# 1AC --- Platform Utilities

## 1AC --- Platforms --- v1

### 1AC --- Advantage --- China

#### Advantage one is China:

#### Artificial Intelligence (AI) is the only credible threat China will pose to U.S primacy --- The ability of the U.S to leverage private innovation is key

Stephen, 21 (Capt Stephen, Captain Fuller’s (MS, Tarleton State University; BS, University of Phoenix. He is an ANG Cyber Operations Officer serving as the Director of Operations of the Base Communications Flight at Will Rogers, ANGB., 3-12-2021, accessed on 8-31-2021, Air University (AU), "China in Search of AI Supremacy", https://www.airuniversity.af.edu/Wild-Blue-Yonder/Article-Display/Article/2532254/china-in-search-of-ai-supremacy/)//Babcii

In order to totally understand the need of the United States to maintain and compete for artificial intelligence (AI) supremacy over our near peer threat, China, we must first look at the Chinese Communist Party’s (CCP) militarily goals and what makes them unique in their pursuit. According to the Department of Defense’s (DOD) 2000’s Annual Report on Military and Security Developments Involving the People’s Republic of China, the People’s Liberation Army’s (PLA) **ground, air, and naval forces** were sizable but **mostly obsolete**. Their **cyber capabilities were rudimentary**, and its use of information technology was well behind the curve.1 China’s defense industry was **struggling to produce high-quality systems**. Flash forward two decades and the PLA’s objective is to become a “world-class military” by the end of 2049; this per the DOD’s Military and Security Developments Involving the People’s Republic of China, 2020. How does a country once floundering by the wayside with obsolete weaponry and technology make such dramatic leaps to be able to announce their intentions of becoming a “world-class” military by the end of 2049? In just a short 20 years, the Chinese are already surpassing us, the mightiest military in the world, in shipbuilding, land-based conventional ballistic and cruise missiles, and integrated air defense systems. Alongside conventional warfare, the CCP is investing heavily in technology innovations and has specifically mentioned **AI** as a **paramount part of their National Defense Strategy**. Why is AI so important? What is AI? AI can be thought of as the ability of an artificial agent to achieve goals in a “wide range of environments.”2 What China is interested in is more in line with the deep learning aspect of AI. Deep learning, now popularly associated with artificial intelligence, is a technique that harnesses neural networks to train algorithms to do specified tasks, such as image recognition.3 With this deep learning, there are many military applications such as automating military equipment to perform a task(s) while learning better strategies to simply taking more and more of the human element out while the AI makes decisions based on the algorithms that are input into the system(s). While focusing on how it will benefit China economically and socially, they will also be utilizing technology, specifically AI to improve their military efforts; no real line between them in the Chinese construct. Although China is not yet up to par with the rest of the—primarily Western—world, they are putting significant capital in its progress. A perfect example of how serious China is in investing in AI is the AI startup SenseTime. In a four-year span, it went from an academic project to becoming the world’s most valuable artificial intelligence company with a current valuation of $4.5 billion. SenseTime is now the largest algorithm provider in China, as well as the fifth largest AI platform. Along with other tech titans, SenseTime is working with the Chinese government on Made in China 2025, an initiative to make the country economically autonomous.4 Made in China 2025 states the strategic goals of turning China to a major manufacturing power. By 2020, their goal was to consolidate manufacturing power and increase manufacturing digitalization. By 2035, Chinese manufacturing will reach an intermediate level among manufacturing powers. By 2049, China’s manufacturing sector status will become more consolidated, and China will become the leader among the world’s manufacturing powers.5 In order to accomplish this, the Chinese are relying on technology innovations from AI companies such as SenseTime. This brings us to the why and how China is able to rely on civilian innovation as much as it does for not only the social and economic benefits but also the direct alignment of military goals. ”Military-Civil Fusion, or MCF, is an aggressive, national strategy of the CCP. Its goal is to enable the PRC to develop the most technologically advanced military in the world… Under MCF, the CCP is systematically reorganizing the Chinese science and technology enterprise to ensure that new innovations simultaneously advance economic and military development.”6 As a national strategy, military-civil fusion traces roots to the Maoist idea of “people’s warfare,” which prescribed a “whole-of-society” approach to military mobilization, and builds on industrial policy to drive military modernization.7 While civilian companies, such as SenseTime and Ali-Baba, are working to improve the social and economic functions of China; they are also directly in line with the CCP to improve the innovations and the capabilities of the PLA. Unlike the United States, there is no clear line or delineation between the government and its civilian counterparts. The partnership goes both ways; not only do the civilian entities in China share technology and AI algorithms with the government but the CCP ensures that there is plenty of capital invested in the civilian sector, primarily to the companies and entities that have a direct role in achieving the ambitious plans of the CCP. When searching for MCF, the number one topic that comes up time and time again is that of AI. Chinese firms and research institutes are advancing uses of AI that could undermine US **economic leadership and provide an asymmetrical advantage in warfare**. Chinese military strategists see AI as a breakout technology that could enable China to rapidly modernize its military, surpassing overall US capabilities and developing tactics that specifically target US vulnerabilities.8 The CCP is rapidly growing its arsenal, whether it be conventional warfare items or aggressively investing in technology and innovations. Although the PRC does not have the technology and the assets, the engineers, or the capabilities that we have right now, they are **pumping all the resources they can** to ensure that they reach their end state of being a player that everyone has to recognize on an equal playing field. What can a country such as the United States do when we have moral obligations that the CCP does not have, nor institutes? Having a gray area between the civilian sector and the military gives them a clear advantage as there is no such thing as a separation of government and the civilian sector. Our government has some leeway in pushing tax dollars towards certain functions that will improve our overall social and economic structure but crossing the line of government versus private sector is still a clear boundary that most will not cross. We have a democracy as to where our government can change greatly every two to four years, whereas the Chinese have a government that is setup to exist generationally and even past that. Our greatest asset of Democracy might also be the reason that the CCP and the PLA can gain on us in the future, possibly. **The greatest advantage that the United States has over China is our free market system.** **We enable companies to compete** for monetary advantage and with only little government interference/oversight unlike China, which consistently monitors all businesses and citizens. In 2019, privately held AI companies attracted nearly $40 billion in disclosed equity investment—defined as venture capital, private equity, and mergers and acquisitions—across more than 3,100 discrete transactions. US companies attracted most of this investment: $25.2 billion in disclosed value (64 percent of the global total) across 1,412 transactions.9 What does this tell us? Well, China has not attracted the investment that most think; if $25.2 billion or 64 percent of the global total is still coming from the United States, then maybe the competition is not as close as most think it is. Our military depends greatly on our private companies coming up with usable applications for civilian purposes and then the military legally purchases or contracts the item for military use. We do not stifle civilian innovation; we tend to reuse the items in different manners but depend on that civilian innovation for the next greatest thing in technology. Nothing is owed to the United States government and the civilian companies can negotiate the value of their AI product. Although China is focusing more internally on their own startups, their AI narrative, and it seems to not be at the level that our AI innovation is, we must continue to proceed with caution. As soon as we let down our guard, China may surpass us and could possibly one day become the world’s AI leader.

#### Two Internal links ---

#### First---Innovation---Unrestrained platforms create kill zones that destroy startups and venture capital

Kamepalli et al., 20 (Sai Kamepalli, Luigi Zingales, and Raghuram Rajan, Kamepalli: Columbia University Department of Economics, Zingales: Booth School of Business, University of Chicago, Rajan: Booth School of Business, University of Chicago, May 2020, accessed on 8-20-2021, NATIONAL BUREAU OF ECONOMIC RESEARCH, "Kill Zone", https://www.nber.org/system/files/working\_papers/w27146/w27146.pdf)//Babcii

There is a growing worry that digital **platforms** (multi-sided markets that offer digital services to customers, often for free) might be gaining market power, distorting competition, and **slowing innovation**. A specific concern is that such platforms might acquire any potential competitors, dissuading others from entering, and thus preventing innovation from serving as the competitive threat that is traditionally believed to keep monopoly incumbents on their toes. In a sense, such platforms create **a “kill zone” around their areas of activity**. This is not just a theoretical possibility. For instance, Albert Wenger, a managing partner at Union Square Ventures and an early investor in Twitter recently declared the “Kill Zone is a real thing. The scale of these companies [digital platforms] and their impact on what can be funded, and what can succeed, is massive.”1 The notion that platform acquisitions discourage new investments is at odds with a standard argument in economics (see Phillips and Zhdanov (2013), and for related evidence); if incumbents pay handsomely to acquire new entrants, why should entry be curtailed? Why would the prospect of an acquisition not be an extra incentive for entrepreneurs to enter the space, in the hope of being acquired at hefty multiples? We first check if there is more than anecdotal evidence of a “Kill Zone”, sufficient to warrant a theoretical analysis. Figure 1 shows that the number and **the dollar value of new start-ups** in the social media space **have dropped dramatically** in the last few years. This could, of course, be consistent with a number of explanations. To probe deeper, we conjecture that when a major acquisition by an incumbent platform is not blocked by the antitrust authorities, it signals there is a higher likelihood that other similar acquisitions will not be blocked. Under this assumption, a testable consequence of the existence of a “Kill Zone” is that the acquisition of an important new entrant by an incumbent digital platform can lead to a decrease in new entry and a decrease in the amounts invested in early-stage enterprises that are similar to the entity acquired. To test this, we collect data on the number of deals and dollar amounts invested by venture capitalists in a sector around the time **major acquisitions by Facebook and Google are announced** in that sector (a more detailed explanation of the data sources and the figures discussed in the introduction follow in Section 1). In the three years following an acquisition by Google and Facebook in a certain industry sector, **VC investments in that sector** (normalized by total investments in the software industry) **drop by over 40%** (see Figure 2a) **and the number of deals falls by over 20%** (see Figure 2b). Is this a common phenomenon in all software acquisitions? When we compare VC investments in companies similar to the target after a Google or Facebook acquisition with VC investments in companies similar to the target after an acquisition by any other software company, we find that investments drop more after a Google or Facebook acquisition (see Figures 2a and 2b). Thus, consistent with the idea of a “Kill Zone”, there seems to be something special about acquisitions by multi-sided platforms that deters further investment in that space. We consider alternative explanations of these results, including the possibility that most (if not all) the start-ups similar to the ones acquired by Google or Facebook were created with the only objective of being acquired by Google or Facebook. Thus, when a tech platform settles on a target, the potential alternatives lose their likely buyer and thus financing. To address this concern, we only look at startups that are in a similar space, but not too close to the space of the acquired ones (so that they cannot be considered perfect substitutes). Our results are qualitatively similar. After a number of other robustness checks, we are unable to rule out the possibility of the existence of a kill zone. We therefore turn to a possible theoretical explanation. We argue that the standard economic argument (of acquisitions incentivizing entry) relies critically on the acquisition price for firms being adequate compensation for innovation. This may not hold in the context of acquisitions by digital platforms, because the economics of digital platforms differs significantly from the textbook neoclassical economics of firms. To show this, we build a simple model of platform competition that contains the key novel ingredients present in this space: First, platforms are multi-sided. On one side, the platform serves customers who are not charged any explicit fee for services. On the other side, it deals with advertisers, who pay for access to customers. As a result, there isn’t any price competition on the customer side. Second, there are important network externalities on the customer side of the market. Third, customers start out with the incumbent (an immense incumbency advantage in the presence of network externalities). Finally, some agents have switching costs. In this context, we show that a crucial role in the success of an entrant offering platform services is played by early adopting app designers (we will suggest alternative types of early adopters later). Each app designer has a cost of adapting their app to the new platform, a switching cost that will be recovered only if the platform is above a certain quality. If the cost of adopting the new platform varies across app designers, it is straightforward that the higher the quality of the entrant, the more the number of app designers who will adopt it. The mass of adopting app designers, in turn, drives the adoption by ordinary customers for two reasons. First, the mass of adopting designers offers a signal about the fundamental quality improvement brought about by the new platform. Second, this mass creates a network externality for ordinary customers, who have to choose whether to adopt the new platform – clearly, the more the apps on the entrant platform, the higher its utility to the ordinary customer. The adoption decision by the app designer is crucial. Importantly, it is greatly affected by the ease with which acquisitions are cleared by the Federal Trade Commission. If an app designer expects the new platform to be acquired soon, they will be reluctant to pay the adaptation costs, unless the new platform is of significantly higher quality than the incumbent one. After all, they know that if the entering platform’s technology is a net improvement over the existing technology, the incumbent will integrate it smoothly with the existing platform, with new features melded with old features so that existing apps work seamlessly without any additional costs. Thus, the **expectation of a merger soon after entry will dissuade** many **designers** from incurring the additional cost to adapt their apps to the entrant platform. **In turn**, the low number of apps on the entrant will **deter many ordinary customers from adopting it**. The stand-alone market value of the entrant platform represents the entrant’s reservation value in any bilateral merger negotiation with the incumbent. It will be critical in determining the acquisition price. Since value in the multi-sided platform comes from advertisers, who will pay for the customers they can access, the entrant’s stand-alone value will be driven by the total number of customers who adopt it. Yet, this number depends crucially on the number of app designers who adopt it, which in turn depends on the expectation this platform would indeed stand alone. Thus the prospect of a quick acquisition can sufficiently reduce adoption by designers, and hence by customers, so as to reduce the payoff from the merger and discourage entry. Put differently, think of early-adopter designers as bees: in pursuing their own interest they generate a positive externality. Because of this externality, any environmental condition that affects bees’ incentives to roam across flowers has a much bigger effect than its direct effect on bees’ welfare. The same is true here. Any environmental condition that reduces the app designers’ incentives to switch to better platforms has a negative effect on the system. If it is so important for an entrant to signal that it will not sell out to the incumbent, why doesn’t it commit to it? An entrant entrepreneur will try her best to portray fierce independence, committing to uphold the “purity” of her new technology. In fact, the often-claimed presence of super egoistic CEOs/founders, driven more by a vision than by money, can be interpreted as their attempt to commit credibly to never sell the platform. So can the prevalence of the dual class share structure that entrusts the founders with ultimate control. Nevertheless, in a world of rational agents, **it is hard to see how the entrepreneur can credibly commit not to sell** when selling maximizes her profits (given that a monopolist’s profits are greater than the sum of the profits of two duopolists).

#### That creates a build for sale market that undermines primacy

Foster, 20 (Dakota Foster, a graduate student at Oxford and a former Visiting Researcher at the Center for Security and Emerging Technology., 6-2-2020, accessed on 5-21-2021, Brookings, "Antitrust investigations have deep implications for AI and national security", https://www.brookings.edu/techstream/antitrust-investigations-have-deep-implications-for-ai-and-national-security/) //Babcii

Changes to the composition of America’s tech sector might boost net AI innovation. From 2013-2018, [**90 percent**](http://uchicagogate.com/articles/2019/10/20/its-time-break-big-tech/)**of** successful Silicon Valley **AI start-ups were purchased** by leading tech companies. This is a potentially worrisome trend for AI innovation. After all, incumbent firms and emerging companies can have **very different incentives**. Entrenched tech **giants** may be **more focused on maintaining market share than disrupting** markets altogether. As Big Tech [increasingly moves to acquire](https://www.bloomberg.com/news/articles/2020-03-16/big-tech-swallows-most-of-the-hot-ai-startups) AI start-ups, individual firm dynamics also shift. Instead of [“building for scale,” start-ups begin to “**build for sale**,”](https://www.economist.com/business/2018/06/02/american-tech-giants-are-making-life-tough-for-startups) adopting a mentality that may be **ill-suited for moonshot innovations**. Would a company like DeepMind (now owned by Google parent-company Alphabet), for example, have developed AlphaGo—the ground-breaking computer program that became the first to beat a human player in Go—if the firm’s primary goal was to be acquired by a bigger player? Antitrust action could shift these incentives and spur competition, potentially opening the door for new AI innovations—and for a new wave of AI companies. With their smaller statures, some of these firms might focus on more niche AI applications, including defense-related products, as start-ups like Anduril and ShieldAI have done. Today’s tech giants have every financial incentive to cater to foreign markets and the average consumer, not to the U.S. federal government. Indeed, with its global user-base, it is hard to imagine Google tailoring its AI innovation decisions to U.S. defense needs. The same may not hold within an AI ecosystem where some companies built, for example, in the mold of Palantir (a data-analytics company with clear national-security applications) consider government their primary customer and subsequently concentrate on its demands. **National-security** agencies, from the Pentagon to the U.S. intelligence community, **could stand to benefit from** more **targeted innovation**—and from an industrial base better attuned to their needs. As Christian Brose [points out](https://www.wsj.com/articles/the-end-of-americas-era-of-military-primacy-11590155833), only a fraction of the U.S.’s billion-dollar tech “unicorns” have operated in the defense sector, leaving the U.S. military “shockingly behind the commercial world in many critical technologies.

#### It also undermines capability to deploy new technology

Lemley and McCreary, 19 (Mark Lemley and Andrew McCreary, Lemley: Stanford Law School, McCreary: Stanford University, Graduate School of Business; Stanford Law School, 12-19-2019, accessed on 8-20-2021, Papers.ssrn, "Exit Strategy", <https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3506919>)//Babcii

While these may be valid points in particular cases, they do not disprove nor help solve the problems of concentration caused by the norm of selling startups to incumbents. First, market structure matters. Markets that are not competitive not only distort prices but reduce innovation. 235 Further, incumbent **acquisitions prevent** potential **competitors from** combining to form a company that can credibly threaten **entry at scale**. 236 So reducing the possibility of Schumpeterian competition is likely to discourage innovation in the long run. And precisely because incumbency does bring some real advantages, we may need to create incentives to support Schumpeterian competition and avoid perpetual incumbency. In any event, the incumbent will put the innovation in the hands of more consumers **only if it actually deploys that product**. As we have seen, **incumbents often buy startups and then kill them**, either deliberately or by dissipating the team and not focusing on the acquired product.237 Incumbents have **less incentive to deploy** new technologies than startups do. That’s because incumbents who replace their existing product with a new one are mostly stealing customers from themselves.238 And **incumbents don’t need to innovate** to stay alive if they can buy any entrant that looks like a threat.239

#### Regardless of startups --- Concentration alone undermines the DIB by creating a symbiotic relationship

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Big Tech and the Defense Industrial Base **Concentration** in the tech sector also **threatens the defense industrial base** due to higher costs, lower quality, less innovation, and even corruption and fraud.71 Each of these dynamics has already been a problem for America’s over-consolidated defense industrial base. As technology becomes more and more central to defense and national security, it is likely that these same dynamics will replicate themselves with big tech companies. This will become a national security threat, both directly, in terms of the quality and speed of procurement, and indirectly, by reducing innovation and functionally redirecting defense budgets from research spending to higher monopoly profits.72Conventional economic theory suggests that monopolists have the ability to increase prices and reduce quality because consumers are captive.73 When it comes to defense spending, the Government Accountability Office commented in 2019 that “competition is the cornerstone of a sound acquisition process and a critical tool for achieving the best return on investment for taxpayers.”74 At the same time, the GAO observed that “portfolio-wide cost growth has occurred in an environment where awards are often made without full and open competition.”75 Indeed, it found that 67 percent of 183 major weapons systems contracts had no competition and almost half of contracts went to a handful of firms. Of course, consolidation also means that the **Defense Department is in a symbiotic relationship** with these big contractors. Some startup executives wanting to sell to the government thus see the Pentagon as “**a bad customer**, one that is heavily skewed in favor of larger, traditional players,” and they don’t feel like they can break into the sector.76 Standard stories about political economy and capture also suggest that these firms will have outsized power over government.77 As Frank Kendall, the former head of acquisitions at the Pentagon, has said, “With size comes power, and the department’s experience with large defense contractors is that they are not hesitant to use this power for corporate advantage.”78 In the defense context, that means monopolists retain power (and profits), even if they overcharge taxpayers and risk the safety of military personnel in the field. In an important article in The American Conservative on concentration in the defense sector, researchers Matt Stoller and Lucas Kunce argue that contractors with de facto monopoly at the heart of their business models threaten national security. They write that one such contractor, TransDigm, buys up companies that supply the government with rare but essential airline parts and then hike up the prices, effectively holding the government “hostage.”79 They also point to L3, a defense contractor that had ambitions to be a “Home Depot” for the Pentagon, as its former CEO put it. L3’s de facto monopoly over certain products, according to Stoller and Kunce, means that it continues to receive lucrative government contracts, even after admitting in 2015 that it knowingly supplied defective weapons sights to U.S. forces.80 Consolidation also threatens U.S. defense capacity. The decline of competition, according to a 2019 Pentagon report, leaves the military vulnerable to “sole source suppliers, capacity shortfalls, a lack of competition, a lack of workforce skills, and unstable demand.”81 With a **limited number of producers, there is less talent and knowhow** available in the country if there is a need **to build capacity rapidly**.82 In 2018, the Defense Department released a report on vulnerable items in the military supply chain, including numerous items in which only one or two domestic companies (and, in some cases, zero domestic companies) produced the essential goods.83 How did the United States lose so much of its industrial base? The combination of consolidation and global integration is part of the story. As Stoller and Kunce argue, companies consolidated in the 1980s and 1990s while shifting emphasis from production and R&D to Wall Street-demanded profits. Globalization then allowed them to shift production overseas at a lower cost. The result was to gut America’s domestic industrial base—and, in many cases, to shift it to China, which engaged in a decades-long strategic plan to develop its own industrial base. The result, in the words of the 2018 Defense Department report, is that “China is the single or sole supplier for a number of specialty chemicals used in munitions and missiles.” In other areas too, the risks of losing access to critical resources are real. Describing the problem of limited carbon fiber sources, the same Pentagon report notes, “[a] sudden and catastrophic loss of supply would disrupt DoD missile, satellite, space launch, and other defense manufacturing programs. In many cases, **there are no substitutes readily available**.”84 As technology becomes more integral to the future of national security, it is hard to see how big tech will not simply go the way of the big defense contractors. Corporate mottos not to “be evil” are long gone,85 and big tech companies spend millions on conventional Washington, D.C., lobbying efforts.86 Over time, as contracts move to tech behemoths, there will no longer be competitive alternatives, and the Pentagon will likely be locked into relationships with big tech companies—just as they currently are with big defense contractors.87 Some commentators suggest that robust antitrust policies are a problem because only a small number of tech companies can contract for defense projects.88 But there is another way to look at it: **The goal should be to encourage competition in the tech sector so that there are multiple contractors available**. As former secretary of homeland security Michael Chertoff has said, defending the antitrust case against Qualcomm, “a single-source national champion creates an unacceptable risk to American security—artificially concentrating vulnerability in a single point. ... We need competition and multiple providers, not a potentially vulnerable technological monoculture.”89 The consequence of consolidation in tech is that taxpayers will likely see higher bills even as innovation slows due to reduced competition. Worse still, **every taxpayer dollar that goes to monopoly profits**—whether in the form of higher prices or fraud and corruption—**is a dollar that is not going toward innovation** for the future. A concentrated defense sector means not only less innovation due to the lack of competition in the sector; it means that funding that could have been available for innovation instead gets redirected via monopoly profits to the pockets of big tech executives and shareholders.

