 2021”. https://www.europarl.europa.eu/RegData/etudes/STUD/2021/690669/EPRS\_STU(2021)690669\_EN.pdf

The link between financial crises and a deterioration in democracy, peace and security has been highlighted by several studies. As noted by Matthias Goldmann, 'in recent years, more and more data has become available which reveals a correlation between sovereign debt crises and the outbreak of civil wars. 225 Thomas Piketty and Branko Milanović have stressed the link between financial crisis, inequality and social collapse. 226 In addition to economic recession and falling trade volumes, global economies are strongly affected by chronic deflation. Historically, there is a correlation between inflation-deflation cycles and the debt cycles: deflationary pressure increases during peace years, and inflationary, during war years. 227 Writing for The Economist, Qian Liu has warned that the next economic crisis could cause a 'global conflict'.228 This is concerning, particularly in the context of the current debate on a new 'cold war' brewing between the US and China, in the paradigm of a 'Thucydides's trap'.229

The combination of global social risks, increased international tensions due to rising protectionism and the Covid-19 pandemic, has raised some concerns regarding the risk of a repetition of the 1930s scenario, which eventually led to World War II. 230 The US 'America first' protectionist trade policy developed under former president Donald Trump could reignite under Joe Biden's stimulus package. Under the Biden administration, protectionism may be more targeted and subtle, but it is not going to disappear. Furthermore, high rates of unemployment, and unconventional monetary policy measures, including possible 'modernisation' of the main central banks' legal mandates and their impact on debt cycles and inequality, have all been cited as causes for concern. 231 The dangerous link between the state of the global economy and peace has, once more, come to the fore – this time as a result of the 21st century's gravest health crisis. Massive stimuli by central banks and governments, such as US$120billion in monthly bond purchases by the US Federal Reserve, or the $1.9 trillion stimulus bill adopted by US Congress (American Rescue Plan Act of 2021) awoke, in January 2021, not only hope of economic growth but also fears of rising inflation. The US Treasury yield curve has steepened to four-year high and, as noted by Standard & Poor's Global Market Intelligence Unit, 'A steep yield curve – when there is a large spread in interest rates between shorter-term Treasury bonds to longer-term bonds – often precedes a period of economic expansion, as investors bet that a central bank will be forced to raise rates in the future to tamp down higher inflation'.

#### Scenario 3 is Innovation:

#### Antitrust is key to innovation---anything short is ineffective because it operates within monopolistic markets.

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Nonetheless, breakups are critical on at least two grounds. In testimony before the House of Representatives last year, Judge Diane Wood stated that “without competitors, there will be no competition.” Even if Congress and agencies prohibit certain forms of unfair competition, they cannot conjure up beneficial forms of competition in monopolistic markets, especially markets in which incumbents enjoy the protection of large network effects. Without a serious search rival, how much motivation does Google have to improve its search results and interface? In the absence of effective competitors, the quality of Google search appears to have steadily declined, including through the proliferation of often unwanted ads. So long as Amazon dominates e-commerce, will it feel much pressure to reduce commissions and improve other terms for its millions of sellers? Paired with rules on unfair competition, breakups of dominant tech corporations can ensure business rivalry that confers benefits on consumers, workers, and suppliers. Great size also means great power: Amazon exercises power up its supply chain to the detriment of manufacturers and their workers, while Facebook and Google wield outsized clout over advertisers. Further, a corporation that owns dozens of plants and facilities across the United States is well positioned to thwart labor organizing. Large corporations today, in the words of labor lawyer Brandon Magner, “disperse their production without dispersing their power.” Under current American labor law, unions can only be formed at the establishment level. For example, Amazon warehouse workers would have to organize the company one warehouse at a time. With its concentration of power but decentralization of operations, a firm like Amazon can reallocate work away from warehouses with unions or even nascent signs of union activity and toward warehouses with more quiescent workforces. This is not a new fear. In 1920 the Interchurch World Movement attributed the failure of workers to organize U.S. Steel to the corporation’s enormous size: The first cause of failure was the size of the Steel Corporation. . . . It had too large a cash surplus, too many allies among other businesses, too much support from government officers, local and national, too strong influence with social institutions such as the press and the pulpit, it spread over too much of the earth—still retaining absolutely centralized control—to be defeated by widely scattered workers of many minds, many fears, varying states of pocketbook and under a comparatively improvised leadership. Giant corporations—specifically their controlling shareholders and top executives—wield extraordinary power in society. They can use their command of economic resources to shape the course of political campaigns, fund favorable media coverage, sponsor sympathetic scholarship, and decide which cities and regions thrive. The utility holding companies did this in the 1920s and ’30s and Big Tech companies do this today. Lord John Browne, the former CEO of BP, candidly told the Wall Street Journal in 2003: “We do get the seat at the table because of our scope and scale. Whether we are the second or the third largest (oil) company is of very little import, but we’re certainly up there and we operate in places which are important to the United States government, and the United States government is important to us.” Jeff Bezos exercised the power that comes with scope and scale in a particularly brazen fashion in 2017 when he invited states and cities to compete to host Amazon’s second headquarters. Municipal and state governments offered Amazon lavish incentives with the aim of attracting “HQ2” and the associated jobs and tax revenues. This frenzy to entice one of the world’s richest men took a particularly embarrassing turn when New York Governor Andrew Cuomo jokingly offered to rename himself Amazon Cuomo if Bezos selected New York for the second headquarters. With elected officials supplicating before Bezos, democracy certainly seemed subordinate to great wealth.

#### Big tech creates walled gardens, those are the single biggest block to innovation. Antitrust solves.

Zephyr Teachout 12/10. Professor at Fordham University School of Law. “Look Out, Big Tech, We’re Coming for You.” <https://newrepublic.com/article/164679/antitrust-break-up-big-tech>.

DuckDuckGo is increasingly a rarity, when it should be the most standard kind of company in the country. It is a successful, midsize tech company that has built itself by promising to be a search engine that would give users a different interface—one with a lot of privacy protections—from the two leading search engines. But it’s a total outlier because FAANG (Facebook, Amazon, Apple, Netflix, and Google) has built its power on hoarding data and then acquiring or crushing potential rivals. Like all top-heavy systems, this one can’t last. We should—and soon will—have thousands of DuckDuckGos, all innovating in ways that improve the user experience, competing with each other to improve quality and to serve different sectors of the population that might want different things. But how do we get there? While most people think of antitrust as vertical and horizontal breakups—or blocking a merger or divestiture—much of the most powerful antitrust work isn’t about that at all. It’s about enforcing rules that prohibit companies from entrenching their power through illegal, walled gardens. We use the phrase “breakup,” but many of the cases would be more accurately described as an “open up,” where the law serves to pry apart informational monopolies jealously held by a few big companies and to ban contracts that entrench power by punishing competition. For instance, when Attorney General for the District of Columbia Karl Racine brought his antitrust case against Amazon this summer, he wasn’t asking for a direct breakup. He was asking for an opening up, because Amazon is illegally closing the channels of power. The lawsuit challenges Amazon’s use of restrictive agreements that keep third-party sellers from offering lower prices elsewhere, even on their own websites. If Racine wins the suit, Amazon will be forced to behave more like a platform and less like an octopus, and third-party sellers can innovate themselves, or work with competitors who can also innovate. Or when Lina Khan, the chair of the Federal Trade Commission, put out a notice about new enforcement policies around “right to repair”—the right of end users to repair electronics free of manufacturer restrictions—the result was Microsoft and Apple opening up, so that small, entrepreneurial companies that had been denied access to important information were suddenly given the keys to provide repair services. Khan’s enforcement statement was like an “Open Sesame” command to Microsoft and Apple. The economy that emerges from aggressive antitrust action isn’t about isolated companies, but shared public protocols (like the protocol of the seven-digit phone number) that enable entrepreneurship and a robust, interactive economy. Forced licensing, the requirement of shared protocols or enforcement of bright-line rules against restrictive agreements, isn’t new to antitrust. It may not fit with our image of Teddy Roosevelt on a horse cutting Standard Oil into pieces with his sword. In fact, it defined the work of the late nineteenth century, as the brilliant historian Richard R. John showed in his book Network Nation: Inventing American Telecommunications. To take one example: The telephone became popular only as telephone companies were forced to allow access to the telephone network. What is new, though, is the scope and nature of the problem. Big data wasn’t around in 1911. The challenge of concentrated data, and the degree to which data constitutes power today, can’t be overstated. When we talk about monopolies, a lot of what we are talking about is data monopolies. Right now, FAANG owns people’s data. On a personal level, that’s an incredibly undignified situation to be in—to have Schmidt, Bezos, Pichai, Zuckerberg, and Cook sitting like jailers above all of us, using our data for their experimentation and profit. On an economic level, it is the biggest single block to innovation and, arguably, to economic growth. The challenge of data monopolies means three things for antitrust: first, a greater focus on using existing legal tools to demand settlements to open up access, and on litigation that can lead to quick changes in the data power structures. Second, it means we need to pass new laws directed at the particular problem of data concentration. Third, it means getting past the old framework of “vertical” and “horizontal” mergers and contractual restraints. When Amazon bought Whole Foods, it didn’t fit neatly into either box, but it certainly allowed Amazon to cement power in its walled garden by amassing data over its customers. The appointments of Khan to the FTC and Jonathan Kanter to head the Department of Justice’s antitrust division are strong moves in the right direction. But the state attorneys general play an outsize role. They have started to enforce existing laws in a far more aggressive way: Think of it like tech impact litigation. These cases don’t have to go on for years: If Big Tech knows attorneys general are serious, they can insist on settlements that include agreements to open up access to data and applications. At the same time, attorneys general have a lot of sway when advocating for state law changes that would force access that might be impossible at the federal level. One of the problems with the “break them up” mantra—and here I plead guilty to having helped popularize it!—is that while people may want it, they are smart enough to know that big divestiture cases can take a decade, and it doesn’t seem like it will change their lives, or the tech industry, fast enough. But once we understand that breaking up isn’t just about dismantling but also about forcing open access, it’s a lot easier to see short-term changes, analogous to the recent right-to-repair changes, that would transform the industry in the short term. If we enforce existing law and pass new laws directed at the particular problem of data concentration, we can imagine a future where all individuals control and direct their own data—their own history of interactions of shopping and reading—much as they now log their financial activity in a private bank account. The information is kept in a bank but not controlled by the bank, and each person can take it where they want to go. Because antitrust enforcers will break up, open up, and won’t allow the walled gardens to develop, they will be able to shift easily between different service providers, which in turn will allow those service providers to flourish when they provide good services—not just when they engage in lockouts.

#### Antitrust is key to innovation leadership.

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The goal underpinning U.S. antitrust law is to promote competition that leads to lower prices and enhanced consumer welfare. For years, antitrust agencies have approached this goal by focusing on short-term, static competition, which emphasizes achieving low prices in the here and now. This narrow focus, however, has resulted in unnecessary conflict between the static competitive analysis deployed by antitrust regulators and the dynamic issues raised by intellectual property. Fortunately, over the last few decades, a growing recognition has emerged among economists that antitrust laws must be recalibrated to preserve the incentive to innovate and promote the U.S. innovation economy. These economists are calling for an antitrust framework that prioritizes dynamic over static competition — placing less weight on market concentration in the assessment of market power and more weight on assessing technological opportunity, innovation-driven competition and appropriate enterprise-level capabilities. At the heart of this movement is the foundational principle, dating back to Joseph Schumpeter and Nobel Laureate economist Robert Solow, that innovation is the main driver of economic growth. Indeed, given the strong economic evidence that innovation drives productivity, sharpens competition and creates new products, a serious consumer-oriented antitrust policy, with an intermediate-to-long-term orientation, necessarily must focus primarily on supporting and advancing innovation. However, although antitrust agencies routinely claim to favor both innovation and competition, this has not always been the case. For instance, during the previous administration, some agency heads unnecessarily generated tension between static competitive analysis — with its undue emphasis on achieving low prices in the short term — and the dynamic issues implicated by intellectual property and associated royalty payments. Royalties, in the short run, raise prices of licensed goods relative to the prices that would prevail absent payments. However, payments to licensors also support innovation by helping innovators achieve the economic returns necessary to draw forth the critical investment dollars needed to support research and development (R&D) and continuing innovation. This model produces a continuous cycle of innovation in which innovators are properly incentivized to invent and reinvest their royalties into more R&D, which leads to new innovations and restarts the cycle. A prime example of the dynamic benefits flowing from such an innovation ecosystem is 5G. This revolutionary technology promises the ability to connect to and control cities, automobiles, objects and devices, transforming a broad range of industries in the process. Thanks to its private-sector top performers, the United States currently leads the world in 5G — a distinction that comes with an extraordinary opportunity for massive economic growth and increased consumer welfare. However, the rigid application of an antitrust framework focused on short-term pricing, rather than on innovation as a critical driver of competition, could cause the United States to forfeit its 5G leadership position. This would not only reduce consumer welfare but would pose a clear risk to U.S. national security — a fact recognized by U.S. national defense agencies in prohibiting a foreign company from acquiring Qualcomm, a U.S. technology company, because the proposed transaction imperiled Qualcomm’s 5G leadership position. Recently, the U.S. Department of Justice (DOJ) has indicated that a course correction may be underway. In a series of speeches, Assistant Attorney General Makan Delrahim, head of the DOJ’s Antitrust Division, signaled that the focus of a sound antitrust analysis must be less on short-term pricing and more on the innovation and growth that delivers value to consumers over the longer term. For example, in his speech before the U.S. Embassy in Beijing, Delrahim invoked “promoting dynamic competition” as a normative goal of competition regulators. He also declared that “competition law enforcers around the world must give careful consideration to the interests that drive innovation, including by allowing innovators to reap the full rewards of their investment in research and development.” It appears that Delrahim correctly recognizes that innovation is the critical driver of competition.While Delrahim’s leadership on this issue is admirable, officials at the Federal Trade Commission (FTC) regrettably have yet to follow the DOJ’s lead. The FTC continues to endorse outdated modes of competition regulation and policies that are not properly calibrated to promote dynamic competition and advance innovation. In order to truly enhance consumer welfare over the long term, I hope the FTC soon will join hands with the DOJ and help move the United States toward a pro-innovation policy founded upon a dynamic competition paradigm. For over 30 years, a small group of economists has been calling for a pivot in antitrust in favor of dynamic over static competition. With Delrahim at the helm of the DOJ’s Antitrust Division, we may soon witness such a pivot. U.S. antitrust policy needs to adopt a deeper understanding of innovation processes and competition over the long run, and there needs to be greater policy coherence among antitrust, industrial and technology policies. The dynamic competition paradigm is both the easiest and the best intellectual paradigm for the competition agencies and the courts to employ to free antitrust from its current outmoded framework. Indeed, prioritizing dynamic competition over its weaker sibling will enhance not just consumer welfare, but economic welfare, too.