#### Specifically true of AI --- Platform research falls prey to priority divergence

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A study released this week indicates leading private sector tech companies’ investments in artificial intelligence may **not ensure “long-term** national **competitiveness**” within the United States. Conducted by the [**Center for Security and Emerging Technology**](https://cset.georgetown.edu/research/mapping-research-agendas-in-u-s-corporate-ai-laboratories/?utm_source=Center+for+Security+and+Emerging+Technology&utm_campaign=0c2bdea508-Mapping+Research+Agendas+in+U.S.+Corporate+AI&utm_medium=email&utm_term=0_fcbacf8c3e-0c2bdea508-438303754), the study maps the research agendas of **Apple, Amazon, Facebook, Google,** IBM and Microsoft across 60 AI areas, including robotics and grasping to optimization. The study **indicates “consideration differentiation”** in prioritized AI research areas among the companies that could negatively impact the United States’ status against near-peer **nation-state rivals**. “None of the leading companies examined in this analysis appear to be **prioritizing work on problem areas** within machine learning **that will offset the broader structural challenges** the United States faces in deploying and benefitting from the technology when **competing against authoritarian regimes,”** the study states. The study indicates problem areas include federated learning, simulation learning, interpretability, few-shot learning and machine learning fairness—all subfields of AI. The study’s findings are based on numerous research papers published by universities since 2010 and other open-source information, according to its authors. The study encourages U.S. policymakers to “take into account the state of play of corporate investments’ in AI in formulating national AI policy, and suggests the U.S. government position itself as “gap filler” by addressing certain machine learning areas . “To the extent that national interests and private sector agendas converge, the U.S. government may only need to encourage existing research activity,” the study states. “To the extent that these interests diverge, U.S. government strategy may **need to intervene more extensively in order to ensure national competitiveness** in underinvested areas.”

#### Ending platforms solves --- Empirics prove

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Big Tech, Competitiveness, and Innovation One of the central arguments against breaking up and regulating big tech on national security grounds is that big tech companies are essential for innovation in the tech sector and thus for American competitiveness and ultimately for national security. Historically, however, **innovation has come from** a mix of **competition** and public funding of research and development. Breaking up and regulating tech companies thus doesn’t mean ceding ground to the Chinese on technological innovation—it means creating a competitive marketplace with great innovative capacity. Whether or not they say it explicitly, those who want to protect big tech from antitrust and regulation support a national champions model. The national champions approach suggests that innovation takes place within big companies that are protected from competition and therefore have resources to spend on research and development. Some associate this approach with Joseph Schumpeter, who suggested that firms in competitive markets might be less innovative than monopolists.58 In this vein, commentators celebrate how Bell Labs was able to innovate for generations and see Google X, Facebook, and other tech companies as similarly investing in frontier research that will ultimately lead to innovative breakthroughs.59 While innovation can take place under a national champions model, innovation does not require national champions—and there are strong arguments that the **national champions approach is** limited and even **counterproductive**. First, as Tim Wu has noted, “[B]oth history and basic economics suggest we do much better trusting that fierce competition at home yields stronger industries overall.”60 This response, of course, has been commonplace in basic economics for decades and in debates on competition is linked to the views of Kenneth Arrow.61 Market competition is good for innovation because competitors have to find ways to differentiate themselves in order to survive and expand. In contrast, large protected firms get lethargic, are slow to innovate, and rest on their laurels Wu points out that we also have evidence—not just theory—to show that protecting national champions is inferior to encouraging competition. In the 1980s, Wu argues, **Japan took** the approach of protecting its **national champions** in the electronics industry. Powerhouses like NEC, Panasonic, and Toshiba had direct government support. In contrast, **the United States took the opposite** tack with IBM. The computer firm was brought under antitrust scrutiny, and the legal battle went on for more than a decade, along the way chilling Big Blue from engaging in any conduct that could even potentially run afoul of the antitrust laws. **The result**, Wu notes, **was** to create the space for a variety of hardware and software companies, **Microsoft, Lotus, and Apple** among them. **Competition led to innovation** and the creation of some of the most forward-looking companies of the era.62 Second, national champions can actually limit innovation because they have an incentive to avoid research and innovations that might jeopardize their business model or undermine their dominant position. Bell Labs, for example, has long been celebrated for its role as an “ideas factory.”63 But **Bell and AT&T** also **suppressed innovations** when they threatened its business model. Bell inventors, for example, developed recording devices in the 1930s that could have been used for answering machines. But AT&T’s management blocked their emergence for fear that they would jeopardize use of the telephone.64 An alternative approach to innovation is one that relies less on protectionism for national champions and more on market competition and on public investment in research and innovation. Competition, as noted already, can be a powerful motivator for innovation. When big tech incumbents face little competition, society forgoes the innovation benefits that come from competition. Who knows if Instagram or WhatsApp could have dethroned Facebook’s primacy and developed even more new and innovative products? Facebook’s moves to acquire those firms prevented us from ever finding out. What small businesses might emerge if they didn’t have to compete with Amazon Basics on Amazon’s Marketplace? **Unwinding mergers and separating platforms from companies that do business on the platform would help** spur competition and **lead to** innovation. Some might argue that **robotics, AI, and quantum computing** are so resource-intensive that an ecosystem of smaller companies engaged in fierce competition would mean that no company would have the resources available to invest in those next-generation technologies. There are a few responses to this argument. First, it is not clear that breaking up and regulating big tech would prevent those firms from having the considerable resources to develop the technologies of the future. Facebook would still have billions of users, even without Instagram and WhatsApp, for example. Amazon’s platform would still have enormous market power.

#### Second---Integration---Platforms are integrating with China which undermines competition

Sitaraman, 20 (Ganesh Sitaraman , Prof @ Vanderbilt University law school, A.B. in government magna cum laude from Harvard College, a master’s degree in political thought from Emmanuel College, Cambridge, and his J.D. magna cum laude from Harvard Law School. longtime advisor to Elizabeth Warren, 1-30-2020, accessed on 7-18-2021, Papers.ssrn, "The National Security Case for Breaking Up Big Tech by Ganesh Sitaraman :: SSRN", https://papers.ssrn.com/sol3/papers.cfm?abstract\_id=3537870)//Babcii

The claim that big American tech companies are somehow an alternative to Chinese dominance—or, in the more extreme form, that they are competing with China on behalf of the United States—**is largely backwards**. In fact, many **big American tech companies are operating in China, working with Chinese companies, and seeking to expand**. Because markets and the state are intertwined in China, interactions with Chinese companies and investments in China are likely to pass along operational and technological **developments** to the Chinese government and military, including in ways that advance its emerging surveillance state—and **accelerate its ability** to spread its model of digital authoritarianism around the world. In short, big tech companies that operate in China are likely assisting the rise of China, not acting as a hedge against it. Rather than competing with China, many big tech companies are integrating with China or attempting to deepen their integration with China. **Google has announced an AI center in Beijing**,8 and it is exploring a partnership with Tencent that involves using the Chinese tech giant’s cloud service as an alternative to Google Cloud.9 In 2018, the company also proposed Project Dragonfly, which would have created a search engine that would be in compliance with Chinese censorship regulations behind the Great Firewall.10 That endeavor created controversy within the firm and criticism from human rights groups.11 Other companies also operate in China or are seeking to do so. **Microsoft is expanding data centers in China** and has built an operating system, “Windows 10 China Government Edition,” for the Chinese government.12 After Alibaba, **Amazon provides the largest cloud service in China**, and its Amazon Web Services division works with local companies and is expanding its data centers.13 **Apple, of course, famously designs its phones in California but makes them in China**.14 In 2017, Apple announced a partnership with a Chinese firm with close ties to the government and a year later moved its Chinese iCloud and iCloud encryption services to China.15 Notably, **Facebook** isn’t operating in China—but not for lack of trying. The company has **repeatedly attempted to gain access** but has been blocked by government officials.16 Merely operating in China might not seem like it undermines the claim of U.S.-Chinese competition. After all, it might be that American companies are seeking to steal market share from Chinese companies in China. Global dominance requires, unsurprisingly, dominance around the globe, including in the world’s biggest markets. The problem is that, according to scholars, U.S. government officials, and even American business associations, any U.S. company that is developing AI in China, making significant technological investments in China, or simply operating in China is likely supporting the Chinese government and military. Chinese companies are often state-run, partly owned by the state, or have informal ties to state and Communist Party officials, as scholars have documented.17 Formal and informal ties allow the government to have influence over many companies, and they create an incentive for companies to comply with party preferences preemptively even without formal government pressure.18 Cooperation and partnerships with these companies therefore mean cooperation with state-directed aims. “No major Chinese company,” Senator Mark Warner has noted, “is independent of the Chinese government and Communist Party.”19 An official at the U.S. Chamber of Commerce goes even further, arguing that American firms going to China have “to please the Chinese government and the Communist Party.”20 Moreover, because artificial intelligence is a dual-use technology, ostensibly commercial innovations can also have military implications. China’s stated doctrine of “civil-military fusion” thus virtually guarantees that companies are indirectly assisting the military if they are working with Chinese entities.21 Under that doctrine, “any technologies held by the private or academic sectors—whether imported or developed in-house—must be shared with the Chinese military.”22 When combined with the corporate-state relationship in China, this means the technological innovations in the private sector are likely being shared with the government for military purposes. As former defense secretary Ash Carter has noted, “If you’re working in China, you don’t know whether you’re working on a project for the military or not.”23 The fact that Chinese companies and the state are intertwined means that American companies working in China are potentially helping accelerate the adoption of digital authoritarianism within China and its spread abroad. In general, the development of artificial intelligence “offers a plausible way for big, economically advanced countries to make their citizens rich while maintaining control over them.”24 Big data, combined with AI, enables governments and big tech companies not only to predict but also to shape what individuals will do. Politically, this means that governments will have the power to preempt dissenters to a far greater degree than authoritarian regimes of the past.25 Economically, it means that centralized economic planning might find greater success than in the past, because governments and companies can shape the behavior of individuals.26 And over time, behavioral changes shape beliefs, potentially building support for the regime itself.27 These dynamics suggest that the new “digital authoritarianism” may have greater staying power than its low-tech precursors.28 At home, China has long been concerned about domestic disharmony and has pursued a policy of “social management” to achieve “holistic” security—not just national security but party organization and the management of the social order.29 The Chinese State Council sees AI as “irreplaceable” in ensuring social harmony in the future.30 China has taken steps to develop a “social credit system,” in which individuals are assessed in every interaction to determine their trustworthiness, their compliance with laws and social norms, and the degree to which their social networks are also compliant. Chinese tech companies have reportedly agreed to share data with the government in support of this project.31 Local governments and tech companies are cooperating to develop “credit cities,” the local counterpart to a full-on national system.32 Chinese companies are also already exporting surveillance technologies abroad, including biometric censors and facial recognition software.33 Given that many big American tech companies are operating in China or seeking to do so and that engagement with Chinese entities likely means information is transferred to the government, the idea that big American tech companies are helping the United States vis-à-vis China in some kind of Cold War-style technology arms race makes little sense. It is just as likely, if not much more so, that **firms operating in China are directly** or indirectly **furthering China’s emergent** domestic surveillance capabilities, its **military** use of those technologies, and its spread of digital authoritarianism abroad as well.34

#### That cements a Chinese advantage through espionage, surveillance, and government capture

Sitaraman, 20 (Ganesh Sitaraman , Prof @ Vanderbilt University law school, A.B. in government magna cum laude from Harvard College, a master’s degree in political thought from Emmanuel College, Cambridge, and his J.D. magna cum laude from Harvard Law School. longtime advisor to Elizabeth Warren, 1-30-2020, accessed on 7-18-2021, Papers.ssrn, "The National Security Case for Breaking Up Big Tech by Ganesh Sitaraman :: SSRN", https://papers.ssrn.com/sol3/papers.cfm?abstract\_id=3537870)//Babcii

In addition to benefiting Chinese power, big tech’s integration with China threatens the United States by creating leverage over the United States, and it could, in the future, undermine the American ecosystem of free speech and expression. This could happen in multiple ways: **Integration opens the United States to espionage and surveillance**, creates economic leverage over the United States, and preemptively forces companies to adhere to the standards of Chinese censors, thereby restricting speech and expression particularly on issues related to democracy. Most obviously, integration with China raises concerns about espionage and surveillance. For example, Pentagon officials have been concerned that if the Chinese company Huawei operates 5G systems among American allies, the United States will have to restrict intelligence sharing along such systems; if those systems have surveillance capacities or backdoors, information across the system could be captured by the Chinese government.35 Federal regulators have also flagged a Chinese company’s acquisition of the dating app Grindr, which has a great deal of personal information that could be used to pressure or blackmail users.36 More broadly, economic interdependence can be used as leverage for political purposes. Scholars refer to this by a variety of terms, including “geoeconomics,”37 “reverse entanglement,”38 and “weaponized interdependence.”39 But the tactics are similar regardless of the label— and China utilizes them frequently. To retaliate against South Korea’s adoption of a U.S. missile defense system, China blocked tourism to the country.40 And it blocked imports from Norway after dissident Liu Xiaobo was awarded the Nobel Peace Prize.41 Interdependence in the economy generally, and in the technology sector specifically, thus bring significant risks to the United States in an era of great power competition. The more integrated the economies of two countries, the more likely it is that a foreign country will have **leverage over the United States**. The use of boycotts is one example. But raising tariffs to start a trade war could devastate sectors of the economy, and interrupting a supply chain for essential parts and components (whether consumer, commercial, or military) could have significant consequences, particularly in a crisis. Integration also means that **corporations are contorting their operations** outside of China in order **to comply** with the preferences of Chinese censors. The most prominent concern is self-censorship—companies and other actors that change their messages, artistic choices, or statements for fear of offending Chinese censors. For example, the general manager of the Houston Rockets basketball team tweeted support for the Hong Kong protestors, only to backtrack in the face of concerns about the Chinese reaction.42 The People’s Daily branded Mercedes-Benz an “enemy of the people” after the car manufacturer posted a quote from the Dalai Lama on Instagram; Mercedes later deleted the post.43 Some university researchers are concerned about self-censorship within academia on topics related to China.44 Hollywood studios are reportedly changing dialogue, scenes, and themes in movies in order to comply with Chinese censors.45 And tech companies too have taken steps toward compliance with Chinese internet regulations: Apple, for example, “removed VPNs [virtual private networks] from the Chinese version of its App Store.”46 Google’s Project Dragonfly was controversial internally with employees for the same reason. Why does it matter if corporations change their behaviors based on Chinese preferences? After all, global companies have done so for many years. McDonald’s and Coca-Cola, for example, offer different menus and beverages in different countries to respond to the tastes and preferences of consumers. The shift in corporate behavior in response to Chinese preferences differs in two ways. First, unlike the McDonald’s and Coca-Cola examples, companies aren’t just changing their products within China. They are doing so globally. That the leaders of Mercedes won’t quote the Dalai Lama and Hollywood writers are changing scripts for blockbuster films because they might offend Chinese censors means that American audiences are subject to the views of Chinese censors, as is the rest of the world. Second, the willingness of these companies to adhere to Chinese preferences calls into question whether global firms can be trusted when they seek to lobby or influence the U.S. government. In the mid-twentieth century, the maxim “what’s good for General Motors is good for America” suggested a link between corporate success and national success. That is unlikely to be the case anymore (if it ever was). Under the dominant ideology of contemporary corporate lawyers—who see shareholder profits as the sole aim of corporate managers—corporate managers are required to pursue profitable operations; American national interests are not part of the calculus.47 A global corporation that gains most of its profits from abroad might therefore have profit-based interests that do not align with American national interests. To put a fine point on it, one could imagine a company that seeks to expand its access into China lobbying the United States government in ways that are detrimental to American interests and, indeed, even serve the interests of the Chinese government. This is not to say that corporate executives or lobbyists are foreign agents deliberately pursuing such an aim—or that they think of themselves that way and would state as much to government officials. This wolf comes in sheep’s clothing: Policies will likely be justified as pursuing neutral economic principles, and many who advocate for them might not even see the broader connections. Defenders of integration often suggest that narrowly drawn regulations can address any problems that might arise from integration, though at least some defenders consider even limited restrictions on economic integration to be disastrous.48 For example, one set of think tank scholars have argued for requiring transparency in Chinese corporation ownership (that is, to identify state-owned or -invested companies) as a way to prevent Chinese influence over American corporations. 49 Another set says that U.S. policy should consider “who owns a company’s stock, how the company is governed, and whether it has sizable contracts with the Chinese military or defense industry. ... Similarly, companies with executives close to the state, through either prior employers or personal connections, warrant further scrutiny.”50 A third argues that “the United States should work with its allies and trading partners to pressure Beijing to open up the Chinese market to foreign companies, curb its preferential treatment of Chinese firms, and better protect foreign companies’ intellectual property.”51 If it is correct that the Chinese state and market are integrated, as a number of senior defense officials and scholars of the Chinese state and market have argued,52 then these policy solutions **cannot meet the nature of the challenge. Transparency** rules will not solve the **problem of informal ties** between government and private sector in China, nor do they place mandates on companies if there are formal ties. Careful **investigation** of the relevant relationships and ownership ties might **miss important connections**, ignore the fact that Chinese doctrine requires civil-military fusion, and neglect to address the **incentive** companies have **to comply preemptively** with Chinese government preferences, even absent any specific connection to the government or pressure from the government. Finally, efforts to reduce preferential treatment and protect American intellectual property run counter to the fact that the **integration** of state and market in China **is** not a bug, but **a central feature** of the system.

#### Ending platforms ends integration

Sitaraman, 20 (Ganesh Sitaraman , Prof @ Vanderbilt University law school, A.B. in government magna cum laude from Harvard College, a master’s degree in political thought from Emmanuel College, Cambridge, and his J.D. magna cum laude from Harvard Law School. longtime advisor to Elizabeth Warren, 1-30-2020, accessed on 7-18-2021, Papers.ssrn, "The National Security Case for Breaking Up Big Tech by Ganesh Sitaraman :: SSRN", https://papers.ssrn.com/sol3/papers.cfm?abstract\_id=3537870)//Babcii

What does bigness have to do with integration? Or to put it differently, is the real problem integration with China rather than a weak antitrust and regulatory regime to govern big tech companies? The question of integration with China as a general matter is beyond the scope of this essay, but the **size and dominance of American tech companies is** part of **the problem**, and breaking up big tech should therefore be part of the solution. To see why, compare a concentrated ecosystem with a small number of big companies to a competitive ecosystem with a large number of small companies. In a concentrated ecosystem with few players, China will have far more leverage over the United States. A small number of big tech companies that are integrated with China will be more dependent on Chinese markets for consumers and profits—and, in turn, more vulnerable to pressure from the Chinese government. In contrast, in **a fractured market with many players, it is much more likely that some will seek other sources** for supply chains, **develop domestic** American capacities, **or** simply **choose not to engage** in the Chinese market—whether because of idiosyncratic preferences, competitive dynamics, product differentiation, higher costs, or other factors. It is theoretically possible that we might instead expect another outcome: A small number of tech firms making monopoly profits might not need Chinese markets and therefore would be more independent from that country’s fusion of politics and economics. Likewise, a multi-player ecosystem of smaller companies, each with razor-thin profit margins, might push all of these players to dependence on Chinese markets for consumers and profits (this is, of course, where debates over integration versus disentanglement are relevant). But theory is not reality, and this alternative hypothesis has not been borne out. In our current highly concentrated tech market, big tech companies are not forsaking Chinese markets out of a combination of morality, patriotism, and monopoly profits. They are operating in China and are desperate to integrate further. Concerns about censorship and distorted practices are also significantly reduced in a competitive ecosystem of smaller players because some companies and creative gatekeepers won’t aim to comply with Chinese government preferences. Consider the Hollywood context. Disney’s share of box office sales domestically, for example, approaches 40 percent, and the six biggest studios have 85 percent of box office sales.53 These companies produce fewer films and, because of their market power, can contractually require that those films be shown in theaters in ways that block other films.54 These companies are also increasingly integrating vertically across production and distribution: Netflix both produces shows and operates a streaming service, as does Amazon and now even Disney. The result is that smaller players are likely to face a tilted playing field because integrated behemoths can prioritize their own content over competitors and might not take chances on content that isn’t likely to maximize their viewership goals.55 If these big integrated companies comply with Chinese censors because of their ambitions in the Chinese market, then American consumers will not see content that doesn’t adhere to Chinese government preferences. In contrast, in a system with a large number of small studios, many would not have the size and scope to play to the Chinese market, let alone be dependent on the Chinese market. They also wouldn’t have the power and scale to preference their own content over competitors through vertical integration. The result would be an ecosystem in which Americans will have a range of content choices—including entertainment that might not accord with the views of foreign censors. Big tech companies are not likely immune from what is happening in Hollywood—as well as what has happened to Mercedes and other entities that seek to operate in China. **Many of these companies**, like Amazon and Google, seek access to Chinese markets and **operate as both content producers and distributors or platforms**. To the extent that they have divisions whose work is objectionable to censors in foreign countries (Amazon, of course, creates its own content; as does YouTube, which is a subsidiary of Google), **they** too **will feel pressure to preemptively shape that content** in ways that are palatable to censors. And because of their market power within the United States, U.S. consumers are likely to be left with fewer and fewer serious scalable alternatives. Finally, in a competitive ecosystem with many players, concerns about the ill effects of lobbying are mitigated as well. In a system with a few dominant players, efforts to lobby the United States government should be seen as highly questionable because of companies’ dependence on Chinese markets. A multi-player ecosystem addresses this challenge in two ways: First, many companies will not be dependent on Chinese markets. Second, in a multi-player ecosystem, **differentiated companies are less likely to have shared interests** and are more likely to end up on different sides of policy questions.56 This means that their lobbying efforts are less likely to cut in a single direction and thus less likely to capture government. **This insight is not** a **new** one—it is foundational to American political and constitutional thought. In Federalist 10, James Madison argued that in a political ecosystem with many groups with differentiated interests, no particular faction would be able to capture government.57 Instead, they would cancel each other out and enable policymakers to pursue the public good. **Competition between interests**, not the dominance of a few interests (particularly if foreign-influenced), **preserves a free and democratic government.**

#### AI development causes quick Chinese military supremacy in every domain

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In the realm of defence, too, AI plays a current and future role. **Beijing aims to** build high-technology weaponry that would enable China to **leapfrog the United States’ currently superior** military **capabilities**, integrating advanced technologies like AI and big data into the PLA. AI will be incorporated into Chinese military technologies across domains, from unmanned combat aerial vehicles (UCAVs) and drone swarms to fire-and-forget modes for China’s varied missile arsenal and cyber-attacks. Importantly, the PLA aims to use AI to support intelligent operations and system-of-systems warfare.61 According to Shen Shoulin and Zhang Guoning, ‘”brain supremacy” (the ability to interfere with or damage the cognition of the enemy) **will replace earlier warfare concepts seeking military dominance over land, sea, air and more recently space and cyber domains’**.62 Once intelligence supremacy is achieved over enemies in the information space, **supremacy over other domains is rendered meaningless**, according to this approach.63 AI will also be imperative to intelligent monitoring and early-warning systems.64

#### That causes nuclear escalation

Kroenig and Gopalaswamy, 18 (Matthew Kroenig and Bharath Gopalaswamy, Kroenig is an Associate Professor of Government and Foreign Service at Georgetown University and Deputy Director for Strategy in the Scowcroft Center for Strategy and Security at the Atlantic Council. , Gopalaswamy is the Director of the South Asia Center at the Atlantic Council. He holds a PhD in mechanical engineering with a specialization in numerical acoustics from Trinity College, Dublin., 11-12-2018, accessed on 8-11-2021, Bulletin of the Atomic Scientists, "Will disruptive technology cause nuclear war? - Bulletin of the Atomic Scientists", <https://thebulletin.org/2018/11/will-disruptive-technology-cause-nuclear-war/>)//Babcii

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 conflictthrough limited nuclear war strategies, nuclear **brinkmanship**, or simple accidentor 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.**

#### Perception of AI alone triggers probing and proliferation

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China’s rapid progress in AI and its military application have encouraged such competition and may trigger a potential **arms race** in two ways. First, the PLA’s increasing military power facilitated by its application of AI technology has already activated a security dilemma, especially concerning China’s increasing assertiveness in territorial disputes and growing ambitions about the regional order. The PLA’s employment of AI-enabled early-warning systems and unmanned intelligent combat vehicles will **enhance** China’s awareness of Japanese and South Korean operations in disputed areas like the Senkaku Islands and enable a quick response capability. From the perspective of other countries in the region, China’s **willingness to escalate** in such scenarios will increase because its AI technology would provide it with a decisive advantage in a conflict with limited costs, despite increasing the potential of accidental escalation.66 Other countries’ have begun to pursue more defense measures, a move that reflects concern about China’s potential threat, including the development of weapon-grade AI technology. Such defensive measures suggest that tensions triggered by the security dilemma in the region will be more complicated and expand beyond an AI arms race. **Nuclear proliferation**, targeting civilian infrastructure that supports AI technology, **and** more **cyber aggression** may be seen in this context. Second, China’s success in influencing U.S. strategic calculation and military posture by military employment of AI may encourage other countries to copy its success. Other countries who see themselves as **adversaries** of the United States may be motivated to increase AI investment and attempt to install related technology to their missiles to **exercise coercion and threats.** For U.S. **allies** like Japan, the introduction of AI in early-warning, situational awareness, and intelligence processing may not only help reduce reliance on U.S. extended deterrence, but also strengthen their ability to counter regional rivals like China and North Korea. Thus, the **proliferation of AI technology**, especially those can be weaponized, poses challenges to the arms control community in the region. Given the highly dual-use nature of AI, civilian AI technology cooperation between countries may contribute to the unintentional proliferation of destructive AI systems, a situation which is similar to the dual-use dilemma of nuclear cooperation.67 On the practical level, weapon-, behavior-, or country-focused controls will face different problems ranging from how to define controlled weapons to how to verify the control measures.68 On the political level, countries' attitudes toward AI arms control are ambiguous. In 2018, China demonstrated its “desire to negotiate and conclude” a new protocol for the Convention on Certain Conventional Weapons to ban the use of autonomous lethal weapons systems.69 However, the delegation stressed that the ban should only apply to the use of such weapons, and not to their development, revealing China’s actual misgivings regarding arms control for autonomous systems.70 2. Strategic Stability and Nuclear Risk Nuclear strategic stability is understood as “a state of affairs in which countries are confident that their adversaries would not be able to undermine their nuclear deterrence capability” using nuclear, conventional, cyber or other means.71 **Given** the **dynamics of nuclear posture** of major powers in the region and the potential role of nuclear escalation in certain scenarios, **AI-enabled improvement** of the PLA’s multi-domain operation capabilities **has** both **destabilizing** and stabilizing **impacts** on strategic stability.

#### That causes hotspot escalation and extinction

Montgomery, 16 (EVAN BRADEN Montgomery, Evan Braden Montgomery is a Senior Fellow at the Center for Strategic and Budgetary Assessments. Dr.Montgomery graduated summa cum laude from Villanova University with a B.A. in Political Scienceand Sociology, and received his M.A. and Ph.D. in Foreign Affairs from the University of Virginia., 2016, accessed on 7-23-2021, Csba, "EXTENDED DETERRENCE IN THE SECOND NUCLEAR AGE ", https://csbaonline.org/uploads/documents/CSBA6183-ExtendedDeterrence\_PRINT.pdf)//Babcii

Extended deterrence can help the United States uphold the status quo in several ways. Specifically, it can **discourage revisionist powers from provoking crises** or launching wars because there is a high probability that Washington will intervene to deny their aims and punish them for acts of aggression; it can dissuade friendly nations from developing controversial military **capabilities** that might heighten local tensions or **trigger** regional **conflicts** because those nations can rely on the United States instead; and it can offer a source of leverage over security partners, one that helps the United States to discourage other courses of action that might prove destabilizing and encourage positive steps on a variety of issues. Despite its importance, extended deterrence is one of the most challenging aspects of American strategy. While persuading adversaries that the United States would retaliate for a direct attack is relatively easy, convincing them that it would retaliate for an attack against other nations is a much more difficult proposition. Furthermore, convincing allies that the United States will actually fight on their behalf—even if that means putting its own troops and territory at risk—can be even harder.4 As Thomas Schelling famously wrote, when it comes to deterrence, “The difference between the national homeland and everything ‘abroad’ is the difference between threats that are inherently credible, even if unspoken, and the threats that have to be made credible.”5 Not surprisingly, efforts to make extended deterrence credible in the eyes of adversaries and allies alike have shaped virtually every aspect of American military power. For instance, the United States has adhered to a conventional military strategy that emphasizes countering threats when and where they emerge rather than depending on local nations to prevent aggression or roll back expansion; it has fielded combined-arms forces capable of resisting distant rivals, even those with quantitative advantages in men and materiel; and it has built a global network of military bases to deploy, operate, and sustain those forces overseas.6 Finally, but equally important, it has relied on its nuclear arsenal for the purpose of extending deterrence to its allies and partners.7 Throughout the Cold War, strategic nuclear weapons provided Washington with the capacity to conduct a devastating reprisal against the Soviet Union if Moscow ever launched a nuclear strike against the U.S. homeland or the Red Army attempted to overrun Europe. At the same time, theater and battlefield nuclear weapons, many of which were permanently stationed on allied territory, could be used to blunt an offensive by numerically superior Warsaw Pact forces if NATO’s conventional units were not up to the task.8 These weapons were also used to “couple” the United States to its vulnerable frontline partners, who had doubts that Washington would truly employ its strategic nuclear forces on their behalf. By raising the prospect of early nuclear use against Soviet troops and territory, the presence of non-strategic weapons signaled a U.S. willingness to escalate in defense of its allies rather than withdrawal to North America in the face of a successful Soviet invasion.9 Over the past twenty-five years, however, many of the extended deterrence dilemmas that occupied U.S. policymakers in the past—especially the dilemmas associated with extended nuclear deterrence—ceased to be a major source of concern. With Russia in decline and China focused on sustaining its economic rise, treaty allies in Europe and Asia have been relatively safe from serious threats. Meanwhile, as the world’s sole superpower, the United States has enjoyed enormous military advantages over potential rivals and has been able to rely on its conventional forces to discourage aggression. This favorable situation appears to be changing, though, putting extended nuclear deterrence back on the agenda. For example, although the unipolar moment appeared to herald the waning of geopolitics and the end of major power security competitions, at least according to some observers, revisionist actors are once again challenging the status quo in multiple regions.10 **Russia’s invasion of Georgia, annexation of Crimea, and support for rebel groups in eastern Ukraine** all indicate that Moscow does not respect the political order of post-Cold War Europe. At the same time, **China’s conventional military buildup** has shifted the balance of power in Asia, while its “**creeping expansion” in the South China Sea** could enable Beijing to assert greater control over one of the world’s most vital waterways. And despite the recent agreement to constrain its nuclear program, **Iran continues to build offensive missile forces** and support violent extremist groups. In short, Russia’s piecemeal efforts to restore its lost continental empire, China’s military expansion in its near seas and beyond, and Iran’s willingness to both create and fill power vacuums throughout its neighborhood all suggest that “geopolitical rivalries have stormed back to center stage.”11 Compounding this trend, the world is now in the midst of what many analysts refer to as a “**second nuclear age**,” one that is arguably more complex and potentially more volatile than the bipolar U.S.–Soviet struggle that characterized the Cold War.12 Not only does the United States still need to worry about maintaining strategic stability with a nuclear peer, albeit one possessing far fewer weapons than it did in the past, but it must also manage a number of other existing and emerging challenges: the **proliferation** of nuclear weapons and delivery systems to fragile nations, the expansion of nuclear arsenals by minor powers and aspiring major powers, and the pursuit of capabilities that are lowering the barriers to nuclear use and **eroding the “firebreak**” between conventional and nuclear conflict.13

### 1AC --- Advantage --- Europe

#### Advantage two is Europe:

#### Platforms drive an existential fear of market takeover in Europe

Suominen, 20 (Kati Suominen , Kati Suominen is an adjunct fellow with the CSIS Europe, Russia, and Eurasia Program; Dr. Suominen holds a B.A. from the University of Arkansas, an M.A. from Boston University, an M.B.A. from the University of Pennsylvania’s Wharton School, and a Ph.D. from the University of California, San Diego. She is a life member of the Council on Foreign Relations., 10-26-2020, accessed on 7-20-2021, Csis, "On the Rise: Europe’s Competition Policy Challenges to Technology Companies", https://www.csis.org/analysis/rise-europes-competition-policy-challenges-technology-companies)//Babcii

WHAT IS **DRIVING EUROPEAN PROPOSALS**? Europe’s **antitrust** policy enforcement actions form part of a series of EU steps that have hampered U.S. companies over the past few years. Among them are the European Union’s 2018 copyright law forcing U.S. platforms to increasingly police content posted on their sites and adjudicate freedom of expression; the European Union’s 2018 General Data Protection Regulation (GDPR) that has cost American as well as European businesses billions of dollars to implement; Europe’s proposals to monitor data used for artificial intelligence applications; and several European nations’ [digital services taxes](https://taxfoundation.org/digital-tax-europe-2020/) that primarily impact U.S. technology companies by shifting corporate income taxes for digital services to where they are consumed, as opposed to where they are developed. In part, Europe’s proposals for greater antitrust powers against technology companies represent a continuation of a history of cases where European enforcers and courts applied [an array of tests](https://www.beuc.eu/publications/beuc-x-2018-071_goals_of_eu_competition_law_and_digital_economy.pdf) positing that a certain behavior is anticompetitive—such that it hurts potential competitors, consumer choice, or innovation. Indeed, the Commission’s interventionist approach has long contrasted with U.S. antitrust enforcers and courts that have largely accepted market leadership and consumer loyalty earned through hard competition and risky investments. For U.S. enforcers, protecting consumer welfare (or efficiency and lower cost)—rather than potential competitors—has been their North Star. There are, however, a number of reasons why Europe is acting now to establish a stricter muscular antitrust policy. First, European antitrust officials, much like policymakers in the United States, report being under great political **pressure to “do something” about big tech**nology companies. [Polls suggest](https://bdaily.co.uk/articles/2020/08/26/uk-consumers-put-a-price-on-privacy-half-would-pay-more-to-do-business-with-an-organisation-committed-to-protecting-their-personal-data) that most Europeans support the Commission’s actions against Google and other U.S. technology companies and worry about their personal data getting in the hands of America technology companies and, in the wake of the Snowden revelations, the U.S. government. Antitrust officials are also reported to be **pressured by local**, less digitized **businesses that struggle to compete with** the **digital platforms**, and too often rush to act on populist pressures, despite having no clear empirical basis. Second, Europe is using antitrust to clear space for its own companies in sectors it considers to be in Europe’s comparative advantage, such as financial services, the Internet of Things (IoT), smart factories and smart homes, and healthcare. Europeans have failed to seize on the various technology waves that brought us smartphones, cloud computing, search, and social media, and they lack the kind of market-leading platforms that the United States and China have produced such as Amazon, Facebook, Twitter, Google, Alibaba, and WeChat. Germany’s SAP, the Netherland’s Adyen, and Sweden’s Spotify have [barely 3 percent of the market capitalization](http://www.netzoekonom.de/plattform-oekonomie/) of major tech platforms compared to 68 percent held by U.S. companies. European policymakers are now concerned that **U.S. companies are going beyond their traditional** swim **lanes** of social networking, ecommerce, and search and moving into “European” sectors. After all, U.S. technology companies often look to apply their technologies in new sectors: Apple started its own credit card and TV service; Google bought Fitbit to get into the wearable tech market and; Amazon has become a global freight forwarder and air cargo carrier. In a more frontal attack, Tesla is now striking at Europe’s leadership in high-end, tech-driven vehicles, [looking to build a gigafactory outside of Berlin](https://www.nytimes.com/2019/11/13/business/tesla-elon-musk-berlin.html). Europe needs to pre-empt mergers that would enable these giants to reap even more **market share in Europe** or outright force American companies to open their proprietary data to European firms, so they can accelerate the build-out of valuable algorithms in new markets.

#### They’ll respond in kind with expanded antitrust that causes digital protectionism

Suominen, 20 (Kati Suominen , Kati Suominen is an adjunct fellow with the CSIS Europe, Russia, and Eurasia Program; Dr. Suominen holds a B.A. from the University of Arkansas, an M.A. from Boston University, an M.B.A. from the University of Pennsylvania’s Wharton School, and a Ph.D. from the University of California, San Diego. She is a life member of the Council on Foreign Relations., 10-26-2020, accessed on 7-20-2021, Csis, "On the Rise: Europe’s Competition Policy Challenges to Technology Companies", https://www.csis.org/analysis/rise-europes-competition-policy-challenges-technology-companies)//Babcii

Both the United States and Europe are currently debating the merits of these arguments—including whether antitrust law should be retailored to address them. In the **United States, antitrust enforcement officials and courts** have, in general, **accepted market leadership earned through competition** in the marketplace, as long as it leads to greater efficiencies and cost savings for consumers. In contrast, the European Commission antitrust officials have tended to favor protecting potential competitors, even if market leaders have managed to outperform competitors and gain consumer loyalty through their ingenuity and smart acquisitions. One of the outcomes of this approach has yielded recent investigations and multi-billion-dollar fines by the European Commission on American companies such as Google, Apple, and Amazon for supposedly violating European competition policy rules. Today, the business climate for American technology companies is **heating up in Europe**. Concerned about Europe’s lack of competitiveness in the global digital economy, both the European Commission and various EU member states are looking to significantly **expand their antitrust powers** to curb large technology companies. One way they do this is by blocking pre-eminent firms’ planned mergers and acquisitions and forcing them to provide access to the data they have gathered—to the benefit of European competitors. Europe’s hardening antitrust stance poses significant problems to **U.S. business interests in Europe’s** giant digital market—Europe’s business-to-consumer (B2C) e-commerce sales alone are climbing [past $850](https://ecommercenews.eu/ecommerce-in-europe-e717-billion-in-2020/) [billion this year](https://ecommercenews.eu/ecommerce-in-europe-e717-billion-in-2020/). The Commission’s approach also risks **digital protectionism** and **politicization** of antitrust enforcement, which could have **significant implications for trade** relations between the United States and the European Union and for many emerging markets’ thinking about competition policy issues.

#### That upsets all future cooperation of digital trade

Barshefsky, 20 (Charlene Barshefsky, Charlene Barshefsky served as United States Trade Representative, the country's top trade negotiator, from 1997 to 2001. She was the Deputy U.S. Trade Representative from 1993 to 1997. JD from colombus school of law, 8-2-2020, accessed on 7-21-2021, Financial Times, "EU digital protectionism risks damaging ties with the US", https://www.ft.com/content/9edea4f5-5f34-4e17-89cd-f9b9ba698103)//Babcii

Europe should reconsider its digital sovereignty agenda and instead pursue greater regulatory co-operation with the US. Demonising US technology companies hinders efforts to address the foremost challenge for both sides with respect to the digital economy: China. Chinese protectionism — which fuses state and Communist party control, and creates subsidies and intellectual property theft on an unparalleled scale — poses **an existential threat to** a vibrant digital **economy**. For example, China is pressing for a new centrally controlled internet, which the US and EU oppose. If Europe persists in its approach, US policymakers will have **no choice but to treat it as a strategic threat**. In the near term, it is **difficult to imagine** that the US will be able to strike **a meaningful trade deal** with the EU — a priority of both sides for many years — so long as the EU pursues the techno-nationalist moves aimed at the US. The Europeans **need to reverse course** before the economic and geopolitical **damage cannot be undone**.

#### It’s the core issue --- Tech antitrust opens the floodgates

Giarda et al., 21 (Raffaele Giarda et al., head of Baker McKenzie's Technology Media & Telecoms Industry Group New York University (M.C.J.) (1994)Columbia University (Summer Program American Law) (1990)University of Rome (J.D., with honors) (1989), 2021, accessed on 9-6-2021, Bakermckenzie, "TMT Looking Ahead", <https://www.bakermckenzie.com/-/media/files/insight/publications/2021/01/tmt-looking-ahead-2021.pdf?la=en)//Babcii>

The long-mooted increased regulation of digital services and markets in Europe landed in December 2020 in the form of two draft regulations, the Digital Services Act and Digital Markets Act. In 2021, digital service providers will be focused on preparing their businesses for the changes ahead, as both proposals navigate the legislative process. The DSA and DMA will not be the only items **near the top of** corporate **agendas in 2021**. Others are likely to include monitoring the continued efforts to find international consensus on tax reforms for the digital economy and addressing the impact of any further developments in the ongoing technology-focused trade wars. AT A GLANCE The EU Digital Services Act: What does the future hold? The European Commission has published its landmark draft new rules applicable to digital services (the Digital Services Act). The DSA shares common themes with the Digital Markets Act (see below) in particular (re) assigning liability or responsibility for possible online harms and a push for even greater transparency from market players. We examine what is actually new for TMT industry players and what lies ahead in these proposals which cover key areas, including safe harbours, notice and take down, know-your-trader requirements, reporting obligations and annual reviews of systemic risks by very large platforms (as defined in the DSA). The EU Digital Markets Act: New rules for platforms. Published alongside the proposed Digital Services Act, the proposals in the Digital Markets Act focus on the largest platforms (gatekeepers) which supply "core platform services" and seek to address what the European Commission perceives as **power asymmetries between platforms**, their business users and end users. Another area of focus is around general market structure — to ensure markets remain "fair and contestable". We look at the definition and role of gatekeepers and the key obligations that will apply under the DMA as well as the road ahead. Trade wars and protectionism — Digital sovereignty under attack? **The** TMT **sector is at the center of disruptive global trade** wars as **geopolitics collide with new technologies and economies are increasingly driven by technological innovation**. Examples include the use of **export controls** to protect "crown jewel" technology, **import restrictions** and **tariffs**, procurement bans and **foreign investment controls** which target key industry players on the basis of perceived national security concerns and **in pursuit of digital sovereignty**. As the concerns underlying these measures are deeply rooted and change is unlikely at the macro level in the short term, we provide an overview of the most important challenges TMT businesses are facing.