#### Failure to sustain innovation leadership makes a China war inevitable.

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The global economy has become more integrated, with China’s economy growing strongly—poised to soon take over the United States at market exchange rates and having already done so in terms of purchasing power parity. More importantly, China has become the top trading partner and creditor/investor for many countries. The size and penetration of the Chinese economy have rendered a strategy of containing China impractical and costly to all sides, and makes the US-China contention more protracted and difficult.The West thus faces a dilemma: Efforts to decouple from China in order to limit its influence would hurt not only China but also Western countries and the global economy more broadly, but striking a trade deal with China to reduce tensions will likely help the Chinese economy perform better, making the strategic competition with Beijing more intractable.The rivalry has slowly led to a bifurcation of the global economy, most discernible in high-tech areas such as the tension between digital authoritarianism and digital liberalism, artificial intelligence and surveillance technologies, satellite-based navigation for civilian and military uses, and 5G/6G telecommunications.A balanced assessment It’s important to remember that China has many weaknesses, including an aging population with a shrunken labor force, a secular decline in labor productivity, high levels of debt, environmental degradation, and social and economic inequalities. It is still an open question whether China can graduate from its old and trusted development model of mobilizing massive investment for exports to one driven by innovation—a model that tends not to thrive under political control. However, it is equally important not to underestimate the domestic challenges facing the United States and several European countries. Confronted by aging populations and declining productivity, many affluent Western countries have been beset by populist backlashes against economic inequalities and social problems. Especially in the United States, the division has deepened to the extent that there is no shared perception of reality, let alone common ground for debate. This makes it difficult for the United States to build political consensus behind any sustained actions needed to deal with its challenges—even though the country has managed to overcome difficulties in the past and could do so again. With or without the label “cold war,” the United States and China are locked in a protracted conflict over core national values, including economic and geopolitical interests. The fact that the Chinese economy is stronger than the Soviet Union’s decrepit economy, playing a key role in integrated global supply chains, while many Western countries suffer from internal divisions, makes the strategic competition more challenging for the West than the Cold War of the late twentieth century was. Of particular concern is the fact that the United States has suffered a steep fall in its Freedom House “Freedom in the World” score since 2010, denting much of its soft power. Consequently, the contestants in today’s conflict appear to be more evenly matched, making for a difficult struggle ahead—whatever you want to call it.

#### Chinese tech supremacy causes nuclear war.

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Recently, analysts have argued that emerging technologies with military applications may undermine nuclear stability (see here, here, and here), but the logic of these arguments is debatable and overlooks a more straightforward reason why new technology might cause nuclear conflict: by upending the existing balance of power among nuclear-armed states. This latter concern is more probable and dangerous and demands an immediate policy response. For more than 70 years, the world has avoided major power conflict, and many attribute this era of peace to nuclear weapons. In situations of mutually assured destruction (MAD), neither side has an incentive to start a conflict because doing so will only result in its own annihilation. The key to this model of deterrence is the maintenance of secure second-strike capabilities—the ability to absorb an enemy nuclear attack and respond with a devastating counterattack. Recently analysts have begun to worry, however, that new strategic military technologies may make it possible for a state to conduct a successful first strike on an enemy. For example, Chinese colleagues have complained to me in Track II dialogues that the United States may decide to launch a sophisticated cyberattack against Chinese nuclear command and control, essentially turning off China’s nuclear forces. Then, Washington will follow up with a massive strike with conventional cruise and hypersonic missiles to destroy China’s nuclear weapons. Finally, if any Chinese forces happen to survive, the United States can simply mop up China’s ragged retaliatory strike with advanced missile defenses. China will be disarmed and US nuclear weapons will still be sitting on the shelf, untouched. If the United States, or any other state acquires such a first-strike capability, then the logic of MAD would be undermined. Washington may be tempted to launch a nuclear first strike. Or China may choose instead to use its nuclear weapons early in a conflict before they can be wiped out—the so-called “use ‘em or lose ‘em” problem. According to this logic, therefore, the appropriate policy response would be to ban outright or control any new weapon systems that might threaten second-strike capabilities. This way of thinking about new technology and stability, however, is open to question. Would any US president truly decide to launch a massive, bolt-out-of-the-blue nuclear attack because he or she thought s/he could get away with it? And why does it make sense for the country in the inferior position, in this case China, to intentionally start a nuclear war that it will almost certainly lose? More important, this conceptualization of how new technology affects stability is too narrow, focused exclusively on how new military technologies might be used against nuclear forces directly. Rather, we should think more broadly about how new technology might affect global politics, and, for this, it is helpful to turn to scholarly international relations theory. The dominant theory of the causes of war in the academy is the “bargaining model of war.” This theory identifies rapid shifts in the balance of power as a primary cause of conflict. International politics often presents states with conflicts that they can settle through peaceful bargaining, but when bargaining breaks down, war results. Shifts in the balance of power are problematic because they undermine effective bargaining. After all, why agree to a deal today if your bargaining position will be stronger tomorrow? And, a clear understanding of the military balance of power can contribute to peace. (Why start a war you are likely to lose?) But shifts in the balance of power muddy understandings of which states have the advantage. You may see where this is going. New technologies threaten to create potentially destabilizing shifts in the balance of power. For decades, stability in Europe and Asia has been supported by US military power. In recent years, however, the balance of power in Asia has begun to shift, as China has increased its military capabilities. Already, Beijing has become more assertive in the region, claiming contested territory in the South China Sea. And the results of Russia’s military modernization have been on full display in its ongoing intervention in Ukraine. Moreover, China may have the lead over the United States in emerging technologies that could be decisive for the future of military acquisitions and warfare, including 3D printing, hypersonic missiles, quantum computing, 5G wireless connectivity, and artificial intelligence (AI). And Russian President Vladimir Putin is building new unmanned vehicles while ominously declaring, “Whoever leads in AI will rule the world.” If China or Russia are able to incorporate new technologies into their militaries before the United States, then this could lead to the kind of rapid shift in the balance of power that often causes war. If Beijing believes emerging technologies provide it with a newfound, local military advantage over the United States, for example, it may be more willing than previously to initiate conflict over Taiwan. And if Putin thinks new tech has strengthened his hand, he may be more tempted to launch a Ukraine-style invasion of a NATO member. Either scenario could bring these nuclear powers into direct conflict with the United States, and once nuclear armed states are at war, there is an inherent risk of nuclear conflict through limited nuclear war strategies, nuclear brinkmanship, or simple accident or inadvertent escalation. This framing of the problem leads to a different set of policy implications. The concern is not simply technologies that threaten to undermine nuclear second-strike capabilities directly, but, rather, any technologies that can result in a meaningful shift in the broader balance of power. And the solution is not to preserve second-strike capabilities, but to preserve prevailing power balances more broadly. When it comes to new technology, this means that the United States should seek to maintain an innovation edge. Washington should also work with other states, including its nuclear-armed rivals, to develop a new set of arms control and nonproliferation agreements and export controls to deny these newer and potentially destabilizing technologies to potentially hostile states. These are no easy tasks, but the consequences of Washington losing the race for technological superiority to its autocratic challengers just might mean nuclear Armageddon.

### Democracy---1AC

#### Advantage 3 is Democracy:

#### Big tech monopolies are the greatest threat to liberal democracies---failure to update antitrust legislation causes autocratic takeover.

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The lack of regulation of the tech monopolies is the greatest danger to liberal democracies There are two possible exit scenarios for the end of the tech monopolies. If we continue without strict regulation of GAFA, the polarization within society will grow. The economic opportunities of smaller businesses will shrink more and more because of the growing profits of the monopolies, and the GAFA companies will be able to take over whole new fields of business. An ever-growing concentration of economic power will lead in the medium term to an erosion of the market economy. This will soon cause social unrest, distribution struggles, and an increasing destabilization of our liberal democracy, which will be unable to gain control of the economic inequality. There have been clear signs of this development for many years, but our debate so far remains focused on the symptoms instead of asking about the causes. This is regrettable, because the facts are there for anyone to see. You only have to look at where record turnovers are being made in the midst of a great European recession, where profits are increasing permanently, and market shares are being gained. And in my opinion, this dark scenario can only end in a state run by autocratic populists. We only have to look at protectionist China to see where this might lead. The GAFA companies have nothing to say there anymore, and the Chinese have constructed their own tech ecosystem. The Chinese population pays a very high price for this in the form of an illiberal dictatorship in which politicians decide who is allowed to have economic success. The second, optimistic exit scenario is a return to European sovereignty and our social market economy. Ludwig Erhard, who as Minister of Economic Affairs led Germany's remarkable post-war economic recovery (the Wirtschaftswunder, or 'economic miracle'), and later became Chancellor, already postulated that a market economy can only work if it works for everyone. What Erhard was referring to here was protection against interference in the state, but also protection against monopolists and cartels. Ludwig's legacy is being kept alive today by the likes of EU Commissioner Margrethe Vestager, who campaigns like almost no other politician in Europe for regulation of the GAFA companies. However, in contrast to the eagerness for reform in the early years of the Federal Republic, the EU is slower as well as unclear in its vision and in its willingness to shape the future. And that is precisely the weakness that the US corporations have been exploiting for many years. Far-reaching regulation of the tech monopolies is urgently necessary and unavoidable In my mind, there can be no doubt that splitting up the GAFA companies is unavoidable in the long term if we want the liberal democracies of the Western world to survive. This is not only in the hands of the EU, but is ultimately a decision of the US government. Which is why this topic must be given utmost priority in German and European foreign policy. The US is rightly demanding that we take our security interests increasingly into our own hands. But the ability to act in a self-determined manner also requires a functioning market economy, which is why we must immediately prompt the US to modernize its antitrust legislation and, after sharp debate in the Senate, to also become active in the campaign to split up the GAFA companies.

#### Every facet of democratic governance is underpinned by big tech monopolies---data-driven computational politics are the largest internal link.

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Data is information, and accurate information is at the heart of any successful business venture. In digital markets, personal user data is taking centre stage as the primary ingredient for economic and increasingly also for political success. More and more evidence is surfacing that personal user data is being instrumentalised in order to shape political beliefs, reinforce onesided thinking and create filter bubbles or echo chambers. The following tour d’horizon showcases recent findings from research in areas such as media studies, political science, and science, technology and society studies (STS) that highlight the issues that have arisen and continue to arise at the intersection of technology and democracy.48 Data capabilities together with the options available thanks to digital advertising and social media channels have opened up ‘a new type of data-driven interaction between politics and citizens [that applies] advanced statistical and machine learning algorithms [to implement] new political strategies’.49 This phenomenon has sometimes been referred to as ‘computational politics’.50 In addition, the personalisation of news through data-driven algorithms changes not only the media landscape, but also how public debates take place in Western liberal democracies51 – with the potential for interference from the intermediaries that stand between publishers and end users, and the possibility of misuse of online dynamics by political actors. In the present context, the phrase ‘democratic deficit’ will be used to describe democracy related harm, ie harm to democratic processes that arises in a certain context.52 Democratic deficits in digital markets can be attributed to several factors, such as the dynamics of digital markets, the intermediary function of platforms, and the digital platforms’ power over data – a feature of digital markets that has also been keeping the antitrust world on its toes.53 While this cannot easily be separated, different types of democratic deficits appear to emerge online. On the one hand, there is the spreading of misinformation that concerns an election or a particular political debate. Parties that can have an interest in such behaviour include foreign powers that want to interfere with democratic processes,54 or political campaigns that want to spread wrong information about opponents or situations in order to influence voters and public sentiment. 55 On the other hand, there is the use of political micro-targeting by political campaigns themselves in order to sway voters in their favour, in particular by using the methods of targeted advertising that digital platforms make available.56 In the digital sphere, this type of practice is rendered possible by the large troves of user data that communication, social media and other digital platforms have at their disposal, and that they use in order to ‘influence voters through the direct transmission of stimuli, which are formed based on the preferences and characteristics of an individual’.57 Through the application of ‘sophisticated psychological and technological methods’, individual users are then targeted with personalised political content.58 Both of these scenarios make use of the dynamics of online communication platforms that favour outrageous, ‘clickbait’ content that evokes an emotional response from users, rather than constructively contributing to political debates by setting out a variety of (often more moderate) views.59 And both of these scenarios lead to the realization that the data capabilities in the hands of Big Tech platforms are important sources for the democratic deficits arising online. For these and further reasons, the European Parliament is debating, at the time of writing, whether one needs to put a halt to targeted ads as are currently offered by several Big Tech companies,61 while the European Commission has just published draft legislation to provide transparency on how users are targeted with political ads.62 Digital platforms can also give rise to democratic deficits by making ‘editorial-like judgments … in selecting, ranking and displaying information’ and savouring their ‘role as distribution bottlenecks’.63 Increasingly, free speech in the online sphere is threatened by online intermediaries that have become ‘the new governors of speech’, engaging in opaque content moderation and applying algorithms that curate what content end users are shown.64

#### Antitrust is key---anything short retains a system of picking political winners and losers.

Talib Visram 19. Staff Writer at Fast Company. “This man says Big Tech is ‘the greatest threat to democracy since the Civil War’.” https://www.fastcompany.com/90416600/this-man-says-big-tech-is-the-greatest-threat-to-democracy-since-the-civil-war.