#### Digital protectionism undermines global trade

GCGS, 21 (GCGS, Greenberg Center for Geoeconomic Studies at the Council on Foreign Relations, 4-12-2021, accessed on 9-6-2021, Council on Foreign Relations, "The Rise of Digital Protectionism", https://www.cfr.org/report/rise-digital-protectionism)//Babcii

Despite the limitations brought about by Europe’s digital **restrictions**, participants largely agreed that Europe is more an irritant than **a major threat** and that the EU could help the United States push back against **Chinese digital protectionism**. A Digital Economy Drives Globalization Barriers to the free flow of data and digital information are consequential to the United States, participants said, because the global digital economy has quickly become a large part of cross-border trade flows. Participants estimated that cross-border data and digital flows account for between $2.8 trillion and $4 trillion of the $7 trillion to $15 trillion in total cross-border flows of goods and services. Moreover, although **cross-border flows in traditional goods** and services **flatlined** after the 2008 financial crisis, **data and digital flows have continually grown**, increasing eighty-fold since 2005. Participants noted that the **digital economy is the sole part of globalization that is still proceeding** apace and is more diffuse than traditional globalization, given the active role that smaller firms and smaller countries play. One participant argued that the digital economy is “shifting the nature of globalization,” by deepening cross-border trade in virtual goods even as growth in physical trade has been nearly stagnant. New technologies are creating economic opportunities, but **creeping protectionism**, especially in China, **could** **threaten** U.S. competitiveness in **critical sectors**. Participants highlighted massive Chinese investment in semiconductors, for example, as well as China’s dominance of the supply chains for fifth-generation mobile phones, not to mention Chinese determination to stake out a leading position in sectors such as AI, robotics, electric and autonomous vehicles, and biotechnology. China’s digital approach, one participant noted, has already resulted in its dominance of crucial sectors, “and they will dominate going forward.” But It Affects the Old Economy, Too Digital protectionism does not just pose a risk to U.S. competitiveness in sectors at the center of the future economy, it also threatens traditional sectors such as manufacturing, energy, and agriculture. Participants noted that advanced manufacturing has a large and growing data component: 3-D printing and digital manufacturing, for example, rely on cross-border data flows as well as a data-intensive research and development program. Traditional sectors such as agriculture are seeing a growing role for data, for example, in biotechnology and the development of new strains of seeds. Likewise, extractive industries and the energy sector are being transformed to rely increasingly on data, from geological big data crunching that enabled the hydraulic fracturing revolution to global shipping that is becoming increasingly automated. In that sense, some participants suggested, China’s digital protectionism, while boosting its dominance of high-tech sectors, could backfire in other areas. The rise of big data across a growing number of sectors is helped by jurisdictions such as the United States that allow unfettered data flows. Europe’s tough privacy laws also discourage innovation among technology firms; data localization requirements push tech startups to American shores, where compliance costs are lower. One participant suggested differentiating and regulating data—from anonymous industrial data to regular user information, to extremely sensitive, personal information such as health records—according to its sensitivity. Maintaining cross-border data flows with few government restrictions will be **important as the digital transformation plays out** in traditional sectors. As one participant put it, networks matter: an economy that tries to insulate itself from global data flows by throwing up restrictions to cross-border data-sharing risks cutting itself off rather than protecting its national champions.

#### Interdependence checks all conflicts --- Disruptions go nuclear

Drezner, 16 (Daniel Drezner, Professor of International Politics at Tufts University, Ph.D. in Political Science and M.A. in Economics in Stanford University, B.A. in Political Economy from Williams College, May 2016, accessed on 8-11-2021, Brookings Institution, "Five Known Unknowns about the Next Generation Global Political Economy", https://www.brookings.edu/wp-content/uploads/2016/07/IOS-Drezner-web.pdf)

Multiple scholars have observed a secular decline in interstate violence in recent decades.105 The Kantian triad of more democracies, stronger multilateral institutions, and greater levels of cross-border trade is well known. In recent years, international relations theorists have stressed that commercial interdependence is a bigger driver of this phenomenon than previously thought.106 The liberal logic is straightforward. The benefits of cross-border exchange and economic interdependence act as a powerful brake on the utility of violence in international politics. The global supply chain and “just in time” delivery systems have further imbricated national economies into the international system. This creates incentives for governments to preserve an open economy even during times of crisis. The more that a country’s economy was enmeshed in the global supply chain, for example, the less likely it was to raise tariffs after the 2008 financial crisis.107 Similarly, global financiers are strongly interested in minimizing political risk; historically, the financial sector has staunchly opposed initiating the use of force in world politics.108 Even militarily powerful actors must be wary of alienating global capital. Globalization therefore creates powerful pressures on governments not to close off their economies through protectionism or military aggression. Interdependence can also tamp down conflicts that would otherwise be likely to break out during a great power transition. Of the 15 times a rising power has emerged to challenge a ruling power between 1500 and 2000, war broke out 11 times.109 Despite these odds, China’s recent rise to great power status has elevated tensions without leading to anything approaching war. It could be argued that the Sino-American economic relationship is so deep that it has tamped down the great power conflict that would otherwise have been in full bloom over the past two decades. Instead, both China and the United States have taken pains to talk about the need for a new kind of great power relationship. Interdependence can help to reduce the likelihood of an extreme event—such as a great power war—from taking place. Will this be true for the next generation economy as well? The two other legs of the Kantian triad—democratization and multilateralism—are facing their own problems in the wake of the 2008 financial crisis.110 Economic openness survived the negative shock of the 2008 financial crisis, which suggests that the logic of commercial liberalism will continue to hold with equal force going forward. But some international relations scholars doubt the power of globalization’s pacifying effects, arguing that interdependence is not a powerful constraint.111 Other analysts go further, arguing that globalization exacerbates financial volatility—which in turn can lead to political instability and violence.112 A different counterargument is that the continued growth of interdependence will stall out. Since 2008, for example, the growth in global trade flows has been muted, and global capital flows are still considerably smaller than they were in the pre-crisis era. In trade, this reflects a pre-crisis trend. Between 1950 and 2000, trade grew, on average, more than twice as fast as global economic output. In the 2000s, however, trade only grew about 30 percent more than output.113 In 2012 and 2013, trade grew less than economic output. The McKinsey Global Institute estimates that global flows as a percentage of output have fallen from 53 percent in 2007 to 39 percent in 2014.114 While the stock of interdependence remains high, the flow has slowed to a trickle. The Financial Times has suggested that the global economy has hit “peak trade.”115 If economic growth continues to outstrip trade, then the level of interdependence will slowly decline, thereby weakening the liberal constraint on great power conflicts. And there are several reasons to posit why interdependence might stall out. One possibility is due to innovations reducing the need for traded goods. For example, in the last decade, higher energy prices in the United States triggered investments into conservation, alternative forms of energy, and unconventional sources of hydrocarbons. All of these steps reduced the U.S. demand for imported energy. A future in which compact fusion engines are developed would further reduce the need for imported energy even more.116 A more radical possibility is the development of technologies that reduce the need for physical trade across borders. Digital manufacturing will cause the relocation of production facilities closer to end-user markets, shortening the global supply chain.117 An even more radical discontinuity would come from the wholesale diffusion of 3-D printing. The ability of a single printer to produce multiple component parts of a larger manufactured good eliminates the need for a global supply chain. As Richard Baldwin notes, “Supply chain unbundling is driven by a fundamental trade-off between the gains from specialization and the costs of dispersal. This would be seriously undermined by radical advances in the direction of mass customization and 3D printing by sophisticated machines…To put it sharply, transmission of data would substitute for transportation of goods.”118 As 3-D printing technology improves, the need for large economies to import anything other than raw materials concomitantly declines.119 Geopolitical ambitions could reduce economic interdependence even further.120 Russia and China have territorial and quasi-territorial ambitions beyond their recognized borders, and the United States has attempted to counter what it sees as revisionist behavior by both countries. In a low-growth world, it is possible that leaders of either country would choose to prioritize their nationalist ambitions over economic growth**.** More generally, it could be that the expectation of future gains from interdependence—rather than existing levels of interdependence—constrains great power bellicosity.121 If great powers expect that the future benefits of international trade and investment will wane, then commercial constraints on revisionist behavior will lessen. All else equal, this increases the likelihood of great power conflict going forward. There have been other drivers of the decades-long reduction in militarized interstate disputes. Nuclear deterrence has helped curb violent conflict among the great powers. Multilateral peacekeeping missions mitigate small country conflicts. Even if there is a decline in interdependence, it is possible that the “Long Peace” will endure. Furthermore, it is impossible to predict the degree to which either innovations or geopolitics will lessen the need for international trade. Even technological optimists acknowledge that the future diffusion of 3D printing is unclear. Advocates of networked manufacturing insist that economic openness is a prerequisite for the process to continue.122 And the degree of geopolitical revisionism among great powers might be endogenous—that is to say, preexisting levels of globalization might constrain revisionist impulses, rather than such impulses weakening the globalized economy. If great powers resort to revisionist foreign policies, however, then the global economy will start to resemble the Cold War era of economic blocs and strategic embargoes—one in which trade and investment follow the flag rather than follow the rate of return. The increased American use of targeted financial sanctions, for example, has already generated grumblings from peer competitors about finding ways to diversify away from reliance upon the dollar.123 In 2015, China introduced its own international payment and settlements system, in part, to diversify away from reliance upon the dollar.124 The correlation of economic flows with geopolitical alliances would not just have a profound effect on cross-border flows; it would likely lead to the fragmentation of global economic governance. Just as significantly, great power governments would reverse post-Cold War trends and choose to allocate more scarce resources towards their militaries.

#### Ending digital protectionism paves the way for internet cooperation

Moghior, 21 (Cosmina Moghior, Cosmina is a Denton Fellow with the Transatlantic Leadership program at the Center for European Policy Analysis (CEPA)., 8-11-2021, accessed on 9-6-2021, CEPA, "Protectionism Threatens To Torpedo The Transatlantic Technology Alliance | CEPA", https://cepa.org/protectionism-threatens-to-torpedo-the-transatlantic-technology-alliance/)//Babcii

Europe similarly is **determined to build its own tech** capacities. It promotes the concept of [digital sovereignty](https://www.europarl.europa.eu/RegData/etudes/BRIE/2020/651992/EPRS_BRI(2020)651992_EN.pdf) aimed at providing the continent the capacity to make “autonomous technological choices.” Several projects promote domestic production of critical technologies ranging from next-generation mobile phone production to quantum computing. Public funds already are being spent on the European cloud computing project GAIA-X aims to break the U.S. stranglehold on cloud computing. While Europe insists that its actions are not protectionist, designed instead to promote and safeguard European values, GAIA-X aims to ensure data protection and limit access of U.S. intelligence to European data. U.S. tech giants including Amazon, Google, and Microsoft have been invited to join, but are banned from joining the board. The **U.S.** is home to the world’s largest Internet companies and **fears that European regulatory measures will discriminate against them**. Plans for a European “digital” tax – put on hold to secure a global corporate tax reform – would disproportionately impact American companies that provide digital services in Europe. A separate Digital Markets Act proposal under consideration at the European Parliament addresses unfair practices of the so-called “gatekeepers,” that operate “core platform services.” Most of the targeted companies will likely be American, beginning with giants Google, Apple, Facebook, and Amazon. Europe and the U.S. **need to step back from pursuing their protectionist instincts**, which threatens to allow [China’s increasing inroads into the digital market](https://www.brookings.edu/research/untangling-the-web-why-the-us-needs-allies-to-defend-against-chinese-technology-transfer/). **Beijing is making** [**investments**](https://www.aei.org/china-global-investment-tracker/) **on all continents** on projects ranging from education to [critical infrastructure](https://pure.diis.dk/ws/files/727852/DIIS_RP_2016_8_WEB.pdf). Many **countries are turning to China for support** and guidance on technological development while the U.S. and the EU focus on their domestic anxieties and ambitions. A transatlantic tech **alliance could provide the blueprint for offering a viable alternative to** Chinese inroads in **the developing world**. Europe and the U.S. need to coordinate against the export of authoritarian practices on the Internet. They can only do this by **dropping the push for** Buy American and **European Digital Sovereignty.**

#### Otherwise, authoritarians will fragment the internet

DuPont, 20 (Sam DuPont, Deputy Director, Digital Innovation and Democracy Initiative, Washington, DC, 11-23-2020, accessed on 1-18-2021, Wita, "The Biden Administration Should Pursue a Digital Trade Agreement", https://www.wita.org/blogs/biden-digital-trade-agreement/)//Babcii

A forward-looking **digital trade agreement would guarantee** that all these services and more can compete **internationally**—and that the data upon which they depend can flow freely across borders. Successfully negotiating such an agreement with a large group of **trading partners would** be a boon to U.S. businesses and workers, and there is every reason to believe it would be a political winner on both sides of the aisle. What is more, it would also **advance** the **geostrategic interests** of the United States. An agreement that helps ensure the global digital economy defaults toward free commerce, the free exchange of ideas, and the free flow of data will help the United States and its allies confront and compete with China. At home, the Chinese government has implemented a top-down, repressive model for controlling the internet. And it has used negotiations, influence, and raw power to advocate this model overseas—seeking to build a [coalition of countries](https://www.nbr.org/publication/chinas-vision-for-cyber-sovereignty-and-the-global-governance-of-cyberspace/) with separate, sovereign internets characterized by greater government control over information—in order to validate its domestic approach and enhance its global influence. **The campaign is working: Governments around the world have followed China’s lead by restricting the free flow of information**, blocking online services, and **fragmenting the internet** along national boundaries. Earlier this year, Freedom House documented a [10th consecutive year of decline](https://freedomhouse.org/report/freedom-net/2020/pandemics-digital-shadow) in global “internet freedom,” and the U.S. trade representative cataloged an ever-growing [list of barriers to digital trade](https://ustr.gov/about-us/policy-offices/press-office/fact-sheets/2020/march/fact-sheet-2020-national-trade-estimate-strong-binding-rules-advance-digital-trade). It is not enough for the United States to play defense against these efforts—the Biden administration should advance a proactive strategy to ensure an open, global internet with rules that are rooted in democratic values. One of the most effective ways the Biden administration can pursue this goal is by negotiating enforceable rules and commitments on digital trade that bind together a large group of countries with shared values and common interests. A digital trade agreement should be built around rules that guarantee the free flow of data, prohibit data localization requirements, and ban unfair policies that discriminate against foreign digital products and services.

#### Open internet solves extinction

- Disease, natural disasters, state collapse and limits of growth

Eagleman 10 (David Eagleman is a neuroscientist at Baylor College of Medicine, where he directs the Laboratory for Perception and Action and the Initiative on Neuroscience and Law and author of Sum (Canongate). Nov. 9, 2010, “Six ways the internet will save civilization,”  
 <http://www.wired.co.uk/magazine/archive/2010/12/start/apocalypse-no>)//Babcii

Many great civilizations have fallen, leaving nothing but cracked ruins and scattered genetics. Usually this results from: **natural disasters, resource depletion, economic meltdown, disease,** poor information flow and corruption. But we’re luckier than our predecessors because we command a technology that no one else possessed: a rapid communication network that finds its highest expression in the internet. I propose that there are six ways in which **the net** has vastly **reduced the threat of societal collapse. Epidemics can be deflected by telepresence** One of our more dire prospects for collapse is an infectious-disease epidemic. Viral and bacterial epidemics precipitated the fall of the Golden Age of Athens, the Roman Empire and most of the empires of the Native Americans. The internet can be our key to survival because the ability to work telepresently can inhibit microbial transmission by reducing human-to-human contact. In the face of an otherwise devastating epidemic, businesses can keep supply chains running with the maximum number of employees working from home. This can reduce host density below the tipping point required for an epidemic. If we are well prepared when an epidemic arrives, we can fluidly shift into a self-quarantined society in which microbes fail due to host scarcity. Whatever the social ills of isolation, they are worse for the microbes than for us. The **internet will predict natural disasters** We are witnessing the downfall of slow central control in the media: news stories are increasingly becoming user-generated nets of up-to-the-minute information. During the recent California wildfires, locals went to the TV stations to learn whether their neighbourhoods were in danger. But the news stations appeared most concerned with the fate of celebrity mansions, so Californians changed their tack: they uploaded geotagged mobile-phone pictures, updated Facebook statuses and tweeted. The balance tipped: the internet carried news about the fire more quickly and accurately than any news station could. In this grass-roots, decentralised scheme, there were embedded reporters on every block, and the news shockwave kept ahead of the fire. This head start could provide the extra hours that save us. If the Pompeiians had had the internet in 79AD, they could have easily marched 10km to safety, well ahead of the pyroclastic flow from Mount Vesuvius. If the Indian Ocean had the Pacific’s networked tsunami-warning system, South-East Asia would look quite different today. Discoveries are retained and shared Historically, critical information has required constant rediscovery. Collections of learning -- from the library at Alexandria to the entire Minoan civilisation -- have fallen to the bonfires of invaders or the wrecking ball of natural disaster. Knowledge is hard won but easily lost. And information that survives often does not spread. Consider smallpox inoculation: this was under way in India, China and Africa centuries before it made its way to Europe. By the time the idea reached North America, native civilisations who needed it had already collapsed. The net solved the problem. New discoveries catch on immediately; information spreads widely. In this way, societies can optimally ratchet up, using the latest bricks of knowledge in their fortification against risk. Tyranny is mitigated **Censorship of ideas** was a familiar spectre in the last century, with state-approved news outlets ruling the press, airwaves and copying machines in the USSR, Romania, Cuba, **China**, Iraq **and elsewhere**. In many cases, such as Lysenko’s agricultural despotism in the USSR, it **directly contributed to** the **collapse** of the nation. Historically, **a more successful strategy has been** to confront **free speech** with free speech -- and the internet allows this in a natural way. It democratises the flow of information by offering access to the newspapers of the world, the photographers of every nation, the bloggers of every political stripe. Some posts are full of doctoring and dishonesty whereas others strive for independence and impartiality -- but all are available to us to sift through. Given the attempts by **some governments to build firewalls**, it’s **clear** that this benefit of **the net requires constant vigilance**. Human capital is vastly increased Crowdsourcing brings people together to solve problems. Yet far fewer than one per cent of the world’s population is involved. We need expand human capital. Most of the world not have access to the education afforded a small minority. For every Albert Einstein, Yo-Yo Ma or Barack Obama who has educational opportunities, uncountable others do not. This squandering of talent translates into reduced economic output and a smaller pool of problem solvers. **The net** opens the gates education to anyone with a computer. A motivated teen anywhere on the planet can walk through the world’s knowledge -- from the webs of Wikipedia to the curriculum of MIT’s OpenCourseWare. The new human capital **will serve us well when we confront existential threats** we’ve never imagined before. Energy expenditure is reducedSocietal collapse can often be understood in terms of an **energy budget**: when energy spend outweighs energy return, collapse ensues. This has taken the form of **deforestation or soil erosion**; currently, the worry involves **fossil-fuel depletion**. The internet addresses the energy problem with a natural ease. Consider the massive energy savings inherent in the shift from paper to electrons -- as seen in the transition from the post to email. Ecommerce reduces the need to drive long distances to purchase products. Delivery trucks are more eco-friendly than individuals driving around, not least because of tight packaging and optimisation algorithms for driving routes. Of course, there are energy costs to the banks of computers that underpin the internet -- but these costs are less than the wood, coal and oil that would be expended for the same quantity of information flow. The tangle of events that triggers societal collapse can be complex, and there are several threats the net does not address. But vast, networked communication can be an antidote to several of the most deadly **diseases threatening civilisation**. The next time your coworker laments internet addiction, the banality of tweeting or the decline of face-to-face conversation, you may want to suggest that the net may just be the technology that saves us.

#### Independently --- European tech antitrust nukes global cybersecurity

Ledgett, 21 (Rick Ledgett, Rick Ledgett is the former deputy director of the National Security Agency and a member of the advisory board for Beacon Global Strategies, which advises U.S. technology companies. Ledgett has an undergraduate degree in psychology and a graduate degree in strategic intelligence., 6-15-2021, accessed on 7-21-2021, C4ISRNet, "The growing threat of European tech regulation on US innovation", https://www.c4isrnet.com/opinion/2021/06/15/the-growing-threat-of-european-tech-regulation-on-us-innovation/)//Babcii

Such comments lay bare that although the DMA’s purported goal is to ensure competition, the DMA as drafted would specifically target a narrow set of **American companies** large enough to meet an arbitrary threshold of size metrics. Unlike the General Data Protection Regulation (GDPR), which impacts any company that collects the data of any EU citizen, only a handful of U.S. companies fit the criteria of what the DMA calls a “gatekeeper.” With EU officials unable to identify a single EU company that would have to comply with the strict requirements mandated for gatekeepers, it is clear whom these regulaations are intended to cover: American platforms that have achieved a competitive advantage within the nascent European technology market. Of note, **Russian and Chinese companies are** also **exempted** from the DMA, despite these companies being in a much stronger position than their European competitors to fill any gap caused by a U.S. “gatekeeper” being forced to change its business models to comply with the DMA. As a result, the DMA could effectively give a **green light** to China and Russia to further expand influence in the EU via their technology companies. Among the list of problematic challenges with the DMA, one of the obligations that stands out is a requirement that **would force gatekeepers to allow** third-party software to be downloaded directly from the internet. “**Side-loading**” is currently prohibited by companies like Apple, given concerns about the potential vulnerabilities that could be introduced when an unvetted app is able to bypass company security and safety controls. Many parts of the U.S. government prohibit side-loading on work devices for these very reasons, with the General Services Administration (GSA) stating in its IT Security Procedural Guide that side-loading apps present “one of the **greatest risks** to GSA’s environment.” The **Department of Homeland Security** (DHS) also recommends users “avoid (and enterprises should prohibit on their devices) sideloading.” The U.S. government is not the only entity to warn against sidel-loading: the EU’s own Agency for Cybersecurity (ENISA) states, ”users should not sideload applications if they do not originate from a legitimate and authentic source.” As is shown after each cybersecurity breach, from petty cybercrime to the seismic effects of the SolarWinds and Colonial breaches, having an **integrated security system is essential to** the **overall security** of a technology platform. In effect, the DMA risks introducing additional vulnerabilities to systems already under near constant **attack from adversaries**. Other concerning obligations would [require](https://eur-lex.europa.eu/legal-content/en/TXT/?qid=1608116887159&uri=COM%3A2020%3A842%3AFIN) U.S. companies to distribute proprietary information and intellectual property to EU competitors, as well as provide competitors access to “operating system, hardware or software features” used by U.S. companies. This forced sharing of sensitive company methods and information could disincentivize gatekeepers from continuing to maintain **cutting-edge security standards** and innovative practices. With each new advancement, they could be [**forced to share**](https://www.csis.org/analysis/digital-services-act-digital-markets-act-and-new-competition-tool)**trade secrets with direct competitors** who had no obligation to do the same. Over the long term, this could hurt the U.S.’s ability to compete with the growing technology power of China.

#### Weak cybersecurity causes nuclear war

Klare, 19 (Michael T. Klare, Professor emeritus of peace and world security studies at Hampshire College and senior visiting fellow at the Arms Control Association, "Cyber Battles, Nuclear Outcomes? Dangerous New Pathways to Escalation," Arms Control Association, November 2019, https://www.armscontrol.org/act/2019-11/features/cyber-battles-nuclear-outcomes-dangerous-new-pathways-escalation)//Babcii

Yet another pathway to **escalation could arise from** a cascading series of **cyberstrikes and counterstrikes** against vital national infrastructure rather than on military targets. All **major powers, along with Iran and North Korea**, have developed and deployed cyberweapons designed to disrupt and destroy major elements of an adversary’s key economic systems, such as power grids, financial systems, and transportation networks. As noted, Russia has infiltrated the U.S. electrical grid, and it is widely believed that the United States has done the same in Russia.12 The Pentagon has also devised a plan known as “Nitro Zeus,” intended to immobilize the entire Iranian economy and so force it to capitulate to U.S. demands or, if that approach failed, to pave the way for a crippling air and missile attack.13

The danger here is that economic **attacks** of this sort, if undertaken during a period of tension and crisis, **could lead to an escalating series of tit-for-tat attacks** against ever more vital elements of an adversary’s critical infrastructure, producing widespread chaos and harm and eventually **leading one side to initiate kinetic attacks on critical military targets, risking the slippery slope to nuclear conflict**. For example, a Russian cyberattack on the U.S. power grid could trigger U.S. attacks on Russian energy and financial systems, causing **widespread disorder** in both countries and **generating an impulse for even more devastating attacks**. At some point, such attacks “could lead to major conflict and possibly nuclear war.”14

#### Only the fed can assuage Europe’s fear

Wheeler, 21 (Tom Wheeler, Tom Wheeler is a visiting fellow in Governance Studies at The Brookings Institution. Former chariman of the Chairman of the FCC., 2-10-2021, accessed on 8-18-2021, Brookings, "A focused federal agency is necessary to oversee Big Tech", <https://www.brookings.edu/research/a-focused-federal-agency-is-necessary-to-oversee-big-tech/)//Babcii>

A less obvious challenge presented by **the fed**eral government’**s failure** to effectively oversee the dominant digital companies is how it has left American companies unprotected in regard to the policies of other nations, and even individual American states. The United States is a worldwide leader in digital products and services for many reasons, but most notably because of its uniform market of 325 million consumers in which to develop products, products that are then widely available to an interconnected world. Such an advantage is [threatened](https://www.brookings.edu/blog/techtank/2019/03/26/the-tragedy-of-tech-companies-getting-the-regulation-they-want/) when the absence of federal government policy leadership opens the door for policies to be determined by others. In an interconnected world, the absence of national oversight and leadership **leaves U.S. companies exposed to rules made by other nations**. Because of this absence, there is little American input. Similarly, the **absence of a national policy encourages state governments** to develop their own answers to pressing digital economy questions—answers that run the risk of diminishing the advantage of a uniform national marketplace. States as diverse as [California](https://oag.ca.gov/privacy/ccpa) and [Vermont](https://www.vpr.org/post/public-utility-commission-vermont-can-regulate-internet-telecommunications#stream/0) are adopting their own approaches to internet governance, while **foreign nations are filling the leadership void** internationally. The European Union proposed a [**Digital Services Act**](https://ec.europa.eu/digital-single-market/en/digital-services-act-package) **to regulate the behavior** of online companies. The United Kingdom proposed the creation of a [new digital watchdog](https://www.gov.uk/government/publications/digital-regulation-cooperation-forum). Italy [announced](https://www.reuters.com/article/idUSKBN27D0MM) an investigation into Google’s advertising market activities. Germany is [investigating](https://uk.reuters.com/article/us-amazon-com-germany-competition/german-watchdog-launches-new-investigation-into-amazon-report-idUKKBN27D2OO) Amazon’s relationships with third-party sellers. China went so far as to attempt to push a [new internet architecture](https://www.infosecurity-magazine.com/news/nato-warns-new-authoritarian/) through the U.N.’s International Telecommunications Union. **American market** oversight **policies have traditionally been the North Star** in the development of international technology policy.[[7]](https://www.brookings.edu/research/a-focused-federal-agency-is-necessary-to-oversee-big-tech/#footnote-7) Where there is **no policy**, however, **there can be no pole star**. By being absent from the field, the federal government has walked away from a history of American leadership.

#### Speed and clarity are key --- Fear of entrenchment drives quick action

Dorpe, 21 (Simon Van Dorpe, Simon Van Dorpe is a competition reporter in Brussels, co-author of Politico's weekly Fair Play Newsletter and occasionally reports on Belgian politics., 7-2-2021, accessed on 7-21-2021, POLITICO, "What Vestager can teach Lina Khan on antitrust", https://www.politico.eu/article/margrethe-vestager-lina-khan-meeting/)//Babcii

3. **Need for speed** A **broad consensus** exists among antitrust lawyers, regulators and others who follow the issue that Europe’s Google cases, particularly those on its search engine, have progressed too slowly. This is particularly problematic in fast-moving digital markets as rivals cannot survive as long. “The Commission was **sending an ambulance to a funeral**,” is how Luther Lowe, senior vice president of public policy at Yelp, has put it. Yelp, the online review site, has complained to both EU and U.S. authorities about [Google’s treatment](https://www.politico.eu/article/europe-failed-to-tame-google-can-the-us-do-any-better/) of rivals. Vestager can relate about the many ways in which these cases can be delayed. In the Google Shopping case, for example, Vestager's predecessor Joaquín Almunia spent a lot of time negotiating a settlement with Google that in the end did not receive the backing of the other EU commissioners. 4. What cases can do (and where rules are needed) The takeaways from the antitrust cases brought by the European Commission and a number of national competition authorities — and the [**pressure**](https://www.politico.eu/?p=1136434) **from EU countries — have led** Vestager under her new digital powers **to** propose **a** legal **framework to regulate the behavior of large online firms**. Unlike antitrust enforcement, which looks at whether firms have breached broad rules in the past, the new, more prescriptive rules are aimed at forcing the companies to self-regulate before any potential anti-competitive behavior could occur. This is where Khan can engage on an equal footing, as she was deeply involved in the [proposal](https://www.politico.com/news/2020/10/06/house-democrats-antitust-overhaul-big-tech-426840) of **a massive overhaul of U.S. laws to rein in Big Tech**. Last week, the House Judiciary Committee [passed](https://www.politico.com/states/california/story/2021/06/24/house-panel-approves-plan-to-help-break-up-tech-giants-1386987) the first package of those bills. The interaction **might help** Khan prioritize which practices could most effectively be dealt with through competition enforcement. 5. Breaking up the companies Despite calls from complainants and politicians to break the companies up, Vestager has repeatedly said that was only a measure of last resort. That is also her position for the new gatekeeper rules. "We’ll have the power to fine gatekeepers that breach their obligations — but just as importantly, the proposal would make it possible to impose remedies ... that, if necessary, could go all the way to breaking up the company," she [said](https://ec.europa.eu/commission/commissioners/2019-2024/vestager/announcements/defending-competition-digital-age_en) last week, adding that "of course, in this case, a structural remedy, where the company has to sell part of its business, would be very much a last resort — just as it is with our antitrust rules." Breaking up companies is easier in the U.S. than in the EU, though a court hasn't ordered that as a remedy for anticompetitive behavior since AT&T in the 1980s. "U.S. jurisprudence makes absolutely clear that structural reorganization is part of the conventional toolkit of abuse of dominance remedies in the U.S.," Kovacic said. Vestager’s reticence may not only be due to the difficulty of splitting up monopolies under the current state of EU law, but also because Europe is not eager to lose political capital by **doing what it believes should have been done in the U.S.**

### 1AC --- Plan

#### The United States Federal Government should substantially increase prohibitions on platform utilities by expanding the scope of its core antitrust laws to include standards against owning and competing on the same platform and the acquisition of potential and/or nascent competitors

### 1AC --- Solvency

#### The plan effectively targets only the most dominant tech companies

Klipa, 19 (Nik Decosta Klipa, 3-13-2019, accessed on 9-2-2021, Boston.com, "4 things to know about how — and if — Elizabeth Warren's plan to break up the tech giants would work", https://www.boston.com/news/politics/2019/03/13/elizabeth-warren-big-tech-plan/)//Babcii

2. How exactly would she break up Big Tech? Going further than the Microsoft settlement, Warren’s plan aims to “restore competition to the tech sector” through two approaches. The first would be through legislation to designate companies that have more than $25 billion in annual global revenue and offer “an online marketplace, an exchange, or a platform for connecting third parties” as “platform utilities.” These companies would be prohibited from both running a marketplace and acting as a participant in it. They would also be required to meet “a standard of fair, reasonable, and nondiscriminatory dealing with users.” “If you run a platform where others come to sell, then you don’t get to sell your own items on the platform because you have two comparative advantages,” Warren [told The Verge over the weekend](https://www.theverge.com/2019/3/9/18257965/elizabeth-warren-break-up-apple-monopoly-antitrust). “One, you’ve sucked up information about every buyer and every seller before you’ve made a decision about what you’re going to sell. And second, you have the capacity — because you run the platform — to prefer your product over anyone else’s product. It gives an enormous comparative advantage to the platform.” In her Medium post, Warren said that Amazon Marketplace, Google’s ad exchange, and Google Search would be platform utilities under her proposed law. That means Google Search would have to be spun off from its sprawling parent company, Alphabet. Google-owned ad providers would also have to be split off in order to participate on the company’s ad exchange. Amazon Basics, which sells generic brand electronics and home accessories on Amazon’s website, would have to be broken off into its own company. And in her interview with The Verge, Warren confirmed that Apple would have to be broken up in order to keep offering apps on its App Store. “Apple, you’ve got to break it apart from their App Store,” she said. “It’s got to be one or the other. Either they run the platform or they play in the store. They don’t get to do both at the same time.” Warren’s team says the $25 billion threshold provides a clear line that only captures the most powerful companies. And while there’s a huge list of companies with revenue over that threshold, **very few** of them offer online marketplaces — which are [**different than an online store**](https://www.quora.com/What-is-the-difference-between-an-online-marketplace-and-an-online-platform) — in which they also compete. Retail giants, like Walmart, or groceries store chains, would still be able to sell their own branded products alongside other brands on their online stores, since they process and fulfill the orders themselves (as opposed to letting third-parties list and sell their products on the website).

#### It effectively breaks them up

D'Souza, 20 (Deborah D'Souza, Deborah received her bachelor's degree in English from Fergusson College. She earned her master's degree in social anthropology at the University of Oxford and her master's degree in journalism from Columbia University., 9-12-2020, accessed on 9-1-2021, Investopedia, "Elizabeth Warren's Plan to Break Up Big Tech Explained", https://www.investopedia.com/how-will-elizabeth-warren-break-up-big-tech-4772263)//Babcii

The Plan [Among Warren's 48 plans](https://www.investopedia.com/elizabeth-warren-s-economic-plan-explained-4706529), is the "How we can break up Big Tech" plan. According to her, companies acquire smaller rivals and use their proprietary online marketplaces to unfairly limit competition. Her plan to fix this consists of two main parts and some goals for the future: Online Marketplaces = Platform Utilities Warren wants to pass legislation that requires **online marketplaces** run by companies with annual global revenue above $90 million to be designated as "**platform utilities." Companies with annual global revenue above $25 billion will not be allowed to own** platform **utilities and participants** on it at the same time. In other words, companies will not be able to sell services on a public marketplace they own and control. Platform utilities will have to treat all users fairly and equally. If sued and found guilty of violating the neutrality requirement, they would have to pay a fine equal to 5% of their annual revenue. **Reversing mergers** Warren will also appoint federal regulators who will reverse "**illegal**" and "**anti-competitive**" mergers. Goals Her three goals are to give people more control over how their personal data is collected, shared, and sold, help news outlets and artists keep more of the value their content generates, and ensure that no foreign power uses social media to influence U.S. elections. What the Plan Means for the FAANGs **Facebook**: Under Warren's plan, Facebook's 2012 acquisition of Instagram and 2014 acquisition of WhatsApp would be reversed, something Zuckerberg called an "existential" threat. "Facebook would face real pressure from Instagram and WhatsApp to improve the user experience and protect our privacy," says Warren's campaign website. Seventy percent of U.S. adults and 51% of U.S. teens use Facebook, according to [Pew Research](https://www.pewresearch.org/fact-tank/2019/05/16/facts-about-americans-and-facebook/). However, 70% of U.S. teens use Instagram, the platform Facebook is using to compete with the likes of Snap Inc. and TikTok. The company will be depending on Instagram to drive ad revenue in the coming years. **Amazon**: Amazon.com Inc. ([AMZN](https://www.investopedia.com/markets/quote?tvwidgetsymbol=amzn)) would **not be allowed to sell its own products** alongside third-party sellers on Amazon.com, if Warren's legislation is passed. Its privately-owned brands, like AmazonBasics, would have to be spun off or shuttered. Its mergers with Whole Foods (2017) and Zappos (2009) would also be unwound. Most of the hundreds of brands Amazon owns haven't had too much success, but Oweise Khazi, senior principal at Gartner L2, told [Retail Dive](https://www.retaildive.com/news/with-private-brands-amazon-plays-the-long-game/550790/) that Amazon is "playing the long game" and will be studying the massive amount of data it has access to. **Apple**: Apple Inc. ([AAPL](https://www.investopedia.com/markets/quote?tvwidgetsymbol=aapl)) is not among the companies mentioned on Warren's official campaign website, but the **AppStore would also qualify as a platform utility**. This means Apple would not be able to sell its own applications, like Apple Music and Apple News, on the platform. “It’s got to be one or the other,” said Warren when asked about it by [The Verge](https://www.theverge.com/2019/3/9/18257965/elizabeth-warren-break-up-apple-monopoly-antitrust). “Either they run the platform or they play in the store. They don’t get to do both at the same time.” This would come in the way Apple's Services business ambitions. Netflix: Netflix Inc. ([NFLX](https://www.investopedia.com/markets/quote?tvwidgetsymbol=nflx)) faces little regulatory risk at this point. In March 2019, BMO Capital Markets made Netflix its top technology stock instead of Amazon for this reason, according to [CNBC](https://www.cnbc.com/2019/03/15/bmo-favors-netflix-over-amazon-because-of-sen-warren.html). The debate about whether the company is a budding [monopoly](https://www.investopedia.com/terms/m/monopoly.asp) with its massive original content budget is still ongoing. Alphabet Inc. ([GOOGL](https://www.investopedia.com/markets/quote?tvwidgetsymbol=googl)): **Google’s Ad Exchange and** Google **Search are both platform utilities** under the proposed law and would **need to be spun off**. Alternatively, Google would have to stop including its own comparison shopping service, restaurant ratings etc. in search results, because it would be competing with other companies like Yelp, and separate its business from Ad Exchange. Its acquisitions of Waze, Nest and DoubleClick would also be unwound

# Doubles aff prep doc

## Adv---China

### 2AC --- AI DA --- F/L

#### 1. Startups and venture capital are decreasing now

**Nadler, 20** (Jerrold Nadler, Chairman, Comittee on the Judiciary, 20, accessed on 8-22-2021, Judiciary.house, "SUBCOMMITTEE ON ANTITRUST, COMMERCIAL AND ADMINISTRATIVE LAW", https://judiciary.house.gov/uploadedfiles/competition\_in\_digital\_markets.pdf?utm\_campaign=4493-519)//Babcii

In recent decades, however, there has been a sharp decline in new business formation as well as early-stage startup funding.169 The number of new technology firms in the digital economy has declined,170 while the entrepreneurship rate—the share of startups and young firms in the industry as a whole—has also fallen significantly in this market.171 Unsurprisingly, there has also been a sharp reduction in early-stage funding for technology startups.172 The rates of entrepreneurship and job creation have also declined over this period. The entrepreneurship rate—defined as the “share of startups and young firms” in the industry as a whole— fell from 60% in 1982 to a low of 38% as of 2011.173 As entry slows, the average age of technology firms has skewed older.174 Job creation in the high-technology sector has likewise slowed considerably.175 In 2000, the job creation rate in the high-technology sector was approaching 20% year-over-year. Within a decade, the rate had halved to about 10%.176 Although the job creation rate in the high-technology sector has fallen substantially since the early 2000s, the job destruction rate in 2011 was roughly unchanged from 2000.177 As a result, in 2011 the rate of job destruction in the high technology sector was higher than the rate of job creation, a reversal from the year 2000, when the jobcreation rate far outpaced the job-destruction rate.178 In line with this trend, there is mounting evidence that the dominance of online platforms has materially weakened innovation and entrepreneurship in the U.S. economy.179 Some venture capitalists, for example, report that they avoid funding entrepreneurs and other companies that compete directly with dominant firms in the digital economy.180

#### 742 markets disprove

Koski et al., 20 (Heli Koski, Otto Kässi, and Fabian Braesemann, Koski is a Research Director at Etla Economic Research and a Research Director at Aalto University, Kässi is a Researcher at Etla EconomicResearch., Braesemann is a Research fellow andData Scientist at Oxford University’s Saïd Business School., 1-7-2020, accessed on 8-20-2021, Etla , "Killers on the Road of Emerging Start-ups – Implications for Market Entry and Venture Capital Financing", https://www.etla.fi/en/publications/killers-on-the-road-of-emerging-start-ups-implications-for-market-entry-and-venture-capital-financing/)//Babcii

5. Conclusions We studied the effects of acquisitions made by the large US-based technology companies on the entry dynamics and venture capital financing in different product markets. We used **data from 742 product markets globally**, distinguishing the US and European markets for the years 2003-2018. Our estimation results suggest that the technology giants' buyouts subsequently reduced market entry rates and decreased available venture capital funding in the target product markets of tech giants' acquisitions. In other words, the acquisitions of data giants seem to generate the so-called kill zone effect. Our empirical analysis further suggests that the kill zone effect was strengthened during the 2010s when large technology companies gained increasing access to user data. Furthermore, we find that technology giants' acquisitions of platform companies have decreased market entry in non-platform markets.

## Adv---Europe

## OFF

### 2AC --- T --- Antitrust laws

#### We meet ---

#### a. The standards only target a few companies but are industry wide

Caruso, 21 (Jay Caruso, Jay Caruso is managing editor of the Washington Examiner magazine. He was previously an editorial writer and editorial board member with the Dallas Morning News. His work has also appeared in National Review, the Atlantic, and the Daily Beast., 6-18-2021, accessed on 8-13-2021, Washington Examiner, "The Ending Platform Monopolies Act targets Big Tech", https://www.washingtonexaminer.com/business/the-ending-platform-monopolies-act-targets-big-tech)//Babcii

The legislation has a narrow focus, centered on companies with market capitalizations of more than $600 billion and that have more than 50 million active monthly users or 100,000 or more monthly active business users. That raises possible legal questions because **only a select few companies fall into that category. However**, Wayne T. Brough, the policy director for technology and innovation at the R Street Institute, a public policy research organization, is skeptical of a legal challenge. "It was written in a way that a covered platform targets the Big Tech companies while letting other large online platforms such as Walmart off the hook," Brough said in an email to the Washington Examiner. "But technically, **the standards are industry-wide standards**, so I don't know if a legal challenge would be possible."

#### b. It could affect any company

**Dawson, 21** (Chris Dawson, co-editor of Tamebay, 6-13-2021, accessed on 8-27-2021, Tamebay, "US Ending Platform Monopolies Act Amazon killing draft bill", https://tamebay.com/2021/06/us-ending-platform-monopolies-act-amazon-killing-draft-bill.html)//Babcii

With five bills including The Ending Platform Monopolies Act all aimed largely at Amazon, Apple, Facebook and Google, there is an underlying problem. This is legislation targeted at specific companies and so the criteria that decides whether a bill applies to you or not has been drawn up to make sure they are impacted. This is not a set of bills aimed at general fairness across industry and for that reason means that after causing the break up of the four big tech companies **the next business it impacts** may have highly undesirable impact. As an example, the bills aren’t aimed at Walmart but Walmart has a marketplace. If Walmart grew their marketplace to 50 million US users and the company value grew to $600 billion, then Walmart would suddenly be banned from selling their own food on their marketplace!