One of Elizabeth Warren’s signature 2020 proposals is to break up big tech companies such as Facebook and Google—but this isn’t new territory for the senator. In June 2016, she gave a keynote speech addressing the threat of consolidation and concentration of the big tech companies on American ideals. “Concentration threatens our markets, threatens our economy, and threatens our democracy,” she said, urging leaders to “revive antitrust enforcement and . . . fight back against dominant market power and overwhelming political power.” This is by no means a revolutionary concept. “Competition policy is how you achieve democracy and liberty,” says Barry Lynn, the former director of the Open Markets Program at New America, which hosted Warren’s remarks. “And that has been true from the founding of the United States.” The Sherman Antitrust Act, which became law in 1890, was the original piece of federal antitrust legislation, which the Supreme Court then used as grounds in 1911 to break up Standard Oil. The Clayton Antitrust Act, enacted in 1914, further strengthened those laws, adding stipulations to curb discriminatory pricing and block mergers and acquisitions that significantly reduced market competition. But Lynn, an ex-journalist who is now executive director of the Open Markets Institute (which he formed after an acrimonious departure from the New America foundation over an argument about corporate power), says the Reagan administration softened antitrust laws, and they’ve remained lax ever since, allowing “capitalists to concentrate their power.” That’s why we see monopolies across all industries, creating “masters of entire domains,” like Walmart, Pfizer, and Monsanto. “So it is not just the tech companies,” he says. “They’re just the problem on steroids.” The Amazons and Googles of the world have monopolized several markets at a time, and collect behavioral data in a way that the Walmarts were never able to. In July, retailers including Walmart and Target threw their support behind the government’s ongoing investigation of the tech giants. “Big Tech is a really fucking big problem,” Lynn says. “It is the greatest threat to democracy that we have seen in our country since the Civil War.” Lynn’s work at the Open Markets Institute, a think tank that focuses on anti-monopoly policy, includes advocacy via written articles and papers, debates with economists and antitrust scholars, dialogues with lawyers and filing amicus briefs, engagement with the Department of Justice and the Federal Trade Commission, and interacting with legislators and testifying before Congress. “We will talk to Republicans, Democrats, Independents, Socialists,” Lynn says, making clear that this need not be a partisan issue. He says the Institute has met with more than half of the 2020 Democratic candidates to promote its ideas. Open Markets doesn’t endorse candidates, but Lynn speaks highly of Warren, whose 2016 speech for New America, he says, was “probably the single most important speech in the history of the resurrection of anti-monopolization in the United States.” Markets was originally a branch of New America, but it split off from the larger organization in 2017 when then-senior fellow Lynn commended a $2.7 billion antitrust fine against Google, which had partially funded New America. The Open Markets Institute launched in September 2017, specifically “to address threats to our democracy, individual liberties, and our national security from today’s unprecedented levels of corporate concentration and monopoly power.” The Open Markets Institute is not against market competition, which Lynn says “is inherent in society.” It’s not even advocating for regulation for the reason of lowering prices. The rationale is loftier: It’s about preserving the nation’s founding economic traditions. “We have a full vision of an alternative political economy,” he says, “based on the competition policy that was put into place at the founding of the United States.” Lynn is also comfortable with classifying Amazon and other tech giants as “natural monopolies,” akin to essential facilities like electricity and gas. Perhaps it’s easier if everyone can simply go to Amazon for their books, say. “Maybe we’re dealing with monopolies that the public, given their druthers, would actually choose to have,” he says. If that’s the case, then Amazon, Google, and Facebook are the gatekeepers that allow individuals access to the marketplace—and Lynn says they then have a duty to treat everyone evenly. He’s concerned specifically about personalized pricing, the idea that companies can use your data to decide what to tempt you into buying, and, if you seem willing to pay more, at a potentially higher price than they’re offering to another user. He uses the analogy of a single local railroad that charges residents for transporting their grain to market. “That person must charge everybody the same price for the same terms of service,” he says. The danger is not just economic, Lynn says, but also political. That gatekeeper has the ability to pick winners and losers, and so ultimately has the power to extort and exercise political control. Customers can voluntarily choose not to shop at Amazon, for example, but some people aren’t in a financial position to buy their groceries at a farmer’s market instead. Besides, he says the effects are marginal, compared with federal action. So it’s up to the government to “neutralize” these companies: to enact anti-monopoly laws to regulate the mushrooming growth of these corporations and their mergers and acquisitions. That doesn’t mean nationalizing the companies. It doesn’t even mean the government setting prices. It’s simply the government laying out an equal playing field so that everyone can participate fairly in the market. “It’s really quite simple,” Lynn says. “We’ve done it a gazillion times.” For Lynn, the 2015 decision on net neutrality provides a template. The FCC ruled in favor of the regulatory initiative to guarantee every individual equal access to the internet, at the same speeds and at the same prices. Regulation of a similar kind can be applied to the monopoly issue, which would effectively spur more competition. “The most important thing the government can do is actually engineer competition, so that there are real incentives and rewards for introducing technologies,” Lynn says. “To free individual people, who can go out and bring forth all their best ideas.”

#### Antitrust law can’t remain inactive---it’s the lynchpin.

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In the 21st century, voter choice and the broader political debate are within the reach of those that can access and channel the vast streams of user data that are generated online. The role of personal user data in digital markets, as well as the use that digital platforms make of that data in order to influence the outcome of democratic processes, have become central issues that liberal democracies must confront at the dawn of this new decade. The paper explores whether competition law has a role to play when it comes to addressing this intersection of Big Tech, data, and democracy. It first sets out the democratic roots of competition or antitrust law in the United States and the European Union. From these, the paper deduces that competition law cannot remain inactive when it comes to maintaining a democratic society in the face of the abilities of Big Tech to influence democratic processes and outcomes. The paper then goes a step further and asks what role competition law could play in this regard. Should democratic values simply be reflected in the procedural set-up of antitrust law, or is there a role for democratic values in the substantive provisions as well? And if so, does antitrust law’s focus on keeping market power in check suffice to fulfil its role in a democratic society, or does this role require the law to specifically target anti-democratic market behaviour as anticompetitive harm? In navigating these questions, the paper contributes to the ongoing debate on political antitrust – which has been sparked by the big digital platforms’ influence on political outcomes – and sets out an ambitious research agenda on how to carry this discussion forward.

#### Democracies are comparatively more peaceful than alternatives.

Dan Reiter & Allan C. Stam 3/31/22. Samuel Candler Dobbs Professor of political science at Emory University. Professor of public policy and politics at the University of Virginia. “Why democracies win more wars than autocracies.” <https://www.washingtonpost.com/politics/2022/03/31/ukraine-democracies-war-putin-russian-losses/>.

Autocrats start risky wars Three historically consistent patterns have emerged in the war in Ukraine. First, autocracies are more likely than democracies to start risky wars they go on to lose. Dictators are more willing to initiate high-risk wars because they know they can crack down on political opposition and remain in power if the fight goes badly. Iraq, for instance, launched two disastrous invasions of Iran and Kuwait. Even so, Saddam Hussein crushed internal uprisings to stay in power. Democratic leaders often, but not always, avoid these kinds of military failures, fearing the domestic electoral backlash of wars gone wrong. This is why democracies tend to win their wars — and why they wage shorter wars with fewer casualties. Like past authoritarians in Russia and elsewhere, Russian President Vladimir Putin has positioned himself domestically. He has steadily consolidated his hold on power over two decades, neutering the Russian parliament and political opponents, and destroying Russia’s independent media. Putin is now using that unchecked power to crush minor outbreaks of opposition, even from 7-year-old children. By eradicating the last vestiges of free speech and press in Russia, Putin may have felt comfortable taking on the risk of invading Ukraine. Dictators have to keep their militaries in check Second, like most dictators, Putin probably has some concerns about being overthrown by his own military. Dictators guard against this potential threat by centralizing military command authority and reducing the ability of lower-level commanders to take the initiative in battle. These moves may reduce an army’s ability to seize power in a crisis — but also undercut the military’s ability to defeat foreign foes. In its wars against Israel, the Egyptian leadership consistently restrained military leaders to lower the risk of an internal coup — but this crippled Egyptian fighting ability. Conversely, Israel’s willingness to grant command authority to lower-level officers has proven highly effective. Putin’s army today demonstrates the calcification and rigidity of a dictatorship. He appears unwilling to delegate decision-making autonomy to lower-level commanders, reducing military effectiveness. One result is that many high-level Russian officers lead from the front lines, where they have been killed in large numbers. Russia’s lower-ranked officers are not prepared or formally authorized to fill that leadership void. The Russian military’s inflexibility may explain other areas of poor performance. These include Russia’s curious vulnerability to Ukraine’s slow but lethal tank-killing drones, and the decision to drive a 40-mile-long Russian tank column into Ukraine along main roads exposed to ambush. Ukrainian troops, in contrast, are demonstrating bravery under fire combined with individual initiative — and inflicting surprising damage on Russian forces and supply lines. Dictators tend to ignore the truth Third, dictators often surround themselves with yes-men and political cronies, who deceive or remain silent rather than tell the unvarnished truth. Those in the inner circle typically reassure the leader that their vaunted troops will sweep aside the weak and corrupt enemy. In 1939, for instance, Joseph Stalin found out the hard way that invading Finland in winter was asking for trouble. In contrast, democratic leaders are more likely to have the benefit of robust debate inside and outside government. In 1990, President George H.W. Bush heard the hard truth from General Colin Powell that victory over Iraq would require a massive effort. Powell got the military commitment he said was necessary and delivered the most lopsided military victory in modern history. What about Putin? Every indication is that the Russian president is isolated and getting poor information. His arch-loyal defense minister, Sergei Shoigu, tasked with modernizing the Russian military over the last decade, promised Putin rapid victory — then apparently disappeared from view for nearly two weeks. Putin’s generals and intelligence chief reportedly refused to tell him the truth before the war: that years of Russian military reform had not made substantial progress, instead producing a “Potemkin military.” Actual combat is an unfailing truth-teller. Russian forces have suffered remarkable casualties and appear unable to execute basic battle requirements, such as implementing vehicle maintenance and providing troops with food and warm clothing.

#### Democracy solves terrorism, war with revisionist states, famine, and poverty.

Garry Kasparov 17. Chairman of the Human Rights Foundation founded the Renew Democracy Initiative. “Democracy and Human Rights: The Case for U.S. Leadership”. U.S. Senate. http://www.foreign.senate.gov/imo/media/doc/021617\_Kasparov\_%20Testimony.pdf

The Soviet Union was an existential threat, and this focused the attention of the world, and the American people. There existential threat today is not found on a map, but it is very real. The forces of the past are making steady progress against the modern world order. Terrorist movements in the Middle East, extremist parties across Europe, a paranoid tyrant in North Korea threatening nuclear blackmail, and, at the center of the web, an aggressive KGB dictator in Russia. They all want to turn the world back to a dark past because their survival is threatened by the values of the free world, epitomized by the United States. And they are thriving as the U.S. has retreated. The global freedom index has declined for ten consecutive years. No one like to talk about the United States as a global policeman, but this is what happens when there is no cop on the beat. American leadership begins at home, right here. America cannot lead the world on democracy and human rights if there is no unity on the meaning and importance of these things. Leadership is required to make that case clearly and powerfully. Right now, Americans are engaged in politics at a level not seen in decades. It is an opportunity for them to rediscover that making America great begins with believing America can be great. The Cold War was won on American values that were shared by both parties and nearly every American. Institutions that were created by a Democrat, Truman, were triumphant forty years later thanks to the courage of a Republican, Reagan. This bipartisan consistency created the decades of strategic stability that is the great strength of democracies. Strong institutions that outlast politicians allow for long-range planning. In contrast, dictators can operate only tactically, not strategically, because they are not constrained by the balance of powers, but cannot afford to think beyond their own survival. This is why a dictator like Putin has an advantage in chaos, the ability to move quickly. This can only be met by strategy, by long-term goals that are based on shared values, not on polls and cable news. The fear of making things worse has paralyzed the United States from trying to make things better. There will always be setbacks, but the United States cannot quit. The spread of democracy is the only proven remedy for nearly every crisis that plagues the world today. War, famine, poverty, terrorism–all are generated and exacerbated by authoritarian regimes. A policy of America First inevitably puts American security last. American leadership is required because there is no one else, and because it is good for America. There is no weapon or wall that is more powerful for security than America being envied, imitated, and admired around the world. Admired not for being perfect, but for having the exceptional courage to always try to be better. Thank you

# 2AC – NDT Round 6

## T Scope

### T---Scope---2AC

#### We meet---plan text in a vacuum is most objective.

#### Counter-interp:

#### 1. Expand is to make larger.

Merriam Webster. "Definition of EXPAND". No Publication. xx-xx-xxxx. https://www.merriam-webster.com/dictionary/expand

Definition of expand

transitive verb

1: to open up : UNFOLD

2: to increase the extent, number, volume, or scope of : ENLARGE

3a: to express at length or in greater detail

b: to write out in full

expand all abbreviations

c: to subject to mathematical expansion

expand a function in a power series

#### 2. Scope includes types of abuses that are prohibited.

Paolo Buccirossi et al. 09. LEAR. Lorenzo Ciari, Lear and EUI. Tomaso Duso, Humboldt University Berlin and WZB. Giancarlo Spagnolo, University of Rome Tor Vergata, SITE, EIEF, CEPR. Cristiana Vitale, LEAR. “Measuring the deterrence properties of competition policy: the Competition Policy Indexes”. https://www.ssoar.info/ssoar/bitstream/handle/document/25822/ssoar-2009-buccirossi\_et\_al-measuring\_the\_deterrence\_properties\_of.pdf?sequence=1&isAllowed=y&lnkname=ssoar-2009-buccirossi\_et\_al-measuring\_the\_deterrence\_properties\_of.pdf

Also Hilton and Deng have tried to provide a quantitative summary measure of competition law. Their objective has been to gauge the size of the overall “competition law net” by collecting information on the breadth of the law and on its penalty and defence provisions in 102 countries over the time period January 2001 to December 2004.47 Their scope index differs from the CPI in that it tries to provide a summary description of the areas covered by competition law rather than an evaluation of its quality. Indeed, the scope index does not attempt to measure how the law is effectively enforced, nor the degree of independence of the CA or the quality of the law. 48

---FOOTNOTE 48 STARTS---

48 The information collected concerns the geographical scope of competition law, the remedies it allows, the type of private enforcement available to the damaged parties, the merger notification and assessment procedure, and the type of abuses of dominance and restrictive trade practices prohibited.

---FOOTNOTE 48 ENDS---

#### Prefer it:

#### 1. Aff ground---their interp causes stale debates and makes aff prep impossible---destroys fairness.

#### 2. Precision---their interp doesn’t have an intent to exclude. Steers predictable research.

#### 3. Overlimits---politics, agency tradeoff DAs, the antitrust PIC, states counterplan, and solvency advocates create a neg bias topic---only innovation can solve.

#### 4. Reasonability---their interp leads to arbitrary substance crowd out.

## Courts CP

### Courts CP---2AC

#### Perm do both.

#### Perm do CP. Courts or Congress can enlarge the scope of antitrust prohibitions.

Donald F. Turner 90. Professor of Law, Georgetown University Law Center. "The Virtues and Problems of Antitrust Law," Antitrust Bulletin 35, no. 2 (Summer 1990): 297-310.

However, unsound interpretations of antitrust laws have adverse economic effects. Court-formulated rules have varied from time to time over the years since antitrust statutes were passed, and the scope of antitrust prohibitions were either enlarged or reduced. While there are extensive disputes as to what the precedents' defects have been and are, it is generally recognized that antitrust law has had and still has some undesirable features that the courts or Congress should correct.