### 2AC --- T --- Prohibit

### 2AC --- T --- Expand

### 2AC --- K (s)--- F/L

### 2AC --- Regs CP --- F/L

#### 4. Its insufficient --- They’ve been exempted

Morton, 20 (Fiona Morton, e Theodore Nierenberg Professor of Economics at the Yale University School of Management. , 2-18-2020, accessed on 8-31-2021, Equitable Growth, "Reforming U.S. antitrust enforcement and competition policy - Equitable Growth", https://equitablegrowth.org/reforming-u-s-antitrust-enforcement-and-competition-policy/)//Babcii

Reform antitrust statutes to deter and prevent anticompetitive conduct more effectively Increasing resources and more aggressive enforcement alone will not solve the problem. Judicial decisions interpreting the antitrust laws have significantly (limited) crippled antitrust enforcement. These decisions reflect, at best, an archaic economic understanding of competition or, at worst, simply bad economic reasoning. Under a series of U.S. Supreme Court decisions over the past decade, for example, it is doubtful that the government could have successfully broken up AT&T’s phone monopoly in the 1980s. That break up, arguably the government’s most successful monopolization prosecution, focused on AT&T’s refusal to allow MCI, a long-distance competitor, to connect its long-distance service to local phone monopolies. In Verizon Communications v. Trinko, the Supreme Court dramatically expanded a monopolists’ ability to avoid antitrust liability when it refuses to deal with competitor or potential competitor, and also implied that antitrust concerns are subordinate in an industry [subjected to the regulation](https://repository.law.umich.edu/cgi/viewcontent.cgi?article=1160&context=mlr).[22](https://equitablegrowth.org/reforming-u-s-antitrust-enforcement-and-competition-policy/#footnote-22) More recently, the Supreme Court misapplied basic economic reasoning in a case that, under some interpretations, has the potential to almost **exempt technology platforms from antitrust** enforcement: [Ohio v. American Express](https://www.supremecourt.gov/opinions/17pdf/16-1454_5h26.pdf).[23](https://equitablegrowth.org/reforming-u-s-antitrust-enforcement-and-competition-policy/#footnote-23) Since technology platforms comprise an ever-increasing share of economic activity, this situation is of [grave concern](https://www.yalelawjournal.org/feature/multisided-platforms-and-antitrust-enforcement).[24](https://equitablegrowth.org/reforming-u-s-antitrust-enforcement-and-competition-policy/#footnote-24) Even where the antitrust plaintiffs have been successful, the difficulty and cost of those successes suggest systematic underweighting of the benefits of competition and deference to the desire of the corporation for increased market power. The government’s long battles over stopping pay-for-delay deals and anticompetitive hospital mergers are notable examples of this misalignment, as is the approval by the government of the Sprint-T-mobile merger. In all of these cases, the corporations did not seek that market power on the merits, but through regulation (Trinko or state-supervised hospital mergers), exclusion (pay for delay and American Express), or merger (AT&T-TimeWarner or Sprint-T-mobile). Despite the government’s success in some merger litigation, this success only occurs in transactions that [most clearly violate the law](https://www.ftc.gov/enforcement/cases-proceedings/171-0231/otto-bock-healthcarefreedom-innovations).[25](https://equitablegrowth.org/reforming-u-s-antitrust-enforcement-and-competition-policy/#footnote-25) The fact that the two antitrust agencies must litigate cases that are clearly anticompetitive—rather than the parties not even considering the deal in the first place or abandoning it after the government makes its concerns known—speaks to the limitations of current antitrust legal doctrine. **It would likely take decades to reverse this body of accumulated legal doctrine, even if every future case that was litigated were decided with perfect accuracy**. Fortunately, **Congress is the final arbiter on competition law** and can change it to reflect the desire of society for competitive markets. Congress has not substantively amended those laws in more than 60 years. A broad foundation of economic research supports retooling our antitrust laws for the 21st century and restoring the vigor that was originally intended. Although legislation can take many forms, successful antitrust reform **legislation should** accomplish four goals: **Overturn Supreme Court preceden**t that has inoculated exclusionary conduct from antitrust scrutiny even when it harms competition by eliminating or harming competitors **Prohibit courts from assuming that some aspect of a market is competitive** or will become competitive rather than assessing the evidence in the case Create simple rules (known as presumptions) that will lower the resource cost of enforcement for conduct and acquisitions that economic research shows are likely to raise competitive problems Clarify that the antitrust laws are designed to **protect competition** that may manifest itself across a broad range of outcomes such as higher prices, reduced quality, harm to innovation, lower input prices, and elimination of potential competition

#### b. regulations are insufficient

**Kovacic, 21** (William Kovacic, Writing on behalf of the FTC, William Evan Kovacic is an American lawyer and legal scholar who served as a member of the Federal Trade Commission from 2006 to 2011. Kovacic is currently a professor at George Washington University Law School, 3-4-2021, accessed on 9-13-2021, FTC, "Toward a Domestic Competition", https://www.ftc.gov/sites/default/files/documents/public\_statements/toward-domestic-competition-network/040421domesticcomp.pdf)//Babcii

Coordination of competition policy making for individual transactions among foreign competition authorities becomes more costly where the preferences of several domestic agencies, rather than one institution, are relevant to the policy outcome. For example, a foreign competition authority can negotiate common terms with its competition policy counterparts, but it must also await the outcome of proceedings before a sectoral regulator in the same matter. Competition authorities may lack mechanisms for sharing information and views with the sectoral regulators in the same way that they share information and views with their antitrust counterparts.

### 2AC --- States CP ---- F/L

#### 4. They won’t enforce, or they’ll lose

**Rauch, 20** (Daniel Rauch, J.D. Yale Law School, 3-12-2020, accessed on 8-18-2021, Cleveland state law review, "Sherman Sherman's Missing "Supplement": Sherman’s Missing "Supplement": Prosecutorial Capacity, Agency , Incentives, and the False Dawn of Antitrust Federalism", https://engagedscholarship.csuohio.edu/cgi/viewcontent.cgi?article=4079&context=clevstlrev)//Babcii

Yet, if the early **failure of antitrust federalism** holds a single lesson, it is that even such compelling political, historical, and economic imperatives are, without more, insufficient to spur **state antitrust action**. Unless **state prosecutors** have the capacity and incentives to take on the antitrust challenge, they **will not act**. What does this mean for today’s state antitrust enforcers? On one hand, the years since 1890 have seen several innovations that substantially mitigate the problem of prosecutorial capacity. Multistate organizations like the National Association of Attorneys General (NAAG) have allowed for coordination and information sharing between attorneys general on antitrust matters, thus reducing the costs and burden of such cases.206 Likewise, the rise of multistate antitrust suits brought jointly by dozens of states allows for cost-and-capacity-sharing.207 Changes in federal law, like the HartScott-Rodino Act of 1976, created an economic incentive for states to pursue antitrust cases by codifying the ability of state attorneys general to sue as parens patriae and by offering states treble damages when they prevail (a strong economic incentive if ever there was one).208 Going further, the federal government has sometimes expressly subsidized state antitrust efforts, as with the supplemental funding offered in the Crime Control Act of 1976.209 And in some states, the capacity of the attorney general’s office has increased to levels inconceivable at the turn of the century: New York’s Attorney General, for instance, supervises over 1,800 employees,210 while California employs a staggering 4,500.211 Perhaps because of these shifts, it is unsurprising that in recent times at least some state attorneys general have heeded the call to enforce state and federal antitrust laws, from local investigations of healthcare consolidation212 to multistate actions against Silicon Valley behemoths like Apple and Amazon.213 Yet, despite these evolutions, the **constraints of** **prosecutorial capacity remain a key factor** in the vigor, or impotence, of state antitrust enforcement. This is especially salient given that many of the most important antitrust issues unfold in novel industries, demanding an unusual degree of **economic and technological savvy** and involving **powerful** and well-heeled entities like **Amazon, Google**,214 **and Apple**.215 Moreover, the very trend of multistate suits that allows jurisdictions to pool antitrust resources might also allow states to “free ride,” appending their name to litigation that is largely carried out by other states or by the federal Department of Justice.216 In this way, a state attorney general might reap most of the political dividends of being an “antitrust enforcement leader” without committing any substantial resources to combatting unlawful corporate concentrations. Finally, while a small minority of state attorneys general offices have gargantuan staffs and budgets, **many remain small**, resource-starved offices whose **capability to take on “the big case**”217 of a full-bore antitrust prosecution **remains limited**.218

#### b. Only federal engagement with Vestager solves --- That’s Dorpe --- States can’t access that internal link AND make it worse

**Kovacic, 21** (William Kovacic, Writing on behalf of the FTC, William Evan Kovacic is an American lawyer and legal scholar who served as a member of the Federal Trade Commission from 2006 to 2011. Kovacic is currently a professor at George Washington University Law School, 3-4-2021, accessed on 9-13-2021, FTC, "Toward a Domestic Competition", https://www.ftc.gov/sites/default/files/documents/public\_statements/toward-domestic-competition-network/040421domesticcomp.pdf)//Babcii

From the perspective of the United States, the existing design of domestic institutions for making competition policy could inhibit progress toward international convergence on competition policy processes and substantive standards. **Decentralization** and multiplicity in U.S. competition policy making complicates the attainment of a nationwide consensus about the appropriate content of procedures and substantive requirements. This is evident where two or more independent institutions exercise overlapping authority in the absence of a hierarchy of authority that makes the decision of one actor binding on another institutions. The DOJ and the FTC may be **seen as lacking the ability to speak authoritatively to foreign governments about U.S**. competition **policy because** their pronouncements do not bind other institutions, such as sectoral regulators and **state attorneys general**

, which independently exercise policymaking power over a wide range of business activity. Coordination of competition policy making for individual transactions among foreign competition authorities becomes more costly where the preferences of several domestic agencies, rather than one institution, are relevant to the policy outcome. For example, a foreign competition authority can negotiate common terms with its competition policy counterparts, but it must also await the outcome of proceedings before a sectoral regulator in the same matter. Competition authorities may lack mechanisms for sharing information and views with the sectoral regulators in the same way that they share information and views with their antitrust counterparts.

### 2AC --- Con-Con CP --- F/L

#### 4. Takes two years

David Huckabee 97, Specialist in American National Government, http://www.senate.gov/reference/resources/pdf/97-922.pdf

In the period beginning with the First Congress, through September 30, 1997 (105th Congress, 1 Session), a total of 10,980 proposals had been introduced to amend the Constitution. Thirty-three of these were proposed by Congress to the states, and 27 have been ratified. Excluding the 27th Amendment (Congressional Pay), which took more than 202 years, the longest pending proposed amendment that was successfully ratified was the 22nd Amendment (Presidential Tenure), which took three years, nine months, and four days. The 26th Amendment (18-year-old vote) was ratified in the shortest time: three months and 10 days. The average ratification time was one year, eight months, and seven days.

#### 5. It’s Shitfire and Europe thinks were crazy

Phyllis Schafly 96. MA in gov from Radcliffe College, JD from Wash U @ St Louis. May 1996. “Is a Con Con Hidden in Term Limits?.” The Schiafly Report, Vol. 29, No 10. https://eagleforum.org/psr/1996/may96/psrmay96.html

Most of us have watched a Republican National Convention or a Democratic National Convention on television. We've seen the bedlam of people milling up and down the aisles. We've watched how the emotions of the crowd can be stirred, and we've felt the tension when thousands of people make group decisions in a huge auditorium. Now imagine holding the Republican and Democratic National Conventions together -- at the same time and in the same hall. Imagine the confrontations of partisan politicians and pressure groups, the clash of liberals and conservatives, and the tirades of the activists -- all demanding that their view of constitutional issues prevail. Imagine the gridlock as the Jesse Helms caucus tries to work out constitutional change with the Jesse Jackson caucus! No wonder Rush Limbaugh said that a Con Con would be the worst thing that could happen to America and that it might signal time to "move to Australia." That's what it would be like if the United States calls a new Constitutional Convention (Con Con) for the first time in 209 years. It would be a self-inflicted wound that could do permanent damage to our nation, to our process of self-government, and possibly even to our liberty. A Con Con would throw confusion, uncertainty, and court cases around our governmental process by opening up our entire Constitution to be picked apart by special-interest groups that want various changes. It would make America look foolish in the eyes of the world, unsettle our financial markets, and force all of us to re-fight the same battles that the Founding Fathers so brilliantly won in the Constitutional Convention of 1787. George Washington and James Madison both called our Constitution a "miracle". We can't count on a miracle happening again. The most influential players in a new Constitutional Convention would be Big Media (such as Dan Rather and Sam Donaldson) giving on-the-spot interviews and predictions of what they are trying to make happen. The media elite have made themselves players in the political process, not just observers, and a Constitutional Convention would be the biggest media event of our time. It would be an irresistible opportunity for Big Media to guide (if not actually dictate) the result. Under the presidency of George Washington, the original Constitutional Convention of 1787 deliberated in complete secrecy and there were no leaks to the press. That is obviously impossible today. The ratio at the 1988 and 1992 national party conventions was eight reporters per delegate. Demonstrators would hold court outside the convention hall, with the TV cameras giving us daily, live, on-the-spot coverage of pressure groups and radicals demanding constitutional changes. We would have round-the-clock coverage by CNN and C-Span. Demonstrations would be staged by the pro-abortionists and the pro-lifers, the gay activists and their opponents, the radical feminists (Bella Abzug would take time off from her United Nations projects), the environmentalists, the gun control activists, the animal rights extremists, the D.C. Statehood agitators, those who want to relax immigration and those who would restrict it, the homeless, and the unions -- all demanding that their perceived "rights" be recognized in the Constitution. A Constitutional Convention would be confrontational, divisive, and ruled by 20-second television sound-bites. Nobody can predict what the rules or the agenda of a new Constitutional Convention would be. There is nothing in the Constitution or in any law to guide us. The Con Con advocates try to reassure us with talk of a Procedures bill introduced many years ago by the late Senator Sam Ervin -- but Congress has consistently refused to pass any Procedures bill. The shenanigans involved in changing the text of the Procedures bill each time it has been reintroduced prove how political the procedures process is bound to be. The Con Con advocates try to tell us that there are "safeguards" that will prevent bad things from happening at a Constitutional Convention. In fact, there are no safeguards at all, and the alleged "safeguards" are just political campaign promises. None of them is backed up by any statute or court decision. The Constitution tells us nothing except that, if 34 states pass a resolution requesting a Constitutional Convention, Congress "shall" call a Con Con for the purpose of considering "amendments" (in the plural).

#### 6. Con-Con is a voter --- This CP is specifically not real world NOR educational.

Nick Hodgson 15, history teacher, “Does the President of the United States have an opportunity to change the political system to make it more like political systems of Ireland and Germany, or are such problems completely up to Congress?”, https://bit.ly/2TDCyMT

Changing the political system of the US would involve a complete change of the Constitution which neither the President nor Congress are capable of achieving on their own. There would have to be a massive groundswell of support for such a change from the general public leading to a series of political campaigns and candidates being elected on a platform of changing the constitution. This is so unlikely to happen it's not even worth speculating about.

### 2AC --- CIL CP --- F/L

#### 4. Can’t solve China --- irregular processes undermine deterrence

Baker 11 (Donald I., Senior Partner, Baker & Miller PLLC, Washington DC  Why Is the United States So Different from the Rest of the World in Imposing Serious Criminal Sanctions on Individual Cartel Participants?, 12 Sedona Conf. J. 301, 305–06 (2011))

The accepted wisdom in the US is that we impose jail sentences against those who commit antitrust violations as a painful remedy for them and to deter similar conduct by others.18 As an apparent consequence, we do not tend to see serial violators (those individuals who repeat the same offence after having been caught once). Rather, we see some different individuals and enterprises violating the law because they think they can get away with it, while projecting some significant economic advantage to themselves and or their employers in trying to do so. Any system that is based on deterrence--and fairness--must have clear rules. Ordinary business actors must be able to understand the difference between right and wrong, and their lawyers must be able to give unequivocal legal advice. The basic anticartel rules against price-fixing and bid-rigging (and even market allocations) meet this required standard of clarity and predictability. Effective deterrence also requires that those who might be tempted to take illegal action believe that there is some reasonable probability of their being caught and that, if so, the consequences are likely to be grave. Risk of conviction and imprisonment also provides a powerful inducement for one coconspirator to inform on her other coconspirators. Moreover, the US has provided a fairly high level of funding for antitrust criminal enforcement by the DOJ and a uniquely advantageous prosecutorial system of grand jury investigations. Having more DOJ staff armed with a secretive process favoring the prosecutors clearly increases the government's chance of catching covert conspirators and thereby raises the stakes for those rationally contemplating price-fixing or other cartel activities. Consistency and comprehensiveness in enforcement are very important. For criminal laws against individual cartel participants to really matter, enforcement must be frequent and highly visible. It has taken almost a century in the US for incarceration to become routine for cartel participants who are caught. By contrast, having a criminal law against a profitable activity is unlikely to be effective as a deterrent if the normal prosecutions are so infrequent as to appear more like random lightning strikes or prosecutorial vendettas.

#### It’s not percieved

Nick Robinson 7, JD – Yale Law and Fox Fellow – Jawaharlal Nehru University, “Citizens Not Subjects: U.S. Foreign Relations Law and the Decentralization of Foreign Policy”, Akron Law Review, 40 Akron L. Rev. 647

There are clearly times that the U.S. must act with a united voice, but the legislature and executive are better suited than the judiciary to determine when localities' actions are a genuine threat to the nation's foreign relations interests. [189](https://www.lexis.com/research/retrieve?_m=6ff947ef13102cfa62af5b82dbff1b34&docnum=1&_fmtstr=FULL&_startdoc=1&wchp=dGLzVlz-zSkAz&_md5=7b58b9ab099442696692e212407f145a&focBudTerms=court%20w/35%20foreign%20policy%20w/35%20confus%21%20or%20incoheren%21&focBudSel=all#n189) These branches are better acquainted with the nation's foreign policy and can more efficiently and accurately target localities' actions that adversely affect foreign relations than courts. Also, giving broad preemption power to the judiciary may result in diverse decisions by lower courts in the same area of foreign relations, creating further confusion. [190](https://www.lexis.com/research/retrieve?_m=6ff947ef13102cfa62af5b82dbff1b34&docnum=1&_fmtstr=FULL&_startdoc=1&wchp=dGLzVlz-zSkAz&_md5=7b58b9ab099442696692e212407f145a&focBudTerms=court%20w/35%20foreign%20policy%20w/35%20confus%21%20or%20incoheren%21&focBudSel=all#n190) Therefore, courts should abandon their heightened preemption analysis in the field of foreign relations. They should only preempt localities' actions in foreign relations when they are explicitly required to by the executive, the legislature, or the Constitution.

### 2AC --- Infra DA --- F/L

#### 1. Moderate dems kill reconciliation --- OR they water it down to not solve

Gibson, 21 (Carl Gibson, 9-4-2021, accessed on 9-10-2021, Business Insider, "Democrats will lose Congress if they don't pass the reconciliation, infrastructure bills", <https://www.businessinsider.com/democrats-dont-pass-reconciliation-bipartisan-bills-lose-congress-majority-2021-9>)//Babcii

House Speaker Nancy Pelosi (D-California) was barely able to hold off a rebellion within the Democratic caucus over the reconciliation bill. Last week, conservatives in the Democratic caucus like Reps. Josh Gottheimer (D-New Jersey), Henry Cuellar (D-Texas), and Carolyn Bourdeaux (D-Georgia) [threatened to vote against it](https://abcnews.go.com/Politics/house-moderates-threaten-block-budget-vote-infrastructure-funding/story?id=79441963), wanting instead to vote on the smaller bipartisan bill first. While the bipartisan bill cleared the Senate with [69 votes](https://www.nytimes.com/2021/08/10/us/politics/infrastructure-bill-passes.html) in favor, the reconciliation bill would need to be passed with all 50 Democrats on board and Vice President Kamala Harris casting the tie-breaking vote. Pelosi ultimately succeeded in a party-line vote to allow the details of the larger spending bill to be written, [clearing a major hurdle](https://www.cnbc.com/2021/08/24/house-passes-budget-resolution-advances-infrastructure-bill.html) toward its passage. Even though she's so far committed to progressives' demands to first vote on the reconciliation bill before the bipartisan bill, she issued a deadline of September 27 to vote on the bipartisan package. This makes it possible for conservative Democrats like Sens. Joe Manchin (D-West Virginia) and Kyrsten Sinema (D-Arizona), **to run out the clock in negotiations** on the reconciliation bill. Pelosi even signaled that the House would not expend energy on "[a bill that's not going to pass the Senate,](https://www.cnbc.com/2021/08/25/what-happens-next-with-biden-infrastructure-budget-bills-in-congress.html)" which potentially gives Manchin and Sinema the **green light to water down the** reconciliation **bill until it's much weaker**. Should the House pass the smaller bill before the larger bill, centrists in the House will have no incentive to vote for the larger bill, because centrists will have already gotten everything they wanted and leverage can no longer be applied. Given how slim the Democrats' House majority is, this could doom the reconciliation bill's chances of passage, and likewise, cost Democrats their majorities and effectively reduce President Biden to a mere veto pen.

#### 2. Plans a massive dub --- builds PC, Bipartisanship AND solidifies dem unity

Lynn, 21 (Barry Lynn , executive director of the Open Markets Institute, 1-11-2021, accessed on 8-27-2021, Washington Monthly, "How Biden Can Transform America | Washington Monthly", https://washingtonmonthly.com/magazine/january-february-march-2021/how-biden-can-transform-america/)//Babcii

The first thing Biden would get from fully embracing anti-monopolism is an easy-to-tell story of what went wrong in America, why it went wrong, how we can fix it, and where we are going as a nation. Biden would also gain the ability to demonstrate that he understands the anger and hopelessness that so many Americans feel about the loss of their prosperity and independence and about the destruction of their families and communities. Learning how to tell this story will prove surprisingly easy. The beauty of traditional American anti-monopolism is precisely that the language is not technical, and enforcement does not depend on phalanxes of specially trained economists or any of the other “experts” long ago pressed into the service of oligarchy. It is a language Biden himself already fully understands. After all, anti-monopoly is about giving everyone “a fair shot” and ensuring that everyone is treated with “dignity” and “respect.” It is about fighting cheats and crooks and evildoers. Consider Biden’s speech on the Saturday when CNN finally called the race. “I’ve always believed we can define America in one word: possibilities. That in America everyone should be given an opportunity to go as far as their dreams and God-given ability will take them.” That is the essence of the original idea of America, the America the neoliberals broke when they unleashed the monopolists. The Biden team will also find anti-monopoly policy to be a strategic weapon of great potency. Fully embrace anti-monopolism, and Biden will find himself able to unify the two wings of the Democratic Party. After all, anti-monopolism will allow him to begin to break down many of the economic and political structures that underlie inequality, the hydrocarbon economy, and even racism, while simultaneously creating opportunities for entrepreneurs and investors to build new businesses and create more and better jobs. Fully embrace anti-monopolism, and Biden can also begin to break the GOP’s choke hold on the Senate and the Electoral College. Strong anti-monopoly policy will, after all, empower Biden to deliver millions of rural Americans from the isolation and humiliation that drove so many of them to Trump in the first place. It will do so by breaking the grip of the agricultural, retail, and transportation monopolists who for 40 years have appropriated these people’s lands, looted their communities, and destroyed their families. Fully embrace anti-monopolism, and Biden might even be able to begin to unify much of the American people as a whole against the common threat posed to our national and personal security by the monopolists and their allies in China.

#### That’s key to infrastructure

**Walling**, 4-29-**21** (Kevin, “Echoing FDR, President Biden makes the case to go big,” accessed 5-3-21, <https://thehill.com/opinion/white-house/550878-echoing-fdr-president-biden-makes-the-case-to-go-big>)

Biden will need these early **successes to continue to** not only **build political capital behind** his new proposals, but also to rally Americans behind his vision of a more capable and engaged federal government. Both his $2.25 trillion American Jobs Plan, which invests in our crumbling infrastructure, ports, rail, energy grids and schools, and the $1.8 trillion American Families Plan, which expands access to affordable childcare, universal Pre-K and paid family leave, are hugely ambitious **proposals that face uphill challenges** in a closely divided House and Senate.

#### 3. No PC or focus tradeoff --- Antitrust is under the radar

**Cadelago and McGraw**, 7-19-**21** (Christopher and Meredith, “‘It’s ceding a lot of terrain to us’: Biden goes populist with little pushback,” accessed 8-5-21, <https://www.politico.com/news/2021/07/19/biden-populist-antimonopoly-500100>)

When President Joe Biden unveiled a series of sweeping executive orders to combat monopoly power, the response from Republicans was notable — because there was barely one at all.Not long ago, a Democratic administration taking unilateral action to rein in corporations on everything from non-compete agreements to prescription drug affordability would have engendered fury from elected conservatives. Yet over the last week, few Republicans were warning that Biden’s actions would severely (hurt) ~~kneecap~~ business or slow the economic recovery. And inside the White House, the relative silence was not just noticed but seen as vindication. “If you're against competition, then what are you for?” said Bharat Ramamurti, deputy director of the National Economic Council. “Big business charging people whatever they want. You’re for businesses being able to offer workers low wages because there's no other competitor in town to offer something better. I mean, it's very hard to be against competition.” The right’s (silent) ~~muted~~ response to Biden’s orders underscores the remarkable ideological shift that’s occurring in Washington, D.C. A Republican Party once closely allied with corporate America finds itself increasingly less so in the Donald Trump era. Indeed, in the aftermath of Biden’s orders, even officials in Trump’s orbit were saying the politics were smart. “Both [Biden and Trump] have elements in their constituencies that want this, and, by the way, they’re on solid ground with the rest of America,” said a Trump adviser. “America has a love-hate relationship with these companies.”

#### 4. Bills are compartmentalized

Edwards ‘2k (George; March 2000; Professor of Political Science at Texas A&M University, Director of the Center for Presidential Studies; Presidential Studies Quarterly, Vol 30. No 1. “Building Coalitions,” p. 6;)

Besides not considering the full range of available views, members of Congress are not generally in a position to make trade-offs between policies. Because of its decentralization, Congress usually considers policies serially, that is, without reference to other policies. Without an integrating mechanism, members have few means by which to set and enforce priorities and to emphasize the policies with which the president is most concerned. This latter point is especially true when the opposition party controls Congress.

#### 6. Federal infrastructure investment creates state tradeoffs that decrease overall investment

**Gribbin, 19** (D.j. Gribbin, Gribbin holds a B.A. and J.D. from Georgetown University, is a member of the Virginia Bar, and was a licensed broker dealer,, 3-27-2019, accessed on 4-19-2021, The Agenda, "Three reasons to think twice about an infrastructure bill ", https://www.politico.com/agenda/story/2019/03/27/infrastructure-funding-bill-000886/)//Babcii

The “coupon effect”

The prospect of federal funding can dampen state and local funding. While voters [overwhelmingly support](https://news.gallup.com/poll/226961/news-public-backs-infrastructure-spending.aspx?g_source=link_NEWSV9&g_medium=TOPIC&g_campaign=item_&g_content=In%2520the%2520News%3a%2520Public%2520Backs%2520More%2520Infrastructure%2520Spending) increased infrastructure spending, their strong preference is that [someone else pay for it](http://www.rasmussenreports.com/public_content/business/general_business/december_2017/americans_don_t_give_infrastructure_high_marks_but_don_t_want_to_pay_to_fix_it). This dynamic makes it difficult for state and local leaders (who own 90 percent of governmental infrastructure) to turn to their electorate and ask for a tax or fee increase if the federal government is offering “free” funding.

This dynamic can be called the “coupon effect.” Imagine if shoppers in the market for a new suit were told that there is a small likelihood they will receive a coupon for 80 percent off their next suit purchase. Consumers will rationally engage in what economists call strategic delay and postpone their purchase in the hope of receiving a coupon, even if the chance of getting the coupon is very small. Every time a consumer considers heading to the store and buying a suit, he will ask, “But what if a coupon arrives tomorrow?” As a result, many will continue to delay until their suits (or our infrastructure) become unacceptably shoddy and worn.

In my experience, the prospect of federal funding has this same impact on state and local leaders considering a tax or user fee increase to expand or improve the quality of their infrastructure. This dynamic was clearly apparent in Kentucky in 2014, for instance. That year, a [candidate for the U.S. Senate](http://alisonforkentucky.com/newsroom/press-releases/grimes-rebuild-bridge-cut-deficit/) encouraged the communities around the Brent Spence Bridge (connecting Cincinnati and Covington, Ky.) to oppose a toll increase, because if elected, she would get the federal government to pick up the $2.6 billion tab to replace the bridge. Her campaign successfully increased opposition to tolling. Yet five years later, the [debate](https://www.wdrb.com/in-depth/kentucky-weighs-tolls-for-large-interstate-projects/article_f810d234-3a02-11e9-93dd-a3ddf06b89d1.html) on how to fund the bridge is still unresolved, and the probability of full federal funding is still just about zero (notwithstanding the fact that the state is represented by the Senate majority leader, who is married to the Secretary of Transportation).

While further study needs to be done, the coupon effect could actually result in a net decrease in infrastructure funds, especially when coupled with the challenges of [substitution](https://www.cbo.gov/system/files?file=2018-08/54371-workingpaper_1.pdf); states and local governments receiving an influx of federal dollars frequently substitute the new federal dollars for funds previously allocated to infrastructure and transfer their dollars to other policy priorities. As a result, a dollar in new federal infrastructure spending does not necessarily result in an additional dollar available for infrastructure.

The current non-federal to federal ratio of infrastructure spending is 3:1. Thus, if a 30 percent increase in federal spending (along with celebrations that the coupon is in the mail) dampened by 11 percent non-federal spending increases, our nation would be left with a net national decrease in infrastructure funding.

The goal of infrastructure policy should be a significant increase in infrastructure funding overall. As counterintuitive as it sounds, an increase in federal funding could work counter to that goal.

### 2AC --- Econ DA --- F/L

#### a. Section 5 of the FTC act

Ferris et al., 21 (Jamilla Ferris, Lydia Parnes, and Lindsey Edwards, Jamillia has held leadership positions and oversaw mergers at both the Antitrust Division of the DOJ and the FCC., Co-leader of the privacy and cybersecurity practice, Lydia advises companies on privacy and data protection law compliance and represents them in complex regulatory investigations., Lindsey Edwards is an associate in the Washington, D.C., office of Wilson Sonsini Goodrich & Rosati, where she is a member of the firm's antitrust practice. Her work encompasses a variety of civil and criminal antitrust matters, including litigation, government investigations, and mergers and acquisitions., 7-6-2021, accessed on 8-27-2021, Wilson Sonsini Goodrich & Rosati Professional Corporation Home Page - Palo Alto, Silicon Valley, San Francisco, New York, Seattle, San Diego, Washington, D.C., Shanghai, Hong Kong, Brussels - Spotlight on Antitrust: FTC Open Meeting Reflects Changing Tide, "Spotlight on Antitrust: FTC Open Meeting Reflects Changing Tide", https://www.wsgr.com/en/insights/spotlight-on-antitrust-ftc-open-meeting-reflects-changing-tide.html)

Key Takeaways: The decision to depart from the consumer welfare standard (and possibly the rule of reason) leaves Section 5 without a standard; this will encourage a greater level of FTC intervention in business activity and will require time before businesses can ascertain how to comply with the new rules. FTC staff will now have an expedited ability to carry out compulsory process requests, undoubtedly increasing the number and scope of investigations conducted by the FTC. The Democratic Commissioners stressed that the changes adopted will increase transparency and allow the FTC to be more nimble and responsive in its enforcement, and will allow the FTC to fully live up to its statutory mandate and be a more aggressive enforcer. The Republican Commissioners made repeated arguments that the resolutions went beyond the FTC's statutory mandate, citing AMG Capital Management LLC v. FTC as a recent warning against agency overreach, where the Supreme Court unanimously held that the FTC exceeded its statutory authority under Section 13(b) when seeking disgorgement in federal court. The Republican Commissioners also criticized the lack of notice and public comment, as well as the lack of staff involvement in the lead-up to the meeting. All four votes were decided along partisan lines, with the three Democratic Commissioners voting in favor of all the resolutions and the two Republican Commissioners voting against. This partisan division is likely indicative of what is to come under the Biden FTC as long as the current line-up of Commissioners remains. The public comments at the end of the meeting were largely from participants in various industries, including many from the restaurant, healthcare, and farming industries, calling for more aggressive antitrust and consumer protection enforcement against food delivery services, dominant pharmaceutical companies, dominant technology contractors, predatory franchisors, and grocery suppliers. We can expect that all of these areas will receive some attention in the coming years.

#### b. New York “abuse of dominance”

**Abbott, 21** (Alden Abbott, Abbott is a a senior research fellow at the Mercatus Center, focusing on antitrust issues. He previously served as the Federal Trade Commission’s General Counsel from 2018 to early 2021., 6-13-2021, accessed on 9-13-2021, Truth on the Market, "NY ‘Abuse of Dominance’ Bill Attacks Consumer Welfare and the US Antitrust Tradition", https://truthonthemarket.com/2021/06/13/ny-abuse-of-dominance-bill-attacks-consumer-welfare-and-the-us-antitrust-tradition/)//Babcii

Unfortunately, the New York State Senate seems to have lost sight of the importance of promoting vigorous competition and consumer welfare, not competitor welfare, as the hallmark of American antitrust jurisprudence. The chamber on June 7 passed the ill-named 21st Century Antitrust Act (TCAA), legislation that, if enacted and signed into law, would seriously undermine consumer welfare and innovation. Let’s take a quick look at the TCAA’s parade of horribles. The TCAA makes it unlawful for any person “with a dominant position in the conduct of any business, trade or commerce, in any labor market, or in the furnishing of any service in this state to abuse that dominant position.” A “dominant position” may be established through “direct evidence” that “may include, but is not limited to, the unilateral power to set prices, terms, power to dictate non-price contractual terms without compensation; or other evidence that a person is not constrained by meaningful competitive pressures, such as the ability to degrade quality without suffering reduction in profitability. In labor markets, direct evidence of a dominant position may include, but is not limited to, the use of non-compete clauses or no-poach agreements, or the unilateral power to set wages.” The “direct evidence” language is unbounded and hopelessly vague. What does it mean to not be “constrained by meaningful competitive pressures”? Such an inherently subjective characterization would give prosecutors carte blanche to find dominance. What’s more, since “no court shall require definition of a relevant market” to find liability in the face of “direct evidence,” multiple competitors in a vigorously competitive market might be found “dominant.” Thus, for example, the ability of a firm to use non-compete clauses or no-poach agreements for efficient reasons (such as protecting against competitor free-riding on investments in human capital or competitor theft of trade secrets) would be undermined, even if it were commonly employed in a market featuring several successful and aggressive rivals. “Indirect evidence” based on market share also may establish a dominant position under the TCAA. Dominance would be presumed if a competitor possessed a market “share of forty percent or greater of a relevant market as a seller” or “thirty percent or greater of a relevant market as a buyer”. Those numbers are far below the market ranges needed to find a “monopoly” under Section 2 of the Sherman Act. Moreover, given inevitable error associated with both market definitions and share allocations—which, in any event, may fluctuate substantially—potential arbitrariness would attend share based-dominance calculations. Most significantly, of course, market shares may say very little about actual market power. Where entry barriers are low and substitutes wait in the wings, a temporarily large market share may not bestow any ability on a “dominant” firm to exercise power over price or to exclude competitors. In short, it would be trivially easy for non-monopolists possessing very little, if any, market power to be characterized as “dominant” under the TCAA, based on “direct evidence” or “indirect evidence.” Once dominance is established, what constitutes an abuse of dominance? The TCAA states that an “abuse of a dominant position may include, but is not limited to, conduct that tends to foreclose or limit the ability or incentive of one or more actual or potential competitors to compete, such as leveraging a dominant position in one market to limit competition in a separate market, or refusing to deal with another person with the effect of unnecessarily excluding or handicapping actual or potential competitors.” In addition, “[e]vidence of pro-competitive effects shall not be a defense to abuse of dominance and shall not offset or cure competitive harm.” This language is highly problematic. Effective rivalrous competition by its very nature involves behavior by a firm or firms that may “limit the ability or incentive” of rival firms to compete. For example, a company’s introduction of a new cost-reducing manufacturing process, or of a patented product improvement that far surpasses its rivals’ offerings, is the essence of competition on the merits. Nevertheless, it may limit the ability of its rivals to compete, in violation of the TCAA. Moreover, so-called “monopoly leveraging” typically generates substantial efficiencies, and very seldom undermines competition (see here, for example), suggesting that (at best) leveraging theories would generate enormous false positives in prosecution. The TCAA’s explicit direction that procompetitive effects not be considered in abuse of dominance cases further detracts from principled enforcement; it denigrates competition, the very condition that American antitrust law has long sought to promote. Put simply, under the TCAA, “dominant” firms engaging in normal procompetitive conduct could be held liable (and no doubt frequently would be held liable, given their inability to plead procompetitive justifications) for “abuses of dominance.” To top it off, firms convicted of abusing a dominant position would be liable for treble damages. As such, the TCAA would strongly disincentivize aggressive competitive behavior that raises consumer welfare. The TCAA’s negative ramifications would be far-reaching. By embracing a civil law “abuse of dominance” paradigm, the TCAA would run counter to a longstanding U.S. common law antitrust tradition that largely gives free rein to efficiency-seeking competition on the merits. It would thereby place a new and unprecedented strain on antitrust federalism. In a digital world where the effects of commercial conduct frequently are felt throughout the United States, the TCAA’s attack on efficient welfare-inducing business practices would have national (if not international) repercussions. The TCAA would alter business planning calculations for the worse and could interfere directly in the setting of national antitrust policy through congressional legislation and federal antitrust enforcement initiatives. It would also signal to foreign jurisdictions that the United States’ long-expressed staunch support for reliance on the Consumer Welfare Standard as the touchtone of sound antitrust enforcement is no longer fully operative.

#### 5. Business formation is useless for the general economy

Bagrie, 18 (Cameron Bagrie, Cameron Bagrie is the Managing Director of Bagrie Economics. Cameron has been an economist for 20 years. For over 11 years he was the Chief Economist at ANZ. He has also worked as an economist at the National Bank, Treasury and Statistics New Zealand., 8-9-2018, accessed on 8-21-2021, The Spinoff, "Business confidence is a hopeless indicator. But that doesn’t mean the economy isn’t in trouble", <https://thespinoff.co.nz/business/09-08-2018/business-confidence-is-bullshit-but-that-doesnt-mean-the-economy-isnt-in-trouble/)//Babcii>

The economy is headed for recession if you believe the readings from business confidence. Thankfully we can largely ignore business confidence readings. We can’t ignore other survey measures though that are saying growth has slowed and the official statistics are showing the same. The last three quarterly GDP prints have been 0.6, 0.6 and 0.5% and we only have data up to March 2018. That’s annualised growth in the low 2’s and a dip below 2% now looks likely. We have the potential for a growth pothole. That is becoming a concern as the wheels of the economy need to be turning and tax revenue coming in the door for social agenda demands to be met. A whopping net 45% of firms are pessimistic about the general economy according to the ANZ Business Outlook survey. That’s a level last seen around the global financial crisis. Of course, no one really believes things are that bad. We can’t blame the global scene as other countries would be seeing massive falls in confidence too if that was a key factor. Other countries are not. The New Zealand Institute of Economic Research (NZIER) is showing weak readings for business confidence within their Quarterly Survey of Business Opinion (QSBO) too. The good news is that business confidence is hopeless as an economic indicator. The correlation with economic growth is poor and I largely ignore business confidence readings. Changes in direction can provide some insightful information – whether things are picking up or slowing down, but not the levels. Businesses tend to be more upbeat regarding general confidence about the economy under a blue flag as opposed to a red one. Business confidence averaged minus 18 between 2000 and 2007. The economy (measured by real gross domestic product) grew on average by more than 3.5% per year. Yep, confidence was negative, but growth was positive. So, we ignore business confidence as an economic indicator. This is nothing new. It’s surprising headline business confidence figures receive so much attention.

### 2AC --- Tradeoff DA --- F/L

#### 1. Squo resource increases solve

St. John, 21 (Allen St. John, covers digital privacy for Consumer Reports, writing breaking news and investigative pieces about Big Tech, as well as covering the smart speaker category for the Electronics group. a graduate of The University of Chicago, 3-11-2021, accessed on 5-16-2021, Consumer Reports, "How Stronger Antitrust Rules for Big Tech Could Help Consumers ", <https://www.consumerreports.org/competition-mergers-antitrust/stronger-antitrust-rules-for-big-tech-help-consumers/>)//Babcii

More Money for Enforcement For years, federal regulators with limited resources have had to contend with tech companies that have annual revenue in the billions and have the incentive to spend as much as necessary to ensure the continued growth of their businesses. For example, Amazon and Facebook now spend $18 million to $20 million per year on their lobbying efforts. Lawmakers are pushing to beef up resources at two key watchdogs: the Federal Trade Commission and the Department of Justice. Klobuchar’s bill would bump the FTC’s annual budget from $351 million to $651 million, while the budget of the Department of Justice’s antitrust division would more than double, from $184.5 million to $484.5 million. Among other things, that money would be used to hire staffers with the technical expertise to pursue complex antitrust cases, reversing a long-term trend; the FTC’s employee count dropped from 1,719 in 1980 to 1,160 at the end of last year, according to the agency. The legislation would also establish a new division in the FTC charged with researching the impacts of mergers on markets. The boost to the budgets would be funded by an increase in the premerger filing fees that the very largest companies would pay. Proposed laws would also give the agencies a new revenue stream with the power to collect fines from first-time antitrust violators. While these changes don’t put federal agencies on even footing with billion-dollar companies, they may make it easier for regulators to choose between cases that are sure winners and those that present a tougher path to settlement. Right now, “you don't want to spend money on a case you might lose,” says Alex Harman, competition policy advocate at Public Citizen, an advocacy group based in Washington, D.C. “So the result is under enforcement.” Under the new scenario, a company like Facebook might have faced far more resistance to its plans to acquire WhatsApp and Instagram. And Google might not own YouTube, Nest Labs, Fitbit, and some 230 other properties.

#### a. big tech is key to FTC credibility in every market

Rich, 19 (Jessica Rich, Former Director of the FTC’s Bureau of Consumer Protection, She is a graduate of New York University Law School (1987) and Harvard University (1983)., 8-12-2019, accessed on 7-22-2021, The New York Times, "Give the F.T.C. Some Teeth to Guard Our Privacy", https://www.nytimes.com/2019/08/12/opinion/ftc-privacy-congress.html)//Babcii

Two top Senate lawmakers on Monday expressed frustration with a federal probe into Facebook’s privacy practices, urging the government to move more swiftly and consider imposing tough punishments that target the company’s top executives. The [message](https://www.blumenthal.senate.gov/imo/media/doc/5.6.19_Letter%20to%20FTC%20re%20Facebook.pdf) — delivered by Democratic Sen. Richard Blumenthal (Conn.) and Republican Sen. Josh Hawley (Mo.) — reflects the mounting political pressure on the Federal Trade Commission to deliver a strong rebuke of the tech giant while sending a message to the rest of Silicon Valley that Washington has started taking privacy violations more seriously. “This investigation has been long delayed in conclusion — raising the specter of a remedy that is too little too late,” the lawmakers wrote. “The public is rightly asking whether Facebook is too big to be held accountable. The FTC must set a resounding precedent that is heard by Facebook and any other tech company that disregards the law in a rapacious quest for growth.” Facebook and the FTC each declined comment for this story. Specifically, Blumenthal and Hawley contend that a fine ranging into billions of dollars would be a “bargain” for a company as large as Facebook, which [recorded $15 billion in revenue last quarter](https://www.washingtonpost.com/technology/2019/04/24/facebook-sets-aside-billions-dollars-potential-ftc-fine/?hpid=hp_hp-top-table-main_facebook-420pm%3Ahomepage%2Fstory-ans). The tech giant last month said it expects a fine as high as $5 billion, confirming [earlier reports from the Post](https://www.washingtonpost.com/technology/2019/02/14/us-government-facebook-are-negotiating-record-multi-billion-dollar-fine-companys-privacy-lapses/?utm_term=.d028b5cd197e) that the FTC could require Facebook to pay a record-breaking financial penalty to settle the probe. "Even a fine in the billions is simply a write-down for the company, and large penalties have done little to deter large tech firms," the lawmakers said. Blumenthal and Hawley instead urged the commission to limit Facebook’s data collection, including requirements that restrict the kind of information it collects for advertising. They further called for accountability targeting individual executives if the commission determines “any Facebook executive knowingly broke the law” or its pledge to improve its privacy practices, a commitment it made to end another FTC probe in 2011. The lawmakers cited reporting from the Post last month that found the agency almost held Facebook CEO Mark Zuckerberg personally accountable as [part of that investigation eight years ago](https://www.washingtonpost.com/technology/2019/04/19/federal-investigation-facebook-could-hold-mark-zuckerberg-accountable-privacy-sources-say/?utm_term=.1089ed3f938c), but ultimately opted against putting him under order. If the FTC had done so, Zuckerberg could have faced fines and other punishments as a result of the agency’s current inquiry. Lawmakers including Democratic Sen. Ron Wyden (Ore.) [similarly have urged the FTC](https://www.washingtonpost.com/technology/2019/04/23/facebooks-mark-zuckerberg-should-be-liable-companys-privacy-missteps-top-lawmaker-says/?utm_term=.39a5e7dfcdb8) to target Zuckerberg specifically as a result of its ongoing investigation. But the FTC is unlikely to put Zuckerberg under order, a move that could undermine settlement talks and force the two sides to court, according to two people familiar with the probe. The sources spoke on condition of anonymity because the talks are supposed to be confidential. For now, Facebook has told the U.S. government it is willing to submit to greater oversight of its data-protection practices to end the current FTC inquiry, which began in March 2018. The probe initially focused on the social-networking giant’s entanglement with Cambridge Analytica, a political consultancy that improperly accessed data on 87 million Facebook users. The resulting settlement could grant the FTC unprecedented visibility into Facebook’s decisions to launch new products and services, while empowering the company’s board of directors to take a more aggressive approach to privacy oversight, [the Post reported](https://www.washingtonpost.com/technology/2019/05/03/facebook-has-told-federal-investigators-its-open-heightened-oversight-its-privacy-practices/?utm_term=.89361666f9e4). On Monday, Blumenthal and Hawley signaled support for some of those elements, including more board oversight and heightened privacy audits of Facebook. “The Facebook investigation will be a defining moment for the Commission,” the bipartisan duo wrote. “It must be seen as a strong protector of consumer privacy and begin to set out a new era of enforcement, or it will not be taken as a credible enforcer.”