#### Links to NB.

#### Doesn’t solve---if Congress doesn’t change statue, enforcement fails.

#### Congress key to predictability---the counterplans constitutional objections cause confusions.

Derrian Smith 19. J.D., 2019, Indiana University Maurer School of Law; B.A., 2016, Indiana University - Indianapolis. "Taming Sherman's Wilderness." Indiana Law Journal, vol. 94, no. 3, Summer 2019, p. 1223-1246. HeinOnline.

CONCLUSION

The Sherman Act, by its vague and sweeping language, is a broad delegation of authority to the Supreme Court. Congress sent us into the wilderness-law students and generalist judges alike. In light of swelling desire for the antitrust laws to be more effective against modern-day competition foes, Congress should update the Sherman Act. The common-law approach has not achieved the stability one would expect of a statute levying hefty criminal sanctions, and the Court appears to approximate agency rulemaking on an increasingly frequent basis. Delegating rulemaking authority to an antitrust agency may be a viable solution. But there are some draw backs-namely constitutional objections to which the Sherman Act may be vulnerable, especially if an agency delegation were not accompanied by some level of additional statutory clarity. Even if the agency solution proves unworkable, Congress should address head-on the growing need for clarity, predictability, and stability, which the Sherman Act significantly fails to provide.

#### Counterplans that include any function of the plan are a voter---they’re limitless and unpredictable and destroy aff ground---they subsume the aff which makes leveraging aff offense impossible---net-benefits alone solve their offense.

#### No net benefit---other suits solve and no spillover.

#### PQD isn’t key to drone warfare---BUT it doesn’t escalate---decades prove.

#### Congressional declarations of specific principles are key---court action alone is arbitrary and fails to uphold the competition standard.

Marshall Steinbaum & Maurice Stucke 19. \*Assistant Professor of Economics, University of Utah. \*\*Douglas A. Blaze Distinguished Professor of Law, University of Tennessee College of Law. “The Effective Competition Standard: A New Standard for Antitrust”. The University of Chicago Law Review. 2019. <https://lawreview.uchicago.edu/sites/lawreview.uchicago.edu/files/SteinbaumStucke_EffectiveCompetition_87UCLR595.pdf>

Under rule-of-law principles, the judiciary’s role should be to interpret the antitrust laws based on (1) the original laws and (2) precedent that is true to the original laws. It would not interpret the acts based on what it believes to be the latest economic thinking on competition policy.86 By declaring specific principles, Congress would be assured that the courts, under a rule of law, would construe the antitrust laws to further those principles, and would circumscribe the courts from arbitrarily reaching standards (or results) inconsistent with those principles.

## Torts CP

### Torts CP---2AC

#### Perm do both---it solves and shields the link to the net benefit.

#### The counterplan only addresses the symptoms of monopolization---structural solutions are key. Companies will circumvent the CP, and enforcement fails.

Lina Khan 17. Chairperson at Federal Trade Commission, JD at Yale Law School; and Sandeep Vaheesan. Legal Director at Open Markets Institute, JD at Duke. “Market Power and Inequality: The Antitrust Counterrevolution and Its Discontents.” Harvard Law & Policy Review 11(1), p. 235-294.

In addressing monopolization of markets, structural solutions should be favored.3 82 They allow for a one-time fix and create or restore a market in which multiple firms exist and competition can develop. Conduct remedies, in contrast, may treat only the symptoms of the problematic monopoly,383 and are prone to being incomplete, ambiguous, and vulnerable to evasion.38 4 Companies subject to these ongoing remedies have a powerful motive to sidestep them, including through the exercise of overt and subtle power over regulators 8 5 as a means of perpetuating their profitable dominance.3 8 6 While the challenges are not necessarily insurmountable, the antitrust agencies and courts are not institutionally well-suited to monitor and enforce complex conduct remedies.8 This task, insofar as it is feasible, is more appropriate for industry regulators and public utility commissions." The conduct remedies in the Microsoft litigation in both the United States and Europe exemplify this quasi-regulatory approach. Mandatory interoperability and licensing agreements appear to have fostered greater competition in the desktop operating system and applications markets.8 9 Yet, major questions remain on whether the complex regulatory undertaking was worth all the effort. 3 9 0 In cases in which the monopolist's power gives it a host of options to exclude competitors, enforcers and courts must address the root of the problem-the monopolist's very existence. Rather than undertake a game of "whack-a-mole" that is often beyond their institutional capabilities, they should restructure the monopolist's business operations. Structural remedies include dividing a monopolist into multiple horizontal competitors, as some commentators proposed in the United States' case against Microsoft. 9t Another option is to separate a monopolist in vertically related lines of business into separate entities.3 92 Structural remedies typically do require some supervision to ensure compliance. This oversight would involve bright lines meaning, for example, that the monopolist could not re-enter a certain market following a divestiture-and would not be nearly as complicated and intrusive as regulating terms of interconnection or licensing terms over an extended timeframe. The vertical separation approach is embodied in the settlement in the monopolization case against AT&T, in which the phone giant agreed to separate its local phone monopoly from its long-distance and equipment operations.393 The purpose of this remedy was to prevent AT&T from leveraging its then-natural monopoly in local phone service into the potentially competitive long-distance and equipment markets.3 94 For twelve years-from 1984 until the passage of the Telecommunications Act of 1996-Judge Harold Greene monitored the local phone companies' compliance with line-of-business restrictions that prevented them from expanding into the long-distance and equipment markets.3 5 Judge Greene appears to have performed his duties well and ensured the continued effectiveness of the original structural remedy.3 96

#### Perm do the counterplan.

#### Antitrust is key:

#### 1. *Integration*---only structural separations can eliminate the integration between financial and digital platforms. Complex systems mean only antitrust is effective, regulations fail because they can’t capture the scope of the system. That’s Curran.

#### 2. *Innovation*---regulations fail because they still operate in monopolistic marketplaces. If incumbents enjoy structural advantages due to network effects, competition is impossible. That competition is key to technological innovation. That’s Vaheesan.

#### Non-antitrust regulations generate uncertainty and force companies to operate against their profit incentives. Structural solutions solve---reorients firm incentives.

Lina Khan 19. Chairperson at Federal Trade Commission, JD at Yale Law School. “The Separations of Platforms and Commerce.” *Columbia Law Review* 119(4), p. 973-1098.

Over the last decade, antitrust agencies have primarily responded to anticompetitive vertical acquisitions through behavioral remedies.595 Behavioral remedies include, for example, transparency provisions, information firewalls, and nondiscrimination provisions, as well as limits on certain contracting practices.596 Unlike structural remedies, behavioral remedies seek to change the firm’s conduct, while leaving the underlying incentives untouched.597 In effect these remedies constitute “attempts to require” a merged firm to “operate in a manner inconsistent with its own profit-maximizing incentives”—an effort that proves both “paradoxical” and “likely difficult to achieve.”598 Behavioral remedies carry at least four substantial costs.599 First, there are the direct costs of monitoring the merged firm’s activity to ensure compliance with the decree. Second, there are costs of evasion associated with the merged firm sidestepping the spirit of the decree.600 Third, there are costs of restraining potentially procompetitive behavior.601 And fourth, a behavioral remedy may hamper the firm’s ability to adapt effectively to changing market conditions.602 Stating that “a structural remedy can in principle avoid” these costs, the Justice Department has historically “strongly preferred” structural merger remedies to behavioral ones.603 The challenges of enforcing a behavioral remedy are likely heightened in digital markets, where the information asymmetry between the integrated firm and public enforcers is even starker. This is especially true with regard to information firewalls, which—in theory— could help prevent information appropriation by dominant integrated firms.604 In practice, seeking to regulate the dissemination of information within a firm is difficult in any market—let alone in multibillion dollar markets built around the intricate collection, combination, and sale of data.605 The significant business insights, market intelligence, and competitive advantage derived from gathering and analyzing data suggest that firms will have an even greater incentive to combine different sets of information—meaning that any regulatory attempts to limit that sharing or dissemination is more likely to fail. The fact that these regulatory remedies are imposed by antitrust enforcers, who generally lack regulatory tools and resources,606 makes successful oversight and compliance even more doubtful. The Justice Department’s remedies in the Google–ITA merger illustrate one instance of imposing an information firewall in a digital market. ITA developed and licensed a software product known as “QPX,” a “mini-search engine” that airlines and online travel agents used to provide users with customized flight search functionality.607 Because the merger would put Google in the position of supplying QPX to its rival travel-search websites, the Justice Department required as a condition of the merger that Google establish internal firewalls to avoid misappropriation of rivals’ information.608 Although one commentator highlighted the risks and inherent difficulties associated with designing a comprehensive behavioral remedy, the court approved the order.609 Whether the information firewall was successful in preventing Google from accessing rivals’ business information is not publicly known. A year after the remedy expired, Google shut down its QPX API.610 The challenges of enforcing behavioral remedies—both generally and in digital markets specifically—highlight the importance of assessing the relative enforcement costs of alternate remedies. A focus on enforcement costs—which include administrative costs, monitoring costs, and the misallocation of resources resulting from rent-seeking activity611—can help identify instances when the purported welfare benefits of a conduct remedy may not be worth the steep enforcement costs. Another factor to consider is the prospect that rejecting a structural remedy earlier could result in more regulation later. This prospect is especially likely in monopolistic markets, where the failure to build an “effective institutional firewall between the regulated monopoly and the other segments of a vertical chain” could mean that “as the number of competitive interfaces between regulated monopoly and competitive segments expands, the regulation of these competitive interfaces will expand as well.”612 In other words, cabining the monopoly can cabin regulation. Lastly, it is worth considering whether increases in information asymmetries between companies and enforcers should weigh in favor of greater reliance on structural remedies. If enforcers have less ability to discern a firm’s business activities—be it due to heightened opacity or complexity—then targeting the firm’s incentives, rather than attempting to police its behavior, may make more sense.

#### Antitrust is key to solve democracy---failure to modernize it cements autocratic takeover, our Robertson ev says anything short sustains computational politics.

#### Updating antitrust laws is democratic itself---proves the CP fails.

Viktoria H.S.E. Robertson 22. Professor and Head of the Competition Law and Digitalization Group, Vienna University of Economics and Business; Professor of International Antitrust Law, University of Graz. The paper was originally posted in November 2021 but was most recently updated in January 2022. “Antitrust, Big Tech, and Democracy: A Research Agenda.” https://papers.ssrn.com/sol3/papers.cfm?abstract\_id=3973418.

This hints at the positive link between democracy and competition law that is presumed under the second option, ‘where competition is conducive to a democratic polity and vice versa’, 83 especially once concentrated economic power is dispersed. With this dispersion of private economic power achieved, overbearing economic power no longer poses a serious threat to democracy. This was also the understanding of the Ordoliberal school, which warned that in order to prevent economic power from gradually subverting and undermining the democratic state in its different dimensions, one solution was ‘the prophylactic prevention of the establishment of economic power already in its incipient stages with all the means at our disposal and in taking case that already established economic power is eliminated or reduced’.84 Another solution was to introduce administrative control over economic power – which we will address as the third option for pro-democratic antitrust –, but Böhm much preferred the first solution: 85 dispersion of economic power as a democratic act. Under the second approach, antitrust enforcement that is mindful of democratic deficits in digital markets and that tries to curtail the political power of companies with market power should reduce the concentration in these markets, both by hindering the external growth of large digital communication platforms through mergers and acquisitions (merger control) and by breaking up digital platforms when they become too (economically – and thus by extension politically) powerful. This approach operates more at a metalevel, minimising the political influence of companies by preventing concentration that would otherwise facilitate political interference. Another example of how competition law as we know it can positively contribute to a more democratic society can be seen in the contribution that competition can make to independent journalism, which is generally seen as the backbone of a democratic society. A lack of competition, particularly in digital advertising related to independent news and journalism, could indirectly affect consumers because the quality and range of news could decline, which negatively impacts democracy.86 Yet another approach would be to identify a market(place) of ideas and promote its competitiveness, which can lead to better outcomes in the eyes of democracy.87 As a conclusion, maintaining competition through the enforcement of currently applicable competition rules would again be seen as a democratic act in itself.

### AT: NB

#### No spillover to torts more broadly.

#### Doesn’t solve contamination---no escalation.

## Multilat CP

### Multilat (Non-Binding)---2AC

#### Say no---other countries refuse inequality-centric regulations---OR the threshold for say yes is so low that it links to the net benefit.

#### Countries won’t take sovereignty losses---even if the counterplan isn’t binding.

Bruno Bastos Becker 16. Associate of the Competition Practice at Barbosa, Müssnich & Aragão Advogados. Revista Do Ibrac Volume 22 - Número 1- 2016 Prêmio Ibrac - Tim 2015 “Decentralized Globalization: Possible Solutions for Multiple Merger Control Regimes in Cross-Border Transactions”. https://d1wqtxts1xzle7.cloudfront.net/52329387/SSRN-id2926207.pdf?1490635488=&response-content-disposition=inline%3B+filename%3DDecentralized\_Globalization\_Possible\_Sol.pdf&Expires=1633221921&Signature=AdZzigmFmDWzAJDsFfwmed9N0wgp7JMqh1Z7XUAIxb2ocUtkMJLFCwRj4NslBFsxzWeYwJ~gkHQm0Zb22NuvJwQzbnHnUMGlXzDXdujTXsxQFyE4fSapKDT9lbk2uWrYgrCBMfw0sli1tKJPOQsVlVyeKiSWoFIfkj5M9wQaGyLoucnRYm~66PajYX~ureUvwk~kMFcr4wNpXWCO~reag8ObhcgUhRDwNB34iNJF4Z08o4VGIOwP4CqvSs1VV3gIY4-rLKazwWkwkWHj1hK11yy3~HRWtDevXLzli8qGpvvc7Z8KKEA~nj-6HTtMX7Ps9nHZZJZVQW-lNK4fXHrCow\_\_&Key-Pair-Id=APKAJLOHF5GGSLRBV4ZA

Over the last decade, several scholars have proposed different solutions for the problem of the decentralized globalization. However, none of the efforts resulted in a cohesive merger control system41. One of the main reasons is that merger policy is strongly related to industrial policy and, therefore, countries have rejected the possible loss of sovereignty42

---FOOTNOTE 42 STARTS, MIDPARAGRAPH---

42 “Because merger policy is usually closely linked to industrial policy, nowadays most countries are not ready to relinquish part of their sovereign rights in this area in order to support some sort of international merger policy, negotiated and implemented at a multilateral level. Therefore, absolutely no agreement on substantive rules to tackle mergers, not even in the form of «rule of reason» guidelines, seems to be foreseeable at international level in the near future”. (MONTINI, Massimiliano. Globalization and International Antitrust Cooperation. International Conference Trade and Competition in the WTO and Beyond. 1999. p. 18 Available at: http://www.feem.it/userfiles/attach/Publication/NDL1999/NDL1999-069.pdf)

---FOOTNOTE 42 ENDS, PARAGRAPH CONTINUES---

that is part of the main proposals so far. Furthermore, as pointed out by Jörg Terhechte, there are many differences between authorities that must be taken into account for the designing of a possible solution, like financial and personal resources, composition at the decisional level, independence, accountability43

#### Perm do both---it solves normative convergence.

#### Perm do the plan and establish a framework for contingent international cooperation over enforcement.

Bruno Bastos Becker 16. Associate of the Competition Practice at Barbosa, Müssnich & Aragão Advogados. Revista Do Ibrac Volume 22 - Número 1- 2016 Prêmio Ibrac - Tim 2015 “Decentralized Globalization: Possible Solutions for Multiple Merger Control Regimes in Cross-Border Transactions”. https://d1wqtxts1xzle7.cloudfront.net/52329387/SSRN-id2926207.pdf?1490635488=&response-content-disposition=inline%3B+filename%3DDecentralized\_Globalization\_Possible\_Sol.pdf&Expires=1633221921&Signature=AdZzigmFmDWzAJDsFfwmed9N0wgp7JMqh1Z7XUAIxb2ocUtkMJLFCwRj4NslBFsxzWeYwJ~gkHQm0Zb22NuvJwQzbnHnUMGlXzDXdujTXsxQFyE4fSapKDT9lbk2uWrYgrCBMfw0sli1tKJPOQsVlVyeKiSWoFIfkj5M9wQaGyLoucnRYm~66PajYX~ureUvwk~kMFcr4wNpXWCO~reag8ObhcgUhRDwNB34iNJF4Z08o4VGIOwP4CqvSs1VV3gIY4-rLKazwWkwkWHj1hK11yy3~HRWtDevXLzli8qGpvvc7Z8KKEA~nj-6HTtMX7Ps9nHZZJZVQW-lNK4fXHrCow\_\_&Key-Pair-Id=APKAJLOHF5GGSLRBV4ZA

As seen above, none of the proposed solutions is able to thoroughly address both costs, procedural issues and different outcome problems described in this paper. On the one hand, the difficulties to establish a unified supranational authority faces the problem of loss of sovereignty, and on the other hand, the partiality of bilateral agreements and soft law make the proposed solutions insufficient in the current antitrust development scenario. Therefore, a more suitable solution for the “decentralized globalization” should involve the maintenance of the countries’ sovereignty and the freedom for the authorities to participate in this process: a case-by-case cooperation among authorities.

In this model, there would be no need for an ex-ante multilateral agreement among the authorities, since it would be defined on a case-by-case basis. The involved authorities (i.e., authorities of the countries affected by the transaction according to the effects doctrine) would jointly analyze cross-border transactions but without strict bindingness, and thus, leaving it possible an individual (traditional) assessment.

In this case, the involved authorities would sign a commitment whereby they would delegate case handlers in order to form an international group (“Comission”) – similar to an arbitral tribunal 67 - which would be comprised of members of all authorities of the countries affected by the transaction. Applying the notion of “enhanced comity”, “the state whose competition regime is best equipped to enforce any sanctions or remedies” would lead this commission68. Taking into account different internal procedures among the authorities, each one would determine the selection procedural for the case-handler in charge of the transaction. This person would be responsible for the thorough assessment of the transaction and the negotiation of remedies inside their institutions.

Once established, the Commission would also jointly define procedural issues (i.e., forms, deadlines, fees) and information required for the case assessment. Finally, the Commission would be in charge of discussing the assessment (i.e., definition of relevant markets, methodology and eventual remedies). Eventual disagreements would be discussed by the Commission and the divergent authority is able to issue a dissent decision, applying or not its own restrictions.

On the authorities’ perspective, and taking into account the already mentioned solutions (i.e., supranational agency, harmonization through soft law, bilateral agreements and multilevel system), this new alternative would possibly be more acceptable, since it would not require loss of sovereignty or impose substantial transaction costs to the authorities, like bilateral agreements or other costly adjustments. It would work as a sort of regulatory dualism in this international antitrust field69 , leaving it open to each authority (and every case) its adoption, depending on strategic and internal policy issues.

#### Doesn’t solve---causes delay and locks-in dominant platforms, can’t solve either advantage.

#### Perm do the counterplan---counterplans must compete via text and function to preserve aff ground, predictability, and literature controversy.

#### Counterplans that include any function of the plan are a voter---they’re limitless and unpredictable and destroy aff ground---they subsume the aff which makes leveraging aff offense impossible---net-benefits alone solve their offense.

#### The US has no multilateral negotiating credibility---fails.

Rachel Myrick 6/14/21. Assistant Research Professor of Political Science at Duke University. "America Is Back—but for How Long?". Foreign Affairs. 6-14-2021. <https://www.foreignaffairs.com/articles/world/2021-06-14/america-back-how-long>

During his first address to a joint session of Congress on April 28, U.S. President Joe Biden noted that in the dozens of conversations with world leaders he’d had since taking office in January, one comment kept coming up: “We see America is back, **but for how long**?” This **skepticism on the part of other heads of state** is a direct response to the recent past. Under President Donald Trump, Washington **seriously challenged or outright withdrew** from more than a dozen international agreements or institutions, including the Paris climate accord, the Trans-Pacific Partnership, the Iran nuclear deal, and the World Health Organization. But concerns about the nature and longevity of American commitments **extend beyond Trump’s legacy** overseas. Allies of the United States are also reacting to its internal politics and, in particular, to a **deepening partisan divide** that creates uncertainty about the future of U.S. foreign policy. Observing the polarized politics on display in the run-up to the 2020 U.S. presidential election, former Norwegian Prime Minister Gro Harlem Brundtland noted that many European leaders will “no longer take for granted that they can trust the U.S., even on basic things.” The fears are valid. Although foreign policy has traditionally been insulated from political polarization, that is no longer true. On **such issues as multilateralism**, climate change, and terrorism, **Americans are more divided than ever.** The bipartisan foreign policy consensus among both voters and the politicians they elect is eroding. But even worse, **polarization** has created broader, underappreciated consequences for the United States’ ability to enact foreign policy in the first place by chipping away at a key pillar of its power: its **reputation for stability, credibility, and reliability.** THE DEMOCRATIC ADVANTAGE International relations scholars have long recognized that democracies enjoy several advantages when it comes to making foreign policy. For one thing, they are stable. In autocracies, when leaders are removed from power irregularly—such as through revolutions or military coups—the transitions often herald dramatic swings in foreign policy. By contrast, in democracies, where leader turnover occurs in the context of regular elections, foreign policy tends to remain fairly consistent during political transitions. As domestic polarization increases, however, **partisan conflict is more likely to extend into foreign policy.** In the United States, foreign policy remains less polarized than domestic policy. Even so, public opinion polls and patterns of congressional roll call votes show an increasing divergence between Democrats and Republicans on foreign affairs. As these preferences harden, one should anticipate more **dramatic changes** in foreign policy when the party controlling the White House changes. But it isn’t just diverging foreign policy preferences that lead to instability in foreign policy; a rise in the tendency to dislike the opposite party—or “negative partisanship”—also does. This sentiment gives leaders incentives to undo the policies of their predecessors from the opposite party. Some described Trump’s foreign policy agenda as “**incoherent**” and lacking in a grand strategic vision, yet his agenda did have one unifying theme: dismantling the accomplishments of President Barack Obama. Positioning himself as the **“anti-Obama” in foreign affairs**, Trump moved quickly to undo his predecessor’s policies on immigration, trade, and climate.

### AT: Net Benefit---2AC

#### Decades of unilateral application thump.

Virginia del Aguila 05. “Establishing Global Competition Standards: Achievable Mission or Utopia?” Centro de Estudios Economicos de Regulacion. Universidad Argentina de la Empresa. Working Paper N 20. April 2005. <https://www.uade.edu.ar/DocsDownload/Publicaciones/4_228_1634_WPS020_2005.pdf>

The competition authorities in the US have had little compunction about enforcing their antitrust laws against overseas companies. In this sense, they have in some occasions demanded that commercial documents located abroad should be handed over, and the Courts have even issued final orders requiring that foreign companies should change their commercial practices or restructure their industry41. Nonetheless, it should be noted that the 1994 International Antitrust Enforcement Assistance Act (IAEAA)42 is intended to improve the ability of the US enforcement agencies to obtain evidence located abroad by providing for reciprocal agreements to be entered between the US and other countries to facilitate the exchange of information, including confidential information. Notwithstanding, due to the fact that certain antitrust offences are criminal under US law and, thus, it is possible for individuals to be sentenced to terms of imprisonment, for the moment only an agreement between the US and Australia was concluded under the IAEAA.

#### No spillover or impact---doesn’t solve other antitrust issues and cooperation on antitrust enforcement doesn’t strengthen multilateral cooperation broadly.

#### International “soft law” links to the net benefit.

Bruno Bastos Becker 16. Associate of the Competition Practice at Barbosa, Müssnich & Aragão Advogados. Revista Do Ibrac Volume 22 - Número 1- 2016 Prêmio Ibrac - Tim 2015 “Decentralized Globalization: Possible Solutions for Multiple Merger Control Regimes in Cross-Border Transactions”. https://d1wqtxts1xzle7.cloudfront.net/52329387/SSRN-id2926207.pdf?1490635488=&response-content-disposition=inline%3B+filename%3DDecentralized\_Globalization\_Possible\_Sol.pdf&Expires=1633221921&Signature=AdZzigmFmDWzAJDsFfwmed9N0wgp7JMqh1Z7XUAIxb2ocUtkMJLFCwRj4NslBFsxzWeYwJ~gkHQm0Zb22NuvJwQzbnHnUMGlXzDXdujTXsxQFyE4fSapKDT9lbk2uWrYgrCBMfw0sli1tKJPOQsVlVyeKiSWoFIfkj5M9wQaGyLoucnRYm~66PajYX~ureUvwk~kMFcr4wNpXWCO~reag8ObhcgUhRDwNB34iNJF4Z08o4VGIOwP4CqvSs1VV3gIY4-rLKazwWkwkWHj1hK11yy3~HRWtDevXLzli8qGpvvc7Z8KKEA~nj-6HTtMX7Ps9nHZZJZVQW-lNK4fXHrCow\_\_&Key-Pair-Id=APKAJLOHF5GGSLRBV4ZA

3.2. Harmonization through “Soft Law”

The harmonization through “soft law” seems to be the most acceptable way to promote an at least coherent worldwide merger system51. Responding to this issue, Claire Cuttler states that “soft law, in contrast, is cheaper and easier to achieve, but is easier to breach with impunity”52 .

Considering the international aspect of antitrust laws, there are several organizations that promote convergence 53 and harmonization among domestic antitrust regulations. Most relevant examples are the ICN and the OECD. There are also private organizations that foster the development of antitrust rules, as the American Bar Association (“ABA”), the Fordham Corporate Law Institute,54 the American Antitrust Institute, the CUTS Center for Competition, Investment & Economic Regulation, and the Institute for Consumer Antitrust Studies.

According to Alexandr Svetlicinii, the proposed recommendations from ICN are commonly adopted by the participating authorities (the participating member are the authorities, not the countries’ governments)55. The author indicates that a 2004 ICN Report indicated that the recommendations of ICN’s working groups were adopted by 90% of the involved jurisdictions. Simon Evenett and Alexander Hijzen identified several characteristics of countries and authorities that may shape the susceptibility of conformity of national merger control regimes with ICN recommendations 56

However, even though such a harmonization could be a good alternative to the problem of different outcomes from the different authorities’ assessment, it does not address the criticism regarding different procedural issues and the costs involved in multi-jurisdictional transactions57. This is so because, even if the authorities adopted same criteria, methodology and standards of analysis, the involved parties would still need to file the transaction in each of the applicable jurisdictions. Therefore, costs related to filing fees, external expenses with lawyers and economists in each country and the amount of information needed to each authority would probably not be reduced.

## Abolish CP

### Abolish CP---2AC

#### Perm do both.

#### Abolishing anti-trust fails. Cross apply all the answers to the regulations CP.

#### Links to the net benefit.

### AT: Planks

#### Cyber planks don’t solve---doesn’t prevent Russia attacking the US with nuclear weapons---cyber resilience fails---attacks are coming now.

#### Hotlines don’t solve---no one picks up---doesn’t solve China getting new technology that independently causes extinction.

Not having a solvency advocate is a voter---justifies an endless number of utopian actions that fiat past core solvency deficits restricting aff offense---not reflective of the literature which decks education.

### AT: Democracy---2AC

#### Only the plan solves democracy---monopolies are the greatest threat---that’s Reck. Competition policy achieves democracy and are a democratic act in itself---that’s Visram and Robertson.

#### Antitrust law can’t remain inactive---it’s the lynchpin.

Viktoria H.S.E. Robertson 22. Professor and Head of the Competition Law and Digitalization Group, Vienna University of Economics and Business; Professor of International Antitrust Law, University of Graz. The paper was originally posted in November 2021 but was most recently updated in January 2022. “Antitrust, Big Tech, and Democracy: A Research Agenda.” https://papers.ssrn.com/sol3/papers.cfm?abstract\_id=3973418.

In the 21st century, voter choice and the broader political debate are within the reach of those that can access and channel the vast streams of user data that are generated online. The role of personal user data in digital markets, as well as the use that digital platforms make of that data in order to influence the outcome of democratic processes, have become central issues that liberal democracies must confront at the dawn of this new decade. The paper explores whether competition law has a role to play when it comes to addressing this intersection of Big Tech, data, and democracy. It first sets out the democratic roots of competition or antitrust law in the United States and the European Union. From these, the paper deduces that competition law cannot remain inactive when it comes to maintaining a democratic society in the face of the abilities of Big Tech to influence democratic processes and outcomes. The paper then goes a step further and asks what role competition law could play in this regard. Should democratic values simply be reflected in the procedural set-up of antitrust law, or is there a role for democratic values in the substantive provisions as well? And if so, does antitrust law’s focus on keeping market power in check suffice to fulfil its role in a democratic society, or does this role require the law to specifically target anti-democratic market behaviour as anticompetitive harm? In navigating these questions, the paper contributes to the ongoing debate on political antitrust – which has been sparked by the big digital platforms’ influence on political outcomes – and sets out an ambitious research agenda on how to carry this discussion forward

### AT: INB

#### Anti-trust does not derail AI sagety---their Levine evidence is about an EXISTING anti-trust investigation causing Banks to sell all their stocks in fire sales which then crashed prizes and complicated AI restrictions---zero impact uniqueness and the plank doesn’t break up Big Tech but rather SOLVES the supply chain crisis.

## Buddhism K

### Buddhism---2AC

#### Framework---weigh the implementation of the plan. Any alternative must defend uniqueness and material solvency---key to clash, advocacy, and fairness.

#### Perm---do both. If the alt can overcome the links to the status quo, it can overcome the aff.

#### No root cause to war, collectives balancing needs determine peace rather than alt’s individual mindset shifts, negative peace thru absence of war is indispensable.

Yeh 6 (Theresa Der-Lan Yeh is Associate Professor of the Department of Foreign Languages and Literatures, and research fellow of the Advanced Institute for Humanities and Social Sciences at the National Taiwan University. She serves on the board of the Taiwan Peacetime Foundation and also as a council member for the Gender Equity Committee of the Ministry of National Defense and Taipei City Government in Taiwan. “The Way to Peace: A Buddhist Perspective.” International Journal of Peace Studies, Volume 11, Number 1, Spring/Summer 2006 //shree)

This Buddhist way of looking at the world comes, in the opinion of Johan Galtung (1993: 23), a Norwegian peace studies pioneer, closest to the one dynamic, complex peace theory he proposes, in which the world is “precisely a process based on diversity in symbiotic (mutually influential) interaction.” In this world of multi-leveled plurality, according to Galtung, peace is not a stable, end state but a more interactive process of a series of changing and balancing acts, an on-going dialectic between our actions and the world. This contingent view of peace, as shared by many peace scholars and activists in the field, is similar to what Buddhist perceives peace to be. In fact, the complexity and the collectiveness in causes leading to peace or war have long been recognized in the morphological construction of those words. According to Sanskrit dictionaries (Hirakawa, 1997; Ogiwara, 1979), the words samnipata, samgri, and samgama, all refer to the concept of peace. These words share the root sam-vii meaning people do things together, which is also shared by the Sanskrit word referring to war (samit). On the basis of this morphological derivation, both peace and war are produced by the collective, rather than individuals. No single nor simple explanation of what builds peace or create war would suffice.

The view of peace as a collective product is well in line with the Buddhist worldview based on the principle of dependent origination which emphasizes the mutual influence of all the elements involved in any situation. With this interdependent frame of reference, Buddhists would prefer a holistic view of peace, instead of peace in separate contexts such as schools, families, or the environment. This is again very close to what many peace studies scholars have advocated as the ultimate vision of peace (Brock-Utne, 1997; Galtung, 1993; Galtung & Ikeda, 1995; Turpin & Kurtz, 1997). From the holistic perspective, the connection between the concept of negative and positive peace becomes clear and imperative in the light of the Buddhist law of nature, dependent origination. Absence of war and direct violence only constitutes a temporary peace if there is no justice present in the socio-economic international structure. The injustice and the violence causing suffering in every other node in the web of existence would inevitably and eventually weigh the negative peace away. Though the negative peace is only temporary, unstable and fragile, it is absolutely indispensable on the way to the positive peace. Since each human being and each level of systems are interconnected, to create a positive peace compels efforts of everyone at every level of human structures. The Buddhist view of the interconnected world demands that the ideal of world peace is less rhetoric at the negotiation tables among some “superpowers” in the international level than starting a personal transformation of one’s daily living. And this peacemaking effort is a continued striving at the every very moment because of the dynamic, constant changing nature of all the possible causal forces in this world.

#### Extinction outweighs. It’s irreversible---death is the only ontological state and denies agency. Killing everyone for ethics is serial killer logic that justifies genocide.

#### Alt doesn’t solve---can’t break up Big Tech or solve China who will be emboldened.

#### Conditionality is a voter---causes time and strategy skew, it’s not reciprocal, and promotes argumentative irresponsibility---dispo solves

#### Buddhism isn’t science---can’t translate normative ideas like the self to the scientific method

CBC 20 (Quoting Evan Thompson, who grew up around renowned Buddhist teachers. At university, he studied Buddhist scripture, philosophy and classical Chinese. And his mentor in graduate school was Francisco Varela, a neuroscientist who was also a serious practitioner of Tibetan Buddhism. Buddhism and science: a doomed romance? <https://www.cbc.ca/radio/ideas/buddhism-and-science-a-doomed-romance-1.5745107> //shree)

"They turn the tables… and they say, well, Buddhism is actually the scientific religion because we don't believe in a creator God. We don't believe in an immortal, unchanging, essential soul," Thompson tells IDEAS.

"We ground our ethical system on an understanding of cause and effect. We emphasize causality, that things are impermanent, that things are in flux. So they present Buddhism as either not a religion, or as the truly scientific religion."

As it turned out, Buddhist modernism was tailor-made for the modern West's preoccupation with rationality, scientific validity, and independent thought. But as Thompson argues, things have gotten a little out of hand.

Buddhism now enjoys a kind of exceptionalism among religions. It's regarded as a 'science of the mind,' mindfulness meditation is a 'brain-changing,' commodified, individualistic activity, and complex ideas of the self in Buddhist teaching are conflated with scientific contentions that the self doesn't exist because it can't be found in the brain. It's at this point, Thompson argues, that we begin to miss the point.

"One of the problems with this scientific statement that, 'Well, science shows that there is no self and that validates Buddhism,' is it just completely elides or ignores the difference between a scientific description and scientific use of a concept like the self, and the Buddhist one, where the Buddhist one is inherently ethical or normative," says Thompson, a philosophy professor at the University of British Columbia.

## FTC Politics DA

### FTC Politics DA---2AC

#### Breaking up big tech has broad, bipartisan support.

Paul Mcleod 21. BuzzFeed News Reporter. "Democrats And Republicans Are Talking About Breaking Down Big Tech Monopolies". BuzzFeed News. 3-12-2021. https://www.buzzfeednews.com/article/paulmcleod/congress-big-tech-monopolies-antitrust

WASHINGTON — There's a growing bipartisan appetite in Congress to crack down on big tech, with progressive Democrats and conservative Republicans preparing to flex the federal government's anti-monopoly powers. The Senate began hearings this week on antitrust law. Senators expressed different philosophies and concerns, but they all agreed on at least one key point: Tech giants like Google, Facebook, and Amazon have become too powerful. It's the latest sign that Congress is ready to jump into a decades-long vacuum created by marginal action from federal regulators as the tech sector became increasingly concentrated. Lawmakers discussed ways both to stop tech giants from growing larger in the future and steps that could be taken to chip away at their existing dominance. “Why should any dominant corporation be able to merge with any other entity?” Sen. Josh Hawley, a Republican, said in a Thursday hearing after rattling off a long list of companies owned by Google. “Why should Google, for instance, or Facebook be able to buy anything else given their dominant size?” Sen. Marsha Blackburn, also a Republican, blasted tech giants for cornering the online ad market while local newsrooms endure round after round of cuts. Three companies — Google, Facebook, and Amazon — take in about two-thirds of all online advertising dollars. “Every one of these newsrooms have experienced the loss of reporters, which is the loss of journalism, which is the loss of insight of the people into issues,” said Blackburn. But politicians still don’t agree about exactly what should be done. The Senate Antitrust subcommittee’s new Democratic chair, Sen. Amy Klobuchar, is sponsoring legislation to beef up government antitrust enforcement, tighten rules on which mergers are permissible, and force merging parties to prove their merger would not violate the law, among other measures. She’s trying to get bipartisan support for that and other reforms, which could include Australia-style requirements on tech giants to pay media outlets for producing news. Republicans are leery. Sen. Mike Lee, the Republican ranking member on the Antitrust subcommittee, said at the beginning of the hearing he opposed government intervention and a “sweeping transformation” of antitrust laws. But before long he, too, was talking about the need to curtail big tech companies. Lee outlined his concerns about what happened to Parler, a social media platform favored by conservatives that was removed from the Apple app store and briefly taken offline altogether. Lee questioned whether it’s even possible for upstart competitors to challenge platforms like Facebook and Twitter in the current environment. “‘Build your own’ sounds really nice in theory, but in this instance, I’m not sure it works in practice. Do we have an entry problem?” he asked. One recurring theme from witnesses during the hearing was the once-robust enforcement of antitrust legislation that dramatically broke up rail and telecom monopolies, had fallen into disuse in modern times. At one point, Open Markets Institute Executive Director Barry Lynn argued that Amazon should be barred from both running a marketplace and selling products on that marketplace — competing against other sellers all while being able to use their sales information against them. “There should never be competition between the provider of services and the customer of those services,” said Lynn. “It’s a conflict of interest. Traditionally we have always prohibited this — we can trace it back in US federal law to baking policy in the 1860s. There’s nothing new here, what’s new is that we haven’t applied these kinds of rules to these corporations today.” The political movement toward cracking down on tech companies is anything but an organized coalition. Many Republicans have accused social media platforms of discriminating against conservative voices. Democrats have mostly rolled their eyes at this and argued that the real problem is a lack of moderation allowing disinformation and hate speech to flourish.

#### Small business supports the plan---they’ll lobby congress to make it popular.

Karl Evers-Hillstrom 21. "Small businesses fight for a voice in Washington". Hill. 7-21-2021. https://thehill.com/business-a-lobbying/business-a-lobbying/562287-small-businesses-fight-for-a-voice-in-washington/

Small businesses are mounting a push to regain influence in Washington after what they say has been decades of neglect by policymakers. The COVID-19 pandemic ravaged small businesses, shining a spotlight on the vulnerabilities owners face and forcing Congress to provide an unprecedented $800 billion in relief. Now, small businesses that survived the economic downturn are playing a pivotal role in high-profile debates over antitrust and infrastructure in Washington. Small Business Rising, a coalition representing more than 150,000 independent businesses launched in April, helped sway lawmakers to advance legislation to break up the largest tech companies through the House Judiciary Committee. The group says e-commerce giant Amazon is abusing its market power to block small firms from competing. The coalition scored a policy win this month when President Biden signed an executive order that directs the Federal Trade Commission to bar “unfair methods of competition on internet marketplaces.” The White House said tech companies’ huge platforms give them “unfair opportunities to get a leg up on the small businesses that rely on them to reach customers” in a fact sheet announcing the executive action. “That’s a shift,” said Stacy Mitchell, co-director of the Institute for Local Self-Reliance, which helped form the coalition. “In the past, not only were both parties not concerned about concentrated economic power, but you didn’t see small business feature in the same way, either as a matter of policy or a matter of rhetoric.” Members of Small Business Rising, which also includes National Grocers Association and the American Booksellers Association, closely communicated with Biden staffers as well as congressional committee staffers who drafted antitrust legislation.

#### Not intrinsic.

#### FTC is overstretched now.

E. John Steren 3/25/22. Member of the Firm in the Health Care & Life Sciences and Litigation & Business Disputes practices, in the Washington, DC, office of Epstein Becker Green. “FTC and DOJ to Hold Listening Forums on Merger Experience.” https://www.jdsupra.com/legalnews/ftc-and-doj-to-hold-listening-forums-on-4981269/

As part of their initiative to reevaluate both the 2010 Horizontal Merger Guidelines and the 2020 Vertical Merger Guidelines (collectively, “Merger Guidelines”), the Federal Trade Commission (FTC) and U.S. Department of Justice (DOJ) are holding listening sessions to hear “from those who have experienced firsthand the effects of mergers and acquisitions beyond antitrust experts. . . .” The listening session on health care is scheduled for April 14, 2022.

Additionally, the FTC and DOJ extended until April 21, 2022, the deadline for public comments on their initiative to modernize the Merger Guidelines. Comments that have already been submitted can be reviewed here. While the comments submitted include some from antitrust experts, there are a number of comments from others that focus on health care issues. All of this is occurring when the FTC is still operating with only four Commissioners.

#### Plan solves because it deters anticompetitive conduct---that reduces the caseload for the FTC and preserves resources better than the squo.

#### FTC will lose supply chain cases.

#### Antitrust is being debated now.

Patrick Hedger 3-29. "Democrats Show Their Hand on Antitrust, GOP Should Walk Away". Townhall. 3-29-2022. https://townhall.com/columnists/patrickhedger/2022/03/29/democrats-show-their-hand-on-antitrust-gop-should-walk-away-n2605138

The Prohibiting Anticompetitive Mergers Act, which would dramatically increase antitrust enforcement in the United States, was just introduced by a group of Democratic members of Congress. The legislation grants sweeping powers to the Department of Justice and the Federal Trade Commission (FTC) to block mergers and acquisitions worth more than $5 billion without trial. The legislation also grants power to retroactively unwind approved mergers and basically block/undo anything else that the unelected bureaucrats at these agencies believe harms workers, consumers, or small businesses. It’s a blank check for regulating society through regulatory fiat. While undoubtedly a messaging bill that won’t go anywhere soon, the message is clear: this is the future of antitrust law that the Democrats want as a tool to regulate anything and everything. Sadly, many Republicans are helping them get there by supporting a host of antitrust bills targeting “big tech.”

#### No impact---laundry list---get answers.

#### COVID fraud thumps.

John C.C. Sanders 3/23/22. Founding partner of the Dallas office of Winston & Strawn LLP, with Katrina G. Eash , Ashley Wright and Chase Cooper. “United States: The FTC Remains Focused On Misleading COVID-19 Claims.” https://www.mondaq.com/unitedstates/dodd-frank-consumer-protection-act/1175082/the-ftc-remains-focused-on-misleading-covid-19-claims

In 2020, the Federal Trade Commission (“FTC”) sent letters to a number of direct sellers, alleging that they or members of their sales force had made false or misleading health and earnings claims related to COVID-19. Then in 2021, Congress enacted the COVID-19 Consumer Protection Act (the “Act”), providing for civil penalties of up to $46,517 for every misleading claim about the treatment, cure, prevention, or mitigation of COVID-19. And just recently, many of our direct selling clients received letters from the FTC reminding them of the FTC's authority under the Act.

Although these “reminder” letters do not seek actual penalties, they demonstrate the FTC is actively monitoring the direct sales channel and searching for the right opportunity to strike. In fact, since the enactment of the Act, the FTC has taken an aggressive stance in targeting those companies and their distributors who attempt to capitalize on COVID-19 and its effects. The FTC is sending a clear message to direct sellers that they must not only monitor their field to identify misleading COVID-19 claims, but they must also act swiftly to remove the claims and impose appropriate corrective measures to deter future claims considered by the FTC to be problematic.

## Capital Flight DA

### DA---2AC

#### Case controls uniqueness for the disad.

#### 1. China---their argument is that if congress introduces legislation against Big Tech then companies such as Facebook, Amazon, Apple, and Google will expatriate their US business operations BUT our China internal link states that companies are doing that NOW which is collapsing our ability to compete with China in the tech race.

#### 2. Innovation---The internal link to dollar decline is innovation i.e. how well these companies can control innovation BUT big tech prevents use of data that drives innovative startups and competition. That causes a feedback loop that maximizes profit and minimizes innovation. That’s Teachout

#### US-Innovation lead has slowed now because of dominant platforms---our ev quantifies the impact.

James Bessen 22. Executive Director, Technology & Policy Research Initiative and Director and Founder, Research on Innovation at Boston University School of Law. “How big technology systems are slowing innovation.” <https://www.technologyreview.com/2022/02/17/1044711/technology-slowing-innovation-disruption/>.

What happened to Nuance is not just a retelling of the old story of large firms out-investing startups. Across a wide range of industries, dominant firms are employing large-scale information systems to outflank their competitors, including innovative startups. They are using proprietary software to better manage complexity and thus differentiate themselves from rival firms. And this has allowed them to increase their market dominance and avoid being overtaken by rivals. In retail, Walmart’s inventory management and logistics software allows it to stock its stores with a far greater selection of products at lower cost, tailor each store to local needs, and respond quickly as demand changes and hot products emerge. Using large data systems, leading financial companies tailor credit cards and home equity loans to individual consumers on a massive scale and then target the marketing of these products. Even the top waste-management companies and health insurers are making large investments in proprietary software to beat their competition. In aggregate, firms (excluding those whose product is software) now invest over $240 billion in their internal software each year, up from $19 billion in 1985. Large firms account for most of that change. The top four companies in each industry, ranked by sales, have increased their investment in their own software eightfold since 2000, far more than even second-tier firms. And these investments have paid off. Since the 1980s, the top four firms in each industry have increased their market share by 4% to 5% in most sectors. My research shows that investments in proprietary software caused most of this increase. This greater industry dominance by top firms is accompanied by a corresponding decline in the risk that they will be disrupted, a prospect that has obsessed corporate managers ever since Clayton Christensen’s The Innovator’s Dilemma came out in 1997. At the time Christensen wrote his book, disruption was on the rise. But since about 2000—when top firms started their investment spree in proprietary systems—this trend has declined sharply. In a given industry, the chance that a high-ranking firm (as measured by sales) will drop out of one of the top four spots within four years has fallen from over 20% to around 10%. Here, too, investments by dominant firms in their internal systems largely account for the change. While some new technologies disrupt entire industries—think of what the internet did to newspapers or DVDs—others are now suppressing the disruption of dominant firms. How does this happen, and why does it apparently affect so much of the economy? It is because these business systems address a major shortcoming of modern capitalism. Beginning in the late 19th century, innovative firms found that they could often achieve dramatic cost savings by producing at a large scale. The shift dramatically reduced consumer prices, but there was a trade-off: in order for companies to achieve those large volumes, products and services needed to be standardized. Henry Ford famously declared that car buyers could have “any color so long as it is black.” Retail chains achieved their efficiencies by providing a limited set of products to their thousands of stores. Finance companies offered standard mortgages and loans. As a result, products had limited feature sets; stores had limited selection and were slow to respond to changing demand; and many consumers could not get credit or obtained it only on terms that were costly and not suited for their needs. Software changes the equation, partly overcoming these limitations. That’s because it reduces the costs of managing complexity. With the right data and the right organization, software allows businesses to tailor products and services to individual needs, offering greater variety or more product features. And this allows them to best rivals, dominating their markets. Walmart stores offer far greater selection than Sears or Kmart stores, and they respond faster to changing customer needs. Sears was long the king of retail; now Walmart is, and Sears is in bankruptcy. Toyota quickly produces new models when it detects new consumer trends; smaller car companies cannot afford the billions of dollars it takes to do that. Similarly, only Boeing and Airbus can manage to build highly complex new jumbo jets. The top four credit card companies have the data and the systems to effectively target offers to individual consumers, gaining maximum profit and market share; they dominate the market. These software-enabled platforms have allowed top firms to cement their dominance. They have also slowed the growth of rivals, including innovative startups. A variety of evidence supports the idea that startup growth has slowed down substantially. One sign is how long it takes for venture-­backed startups to receive funding: from 2006 to 2020, the median age of a startup in the seed-round funding stage increased from 0.9 years to 2.5 years. The median age of a late-stage startup rose from 6.8 years to 8.1 years in that same period. Among firms that were acquired, the average time from first financing to acquisition tripled, from a little over two years in 2000 to 6.1 years in 2021. The story was similar for firms that went public. But the clearest evidence of a slowdown is what happens when firms become more productive. Big firms are employing large-scale technologies that make it harder for startups to grow. The key feature of dynamic economies, what economist Joseph Schumpeter called “creative destruction,” is that more productive firms—those with better products or lower costs or better business models—grow faster than less productive incumbents, eventually displacing them. But after 2000, on average, firms with a given level of productivity grew only half as fast as firms with that same level of productivity grew in the 1980s and 1990s. In other words, productivity has less effect on growth than it used to. And when productive firms grow more slowly, they are less likely to “leapfrog” industry leaders and displace them—the hallmark of disruption. Last year, research I conducted with my colleague Erich Denk directly linked the waning impact of productivity improvement to the greater industry dominance of large firms and their investments in software and other intangibles.

#### They have no where to go!

James Vincent 3/24/22. Senior Reporter for the Verge. “EU targets Big Tech with sweeping new antitrust legislation” https://www.theverge.com/2022/3/24/22994234/eu-antitrust-legislation-dma-digital-markets-act-details

The EU [has unveiled its biggest ever legislative effort](https://www.europarl.europa.eu/news/en/press-room/20220315IPR25504/deal-on-digital-markets-act-ensuring-fair-competition-and-more-choice-for-users) to balance competition in the tech world. The new Digital Markets Act, or DMA, is intended to rein in the power of the largest tech corporations and allow smaller entities to compete with the mostly US-based firms. So far, the EU has tackled antitrust issues on a case-by-case basis, but the DMA is intended to introduce sweeping reforms that will address systemic issues in the whole market. Today’s announcement targets interoperability of messaging apps like WhatsApp, Facebook Messenger, and iMessage, with the EU saying that vendors will have to “open up and interoperate with smaller messaging platforms, if they so request.” The EU says that this should give users more choice in how they send messages, without having to worry about what platform the recipient is on. There’s also a requirement that users should be able to “freely choose their browser, virtual assistants or search engines.” The legislation hasn’t passed yet — the EU says the language has to be finalized and checked, at which point it’ll have to be approved by Parliament and Council. In a [press conference](https://multimedia.europarl.europa.eu/en/webstreaming/press-conference-by-andreas-schwab-rapporteur-on-digital-markets-act-dma-results-of-trilogue_20220325-1000-SPECIAL-PRESSER) held early Friday morning, Vestager said she expects DMA to come into force “sometime in October.” Owners of messaging platforms will likely have staggered obligations, [from three months to four years](https://www.theverge.com/2022/3/24/22995431/european-union-digital-markets-act-imessage-whatsapp-interoperable), depending upon the complexities of the integrations requested. The DMA will force new obligations on companies deemed to be “gatekeepers” — a category defined by the legislation as firms with a market capitalization of at least €75 billion ($82 billion); at least 45 million monthly users; and a “platform” like an app or social network. Companies covered by this classification include well-known tech giants like Google, Microsoft, Meta, Amazon, and Apple, but also smaller entities like Booking.com. If the “gatekeepers” don’t follow the rules, then the financial penalties could be steep: “the Commission can impose fines of up to 10 percent of its total worldwide turnover in the preceding financial year, and 20 percent in case of repeated infringements. In case of systematic infringements, the Commission may ban them from acquiring other companies for a certain time.” As the EU’s Commissioner for Competition, Margrethe Vestager, [told *The Verge* last week](https://www.theverge.com/22981261/margrethe-vestager-decoder-antitrust-eu-apple-facebook-google-jedi-blue), the aim is for the DMA to make the tech sector “open and contestable.” “So it depends on your ideas, your work ethics, your ability to attract capital, whether you’ll be successful with your customers or not,” said Vestager. “And unfortunately, because of the systemic nature of behavior, that’s not necessarily the case today.”

#### Dollar decline is inevitable but will be slow.

Sachchidanand Shukla 22. Group chief economist, Mahindra & Mahindra, 3/17/22. “Why ‘de-dollarisation’ is imminent.” https://indianexpress.com/article/opinion/columns/why-de-dollarisation-is-imminent-us-dollar-russia-7823308/

Much has been written on how the weaponisation of trade, the imposition of sanctions and the exclusion from SWIFT by the US could trigger a faster de-dollarisation as countries displaying diplomatic and economic autonomy will be wary of using US-dominated global banking systems. This school of thought avers that this can also trigger a shift in the overall global forex market framework as potential foreign policy coercion or sudden disruptions will not go down kindly with countries, which will start exploring how to build bulwarks. The US dollar, which is the world’s reserve currency, can see a steady fall in the current context as leading central banks may look to diversify their reserves away from it to other assets or currencies like the Euro, Renminbi or gold.

The “de-dollarisation” by several central banks is imminent, driven by the desire to insulate them from geopolitical risks, where the status of the US dollar as a reserve currency can be used as an offensive weapon. Thus, the war in Ukraine and the subsequent economic sanctions will trigger central banks to go back to their drawing boards to reassess their dependency on the greenback. Efforts are already underway for the possible introduction of a new Russia-China payment system, bypassing SWIFT and combining the Russian SPFS (System for Transfer of Financial Messages) with the Chinese CIPS (Cross-Border Interbank Payment System).

The notion of de-dollarisation sits well in the thought experiment of a multipolar world where each country will look to enjoy economic autonomy in the sphere of monetary policy. Leading geopolitical adversaries of the US — Russia and China — have already started this process of de-dollarisation. Other smaller powers are also joining the ranks. India has also had to work out alternative arrangements, including a barter arrangement, with certain sanctioned countries in the past.

Russia had started its three-pronged efforts towards de-dollarisation in 2014 when sanctions were imposed on it for the annexation of Crimea. First, Russia reduced its share of dollar-denominated assets to about 16 per cent in 2021. It had already announced that it would be cutting the USD from its $186 billion National Wealth Fund. Second, it reduced its share of trade conducted in USD by prioritising national currencies in bilateral trade. The use of USD in Russia’s exports to BRICS crashed from about 95 per cent in 2013 to less than 10 per cent in 2020. Third, Russia also developed a national electronic payments system called “Mir” in 2015 after several payment processing firms denied services to Russian banks.

However, these steps haven’t sufficed to effectively shield “fortress Russia”. China, on the other hand, aims to use trading platforms and its digital currency to promote de-dollarisation. China has established RMB trading centres in Hong Kong, Singapore and Europe. In 2021, the People’s Bank of China submitted a “Global Sovereign Digital Currency Governance” proposal at the Bank for International Settlements to influence global financial rules via its digital currency, the e-Yuan. The IMF has already added Yuan to its SDR (Special Drawing Rights) basket in 2016. In 2017, the European Central Bank exchanged EUR 500 million worth of its forex reserves into Yuan-denominated securities. However, the lack of full RMB convertibility will hinder China’s de-dollarisation ambition.

Despite these efforts, the US dollar continues to reign, having sealed its position in the early 1970s with a deal with the oil-rich Kingdom of Saudi Arabia to conduct global energy trade in dollars. The status of the dollar was enhanced by the collapse of the Bretton Woods system, which essentially eliminated other developed market currencies from competing with the USD. This status of the reserve currency allows the US government to refinance its debt at low costs in addition to providing foreign policy leverage. Currently, about 60 per cent of foreign exchange reserves of central banks and about 70 per cent of global trade is conducted using USD. The association of the USD as a “safe-haven” asset also has a psychological angle to it and like old habits, people continue to view the currency as a relatively risk-free asset. Given this psychological bias, the world will continue to prefer the USD as a “store of value” and a “medium of exchange”, fulfilling the basic functions of money. Additionally, sudden dumping of dollar assets by adversarial central banks will also pose balance sheet risks to them as it will erode the value of their overall dollar-denominated holdings.

Thus, despite triggers to the move away from the dollar, in reality, it will be a protracted process. Apart from the Euro and gold, most other foreign currencies have some inherent risks associated with them. With the historically “neutral” Switzerland joining the EU in imposing sanctions on Russia, it eliminates the Swiss Franc from being an asset that can work as a hedge against economic sanctions.

# 1AR – NDT Round 6

## Counterplan

### Democracy

#### 2. Antitrust is key---anything short retains a system of picking political winners and losers.

Talib Visram 19. Staff Writer at Fast Company. “This man says Big Tech is ‘the greatest threat to democracy since the Civil War’.” https://www.fastcompany.com/90416600/this-man-says-big-tech-is-the-greatest-threat-to-democracy-since-the-civil-war.

One of Elizabeth Warren’s signature 2020 proposals is to break up big tech companies such as Facebook and Google—but this isn’t new territory for the senator. In June 2016, she gave a keynote speech addressing the threat of consolidation and concentration of the big tech companies on American ideals. “Concentration threatens our markets, threatens our economy, and threatens our democracy,” she said, urging leaders to “revive antitrust enforcement and . . . fight back against dominant market power and overwhelming political power.” This is by no means a revolutionary concept. “Competition policy is how you achieve democracy and liberty,” says Barry Lynn, the former director of the Open Markets Program at New America, which hosted Warren’s remarks. “And that has been true from the founding of the United States.” The Sherman Antitrust Act, which became law in 1890, was the original piece of federal antitrust legislation, which the Supreme Court then used as grounds in 1911 to break up Standard Oil. The Clayton Antitrust Act, enacted in 1914, further strengthened those laws, adding stipulations to curb discriminatory pricing and block mergers and acquisitions that significantly reduced market competition. But Lynn, an ex-journalist who is now executive director of the Open Markets Institute (which he formed after an acrimonious departure from the New America foundation over an argument about corporate power), says the Reagan administration softened antitrust laws, and they’ve remained lax ever since, allowing “capitalists to concentrate their power.” That’s why we see monopolies across all industries, creating “masters of entire domains,” like Walmart, Pfizer, and Monsanto. “So it is not just the tech companies,” he says. “They’re just the problem on steroids.” The Amazons and Googles of the world have monopolized several markets at a time, and collect behavioral data in a way that the Walmarts were never able to. In July, retailers including Walmart and Target threw their support behind the government’s ongoing investigation of the tech giants. “Big Tech is a really fucking big problem,” Lynn says. “It is the greatest threat to democracy that we have seen in our country since the Civil War.” Lynn’s work at the Open Markets Institute, a think tank that focuses on anti-monopoly policy, includes advocacy via written articles and papers, debates with economists and antitrust scholars, dialogues with lawyers and filing amicus briefs, engagement with the Department of Justice and the Federal Trade Commission, and interacting with legislators and testifying before Congress. “We will talk to Republicans, Democrats, Independents, Socialists,” Lynn says, making clear that this need not be a partisan issue. He says the Institute has met with more than half of the 2020 Democratic candidates to promote its ideas. Open Markets doesn’t endorse candidates, but Lynn speaks highly of Warren, whose 2016 speech for New America, he says, was “probably the single most important speech in the history of the resurrection of anti-monopolization in the United States.” Markets was originally a branch of New America, but it split off from the larger organization in 2017 when then-senior fellow Lynn commended a $2.7 billion antitrust fine against Google, which had partially funded New America. The Open Markets Institute launched in September 2017, specifically “to address threats to our democracy, individual liberties, and our national security from today’s unprecedented levels of corporate concentration and monopoly power.” The Open Markets Institute is not against market competition, which Lynn says “is inherent in society.” It’s not even advocating for regulation for the reason of lowering prices. The rationale is loftier: It’s about preserving the nation’s founding economic traditions. “We have a full vision of an alternative political economy,” he says, “based on the competition policy that was put into place at the founding of the United States.” Lynn is also comfortable with classifying Amazon and other tech giants as “natural monopolies,” akin to essential facilities like electricity and gas. Perhaps it’s easier if everyone can simply go to Amazon for their books, say. “Maybe we’re dealing with monopolies that the public, given their druthers, would actually choose to have,” he says. If that’s the case, then Amazon, Google, and Facebook are the gatekeepers that allow individuals access to the marketplace—and Lynn says they then have a duty to treat everyone evenly. He’s concerned specifically about personalized pricing, the idea that companies can use your data to decide what to tempt you into buying, and, if you seem willing to pay more, at a potentially higher price than they’re offering to another user. He uses the analogy of a single local railroad that charges residents for transporting their grain to market. “That person must charge everybody the same price for the same terms of service,” he says. The danger is not just economic, Lynn says, but also political. That gatekeeper has the ability to pick winners and losers, and so ultimately has the power to extort and exercise political control. Customers can voluntarily choose not to shop at Amazon, for example, but some people aren’t in a financial position to buy their groceries at a farmer’s market instead. Besides, he says the effects are marginal, compared with federal action. So it’s up to the government to “neutralize” these companies: to enact anti-monopoly laws to regulate the mushrooming growth of these corporations and their mergers and acquisitions. That doesn’t mean nationalizing the companies. It doesn’t even mean the government setting prices. It’s simply the government laying out an equal playing field so that everyone can participate fairly in the market. “It’s really quite simple,” Lynn says. “We’ve done it a gazillion times.” For Lynn, the 2015 decision on net neutrality provides a template. The FCC ruled in favor of the regulatory initiative to guarantee every individual equal access to the internet, at the same speeds and at the same prices. Regulation of a similar kind can be applied to the monopoly issue, which would effectively spur more competition. “The most important thing the government can do is actually engineer competition, so that there are real incentives and rewards for introducing technologies,” Lynn says. “To free individual people, who can go out and bring forth all their best ideas.”

## Topicality

#### 4. Antitrust commissions determined that this list is too long to research

\*NOTE – AMC = Antitrust Modernization Commission.

Albert A. Foer 06. A.B., Brandeis University; M.A., Washington University; J.D., University of Chicago; the founder and President of the American Antitrust Institute. “Half-Time at the Antitrust Modernization Commission”. University of San Francisco Law Review. https://repository.usfca.edu/cgi/viewcontent.cgi?article=1165&context=usflawreview

7. Immunities and Exemptions

The AMC could in theory have taken evidence on each item in the long list of statutory immunities and exceptions that limit the applicability of antitrust laws. It quickly became obvious that the Commission did not have the time or resources to do this and that such an undertaking would not likely lead to legislation. A different agenda emerged, in which the AMC would try to develop a framework for Congress to examine each new (or renewed) request for an immunity or exemption. As mentioned previously, consultants are preparing such a framework. 116 Immunities and exemptions are generally the result of political power exercised on behalf of an industry, with the purpose of benefiting the industry rather than consumers. For this reason, any ammunition that would assist Congress in standing more firmly for the public interest would be desirable. It is conceivable that Congress might legislate a framework for itself that its members could point to when approached to support special interest antitrust legislation. This is potentially one of the most fruitful areas that the Commission has decided to pursue.

#### ‘Scope’ refers to activity at the present time, not the abstract potential application of law.

Frank G. Clement 16 Jr, Judge on the Tennessee Court of Appeals, “Hamer v. Southeast Res. Group, Inc.”, Court of Appeals of Tennessee, At Nashville, 2016 Tenn. App. LEXIS 176, 3/3/2016, Lexis

When interpreting a contract, ordinary words typically have their ordinary meanings unless there is evidence [\*13] that the parties intended for the words to have a special meaning. Madson v. Madson, 636 So. 2d 759, 761 (Fla. Dist. Ct. App. 1994). The ordinary meaning of a word is often described as its meaning in the dictionary. See Siegle v. Progressive Consumers Ins. Co., 788 So. 2d 355, 360 (Fla. Dist. Ct. App. 2001); Beans v. Chohonis, 740 So. 2d 65, 67 (Fla. Dist. Ct. App. 1999). The ordinary meaning of a word or phrase is also described as "a natural meaning or the meaning most commonly understood when considered in relation to the subject matter and circumstances." See J.N. Laliotis Eng'g Constr. v. Mastor, 558 So. 2d 67, 68 (Fla. Dist. Ct. App. 1990) (quoting Granados Quinones v. Swiss Bank Corp., 509 So. 2d 273, 275 (Fla. 1987)).

If parties wish to depart from the ordinary meaning of common words and assign uncommon meanings to them, they must do so explicitly. See Madson, 636 So. 2d at 761. "One who would ascribe an exotic meaning to a term in a contract which otherwise has perfectly ordinary connotations must take pains to define the term either expressly or by express reference." E. Ins. Co. v. Austin, 396 So. 2d 823, 825 (Fla. Dist. Ct. App. 1981); see Russ v. State, 832 So. 2d 901, 907 (Fla. Dist. Ct. App. 2002) ("[W]here a statute does not specifically define words of common usage, such words are construed in their plain and ordinary sense." (alteration in original)); Koplowitz v. Imperial Towers Condo., Inc., 478 So. 2d 504, 505 (Fla. Dist. Ct. App. 1985) ("Whether they appear in a statute or in a declaration of condominium, words of common usage should be construed in their plain and ordinary sense.").

Here, this dispute exists because the parties' agreement does not define "scope" or "scope and purpose." Furthermore, the agreement does not identify the point in time when the "scope" of [\*14] Action's business is to be determined. Southeast contends that "scope and purpose" is ambiguous because it is susceptible to multiple reasonable interpretations. According to Southeast, "scope and purpose" means "at a minimum any business opportunity to be marketed to credit union members, including the telemedicine opportunity." However, the entirety of the parties' agreement and the "inconvenience, hardship, or absurdity" that would result from Southeast's proposed interpretation demonstrate that the agreement is not ambiguous and that the parties intended for the words "scope and purpose" to have their ordinary meanings. See Branscombe, 76 So. 3d at 948.

"Scope" and "purpose" are commonly-used words with commonly-understood meanings. Therefore, if the parties intended to ascribe an uncommon meaning to "scope" or "scope and purpose," they should have explicitly defined those terms. See E. Ins. Co., 396 So. 2d at 825. Instead of explicitly stating that these words have an uncommon definition, the agreement provides that its terms, covenants, and provisions "shall be construed simply and according to [their] fair meaning[s] . . . ." Consequently, the failure to specify a unique meaning for "scope and purpose" and the inclusion of the above-quoted section [\*15] indicate that the parties intended for these words to have their ordinary meanings. See id.; see also Russ, 832 So. 2d at 907; Koplowitz, 478 So. 2d at 505.

Under Southeast's interpretation, Plaintiff agreed to disclose and make available every business opportunity "to be marketed to credit union members." Such a broad definition appears to encompass every product or service imaginable, whether they have anything to do with Action or not. Under this interpretation, Plaintiff would be required to disclose an opportunity to sell cars to credit union members even though Action's business is not related to cars at all. The inconvenience, hardship, or absurdity that would result are weighty evidence that the parties did not intend for "scope and purpose" to have this meaning, especially when interpreting the agreement based on the ordinary meaning of "scope" avoids these difficulties. See Branscombe, 76 So. 3d at 948 HN9 ("The inconvenience, hardship, or absurdity of one interpretation of a contract or its contradiction of the general purpose is weighty evidence that such meaning was not intended when the language is open to an interpretation which is neither absurd nor frivolous and is in agreement with the general purpose of the parties.").

HN10 The ordinary meaning of words is found in the dictionary and is the most commonly understood meaning in relation to the subject matter of the parties' agreement. See Siegle, 788 So.2d at 360; Beans, 740 So. 2d at 67; J.N. Laliotis, 558 So. 2d at 68. According to one dictionary, "scope" means "1. The range of one's perceptions, thoughts, or actions. 2. Breath or opportunity to function. 3. The area covered by a given activity or subject." The American Heritage College Dictionary 1222 (3d ed. 1997). The operating agreement is concerned with the relationship of Action's members to each other and to Action, and the subject matter of section 6.6 is the duty to make certain business opportunities available to Action in order to avoid competition between Action and its members. [\*18] Based on the dictionary and the subject matter of the parties' agreement, "scope" most naturally refers to the range or breadth of the business that Action is engaged in at the relevant time.

Southeast contends this interpretation renders "purpose" redundant because "by definition, scope would always be within the purpose." We respectfully disagree. Contrary to Southeast's contentions, "scope" and "purpose" refer to different concepts. "Purpose" is aspirational and refers to what Action is capable of doing in the future (i.e. all lawful business for limited liability companies). In contrast, "scope" refers to what Action actually is doing or has done at the relevant point in time. Thus, an opportunity might be within Action's scope but not its purpose if, for example, Action had been organized for a limited purpose (e.g. to acquire real estate in Florida) but was in fact also engaged in the business of selling disposable mobile phones to college students. In this example, a business opportunity to sell mobile phones to college students would be within Action's scope but not its purpose.

Therefore, under the ordinary meaning of "scope," a member is required to disclose a business opportunity [\*19] if that opportunity (1) is within Action's aspirational goal — its purpose; and (2) is within the area that Action's business has or is actually covering at the relevant point in time. As a result, interpreting "scope" according to its ordinary meaning does not render any part of the agreement redundant.

Having concluded that "scope" refers to the breadth of the business Action is or has engaged in, we must turn our attention to determining when Action's "scope" should be assessed. The agreement does not specify whether Action's scope is to be determined as of the date of the agreement, the date of the discovery of an opportunity, or some other date. After reviewing the agreement, we conclude that the parties intended for Action's scope to be determined at the time when a member seeks to pursue the business opportunity in question.

#### Scope is legal application.

Parsons ’14 [Honorable Donald F Jr; February 18; Vice Chancellor of the Court of Chancery of Delaware; Westlaw, “Vichi v. Koninklijke Philips Electronics, N.V.,” 85 A.3d 725]

As an initial matter, I reject the proposition that the determination of who can invoke a choice of law provision must precede the analysis of the provision's validity and scope. The “scope” of a choice of law provision refers to how broadly or narrowly that provision applies and includes the question of whether the provision created enforceable rights in third parties.310 The only case Philips N.V. cites in support of its assertion that Delaware law should govern whether it can invoke the choice of law clause merely stands for the proposition that a Delaware court will apply its own conflict of laws rules to determine which jurisdiction's substantive law will govern the claims before it.311 As noted previously, under Delaware conflict of laws rules, the scope of a valid choice of law provision is determined by the law of the selected jurisdiction—in this case, England.

#### AND Prohibitions just entail disallowing specific actions---modifies the rest of the sentence.

Blackmun ’92 [Harry Andrew, Anthony McLeod Kennedy, and David H Souter; Justices on the Supreme Court of the United States; Lexis, “Cipollone v. Liggett Group,” 505 U.S. 504]

Although the plurality flatly states that the phrase “no requirement or prohibition” “sweeps broadly” and “easily encompass[es] obligations that take the form of common-law rules,” ante, at 2620, those words are in reality far from unambiguous and cannot be said clearly to evidence a congressional mandate to pre-empt state common-law damages actions. The dictionary definitions of these terms suggest, if \*536 anything, specific actions mandated or disallowed by a formal governing authority. See, e.g., Webster's Third New International Dictionary 1929 (1981) (defining “require” as “to ask for authoritatively or imperatively: claim by right and authority” and “to demand as necessary or essential (as on general principles or in order to comply with or satisfy some regulation)”); Black's Law Dictionary 1212 (6th ed. 1990) (defining “prohibition” as an “[a]ct or law prohibiting something”; an “interdiction”).

### AT: Expand

#### ‘Expand’ means to increase the extent.

Merriam-Webster’s 21 Online Dictionary, ‘expand’, https://www.merriam-webster.com/dictionary/expand

transitive verb

1: to open up : UNFOLD

2: to increase the extent, number, volume, or scope of : ENLARGE

#### ‘Expand’ extends.

Murphy ’47 [Loren E; September 18; Chief Justice on the Supreme Court of Illinois; Westlaw, “Fed. Elec. Co. v. Zoning Bd. of Appeals of Vill. of Mt. Prospect,” 398 Ill. 142]

The question is squarely presented as to whether the placing of the neon signs on the towers expanded the use to which the property had been previously devoted. The restrictive part of the ordinance which prohibits expansion refers to the nonconforming \*\*362 use of the property. Literally, it provides that the use may be continued but it cannot be \*146 expanded. Webster's International Unabridged Dictionary defines the word ‘expand,’ to extend, to enlarge. The application of such definition to the word ‘expanded’ as contained in section 10 would mean that the use that was being conducted on the premises at the time of the adoption of the ordinance could not be extended or enlarged. The placing of the neon signs on the towers did not expand or enlarge the use to which the property was devoted. It may have been installed for advertising purposes, hoping that it would result in a gain of its business, but there is nothing in the record which indicates that such advertising would be followed by any expansion or enlargement of the laboratory experiments that were being conducted on the property. Zenith had the right to continue its nonconforming use and the right to advertise that use and the products it was handling, so long as it did not expand the use to which the property was devoted when the ordinance was adopted.