#### b. Losing on big tech nukes the FTC

Feiner, 20 (Lauren Feiner, Tech policy reporter @ cnbc. B.A in comm from U of Penn, DEC-19-2020, accessed on 7-22-2021, Cnbc, "After suing Facebook, the FTC has a chance to show critics it’s not toothless", https://www.cnbc.com/2020/12/19/ftc-has-a-chance-to-show-critics-its-not-toothless-with-new-facebook-lawsuit.html)//Babcii

With its [groundbreaking antitrust lawsuit](https://www.cnbc.com/2020/12/09/ftc-and-several-states-launch-antitrust-lawsuits-against-facebook.html) against [Facebook](https://www.cnbc.com/quotes/FB), the Federal Trade Commission is facing more than just a fight against a multi-billion dollar tech giant — it’s battling to regain credibility that could determine its future. The FTC was roundly criticized by lawmakers on both sides of the aisle following privacy settlements tech hawks deemed to be toothless. In July 2019, the agency [settled a privacy investigation into Facebook](https://www.cnbc.com/2019/07/24/facebook-to-pay-5-billion-for-privacy-lapses-ftc-announces.html) following the Cambridge Analytica scandal for $5 billion, representing about 9% of the company’s 2018 revenue. Shortly after, it [settled alleged violations of children’s privacy on Google-owned YouTube for $170 million](https://www.cnbc.com/2019/09/04/youtube-to-pay-170-million-in-ftc-child-privacy-settlement.html). “The FTC is foolish & foolhardy to rely on money alone to punish decades of past privacy violations & ongoing profiteering,” Sen. Richard Blumenthal, D-Conn., [tweeted](https://twitter.com/SenBlumenthal/status/1149800901076508681) at the time of the Facebook settlement. Long before that, the agency closed an investigation into Google’s competitive practices [without bringing charges recommended by staff](https://www.wsj.com/articles/inside-the-u-s-antitrust-probe-of-google-1426793274). Nearly a decade later, the [DOJ has taken up competition charges against the search giant](https://www.cnbc.com/2020/10/20/doj-antitrust-lawsuit-against-google.html). The perceived failure of the commission to hold tech giants to account in the eyes of some lawmakers has threatened the FTC’s very existence. Sen. Josh Hawley, R-Mo., proposed last year relegating the entire agency to become a division of the Justice Department and consolidating all of its competition enforcement power under the DOJ Antitrust Division. That gives the FTC’s actions against Big Tech firms added significance. The FTC is different from the DOJ in that it is independent from other branches of government. FTC Chairman Joe Simons [testified last year](https://www.cnbc.com/2019/09/18/the-ftc-and-doj-are-squabbling-over-the-right-to-regulate-big-tech.html) that structure is actually what makes the agency so valuable, though he agreed with DOJ antitrust chief Makan Delrahim that splitting antitrust enforcement power between two agencies causes inefficiencies.

#### c. Prohibitions free up resources.

Chopra & Khan ’20 [Rohit; Commissioner @ Federal Trade Commission; and Lina; Chairperson @ Federal Trade Commission, JD @ Yale Law School; “The Case for “Unfair Methods of Competition” Rulemaking,” *The University of Chicago Law Review* *87*(2), p. 357-380; AS]

Second, establishing rules could help relieve antitrust enforcement of steep costs and prolonged trials. Identifying ex ante what types of conduct constitute “unfair method[s] of competition” would obviate the need to establish the same exclusively through ex post, case-by-case adjudication. Targeting conduct through rulemaking, rather than adjudication, would likely lessen the burden of expert fees or protracted litigation, potentially saving significant resources on a present-value basis.47

Moreover, establishing a rule through APA rulemaking can be faster than litigating multiple cases on a similar subject matter. For taxpayers and market participants, the present value of net benefits through the promulgation of a clear rule that reduces the need for litigation is higher than pursuing multiple, protracted matters through litigation. At the same time, rulemaking is not so fast that it surprises market participants. Establishing a rule through participatory rulemaking can often be far more efficient. This is particularly important in the context of declining government enforcement relative to economic activity, as documented by the ABA.48

# 1AR

## Regs CP

## CIL CP

### EU deficit

#### They don’t see the court as binding

deLisle 2 (Jacques, Professor – University of Pennsylvania Law School, “A "Sinical" Look at the Use of U.S. Litigation to Address Human Rights Abuses Abroad”, DePaul Law Review, Winter, 52 DePaul L. Rev. 473, Lexis)

It still might be supposed that courts roving about enforcing an expanding body of international legal norms might be especially dangerous in the American context because of the unusually high levels of independence and power that U.S. courts enjoy as a coequal and (on some accounts) unaccountable branch. The potential for courts to derange the nation's foreign policy might seem to be commensurately greater. But it is far from clear that this is so. True, the structure of governmental power and the extensive autonomy of courts in the United States may still seem exotic and hard to imagine in much of the world, especially in China and many of the other authoritarian regimes that have been the foci of human rights litigation. But that does not mean that foreign governments and their leaders fail to comprehend the U.S. structure. It does not mean that they view court decisions as of a piece with U.S. foreign policy as articulated by the executive branch or Congress because they see courts as agents of the political branches (as they arguably are in China and many ATCA target countries). Nor does it mean that they view judicial opinions as on par with legislative or presidential pronouncements because they view courts as the equal of the political branches in foreign policy (as a highly simplistic version of American constitutional law and politics might suggest). Indeed, these two imaginable foreign views of U.S. courts are contradictory. Moreover, there is considerable evidence that the PRC has a reasonably accurate and sophisticated understanding of U.S. separation of powers principles. In these circumstances, it is unwarranted and unwise - and would unnecessarily constrain and [\*546] undermine the political branches' conduct of foreign policy - to accept at face value statements from foreign governments (including notably China) that exaggerate opportunistically their incomprehension of U.S. separation of powers law, and that express shock and offense at judicial decisions (or, for that matter, congressional expressions of opinion that do not become law) and that purport to construe them as expressions of the foreign policy positions of the American government. 211

### No !

#### No impact or impact uniqueness – AND state legislatures will block it

Eric A. Posner 17, Kirkland & Ellis Distinguished Service Professor, University of Chicago Law School. Thanks to Adam Chilton (10/10 Torts Prof) “Liberal Internationalism and the Populist Backlash,” 49 ARIZ. St. L.J. 795 (2017). UChicago Law Libraries.

We can summarize this backward movement by noting that international security-as embodied in the UN charter's prohibitions on use of force-and human rights are the two most significant pillars of international law since the end of the Cold War. And both are in shambles. The United States and Russia have repeatedly violated the use of force prohibition. And human rights have worsened over the last decade.6 Meanwhile, tribunals and other international institutions are contributing little to international order, and there have been no major efforts to advance international legalization for more than a decade.∂ Meanwhile, international economic cooperation is also in decline. Here, we should point out something that most debates about international law leave out: the persistent unhappiness of major developing countries with what they regard as their coercive and unfair treatment under the major international economic institutions-including the austerity policies of the IMF, and the trade policies of the WTO.68∂ Combine these events with the populist backlashes within countries and the overall impression is one of significant backsliding and retrenchment something that international law scholars have not, as far as I am aware of, predicted or even discussed as realistic possibilities. What went wrong? The simple answer is that the benefits of globalization-greater wealth and freedom-failed to materialize as promised, with most of the gains going to a small fragment of the global elite, or to vast populations of workers in places like China, with cheaper consumer goods in the West failing to compensate people in their minds for the economic dislocation they experienced.6 9 Human freedom has not advanced since 2000, and has very likely declined. Meanwhile, the costs of globalization turned out to be highly visible. These costs included the spread of international terrorism, disease (such as the SARS epidemic in 2002-2003), and economic instability, represented above all by the financial crisis of 2007-2008, whose causes and effects were global in nature. As in the 1930s, the natural reaction has been to abandon global commitments in favor of familiar tribal and national loyalties. But modern international law, born out of that era, was supposed to prevent a return to it by binding nations ever more closely together. Why did that not happen?∂ III. WHAT ACCOUNTS FOR THE BACKLASH?∂ The answer to this question is speculative but clues lie about, and they can be put together into a suggestive theory. The overwhelming impetus to backlash lay in popular opinion across countries. Many ordinary people, left behind by globalization, have united in their opposition to further international legalization. They have lost faith in international institutions (as illustrated best by Europe) and in the national leaders who supported them. They now seek new national leaders who will advance the national interest rather than global ideals.∂ The backlash should not come as a complete surprise. As we saw, worries about the democratic deficit in Europe are as old as European integration. While most scholars supported European integration, either because they believed that the democratic deficit was mythical, or that the benefits of integration exceeded any costs to democracy," the dissenting view persisted if only because it was impossible to ignore the evidence."' Public opinion surveys showed that many Europeans distrusted European institutions. European politicians successfully ran on anti-Europe campaign promises. Voters in some European countries rejected the European constitution and the Lisbon Treaty. And pro-integration mainstream leaders took the democratic deficit seriously enough to try to address it by strengthening the European Parliament. Brexit only ratified a longstanding worry.∂ In the United States, the debate took place in a lower key. The United States is not bound by any international institutions whose strength and authority is comparable to that of the European institutions. Indeed, the United States has disproportionate influence over most major international institutions, and nearly always can protect itself with veto rights. However, from time to time, a relatively minor question of international law erupted into public consciousness. The possibility that the International Criminal Court could have jurisdiction over American soldiers provoked Congress to pass a law in 2002 that appeared to authorize a military invasion of the Netherlands if an American was ever held for trial. 2 Roper and related cases caused a public outcry, leading some state legislatures to pass statutes that blocked courts from relying on "foreign law."" 3 The American political system is suspicious of human rights treaties, and the Senate has become increasingly reluctant to give its consent to any treaty at all-although this is partly an artifact of a 2/3 majority rule and the disproportionate influence of rural populations in that body.

## Econ DA

#### They are Apathetic

**Loo, 20** (Rory Loo, Associate Professor of Law, Boston University; Affiliated Fellow, Yale LawSchool Information Society Project., 11-10-2020, accessed on 8-13-2021, Live-cornell-law-review.pantheonsite, "IN DEFENSE OF BREAKUPS: ADMINISTERINGA “RADICAL” REMEDY ", https://live-cornell-law-review.pantheonsite.io/wp-content/uploads/2020/12/Van-Loo-final.pdf#page=36&zoom=100,0,0)//Babcii

Executives pursue such strategic breakups despite awareness of the expenses and complexity.194 Again, Hewlett-Packard executives predicted that the divestiture would take several years to complete, cost $1.8 billion, require extensive administrative management, and cause great internal upheaval.195 They proceeded despite that awareness and produced two highly profitable companies.196 What about in the context of technology-heavy deals? Antitrust scholars have urged particular caution in pursuing postmerger breakups in that space.197 The private sector has no such reservations, pursuing a number of divestitures years after consummation. Examples include PayPal and eBay, which had technologically integrated their platforms by the time the combined company decided to split, and AOL-Time Warner.198 Shareholders provide another perspective because they also demonstrate relative comfort with divestitures. Following unprofitable mergers and acquisitions, shareholders regularly pressure their managers to undo those consummated mergers even years later.199 In contrast, as described above, antitrust authorities have consistently declined to undo an anticompetitive merger mistakenly approved, even though they acknowledge—as have many scholars—that such mistakes have occurred.200 In other words, antitrust enforcers almost never fix their prior mistakes by breaking up a company, but shareholders regularly fix their managers’ mistakes by forcing a breakup.

#### a. Diversification

**Loo, 20** (Rory Loo, Associate Professor of Law, Boston University; Affiliated Fellow, Yale LawSchool Information Society Project., 11-10-2020, accessed on 8-13-2021, Live-cornell-law-review.pantheonsite, "IN DEFENSE OF BREAKUPS: ADMINISTERINGA “RADICAL” REMEDY ", https://live-cornell-law-review.pantheonsite.io/wp-content/uploads/2020/12/Van-Loo-final.pdf#page=36&zoom=100,0,0)//Babcii

If the concern about shareholders comes from fear of harm to people’s retirement and savings, the evolving structure of equity ownership is relevant. Most publicly traded shares of large companies now are owned by mutual funds and other institutional owners holding diverse stocks. As a result, the impact of any given breakup would be diluted for most shareholders. Additionally, if a breakup improved long-term market health—or immediately helped the monopoly’s competitors— most of a given monopoly’s shareholders could benefit from a breakup even if the broken-up company’s stock was hurt. Indeed, one of the leading studies found that although the prosecuted company’s stock went down, its rivals’ stock went up.220

#### b. Payoffs

**Loo, 20** (Rory Loo, Associate Professor of Law, Boston University; Affiliated Fellow, Yale LawSchool Information Society Project., 11-10-2020, accessed on 8-13-2021, Live-cornell-law-review.pantheonsite, "IN DEFENSE OF BREAKUPS: ADMINISTERINGA “RADICAL” REMEDY ", https://live-cornell-law-review.pantheonsite.io/wp-content/uploads/2020/12/Van-Loo-final.pdf#page=36&zoom=100,0,0)//Babcii

Even if the concern is solely about an individual company’s shareholders, a breakup does not mean that a portion of the company is eliminated. If Google is forced to sell YouTube or Facebook is required to divest Instagram, shareholders would receive a massive payment for that sale.221 Overall, the literature consistently shows that private divestitures “have a positive impact on the divesting parent’s share price.”222

#### 6. Companies routinely break themselves up, the market will correct, and stock rebound outweighs

Loo, 20 (Rory Van Loo, a professor at Boston University and the author, most recently, of “In Defense of Breakups: Administering a ‘Radical’ Remedy.” He previously advised multinational corporate executives on mergers and acquisitions, 7-29-2020, accessed on 8-5-2021, The Hill, "Stop with the egg metaphor in discussing Big Tech break-ups", https://thehill.com/opinion/technology/509511-stop-with-the-egg-metaphor-in-discussing-big-tech-break-ups)//Babcii

The metaphor is misguided. Businesses routinely break themselves up. More than [3,000 voluntary divestitures occur each year](https://corpgov.law.harvard.edu/2017/07/27/when-a-piece-of-your-company-no-longer-fits-what-boards-need-to-know-about-divestitures/), amounting to about [a third of all mergers and acquisitions](https://www.jstor.org/stable/23414264). Many are enormous. Not that long ago, Hewlett-Packard [split itself](https://www.wsj.com/articles/hewlett-packard-to-split-into-two-companies-1412592132) down the middle to create [two independent Fortune 100 companies](https://fortune.com/fortune500/2017/search/). Last year Fox sold its movie business to Disney for [$71 billion](https://www.foxbusiness.com/media/fox-disney-prepare-to-close-transformative-71-3-billion-deal). In other words, while most in the government and academia see breakups as [“radical” and “extreme,”](https://scholarship.law.bu.edu/cgi/viewcontent.cgi?article=1951&context=faculty_scholarship) leading business executives see them as a standard part of corporate governance. I know because I have advised executives at several of the nation’s largest companies on massive reorganizations. If we must analogize monopolies to eggs, at the very least we should recognize that while nobody unscrambles eggs, we regularly carve up omelets after they’re prepared. This seemingly harmless metaphor expresses a potentially devastating worldview that helps explain why the government has not broken up any of the largest U.S. companies since 1984. That’s when the Department of Justice [split the AT&T monopoly into seven pieces](https://law.justia.com/cases/federal/district-courts/FSupp/552/131/1525975/), a move widely celebrated — especially by [consumers who were paying over eight dollars for a five-minute call from Washington, D.C. to New York](https://www.everycrsreport.com/files/19840810_IP0257A_38f13e13d3220c8f7c56fd39ad97d87f5fe325ed.pdf). Today, however, even many leading [left-leaning intellectuals](https://www.washingtonpost.com/opinions/2019/07/16/break-up-facebook-there-are-smarter-ways-rein-big-tech/) calling for more aggressive antitrust enforcement oppose splitting up Big Tech due to breakups’ perceived messiness. They prefer other remedies, like mandating “access.” Access mandates leave the monopoly in place but require it to help competitors. For instance, rather than forcing Facebook to divest its previous acquisition, Instagram, the social network could be required to allow users to transfer their accounts or post simultaneously to other social networks. One clear problem with this and other alternative remedies is that they are unlikely to deter anticompetitive behavior. At trial, [companies almost always fight for something other than breakups](https://law.justia.com/cases/federal/district-courts/FSupp2/97/59/2339529/). Weaker remedies give CEOs incentives to build monopolies. Equally problematic is that these other remedies are extremely difficult and expensive. For example, requiring Amazon to share its platform fairly with competitors would require ongoing monitoring by the government over decades to ensure compliance. In contrast, breakups are cleaner and cheaper because they provide a one-off event after which the government can move on. By instead pushing antitrust toward government-heavy remedies, the resistance to breakups leaves antitrust with only unattractive options. Unattractive remedies mean enforcers are less likely to take any action. In other words, the animosity toward breakups has enfeebled the very institution of antitrust in America. Of course, while breakups of Facebook and Instagram or Google and Waze may make sense, there are limits to how much some of these tech companies can be carved up without harming consumers. And antitrust breakups involve considerable costs in executing the reorganization. As a result, some caution is appropriate in choosing them as the remedy, and access mandates have a place in the antitrust arsenal. It would be a mistake to launch into an indiscriminate breakup rampage of all concentrated industries. In weighing those costs, however, authorities should recognize that even private divestitures require tremendous organizational expenses. The key in both public and private breakups is not to let the inevitable reorganization costs prevent economic progress. In 1911, John D. Rockefeller’s lawyers argued that breaking up his oil monopoly would not only be dangerous to the industry, but [calamitous to shareholders](https://heinonline.org/HOL/LandingPage?handle=hein.journals/conlr31&div=44&id=&page=). Similar arguments were made before the [AT&T breakup](https://www.nytimes.com/1984/01/01/us/bell-system-breakup-opens-era-of-great-expectations-and-great-concern.html). But [Rockefeller’s wealth skyrocketed after the Standard Oil breakup](https://www.emerald.com/insight/content/doi/10.1016/S0193-5895(04)21002-8/full/html), and AT&T shareholders who held onto their stock earned [high returns](https://heinonline.org/HOL/LandingPage?handle=hein.journals/conlr31&div=44&id=&page=). That’s because buyers of broken up monopolies pay for the carved-up pieces. And smaller, [nimbler companies can better adapt to changing markets](https://oxfordre.com/business/view/10.1093/acrefore/9780190224851.001.0001/acrefore-9780190224851-e-17?rskey=3EpcPb&result=86). More importantly, nobody can deny that [those U.S. industries subsequently flourished and led the world](https://heinonline.org/HOL/LandingPage?handle=hein.journals/conlr31&div=44&id=&page=). A better antitrust analogy would be to firefighting. [The Forest Service](https://www.fs.usda.gov/detail/dbnf/home/?cid=stelprdb5281464#:~:text=Controlled%20burning%20allows%20the%20Forest,the%20accumulation%20of%20flammable%20fuels.) regularly manages controlled burns, which prevent catastrophic wildfires and enable ecosystems to thrive. Occasional breakups that have costs in the short-term can help make markets healthier in the long run. The harms to our economy from large monopolies are far more certain than the speculative fears of messy breakups.

#### No impact to economic decline – prefer new data

**Drezner 14** (Daniel Drezner, IR prof at Tufts, The System Worked: Global Economic Governance during the Great Recession, World Politics, Volume 66. Number 1, January 2014, pp. 123-164)

The final significant outcome addresses a dog that hasn't barked: the effect of the Great Recession on cross-border conflict and violence. During the initial stages of the crisis, multiple analysts asserted that the financial crisis would lead states to increase their use of force as a tool for staying in power.42 They voiced genuine concern that the global economic downturn would lead to an increase in conflict—whether through greater internal repression, diversionary wars, arms races, or a ratcheting up of great power conflict. Violence in the Middle East, border disputes in the South China Sea, and even the disruptions of the Occupy movement fueled impressions of a surge in global public disorder. **The aggregate data suggest otherwise**, however. The Institute for Economics and Peace has concluded that "the average level of peacefulness in 2012 is approximately the same as it was in 2007."43 Interstate violence in particular has declined since the start of the financial crisis, as have military expenditures in most sampled countries. Other studies confirm that the Great Recession has not triggered any increase in violent conflict, as Lotta Themner and Peter Wallensteen conclude: "[T]he pattern is one of relative stability when we consider the trend for the past five years."44 The secular decline in violence that started with the end of the Cold War has not been reversed. Rogers Brubaker observes that "the crisis has not to date generated the surge in protectionist nationalism or ethnic exclusion that might have been expected."43

#### US not key to the global economy

Peter **Passell 12**, Economics Editor of Foreign Policy’s Democracy Lab, Senior Fellow at the Milken Institute, 4/4/12, “Decoupling: Ties that No Longer Bind,” <http://www.foreignpolicy.com/articles/2012/04/03/ties_that_no_longer_bind?print=yes&hidecomments=yes&page=full>

Everybody knows that the global economy is becoming more tightly integrated -- that factors ranging from the collapse of ocean shipping costs, to the rise of multinational manufacturing, to the growth of truly international securities markets, have bound national economies to each other as never before. This, of course, must mean we're now all in it together. Booms and busts in rich countries will reverberate ever more strongly through developing and emerging market economies. Right? ¶ Sounds reasonable, but **that's not what's happened**. The big emerging market economies (notably, **China, India and Brazil**) took **only modest hits** from the housing finance bubble and subsequent recession in the U.S., Japan and Europe, **then went back to growth-as-usual**. ¶ Hence the paradox: Emerging-market and developing countries have somehow "**decoupled" from the Western business cycle** in an era of ever-increasing economic integration. But the experts have yet to agree on why. Here are the two contending explanations: