# Doc---D6---Round 6

# 1NC

## Offcase

### T-Prohibit---1NC

#### Prohibitions are distinct from remedies that only block the anticompetitive elements of a practice, rather than the practice itself.

Jo Seldeslachts et al. ‘7. Professor of Industrial Organization at KU Leuven and a Senior Research Fellow at DIW Berlin, with Joseph A. Clougherty and Pedro Pita Barros. “Remedy for now but prohibit for tomorrow: the deterrence effects of merger policy tools.” https://www.ssoar.info/ssoar/bitstream/handle/document/25862/ssoar-2007-seldeslachts\_et\_al-remedy\_for\_now\_but\_prohibit.pdf;jsessionid=A244005110FDB5816E0347D9F1B75436?sequence=1

Let us now think about the differences between the two antitrust actions of prohibitions and remedies.7 In the case of a prohibition, the penalty for proposing a merger with significant anti-competitive problems involves the full prohibition of the merger: both the pro-competitive and the anti-competitive profits for merging firms are negated by the prohibition. The throwing out of the pro-competitive profits along with the anti-competitive profits is important, as this brings about the punitive measure that Posner (1970) acknowledges as being crucial for deterrence. The big difference between remedies and prohibitions is that remedies attempt to identify and eliminate the anti-competitive elements of a merger. In essence, the merging firms are able to hold on to the pro-competitive elements of the merger—so they keep (ΠPC), but the anti-competitive elements of the merger (ΠAC) are negated by the remedial action. If an antitrust authority imposes remedies, then the disincentive for firms to propose anti-competitive mergers is clearly lower. In short, prohibitions seemingly involve more deterrence than do remedies, as prohibitions represent larger punishments.

#### Business practices are ongoing conduct defined by the behaviors of many market participants

Kerry Lynn Macintosh 97. Associate Professor of Law, Santa Clara University School of Law. B.A. 1978, Pomona College; J.D. 1982, Stanford University, “Liberty, Trade, and the Uniform Commercial Code: When Should Default Rules Be Based On Business Practices?,” 38 Wm. & Mary L. Rev. 1465, Lexis.

These new and revised articles reflect a strong trend toward choosing default rules 4 that codify existing business practices. 5 [FOOTNOTE 5 BEGINS] In this Article, the term "business practices" is used to refer to practices that emerge over time as countless market participants exercise their freedom to engage in profitable transactions. For an account of the evolution of business practices, see infra Part II. As used here, "business practices" is broader and less technical than "trade usage," which the Code narrowly defines as "any practice or method of dealing having such regularity of observance in a place, vocation, or trade as to justify an expectation that it will be observed with respect to the transaction in question." U.C.C. 1-205(2). [FOOTNOTE 5 ENDS] This is particularly true of the recent revisions to Articles 3 (Negotiable Instruments), 4 (Bank Deposits and Collections) and 5 (Letters of Credit).

#### Violation: The plan only increases behavioral remedies that target anticompetitive aspects of the practice---topical affs must increase prohibitions on the practices themselves.

#### Vote neg for limits and ground---infinite behavioral remedies and no link uniqueness for offense.

### Regs CP---1NC

#### The United States federal government should prohibit anticompetitive practices by nucleus participants at the root layer of blockchains through non-antitrust regulations.

#### The counterplan PICs out of anti-trust legislation and the FTC and DOJ as enforcers---other agencies’ regulations solve.

Lawrence Fullerton et al. 08. Joel M Mitnick, William V Reiss, George C Karamanos and Owen H Smith. Sidley Austin LLP. Vertical Agreements The regulation of distribution practices in 34 jurisdictions worldwide. “United States.” https://www.sidley.com/-/media/files/publications/2008/03/getting-the-deal-through--vertical-agreements-2008/files/view-united-states-chapter/fileattachment/united-states-21.pdf

5 What entity or agency is responsible for enforcing prohibitions on anticompetitive vertical restraints? Do governments or ministers have a role?

The Federal Trade Commission (FTC) and the Antitrust Division of the Department of Justice (DoJ) are the two federal agencies responsible for the enforcement of federal antitrust laws. The FTC and the DoJ have jurisdiction to investigate many of the same types of conduct, and therefore have adopted a clearance procedure pursuant to which matters are handled by whichever agency has the most expertise in a particular area.

Additionally, other agencies, such as the Securities and Exchange Commission and Federal Communications Commission, maintain oversight authority over regulated industries pursuant to various federal statutes, and therefore may review vertical restraints for anti-competitive effects.

### Bizcon DA---1NC

#### Anti-trust law can’t be distinguished in specific industries. It’s enforced in generalist common law unlike regulation.

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I. GOING BEYOND ADJUDICATION FOR ANTITRUST ENFORCEMENT

Antitrust statutes are primarily enforced in court, usually through the adjudication of specific cases or settlement against the backdrop of court-made antitrust doctrine. Indeed, despite statutory authority for the FTC to issue competition rules, and despite the technical complexity of many antitrust cases, antitrust enforcement and policy in the United States has evolved primarily through precedent developed by generalist courts, not specialized agencies. 18To be sure, the Department of Justice and the FTC influence policy through the investigations they pursue and the consent decrees they reach with parties. The FTC itself adjudicates some cases, although it does so largely according to law developed in the federal courts, to which parties can appeal any FTC decision. 19Academics and other commentators have also affected the evolution of antitrust in the United States, from supporting an economic, notably price-focused framework for U.S. competition policy to sparking a rethinking of that framework in contemporary debates. As the courts have absorbed such learning, antitrust doctrine has evolved over the decades through the push and pull of precedent across the United States judicial circuits, with the Supreme Court periodically stepping in to correct, clarify, or resolve differences among the lower federal courts. Commentators often cite antitrust as a rare example of "federal common law" in the U.S. system. 20

The adjudicatory model for implementing antitrust enforcement has several key attributes, which in turn have both advantages and disadvantages. We put aside for now the question of who is adjudicating--whether it be an expert tribunal or a court of general jurisdiction, for example--and focus on three characteristics of antitrust adjudication itself.

A. Case-by-Case, Fact-Specific Approach

Complexity of underlying issues aside, adjudication is well suited to settings in which applicability of the law is contingent on case-specific facts. With the exception of the limited conduct that the antitrust laws prohibit per se, courts review most business activities through a rule of reason, under which some conduct that is illegal in one set of circumstances is allowable in [\*1918] another. 21The inquiry into liability goes beyond whether particular conduct in fact occurred (which is the extent of the inquiry into conduct that is illegal per se) and extends into a balancing of the conduct's likely effects on competition. 22The more that liability is contingent on such case-specific facts, the more difficult it is to determine liability in advance of the conduct's having taken place. Adjudication typically occurs when conduct either is imminent or has already occurred, at which point the relevant facts as to the effects of the conduct are, in principle, more readily measured. 23Such "ex post" mechanisms of enforcement can reduce the risk of over-enforcement when compared to alternative approaches, like some forms of regulation, that spell out more comprehensively in advance what conduct is illegal. 24Reducing false positives, however, may or may not be a virtue--that calculation depends on the extent to which particular adjudicative institutions and processes under-enforce by allowing harmful conduct or transactions to slip through the liability screen.

B. Slow, Usually Predictable Doctrinal Development

A second attribute of the American adjudicatory process for antitrust is stability. While antitrust doctrine has occasionally swerved abruptly over the past century, the common-law process through which antitrust law has developed usually provides clear notice that a change is coming. As a recent example, the Supreme Court's shift in *Leegin Creative Leather Products, Inc. v. PSKS. Inc*. 25from per se liability to a rule of reason for resale price maintenance likely caught few observers by surprise. 26

Antitrust adjudication's stability, like its suitability for fact-dependent situations, is potentially double-edged. Antitrust jurisprudence can be slow to adjust to changes in economic learning or changes in the underlying economy that alter the effects of a particular kind of business conduct. For [\*1919] example, nearly thirty years ago the Supreme Court in Brooke Group v. Brown & Williamson Tobacco Corp. 27required that plaintiffs claiming predatory pricing show not only prices below some measure of incremental cost, but also that the defendant could recoup its losses. 28No plaintiff has prevailed in a predatory pricing case in a U.S. federal court since. 29That outcome might not be of concern were it the case that the Supreme Court's test accurately captures the incidence of predatory pricing. 30Economic research demonstrates, however, that predatory conduct does occur and does not depend on either below-cost pricing or recoupment. 31Predation is just one area in which court-made doctrine appears out of step with relevant economic facts and knowledge. To be sure, other forces could accelerate the common-law process of doctrinal development. For example, Congress could legislate changes to the scope, presumptions, and other parameters of antitrust law in ways that would immediately alter precedent and bind the courts going forward. 32 In practice, however, such intervention is rare and unlikely, making significant lags in doctrine a reality of antitrust adjudication in the courts.

C. Market-Driven Case Selection

In the United States, most adjudicative bodies do not select the cases that come before them. To be sure, courts have jurisdictional limitations that prevent them from hearing certain kinds of cases, and doctrines exist that allow courts to reject weak or poorly conceived complaints. Beyond those mechanisms, however, independent parties decide when and whether to pursue litigation as method of relief. One potential virtue of this separation between decisionmaking and case selection is that the market can drive the focus of judicial attention. Assuming the most widespread and most troublesome anticompetitive conduct will receive the greatest investment of litigation resources, that conduct will in turn receive the most adjudication and doctrinal development.

[\*1920] Unfortunately, the separation between adjudication and case selection will not necessarily lead to an efficient match between judicial attention and the most pressing antitrust violations. In practice, even conduct that is clearly prohibited can persist when offenders think detection is difficult; one only has to look at the consistently high number of civil and criminal price fixing cases that wind up in court, even though that conduct has clearly been illegal per se for nearly a century. 33The most widespread anticompetitive conduct might not therefore be the conduct most in need of doctrinal development--it can be just the opposite, as the persistence of cartels demonstrates. 34Moreover, if the courts develop doctrine that needs revisiting, but that deters the government or private plaintiffs from filing cases, 35then the market for judicial attention to antitrust conduct will not work well dynamically; once doctrine is settled, there may be no mechanism outside of legislation or regulatory intervention to drive doctrinal change. We return to this issue below.

D. Generalists versus Industry Experts

Returning to an issue we put aside earlier, who is doing the adjudication can matter for substantive outcomes. In U.S. antitrust law, that adjudication has occurred, at least ultimately, in generalist federal courts. That institutional locus might well make sense given the wide variety of conduct, industries, and factual circumstances that antitrust cases present. However, as specific industries come to pose particular challenges for antitrust enforcement, the case for more specialized enforcement decisionmakers becomes stronger. Traditionally, where detailed, industry-specific knowledge is required to make sound competition policy decisions, Congress has assigned authority over those decisions, at least in part, to industry-specific regulatory agencies. Thus, the Securities and Exchange Commission has authority over competitive conduct in key financial sectors. 36The FCC has parallel authority with the Department of Justice (DOJ) over telecommunications mergers and sole authority to establish terms for competitive entry into various telecommunications markets. 37State [\*1921] regulators govern entry into hospital markets through Certifications of Public Need. 38The federal courts have increasingly safeguarded the domain of industry specific regulators over competition issues even when agency decisions might be in tension with antitrust law. 39

As antitrust enforcement focuses on distinct challenges posed by a particular industry, whether digital platforms, pharmaceuticals, or something else, expert and specialized knowledge becomes even more essential to making good enforcement decisions. Under current law and enforcement frameworks, there is no systematic way to bring such specialization into the ultimate adjudication of antitrust cases in industries not already covered by specific, competition-related, regulatory statutes. To be sure, the FTC and DOJ have divisions that specialize in various industrial sectors in which they have considerable expertise. Those divisions bring that expertise into their review of conduct and transactions, but neither the FTC nor DOJ has ultimate adjudicative authority over the cases they choose to litigate. The DOJ must go to federal court to seek enforcement. The FTC can opt for an administrative enforcement mechanism with the Commission itself sitting in appellate review of initial adjudication by an administrative law judge. The Commission's decision is, however, subject to review by federal appellate courts, which have not hesitated to reverse the agency's decisions. 40 The result is that, even when agencies have brought specific industry expertise into antitrust enforcement, doctrinal application and resolution still proceeds through the common-law process of adjudication by generalist judges.

E. Tradeoffs Inherent in the Adjudicatory Approach to Antitrust

As the foregoing discussion suggests, the ex post case-by-case approach, slow doctrinal evolution, and case selection mechanism of antitrust adjudication have potential advantages and disadvantages. The tradeoffs become particularly clear through the interaction of those three characteristics.

[\*1922] Adjudication may mitigate the rate of false positives or false negatives obtained through enforcement, as proceeding case-by-case is less likely to bring about those results than are general rules that impose limits on business conduct in advance, regardless of specific circumstances. Broad ex ante specifications could prohibit beneficial or harmless conduct, and narrow ex ante specifications could fail to prevent anticompetitive practices. As a decisionmaking process moves from strict ex ante prescription to pure case-by-case adjudication, particular facts and circumstances increasingly predominate over generic categorization of conduct. 41In principle, the movement along that spectrum enables the decisionmaker to avoid under-inclusiveness or over-inclusiveness of categorical rules. 42

The extent to which an adjudicator actually succeeds in reducing enforcement errors in either direction depends on the doctrine and precedent through which it evaluates the case-specific evidence. Doctrine and precedent will determine how a court allocates burdens, prioritizes facts, and weighs presumptions in evaluating the legality of conduct. If precedent provides mistaken guidance on those factors, case-specific adjudication might do no better a job than ex ante prohibitions in avoiding errors or bias toward either under or over-enforcement. For this reason, the evolutionary pace of doctrinal development through antitrust adjudication is very important. Where that evolution has been toward convergence with state-of-the-art analysis and evidence as to the effects of conduct, doctrinal stability is a virtue. Reasonable people disagree over the Supreme Court's movement from per se illegality to rule of reason treatment of vertical price restraints, as Justice Breyer's dissent in Leegin demonstrates. 43 The decision in that case nonetheless drew on a body of legal and economic analysis that, over decades, had continually narrowed the application of per se rules to vertical conduct and led logically (even if some might argue incorrectly) to the majority's conclusion. 44Many commentators might therefore say Leegin is a good example of where the evolution of doctrine through adjudication worked well: stakeholders had notice and the doctrine moved in an internally consistent direction. While it is debatable whether the per se rule against restraints on [\*1923] intra-brand competition has in recent years led to over-enforcement, there is a good case that it had done so in the past, 45so that the doctrine plausibly moved in an error-reducing direction.

However, where doctrine gets on the wrong track, the application of precedent will perpetuate rather than reduce enforcement errors. In the case of predation, for example, there is a good argument that, in the light of current economic knowledge, the Brooke Group decision has led to underenforcement. 46The potential case-by-case advantages of adjudication are lost where judicial precedent renders important facts and circumstances irrelevant. In such cases, the relatively slow process of doctrinal correction through common law evolution is harmful to sound antitrust enforcement.

The discussion above shows that the error-reducing potential of a case-by-case, adjudicatory approach to antitrust enforcement depends heavily on the actual doctrine courts apply and on the process by which that doctrine evolves. Similarly, whether case selection in an adjudicatory approach in fact directs judicial attention to the conduct that most warrants oversight depends on existing doctrine and precedent. It may well be that the conduct doing the most harm is also the conduct for which the courts impose the highest burdens of proof on plaintiffs. The deterrent effect of those burdens likely leads to fewer cases than the conduct's actual effects warrant. 47Similarly, doctrine that too readily imposes liability could have the opposite effect: lower barriers for plaintiffs would lead to too many cases and more devotion of judicial resources than the conduct deserves. 48Like error-reduction, the distribution of antitrust cases brought for adjudication depends heavily on the state of the doctrine and on the ability of the common law process to correct course where necessary.

The potential disadvantages of antitrust adjudication by generalist courts raise the question of whether a different approach might be preferable, specifically with regard to digital platforms. Digital platforms present relatively novel challenges. Considering the tenuous fit between some [\*1924] potential theories of harm and current antitrust doctrine, the complexity of the underlying technical issues in antitrust cases, and the interrelatedness of those issues and adjacent policy goals, a more informed, comprehensive approach coordinated by an expert regulatory agency might foster more advantages than does the exclusive resort to traditional antitrust adjudication. However, before we turn to the form such regulation might take, we briefly identify some general principles for such regulation.

#### Unpredictable legal shifts wreck business confidence.

Sarah Chaney Cambon 21, Reporter on The Wall Street Journal's Economics Team, BA in Business Journalism from the University of North Carolina-Chapel Hill, “Capital-Spending Surge Further Lifts Economic Recovery”, Wall Street Journal, 6/27/2021, https://www.wsj.com/articles/capital-spending-surge-further-lifts-economic-recovery-11624798800

Business investment is emerging as a powerful source of U.S. economic growth that will likely help sustain the recovery.

Companies are ramping up orders for computers, machinery and software as they grow more confident in the outlook.

Nonresidential fixed investment, a proxy for business spending, rose at a seasonally adjusted annual rate of 11.7% in the first quarter, led by growth in software and tech-equipment spending, according to the Commerce Department. Business investment also logged double-digit gains in the third and fourth quarters last year after falling during pandemic-related shutdowns. It is now higher than its pre-pandemic peak.

Orders for nondefense capital goods excluding aircraft, another measure for business investment, are near the highest levels for records tracing back to the 1990s, separate Commerce Department figures show.

“Business investment has really been an important engine powering the U.S. economic recovery,” said Robert Rosener, senior U.S. economist at Morgan Stanley. “In our outlook for the economy, it’s certainly one of the bright spots.”

Consumer spending, which accounts for about two-thirds of economic output, is driving the early stages of the recovery. Americans, flush with savings and government stimulus checks, are spending more on goods and services, which they shunned for much of the pandemic.

Robust capital investment will be key to ensuring that the recovery maintains strength after the spending boost from fiscal stimulus and business reopenings eventually fades, according to some economists.

Rising business investment helps fuel economic output. It also lifts worker productivity, or output per hour. That metric grew at a sluggish pace throughout the last economic expansion but is now showing signs of resurgence.

The recovery in business investment is shaping up to be much stronger than in the years following the 2007-09 recession. “The events especially in late ’08, early ’09 put a lot of businesses really close to the edge,” said Phil Suttle, founder of Suttle Economics. “I think a lot of them said, ‘We’ve just got to be really cautious for a long while.’”

Businesses appear to be less risk-averse now, he said.

After the financial crisis, businesses grew by adding workers, rather than investing in capital. Hiring was more attractive than capital spending because labor was abundant and relatively cheap. Now the supply of workers is tight. Companies are raising pay to lure employees. As a result, many firms have more incentive to grow by investing in capital.

Economists at Morgan Stanley predict that U.S. capital spending will rise to 116% of prerecession levels after three years. By comparison, investment took 10 years to reach those levels once the 2007-09 recession hit.

Company executives are increasingly confident in the economy’s trajectory. The Business Roundtable’s economic-outlook index—a composite of large companies’ plans for hiring and spending, as well as sales projections—increased by nine points in the second quarter to 116, just below 2018’s record high, according to a survey conducted between May 25 and June 9. In the second quarter, the share of companies planning to boost capital investment increased to 59% from 57% in the first.

“We’re seeing really strong reopening demand, and a lot of times capital investment follows that,” said Joe Song, senior U.S. economist at BofA Securities.

Mr. Song added that less uncertainty regarding trade tensions between the U.S. and China should further underpin business confidence and investment. “At the very least, businesses will understand the strategy that the Biden administration is trying to follow and will be able to plan around that,” he said.

#### Economic decline cascades and goes nuclear---their defense doesn’t assume post-COVID shifts.

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

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

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

INTRODUCTION

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

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

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

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

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

METHODOLOGY

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

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

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

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

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

ECONOMY

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

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

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

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

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

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

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

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

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

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

ENVIRONMENTAL

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

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

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

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

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

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

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

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

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

GEOPOLITICAL

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

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

### Adv CP---1NC

#### The United States federal government should:

#### -establish a governmentally administered permissioned blockchain architecture using a triple layer consensus mechanism among validated participants;

#### -substantially increase prosecutions of currently prohibited anticompetitive business practices by firms which are enabled by or implemented via blockchain technology;

#### -pass budgetary reforms and create a Market Analysis Bureau as proposed by Sen. Klobuchar;

#### -Invest in the Trade and Technology Council and expand cooperation efforts via the Council;

#### -increase its funding for startup companies in the United States;

#### -increase its spending on research and development.

#### The first plank enacts a centralized blockchain which resolves all their impacts better than the plan’s public, decentralized chains.

Ann Sanders 20. Freelance journalist. “Permissioned Blockchain Will Lead To Unexpected Environmental Benefits.” 9/24/20. https://blueandgreentomorrow.com/features/permissioned-blockchain-will-lead-to-unexpected-environmental-benefits/

A number of new types of technology offer profound environmental benefits. Blockchain is one of the new developments that is helping reduce our carbon footprint in unanticipated ways. Two years ago, the Overseas Development Institute published a white paper on the applications for blockchain in the context of environmental sustainability. The biggest benefits include using blockchain to verify claims of environmental changes and incentivize businesses that follow through. Unfortunately, some of the efforts to streamline blockchain development have lagged, which have led to environmental progress stalling as a result. The good news is that the government has implemented new efforts to streamline blockchain development, which is furthering the agenda of sustainability. New Efforts to Standardize Blockchain Create Opportunities for the Sustainability Movement As the market debates whether the latest surge in cryptocurrency prices is the rally everyone has been waiting for, one thing is for certain; Central Bank Digital Currencies or CBDC will have the most profound effect on the future of blockchain technology. This could lead to a new era in sustainability initiatives, as governments start to use blockchain to advance environmental initiatives. In fact, Visa’s Head of Crypto recently said that CBDC will be one of the most important payment trends of the next decade and, when you consider that most nation states are considering blockchain technology for their CBDC, the implications will be huge. They didn’t cover as much about the environmental benefits, but these can be inferred from the ODI study. However, it is extremely unlikely that existing public blockchain will be chosen as the foundations for CBDC. They are not designed to be controlled by governments as they advocate anonymity above all else. A different approach is required and that is why permissioned blockchain will emerge center stage as the solution governments use to power their CBDC initiatives. Government use of blockchain is increasing Of course, governments have already made use of blockchain in a number of ways. While some have been very cautious, others have been very proactive in embracing this technology for use across a range of government services. One of the best-known examples is Estonia, a country renowned for its embrace of digital-first government. The country that offers 99% of state services online has become a pioneer of blockchain-based government too. Having first deployed the technology in production systems in 2012, several government registries, including those covering healthcare, property and courts, are now backed by blockchain. In addition to Estonia, other countries have used blockchain in a variety of ways. Georgia, the country of my birth, was the first to launch a blockchain-based land registry and there are now more than 1.5 million land titles registered in this way. Sweden is another country that uses blockchain technology for a land registry, while the UK government has tested blockchain technology in land registry, food standards and ports systems. There’s no doubt though that government involvement in blockchain will reach a whole new level as a result of CBDC. Across the world, leading central banks are weighing up the technology for their initiatives, including the US Federal Reserve, Bank of England, Bank of France, Bank of Japan, European Central Bank and many more. Furthermore, when you consider that the People’s Bank of China has one of the most advanced CBDC initiatives and has embraced blockchain for this purpose, it’s obvious what a major trend this will be. Public blockchain won’t work for governments Even though public, permissionless blockchains are the most well known examples of the technology, the reality is they’ll never be suited to the needs of governments and CBDC. Of course, public blockchains have introduced many useful features, such as the disintermediation of middlemen when smart contracts are used to exchange value in a peer-to-peer manner. This capability makes the digitisation of a whole range of industries very appealing as it could bring about huge cost savings and efficiencies. There’s no doubt that governments looking to enable free enterprise and remove red tape would look favourably on this automation of the economy. But for all of these advantages, permissionless blockchains have some key flaws that mean governments can’t rely on them for their CBDC or regulated digital economies. The biggest issue is anonymity. At the heart of the most well-known public blockchains, such as Bitcoin and Ethereum, is a belief that anonymity should be protected. It is my belief that this is one of the main reasons blockchain technology has not caught on in the way it should have so far. Fundamentally, this belief in anonymity above all else goes against our human nature, which requires us to know and understand the entities we interact with in order to trust them. Furthermore, why would a sovereign nation want an anonymous individual to use the CBDC issued by the state? We elect governments to protect us and help us prosper. By allowing an anonymous individual to use a CBDC, the state would not be able to regulate the activities it was used for or be able to identify any scammers, fraudsters or bad actors. A new permissioned blockchain is the answer There are, of course, permissioned alternatives to these public blockchain that have been around for some time. Hyperledger and R3 are two of the most established solutions and there are permissioned blockchain solutions for specific industry scenarios, such as the JPMorgan Quorum blockchain and the solutions built by IBM, such as TradeLens. However, these solutions clearly have flaws too. Firstly, they are mainly industry specific solutions rather than cross sector platforms suited to the vast requirements of a CBDC. Secondly, they are built by legacy providers with existing technology and usually consist of a patchwork of old solutions knitted together and packaged up as blockchain-specific. Finally, these solutions have failed to capture the attention of the world in a way that might have led to them being adopted en masse. For all these reasons, existing permissioned blockchain aren’t the answer for governments wanting to issue their own CBDC. What is needed is a new direction for permissioned blockchain, one that is designed to allow governments to issue CBDC and use it to regulate digital economies where society can operate in a fast, efficient but decentralised manner. This is exactly what L3COS, the world’s first regulated blockchain-based operating system, has been developed to do. It operates via an unique triple layer consensus mechanism that reflects the societal norms we understand, with government, businesses and individuals all playing their role within a highly secure, global system. Governments exist at the top layer, where each sovereign state operates one of 195 super nodes and uses a Proof of Government mechanism to reach consensus. This allows them to reach consensus about important transactional records, such as balance of payments, in line with fully automated and transparent trade agreement. Using CBDC in regulated, digital economies These government super nodes can then start to onboard businesses into the second layer, building up a digitised and fully regulated economy. Certain organisations can then act as pillars of the economy, with the government super nodes passing their authority to them via a Delegated Proof of Stake mechanism, which allows these organisations to onboard more businesses and individuals. As more and more entities are onboarded into each government’s regulated, digital economy, they can start to interact in an efficient and totally decentralised way. Their relationships are governed by smart contracts, using CBDC to ensure all transactions are fast, compliant and secure. It is this vision of the future that lies behind government attempts to issue CBDC. Blockchain technology can enable this change but only if it adapts to the needs of governments. If it does and a new path for permissioned blockchain is followed, the benefits of the technology will not only be seen by governments but also businesses and society as a whole. Blockchain Offers New Initiatives for Sustainability Sustainability is becoming a greater priority in the developed world, as well as most emerging markets. Blockchain is making it easier for governments and NGOs to implement new environmental standards. These new advances could be the key to reducing our carbon footprint and other sustainability concerns.

#### Second plank solves the FTC advantage by diminishing the enforcement gap for anticompetitive actions through antitrust.

Stephen Chuk 21. Associate in the Antitrust Group at Proskauer Rose LLP. “Antitrust Enforcers Preview Incoming Spotlight on Blockchain.” 3/31/21. https://www.mindingyourbusinesslitigation.com/2021/03/antitrust-enforcers-preview-incoming-spotlight-on-blockchain/

The tide of regulation of cryptocurrency and blockchain could be turning in the United States. Following comments by newly-confirmed Treasury Secretary (and former Federal Reserve Chair) Janet Yellen describing Bitcoin as “inefficient” and “extremely volatile,” the price of the coin dropped 10% in 24 hours. During her confirmation hearings, Yellen described cryptocurrencies as a “particular concern” and signaled that the Treasury would begin examining blockchain-based financial networks. On the heels of Secretary Yellen’s comments, Congressman Patrick McHenry (R-NC), head of the House Financial Services Committee, and Congressman Stephen F. Lynch (D-MA), Chair of the Financial Technologies Task Force, introduced H.R. 1602, bipartisan legislation which directs the CFTC and the SEC to “jointly establish a digital asset working group” to “provide regulatory clarity” and to “create a critical collaboration [between the two agencies to] create fair and transparent markets.” Notably absent from this proposed collaboration is any mention of antitrust enforcement or involvement of the DOJ antitrust division or the FTC. However, recent comments by outgoing DOJ chair Makan Delrahim provide clues as to how antitrust may play a part in the regulatory framework for blockchain and cryptocurrency. Speaking at the 13th Annual Conference of Innovation Economics at Northwestern University’s Kellogg School, Delrahim spoke broadly about the importance of innovation and ensuring competition in digital markets. Referencing Nassim Taleb’s seminal book, “Antifragile,” which posits that embracing randomness and volatility can strengthen economic systems, Delrahim commented that, in order for the Antitrust Division to become “antifragile” it must be prepared to confront and address how blockchain technology will impact competition in multiple markets. Delrahim explained that he, along with other senior enforcers at the Division, had been enrolled in a course in blockchain technology offered by the MIT Sloan School of Business. This course, Delrahim claimed, imposed upon him and his colleagues the “transformational effect” that blockchain will have on certain markets – but warned that while blockchain “carried the promise of toppling existing monopoly structures,” it also presented the “prospect of new monopolies emerging and seeking to entrench themselves.” He then declared that the Antitrust Division “will play a critical role in ensuring market conditions are conducive to unleashing blockchain’s revolutionary potential.” Delrahim explained that the Antitrust Division shares in some of the goals offered by the promise of blockchain technology – specifically achieving network cost reductions that can offer consumers “lower cost or higher value options.” At the same time, according to Delrahim, DOJ must prevent “competitive abuses” in those same markets. But the examples of such competitive abuses Delrahim identified did not consist of the “new monopolies” he warned of moments before. Instead, he cautioned against competitors either conditioning access to industry blockchains as part of a tacit agreement to collectively fix prices or output, or to use the anonymity of blockchain as a cloak to share competitively sensitive information with impunity. Delrahim’s comments regarding monopolies suggest an activist focus that could draw parallels to the agencies’ current enforcement actions against digital platforms. Indeed, many of the practices that the FTC, DOJ, and state enforcers are investigating concerning Big Tech – issues of lockup/lock-in, bundling, refusals to deal, and purchases of competing technologies to stifle competition – all could conceivably emerge as private blockchain gains prominence. But the specific examples of “competitive abuses” Delrahim focused on were not of dominant technologies, but instead focused on the garden variety horizontal collusion that has been the subject of government enforcement since the dawn of antitrust enforcement. Nor did Delrahim’s comments, made just weeks before he left the Division, lay out a specific plan of action for enforcement in cryptocurrencies or blockchain. Instead, his comments could be seen as an acknowledgement that enforcers’ efforts were better spent trying to understand blockchain and its implications, or otherwise risk “fall[ing] behind and learn[ing], only too late, that entrenched monopolists have taken anticompetitive actions to eliminate the threat from blockchain technology to their business models.” As enforcers get further steeped in the issues, industry observers expect further guidance from regulators, particularly new DOJ leadership, on threshold issues including potential refusals to deal, and the impact of network effects within and throughout blockchain ecosystems.

#### R&D boosts growth and fosters innovation

Economist 21, 1-16-2021, "The case for more state spending on R&D," Economist, https://www.economist.com/briefing/2021/01/16/the-case-for-more-state-spending-on-r-and-d

There is nothing new about economists arguing for more government spending on research and development (R&D). Theoretical work done by Kenneth Arrow in the 1960s convinced his colleagues that the private sector would not on its own provide the amount of innovation that economies need to maximise their growth. Empirically the coincidence, in the 1950s, of increased government R&D spending and excellent rates of productivity and GDP growth strengthened the case further.

It is true that the hard evidence for a positive impact of such R&D spending on overall growth is both fairly weak and suggests that it lags the outlay by quite a while. But few doubt that the return is, in practice, significant. Rich-world governments currently spend, on average, a bit over 0.5% of GDP on R&D; a couple more tenths of a percentage point could make a big difference.

The economists have the advantage, here, of pushing at a door that others are in the process of pulling open. Government R&D spending as a fraction of GDP has spent most of the past 40 years shrinking (see chart 1). In 2018, though, the most recent year for which data are available, figures from 24 OECD countries showed government spending on R&D rising by a healthy 3% in real terms following a particularly lean period after the financial crisis. In 2020 the French government promised to increase its research budget by 30% over ten years as part of a new research strategy. The Japanese government has also been increasing funding, and setting up a new provision for “moonshots”. In America, having resisted Donald Trump’s attempts to cut research budgets, Congress may well look favourably on President-elect Joe Biden’s promise to pump them up.

This enthusiasm is not simply driven by a belief that such spending will increase growth. It is also about a fear of China. A research backwater when its economy took off in the 1980s, China has since spent heavily on R&D to obvious effect. A study published by Elsevier, a scientific publisher, and Nikkei, a news business, in 2019 found that China published more high-impact research papers than America did in 23 out of 30 “hot” research fields. Many in Europe and America think that competing with, or outcompeting, China means following its lead. The incoming Biden administration promises “breakthrough technology R&D programmes” which will “direct investments to key technologies in support of us competitiveness”.

And a third factor unites governments inside and outside China: they have strategic goals they can only meet through the development of new technologies and the deployment of existing ones. The government support for vaccines against sars-cov-2 is a case in point. The increasing need for deep decarbonisation is another.

#### Funding startups lets them survive despite competition

Ketchen & Hult 19, 4-29-2019, David Ketchen is a professor and Harbert Eminent scholar in the Raymond J. Harbert College of Business at Auburn University; Tomas Hult is a professor and Byington Endowed chair at Michigan State University and executive director of the Academy of International Business. "Government can help startups bridge the 'valley of death'," TheHill, https://thehill.com/opinion/finance/441139-government-can-help-startups-bridge-the-valley-of-death

Economic incentives offered by U.S. states to attract established companies grab headlines. The pursuit of Amazon by various cities and states, for example, captured the public interest and also created strong sentiments for and against such investment.

Amazon was on the front page, but leaders in some states are continually and quietly seeking to cultivate the next Amazon. They do this by providing early-stage funding and resources to promising startups. These forward-thinking programs set the stage for a bright entrepreneurial future but also cost public dollars.

Skeptics focus on the cost. Optimists hone in on future growth. What is clear is that blue-collar manufacturing jobs are not coming back in droves. Instead, innovation attracts global talent and creates new products and industries.

Startups play an inimitable role in innovation. They also face a unique funding pitfall known as the “valley of death.” The very early stages of a startup’s development are funded by entrepreneurs themselves and "the 3 F's" — family, friends and fools.

But soon, expenses grow beyond self-funding as a startup spends money on developing a viable product. Early-stage startups have minimal, if any, cash-flow, and they are too underdeveloped to attract investment from traditional venture capitalists. The valley of death then swallows them: Access to funds bottoms out while expenses keep mounting.

This is where investment at the state-level is such a great tool. Take Alabama and Michigan as examples. Red-state Alabama and blue-state Michigan are different in many ways, but leaders in both states see the wisdom in helping early-stage startups cross the valley of death.

Alabama Launchpad is operated by the Economic Development Partnership of Alabama (EDPA), a nonprofit that partners with government agencies to foster economic growth. This may be the best of both worlds — investing in a public good but generally not with tax dollars, albeit in concert with government agencies.

EDPA is probably best known for the recruitment of a $1.6 billion Mazda-Toyota joint venture slated to open in 2021. However, since 2009, Alabama Launchpad has invested more than $4 million to fund 84 startups whose collective current valuation exceeds $210 million.

Wyndy is one of these startups. The “Uber of babysitters” received Launchpad funding to develop its app that connects parents with thoroughly-vetted college students. This funding helped sustain Wyndy until it raised $1 million from private investors.

In Michigan, the counterpart to Alabama Launchpad is orchestrated by the Michigan Economic Development Corporation (MEDC) — a public-private funded entity. Early-stage funding for startups can be sought from MEDC’s Entrepreneurial and Innovation Initiative that also involve Invest Michigan, Invest Detroit and Small Business Development Centers.

Like Wyndy in Alabama, Fifth Eye in Michigan found success by receiving state support in 2014 to help in development. In 2019, the Ann Arbor-based medical software startup raised $11.5 million in investment capital.

Assisting startups like Wyndy and Fifth Eye is critical to the lifeblood of the American economy. It is very unlikely Fifth Eye would be here today without such funding five years ago.

Given that thriving startups create jobs and fuel economic activity, states should help these innovative entrepreneurial ventures survive the valley of death. Importantly, policymakers in Washington, D.C. need to explore how these state-level success stories can be replicated at the federal level.

The U.S. Small Business Administration’s Small Business Innovation Research Program (SBIR) has helped many startups, but significant gaps exist for early-stage startups. SBIR grants are open to companies with 500 or fewer employees, leaving small startups at a competitive disadvantage.

Most SBIR dollars go to 10 states, including the tech hotbeds of California, Texas and Massachusetts that may not need the support as much as other locations. Supporting embryonic, early-stage startups across all 50 states needs to become a core focus, or the country will lose out.

Globally, considerable centers of venture-capital investment have grown outside of the U.S. in recent years.

Yes, the United States is the world’s dominant center for startup investment in general, accounting for 68.6 percent of total global venture capital (Asia is next at 14.4 percent and then Europe at 13.5 percent), but the numbers are rapidly changing, and the support is not necessarily at the early-stage level.

In the evolving situation, economic-development leaders now face increased pressure from international locations. State and federal infrastructure can provide a bridge over the entrepreneurial valley of death before global investors opportunistically drag away the lifeblood of the American economy.

### Forecasting CP---1NC

#### The United States should only allow the continuation of anticompetitive practices by nucleus participants at the root layer of blockchains under antitrust law only when a team of the Good Judgment Project’s “super-forecasters” has determined that the activity reduces the numerical probability of harm to competition from an unacceptably high level.

\* The Good Judgment Project’s “Super-forecasters” are team members of the Good Judgement Project that have ended in the top 2% of forecasters tournaments, selected by Tetlock’s team.

#### It competes---the counterplan is a regulation not prohibition.

James Broaddus 50. February 6; Judge on the Kansas City Court of Appeals, Missouri; Westlaw, “City of Meadville v. Caselman,” 240 Mo. App. 1220. https://casetext.com/case/city-of-meadville-v-caselman-1

"Under power conferred on cities of the fourth class `to regulate and license' dramshops, there is no authority to wholly prohibit or suppress. Where there is mere power in a municipality to regulate in a state, with a general policy of conducting licensed saloons, authority to prohibit is excluded. The difference between regulation and prohibition is clear and well marked. The former contemplates the continuance of the subject-matter in existence or in activity. The latter implies its entire destruction or cessation.'" (Citing text writers and cases.)

#### ONLY the counterplan solves the case---the plan can’t keep up with market changes.

AMC 07. Antitrust Modernization Commission. Deborah A. Garza, Chair. Bobby R. Burchfield ,Commissioner. W. Stephen Cannon, Commissioner. Dennis W. Carlton, Commissioner. Makan Delrahim, Commissioner. Jonathan M. Jacobson, Commissioner. Jonathan R. Yarowsky, Vice-Chair. Donald G. Kempf, Jr., Commissioner. Sanford M. Litvack, Commissioner. John H. Shenefield, Commissioner. Debra A. Valentine, Commissioner. John L. Warden, Commissioner. “Report and Recommendations.” https://govinfo.library.unt.edu/amc/report\_recommendation/amc\_final\_report.pdf

To determine whether and when particular forms of business conduct may harm competition requires an understanding of the market circumstances in which they are undertaken. Antitrust agencies and the courts have long looked to economic learning for assistance in understanding market circumstances and the likely competitive effects of particular business conduct.23 Indeed, economics now provides the core foundation for much of antitrust law. Not surprisingly, as economic learning about competition has advanced over the decades, so have the contours of antitrust doctrine.

Antitrust law also must keep pace with developments in the business world. Business practices may change, especially as technological innovation and global economic integration alter the competitive forces at work in particular markets. To protect competition and consumer welfare, antitrust analysis must offer sufficient flexibility to take account of these changes, while maintaining clear and administrable rules of antitrust enforcement.

B. Periodic Assessments of the Antitrust Laws Are Advisable

The antitrust laws in the United States require ongoing evaluation and assessment to ensure they are keeping pace with both economic learning and the ever-changing economy.24 In past decades, various entities have empowered six different commissions to assess how well antitrust law operates to serve consumers. The Antitrust Modernization Commission is the seventh such commission in almost seventy years.25 Prior commissions have made recommendations about both the substance and procedure of antitrust law.

#### Flexibility is key to super forecasting competition policy---the aff locks in policy failure.

Michelle Baddeley 17. Institute for Choice, University of South Australia. Journal of Behavioral Economics for Policy, Vol. 1, No. 1, 27-31, 2017. “Experts in policy land - Insights from behavioral economics on improving experts’ advice for policy-makers”. https://sabeconomics.org/wordpress/wp-content/uploads/JBEP-1-1-4-F.pdf

Whichever side one takes on these political divides, if the modern fashion is to allow subjective, partisan opinions to trump expert advice, what are the likely implications? Is it wise to be so mistrustful of experts? Expert advice is irreplaceable. Scientific experts and academics play a crucial role in developing new findings and insights to help inform policy, with implications across the range of human activity – from health and environmental policy through to competition policy, consumer protection and financial regulation – to name just a few. But to what extent are experts objective and impartial? Is their advice really impartial and unbiased, based around a cool and calculating objective assessment of evidence, after the careful application of robust research methodologies? In practice - uncertainty, insufficient information, unreliable data or flawed analysis can limit the expert’s ability to untangle the truth, and make it difficult for the policy-maker to assess the extent to which expert advice is reliable. Robust statistical methods, careful experimental design and clear hypotheses can guide the expert but impartial advice is also compromised by a range of economic, behavioural and socio-psychological constraints, some of which may be beyond the expert’s conscious control. Heuristics, biases and social influences driving experts can have significant negative consequences for the public, especially if misleading research findings are used to guide public policy.

This paper will explore some of these influences on experts’ judgement. In Section 2, some of problems around information, risk and uncertainty are outlined; in Section 3, key economic and socio-psychological constraints are explored. Policy implications and solutions are suggested in Section 3, focussing on how we can ensure that expert advice is devised and applied in the most robust and objective ways possible.

Information, risk and uncertainty

Risk and uncertainty is an unavoidable problem, especially for the scientific research that backs up expert judgement because it is about investigating novel, poorly understood phenomena. When information is scarce, a situation is profoundly uncertainty, and/or we have had no prior experience of an event or phenomenon, we cannot quantify the risk of one event versus another. Frequency ratios capturing the incidence of similar events in the past are of no use when there have been no similar events in the past. Given uncertainty, it is not possible to tell before the fact whether experts are right or wrong. It is not like we have given them a difficult mathematical problem which we can double check ourselves using a computer or calculator. With scientific research and expert advice – there is no way to know what the truth might be, and that is why we need experts to find it. And we can only judge expert judgements with the benefit of hindsight, if at all. This is a Catch-22: we need expert evidence to judge expert evidence.

An example of how policy-makers confront these problems of uncertainty and poor information affecting expert advice is the work of the Hazardous Substances Advisory Committee (HSAC) – an advisory committee to the UK’s Department for Environment, Food and Rural Affairs. This committee focuses on another complication arising from uncertainty – the difference between a risk and a hazard. Hazards exist, they are there – but if we know where they are, we can avoid them and thereby minimize our risk. The problem comes in knowing what and where the hazards are. Scientific experts on HSAC – including a range of toxicologists, environmental scientists and biochemists, as well as social scientists – assess evidence to help to inform the UK’s regulatory policy with respect to chemicals harmful to the environment and human health. Often a key constraint is that they are asked to provide advice around the likely environmental impacts of hazardous substances such as endocrine disruptors, antiobiotics and nanomaterials – often we do not know too much about these substances and their long-term impacts, especially for innovative technologies such as nanomaterials. HSAC has therefore devised a structure for assessing the quality of evidence when information is scarce and uncertainty is endemic –spanning not only the usual scientific evidence around experiments and field observation, but also including computational modelling and anecdotal evidence (Collins et al. 2016). For experts used to analysing large data sets, the latter would seem like an anathema but when experts are facing fundamental uncertainty the types of evidence they might use must expand accordingly. If we are forced to rely on anecdote, we need to understand what distinguishes good anecdotal evidence from bad anecdotal evidence: anecdotes that are corroborated across a range of sources are more reliable than single anecdotes, for example.

Economic and socio-psychological constraints

The problems of poor information, risk and uncertainty are not about the fallibility of individuals or even differences between individuals – either in terms of their individual differences and characters, and/or their susceptibility to biases and social influences. Once we introduce these additional constraints – which reflect the characters of the experts not the nature of the evidence – the opportunities for mistakes and misleading guidance increase significantly.

Individual differences

Individual differences seem to play a role, including in terms of innate ability to make judgements about uncertain futures. Philip Tetlock conducted a study which showed that, in forecasting uncertain future events, most experts are only just better than an ordinary person guessing at random (Tetlock 2006). In a second study, however – a collaboration with Dan Gardner – he showed that some particular individuals – experts or not – are “super-forecasters” who have a particular aptitude for forecasting (Tetlock and Gardner 2015). What ideal characteristics might enable these super-forecasters to predict so well? In a complex world, we need experts who are able to understand and analyse a wide range of evidence. Do we need experts who can cover a broad range, or experts who know a narrow field very well? Linking to Isaiah Berlin’s distinction between the fox-types who have a wide but relatively superficial knowledge, and the hedgehog-types who have a deep but relatively narrow knowledge, Tetlock (2006) argues that we may prefer to be advised by foxes – who know many little things, can draw on an eclectic range of evidence and are able to improvise relatively easily when evidence shifts. The hedgehogs, who know one area very well and focus on one tradition may be too inclined to impose formulaic and inflexible solutions.

#### Binding forecasting is key to spillover---solves security.

J. Peter Scoblic and Philip E. Tetlock 20. J. Peter Scoblic is Co-Founder of Event Horizon Strategies, a Senior Fellow in the International Security Program at New America, and a Fellow at Harvard’s Kennedy School. Philip E. Tetlock is Leonore Annenberg University Professor at the University of Pennsylvania, Co-Founder of Good Judgment, and a co-author of Superforecasting: The Art and Science of Prediction. “A Better Crystal Ball The Right Way to Think About the Future”. https://www.foreignaffairs.com/articles/united-states/2020-10-13/better-crystal-ball

The greatest barrier to a clearer vision of the future is not philosophical but organizational: the potential of combining scenario planning with probabilistic forecasting means nothing if it is not implemented. On occasion, the intelligence community has used forecasting tournaments to inform its estimates, but that is only a first step. Policymakers and consumers of intelligence are the ones who must understand the importance of forecasts and incorporate them into their decisions. Too often, operational demands—the daily business of organizations, from weighty decisions to the mundane—fix attention on the current moment.

Overcoming the tyranny of the present requires high-level action and broad, sustained effort. Leaders across the U.S. government must cultivate the cognitive habits of top forecasters throughout their organizations, while also institutionalizing the imaginative processes of scenario planners. The country’s prosperity, its security, and, ultimately, its power all depend on policymakers’ ability to envision long-term futures, anticipate short-term developments, and use both projections to inform everything from the budget to grand strategy. Giving the future short shrift only shortchanges the United States.

### T-Scope---1NC

#### The scope of competition law defines it goals---attempts to meet current goals by banning practice are implementation questions.

ESE No Date. Erasmus School of Economics (as per their website, “The Erasmus Center for Economic and Financial Governance is an international multidisciplinary network of leading researchers and societal stakeholders initiated by researchers from Erasmus School of Economics and Erasmus School of Law. ECEFG conducts interdisciplinary research (law, economics and political science) and contributes to current debates in public and in academia on issues relating to European and global economic and financial governance.”). "Competition Policy". <https://www.eur.nl/en/ese/affiliated/ecefg/research/competition-policy>

Competition Policy

Research in this field consists of two broad areas. The first area – Theory and Implementation of Competition Law and Policy – refers to fundamental and applied research into topics that are traditionally seen as the core of competition policy. The second area – Scope of Competition Law and Policy – refers to all research on the effect and desirability of including new considerations in competition law and policy in order to address the challenges of our time, such as the increasing power of big tech firms, or global warming.

Theory and Implementation of Competition Policy

This covers for instance collusion, abuse of dominance, mergers, market regulation and state aid. Some examples of research topics are:

* the practices firms can use to engage in collusion and its welfare consequences;
* the practices firms can use to abuse a dominant position and its welfare consequences;
* which practices can be considered proof of such activities;
* how to regulate access to a market;
* how to properly assess the effects of a particular practice or merger;
* the practices, by which the state and public authorities distort competition such as subisidies and tax measures
* the interpretation and application of EU and national competition law by Competition Authorities and Courts and the extent to which they achieve the goals of competition policy

Scope of Competition Policy

The effectiveness of European competition law and policy in combination with rapid technological changes have raised questions about its proper scope. Which policy objectives can and should be pursued by means of competition law and policy, and which should be delegated to other legal fields and policies? Some examples of specific research questions include:

* Can and should competition law be used to protect the privacy of consumers on the internet?
* Information gathered by firms can be used to increase their own profits. How does this affect consumers, and what does this depend on? Can and should competition law deal with market power derived from information gathering? For instance, should the big five tech giants be forced to divest activities?
* Should competition policy also include considerations of economic inequality or environmental effects?
* Can competition law remain effective if it is used for more than safeguarding fair competition?

#### That means the aff must replace the consumer welfare standard.

Trevor Wagener 21. "The Curse of Tradeoffs: Neo-Brandeisians vs. Consumers". Disruptive Competition Project. 5-21-2021. https://www.project-disco.org/competition/052121-the-curse-of-tradeoffs-neo-brandeisian-antitrust-versus-consumers/

Neo-Brandeisians seek to replace the longstanding objective and principles-based framework of the consumer welfare standard in antitrust enforcement with an amorphous, process-based framework guided by an ethos one Neo-Brandeisian described as: “Big is bad. Just don’t let big firms merge. The end.” A movement dedicated to replacing a consumer welfare-maximizing approach with an assortment of competing goals has proven unable to offer a quantified, systematic cost-benefit analysis justifying such a radical change, instead relying upon anecdotal evidence and moving prose. The many goals of the Neo-Brandeisian approach are often rhetorically appealing, but the rhetoric hides a simple truth: When you target every variable, you effectively target none. Addressing a wide range of goals through antitrust policy requires de-emphasizing consumer welfare, creating fundamental tradeoffs expected to harm consumers relative to the status quo.

The willingness to sacrifice consumer welfare in order to achieve other ends is a defining characteristic of Neo-Brandeisian antitrust. This is illustrated by concrete Neo-Brandeisian critiques, which typically emphasize perceived harms to businesses rather than harms to consumers. For example, the Neo-Brandeisian activist group American Economic Liberties Project (AELP) published a pair of policy briefs on May 3 that criticize online service operators for a litany of purported inconveniences to businesses over a combined 22 pages, but struggle to quantify any harms to ordinary consumers and users. Those few purported harms to consumers that AELP raised are distinctly qualitative rather than quantitative, consistent with the broader reluctance of prominent Neo-Brandeisian thinkers to conduct a rigorous quantitative cost-benefit analysis of their antitrust policy prescriptions relative to the consumer welfare standard.

#### Vote negative for limits and ground---only “change goals” creates key economy and legal disads over what antitrust should consider---the affs topic races to tiny exemptions and technical changes with no core ground.

## Blockchain Adv

### Dollar heg turn---1NC

**Limited adoption of decentralized cryptocurrency stabilizes US hegemony and the LIO – the plan allows China and Russia to weaponize blockchain and collapse US primacy.**

Nicholas Ross **Smith 19**. Assistant Professor of International Studies at the University of Nottingham Ningbo China. “International Order in the Coming Cryptocurrency Age: The Potential to Disrupt American Primacy and Privilege?” Rising Powers in Global Governance, Volume 4, Issue 1 (The Fate of the Liberal International Order and Rising Powers), August 2019. p. 77-97

Introduction: Cryptocurrency & American Primacy A significant body of literature in the field of International Relations (IR) has emerged over the past decade proclaiming the coming end of American primacy – whether due to American decline, the rise of China and other emerging powers, or a combination of both – and with it, the end of the liberal international order (LIO) as we currently know it. Indeed, since the election of Donald Trump in late 2016, cracks have seemingly begun to appear in the LIO as the United States no longer seems as committed (or perhaps even capable) to safeguard the order. However, this article argues that the apparent strain on the LIO, and the United States’ broader international power position, is mostly superficial at this stage – ostensibly limited to the areas of diplomacy – and in its more substantive areas, especially finance, the order remains largely resolute while continuing to privilege the United States over the rest**. The United States’** **exorbitant privilege of being the kingpin of international finance**, especially thanks to having the US dollar as the unrivaled global reserve currency, makes any hypothesis of the imminent collapse of American primacy and the status quo international order premature. However, this article argues that **the emergence of independent cryptocurrencies has the potential to challenge the United States’ privileged position because they represent a decentralized and stateless phenomenon**; **presenting a blueprint for a fundamentally different monetary and financial system.** In addition to the natural counter-hegemonic traits of independent cryptocurrencies, this article also hypothesizes that potential revisionist powers like China and Russia might also attempt to weaponize (although not without domestic and functional issues) them **against the United States in order to minimize American primacy and privilege**. While the prospects of the cryptocurrencies disrupting the United States’ primacy and privilege remain hypothetical and murky, it is, nevertheless, argued that this is an area rising powers could target in order to push for a new, less American-dominated international order. (1)

**Extinction -- powerful technologies enable the creation of new government structures that cause nuclear war without LIO direction**

Yuval Noah Harari 18. Professor of History at Hebrew University of Jerusalem. “We need a post-liberal order now.” The Economist. 9/26/2018. <https://www.economist.com/open-future/2018/09/26/we-need-a-post-liberal-order-now>

The second thing to note about this vision of friendly fortresses is that it has been tried—and it failed spectacularly. All attempts to divide the world into clear-cut nations have so far resulted in war and genocide. When the heirs of Garibaldi, Mazzini and Mickiewicz managed to overthrow the multi-ethnic Habsburg Empire, it proved impossible to find a clear line dividing Italians from Slovenes or Poles from Ukrainians. This had set the stage for the second world war. The key problem with the network of fortresses is that each national fortress wants a bit more land, security and prosperity for itself at the expense of the neighbors, and without the help of universal values and global organisations, rival fortresses cannot agree on any common rules. Walled fortresses are seldom friendly. But if you happen to live inside a particularly strong fortress, such as America or Russia, why should you care? Some nationalists indeed adopt a more extreme isolationist position. They don’t believe in either a global empire or in a global network of fortresses. Instead, they deny the necessity of any global order whatsoever. “Our fortress should just raise the drawbridges,” they say, “and the rest of the world can go to hell. We should refuse entry to foreign people, foreign ideas and foreign goods, and as long as our walls are stout and the guards are loyal, who cares what happens to the foreigners?” Such extreme isolationism, however, is completely divorced from economic realities. Without a global trade network, all existing national economies will collapse—including that of North Korea. Many countries will not be able even to feed themselves without imports, and prices of almost all products will skyrocket. The made-in-China shirt I am wearing cost me about $5. If it had been produced by Israeli workers from Israeli-grown cotton using Israeli-made machines powered by non-existing Israeli oil, it may well have cost ten times as much. Nationalist leaders from Donald Trump to Vladimir Putin may therefore heap abuse on the global trade network, but none thinks seriously of taking their country completely out of that network. And we cannot have a global trade network without some global order that sets the rules of the game. Even more importantly, whether people like it or not, humankind today faces three common problems that make a mockery of all national borders, and that can only be solved through global cooperation. These are nuclear war, climate change and technological disruption. You cannot build a wall against nuclear winter or against global warming, and no nation can regulate artificial intelligence (AI) or bioengineering single-handedly. It won’t be enough if only the European Union forbids producing killer robots or only America bans genetically-engineering human babies. Due to the immense potential of such disruptive technologies, if even one country decides to pursue these high-risk high-gain paths, other countries will be forced to follow its dangerous lead for fear of being left behind. An AI arms race or a biotechnological arms race almost guarantees the worst outcome. Whoever wins the arms race, the loser will likely be humanity itself. For in an arms race, all regulations will collapse. Consider, for example, conducting genetic-engineering experiments on human babies. Every country will say: “We don’t want to conduct such experiments—we are the good guys. But how do we know our rivals are not doing it? We cannot afford to remain behind. So we must do it before them.” Similarly, consider developing autonomous-weapon systems, that can decide for themselves whether to shoot and kill people. Again, every country will say: “This is a very dangerous technology, and it should be regulated carefully. But we don’t trust our rivals to regulate it, so we must develop it first”. The only thing that can prevent such destructive arms races is greater trust between countries. This is not an impossible mission. If today the Germans promise the French: “Trust us, we aren’t developing killer robots in a secret laboratory under the Bavarian Alps,” the French are likely to believe the Germans, despite the terrible history of these two countries. We need to build such trust globally. We need to reach a point when Americans and Chinese can trust one another like the French and Germans. Similarly, we need to create a global safety-net to protect humans against the economic shocks that AI is likely to cause. Automation will create immense new wealth in high-tech hubs such as Silicon Valley, while the worst effects will be felt in developing countries whose economies depend on cheap manual labor. There will be more jobs to software engineers in California, but fewer jobs to Mexican factory workers and truck drivers. We now have a global economy, but politics is still very national. Unless we find solutions on a global level to the disruptions caused by AI, entire countries might collapse, and the resulting chaos, violence and waves of immigration will destabilise the entire world. This is the proper perspective to look at recent developments such as Brexit. In itself, Brexit isn’t necessarily a bad idea. But is this what Britain and the EU should be dealing with right now? How does Brexit help prevent nuclear war? How does Brexit help prevent climate change? How does Brexit help regulate artificial intelligence and bioengineering? Instead of helping, Brexit makes it harder to solve all of these problems. Every minute that Britain and the EU spend on Brexit is one less minute they spend on preventing climate change and on regulating AI. In order to survive and flourish in the 21st century, humankind needs effective global cooperation, and so far the only viable blueprint for such cooperation is offered by liberalism. Nevertheless, governments all over the world are undermining the foundations of the liberal order, and the world is turning into a network of fortresses. The first to feel the impact are the weakest members of humanity, who find themselves without any fortress willing to protect them: refugees, illegal migrants, persecuted minorities. But if the walls keep rising, eventually the whole of humankind will feel the squeeze.

### AT: Decentralized blockchain---1NC

#### Decentralized blockchains fail – validators can’t control behavior in the blockchain.

Chris Pike & Antonio Capobianco 20. \*Competition Policy Expert at the Organization for Economic Cooperation & Development. \*\*Deputy Head of the OECD Competition Division. “Antitrust and the trust machine.” OECD Blockchain Policy Series. 2020. <https://www.oecd.org/daf/competition/antitrust-and-the-trust-machine-2020.pdf>

3.1 Market power and enforcement against permission-less blockchains Permission-less blockchains both compete in, and are in effect, governed by markets. They have no formal governing body. Rather they exist as decentralised organisations, their governance controlled in effect by the validators that vote on whether to adopt the protocols that are proposed by developers and which then define the decision-making of the blockchain, rather than alternative protocols that would create a fork in the chain. These validators are therefore responsible for the service that the blockchain offers to the market. However, these validators are numerous and their identities are pseudonymous. This means that, as a practical matter, it is extremely difficult to change the behaviour of the blockchain, since forcing the adoption of a protocol requires a degree of consensus amongst the validators of the chain. In effect, permission-less blockchains might therefore be seen as a huge employer-owned mutual (e.g. John Lewis), that can propose motions and vote on the firm’s detailed decision-making, while being unable to delegate decision-making to a board, nor even to recognise one another.4 Now, although we liken this governance framework to a market, the validators would appear unlikely to be considered to be independent contractors (as for example is claimed in the case of ride-sharing platforms), since they follow strict protocols in the gig-work they do for the blockchain. If they are workers or employees they would not face the risk of being accused of colluding with one another, however, this is being tested in the United American Corp. v. Bitmain, Inc. complaint.5 In a sense, they might be seen as a gig-working co-operative who collectively determine the blockchain’s offer to users (like Partners in a law firm), while individually having to follow the collectively determined protocols (like drivers on a ride-sharing platform). Like an oversized board, they may try to agree on the price that should be set. However, as noted, the prospects of countless pseudonymous validators successfully agreeing either to boycott validation of low-margin blocks, or to adopt new ‘price-raising’ protocols, appears far-fetched. Permission-less blockchains may therefore be seen as platforms which might potentially hold latent significant market power, but which are incapable of exercising that power. As such, competition agencies would be well-advised not to spend time worrying about decentralised permission-less blockchains. Indeed, this form of blockchain offers a number of reasons for competition advocates to be cheerful (see Pike & Carovano, 2020).6 However, a caveat to this is that if – and it is a big if – if, somehow, a decentralised permission-less blockchain were to engage in anticompetitive behaviour, then big questions on practical enforcement arise.7 Firstly, how would you punish an entity with no assets, no bank account, no office, and such a large and pseudonymous board? Secondly, how would you stop the anticompetitive behaviour that was identified? Who would you instruct to change their behaviour. These would be extremely challenging questions. However, for now at least, they appear to be theoretical and not practical problems. A more likely concern is that validation of a permission-less blockchain may over time lose its decentralised nature and instead become highly concentrated. In that case, the co-ordination problems on setting prices that we identified might become significantly less challenging. A validator with a high share of validation capacity, for instance, one that employs thousands of validators in order to operate what is known as a ‘mining-pool’ might then be able to change protocols to raise prices, either unilaterally, or through co-ordination with a small number of other validators. Competition agencies may therefore wish to keep an eye on the degree of concentration of validation capacity on any permission-less blockchains that would hold market power if they were centrally controlled. In addition, this loss of its highly decentralised nature would mean that a permission-less blockchain with a concentrated list of validators starts to resemble a permissioned blockchain with a small list of validators. Fortunately, however, in such circumstances the blockchain’s highly concentrated nature would also make identification and enforcement against the small number of validators easier, as is already the case for the permissioned blockchains to which we now turn.

#### Cryptocurrencies have existed for twelve years and have yet to play any significant role in normal economic activity.

Paul Krugman 21. Distinguished professor in the Graduate Center Economics Ph.D. program, distinguished scholar at the Luxembourg Income Study Center at the City University of New York, and professor emeritus at the Princeton School of Public and International Affairs. "Technobabble, Libertarian Derp and Bitcoin." New York Times, May 20, 2021. https://www.nytimes.com/2021/05/20/opinion/cryptocurrency-bitcoin.html

A number of readers have asked me to weigh in on Bitcoin and other cryptocurrencies, whose fluctuations have dominated a lot of market news. Would I please comment on what it’s all about, and what’s going on? Well, I can tell you what it’s about. What’s going on is harder to explain. The story so far: Bitcoin, the first and biggest cryptocurrency, was introduced in 2009. It uses an encryption key, similar to those used in hard-to-break codes — hence the “crypto” — to establish chains of ownership in tokens that entitle their current holders to … well, ownership of those tokens. And nowadays we use Bitcoin to buy houses and cars, pay our bills, make business investments, and more. Oh, wait. We don’t do any of those things. Twelve years on, cryptocurrencies play almost no role in normal economic activity. Almost the only time we hear about them being used as a means of payment — as opposed to speculative trading — is in association with illegal activity, like money laundering or the Bitcoin ransom Colonial Pipeline paid to hackers who shut it down. Twelve years is an eon in information technology time. Venmo, which I can use to share restaurant bills, buy fresh fruit at sidewalk kiosks, and much more, was also introduced in 2009. Apple unveiled its first-generation iPad in 2010. Zoom came into use in 2012. By the time a technology gets as old as cryptocurrency, we expect it either to have become part of the fabric of everyday life or to have been given up as a nonstarter. If normal, law-abiding people don’t use cryptocurrency, it’s not for lack of effort on the part of crypto boosters. Many highly paid person-hours have been spent trying to find the killer app, the thing that will finally get the masses using Bitcoin, Ethereum or some other brand daily. But I’ve been in numerous meetings with enthusiasts for cryptocurrency and/or blockchain, the concept that underlies it. In such meetings I and others always ask, as politely as we can: “What problem does this technology solve? What does it do that other, much cheaper and easier-to-use technologies can’t do just as well or better?” I still haven’t heard a clear answer. Yet investors continue to pay huge sums for digital tokens. The values of major cryptocurrencies fluctuate wildly — Bitcoin fell 30 percent Wednesday morning, then made up most of the losses that afternoon. Their collective value has, however, at times exceeded $2 trillion, more than half the value of all the intellectual property owned by U.S. business. Why are people willing to pay large sums for assets that don’t seem to do anything? The answer, obviously, is that the prices of these assets keep going up, so that early investors made a lot of money, and their success keeps drawing in new investors.

### Circumvention---1NC

#### Antitrust enforcement of blockchain is extremely difficult due to a lack of a central entity and anonymous architects.

Catalini & Tucker 18. Christian Catalini: MIT Sloan School of Management, MIT Cryptoeconomics Lab and NBER; Catherine Tucker: MIT Sloan School of Management, MIT Cryptoeconomics Lab and NBER. “Antitrust and Costless Verification: An Optimistic and a Pessimistic View of the Implications of Blockchain Technology.” MIT Initiative on the Digital Economy, June 19, 2018. https://ide.mit.edu/sites/default/files/publications/SSRN-id3199453.pdf

3 A Pessimistic View of What Blockchain Means for the Future of Antitrust Given this optimism about the effects of blockchain technology on the need for antitrust enforcement, it may be surprising to think that blockchain may also pose huge difficulties for antitrust authorities should there ever need to be enforcement. In the same way the decentralized nature of blockchain technology allows for network effects to emerge without assigning market power to a platform operator, the absence of a central entity could constitute a challenge for antitrust. Intellectually and practically, antitrust enforcement is designed to tackle instances where market power has been centralized, and consequently has not been set up for cases where there are explicit rules designed to ensure decentralization. Typically antitrust authorities try to stop entrenched firms from using their market power to harm consumer welfare; in parallel they also maintain guidelines for horizontal and vertical mergers, analyze proposed mergers and block actions that might allow merged firms to use their resulting market power to hurt consumer welfare. In both of these cases, there is a clear notion of a firm (or perhaps, in the case of a cartel, a consortium of firms) which can be the focus of an investigation, and which will be a target for potential fines and prosecution. Blockchain technology is different because it removes the need for a firm to manage the transactions that occur on a digital platform. Indeed, the entire premise of a permissionless blockchain-based platform is that it has merit because it is completely decentralized and does not need a single entity to sponsor it or any actual firm or third-party to support its operations. Whereas the market is nascent and currently no cryptocurrency or blockchain project has reached any meaningful market power, at scale some of the projects will have enough market share to influence prices and consumer welfare. If the suppliers of resources (e.g. miners in an ecosystem like Bitcoin, data storage providers in a decentralized storage network like Filecoin or Sia) use their control over key inputs to shape competition on a decentralized marketplace in their favor, it will be difficult for antitrust to intervene, as many of these suppliers could be small, hard to identify and geographically dispersed. Similar tensions have already materialized within the Bitcoin ecosystem between miners and the developers of consumer-facing applications (e.g. payments, digital wallets etc), since the two sides have conflicting incentives regarding how to scale the Bitcoin network to support more transactions per second.8 It may be tempting therefore for antitrust authorities to think that any enforcement actions should be directed at the initial architects of a blockchain platform. However, given the fact that the most successful implementation of blockchain technology so far - Bitcoin - was set up by an individual (or group of individuals) who has managed to remain anonymous for a decade despite having access to holdings of the cryptocurrency worth billions of dollars, there are reasons to doubt that the identification of the initial architects will always be practical. Even in cases where it is possible to identify the initial architects, it is not clear it would be reasonable to target any enforcement action at them, since if the system is truly decentralized they would not have the power, as individuals, to alter or influence its evolution. All they could do is advocate for specific changes to be implemented, possibly by supporting a fork of the network. Indeed, the only way to change the rules of a decentralized platform at scale would be through a ‘network vote’, which would require the majority of participants to support the new direction. Additionally, the question of ‘intent’ is far more nebulous within a decentralized system, meaning that antitrust authorities’ reliance on internal documents within a firm to establish intent is unlikely to be implementable in a cost-effective way for all actors participating in a decentralized blockchain (many of which may be located in different jurisdictions and may be difficult to identify).

## FTC Adv

### FTC turn---1NC

#### FTC’s increasing enforcement in privacy now---it’s focused on algorithmic bias

James V. Fazio 21. Special counsel in the Intellectual Property Practice Group at Sheppard, Mullin, Richter & Hampton LLP, with Liisa M. Thomas, 3/11. “What Is FTC’s Course Under Biden?” https://www.natlawreview.com/article/what-ftc-s-course-under-biden

The new acting FTC chair, Rebecca Kelly Slaughter, recently signaled that the FTC may increase enforcement and penalties in the privacy and data security realm. Slaughter pointed to several areas of focus for the FTC this year, which companies will want to keep in mind: Notifying Consumers About FTC Allegations: Slaughter referred favorably to two recent cases: (1) the Everalbum biometric settlement from earlier this year (which we wrote about at the time); and (2) the Flo Health settlement over alleged deceptive data sharing practices (which we also wrote about at the time). In drawing on these two cases, Slaughter indicated that in future cases the FTC intends to include as part of any settlement a requirement to notify customers of any FTC allegations. This, she said, would allow consumers to “vote with their feet” and help them decide whether to recommend their services to others. FTC Intent to Plead All Relevant Violations: According to Slaughter, another lesson the FTC is taking from the Flo case is to include in the cases it brings all potentially applicable violations of all relevant privacy-related laws. In the Flo case, Slaughter said the FTC should have pleaded a violation of the Health Breach Notification Rule, which requires that vendors of personal health records notify consumers of data breaches. Focus on Ed Tech and COPPA: Given the explosive growth of education technology during COVID-19, the FTC is conducting an industry sweep of the industry. Related to this, the FTC is reviewing its Children’s Online Privacy Protection Act Rule. This goes beyond the refresh the agency did of their FAQs earlier in the pandemic (which we wrote about at the time). For now, Slaughter reminds companies that parental consent is needed before collecting information online from children under the age of 13. Examination of Health Apps: The FTC will take a closer look at health apps, including telehealth and contact tracing apps, as more and more consumers are relying on such apps to manage their health during the pandemic. Overlap Between Competition and Privacy: Slaughter also indicated that it is worth looking at situations where there may be not only privacy concerns, but antitrust as well. Because the FTC has a dual mission (consumer protection and competition) she notes that it has a “structural advantage” over other regulators in that it can look at these issues, especially since -she states- “many of the largest players in digital markets are as powerful as they are because of the breadth of their access to and control over consumer data.” Racial Equality and AI/Biometrics/Geotracking: Slaughter noted that COVID-19 is exacerbating racial inequities. She pointed to the unequal access to technology, as well as algorithmic discrimination (the idea that discrimination offline becomes embedded into algorithmic system logic). The FTC intends to focus on algorithmic discrimination, as well as on the discrimination potentially embedded into facial recognition technologies. (This mirrors concerns that gave rise to the recent Portland facial recognition law, which we recently wrote about). Finally, Slaughter commented on the use of location data to identify characteristics of Black Lives Matter protesters, and said she is concerned about the misuse of location data to track Americans engaged in constitutionally protected speech. Putting it Into Practice: Companies that operate health apps, that are in the education technology space, or that use algorithms or facial recognition tools will want to keep in mind that these are areas of focus for the FTC. And for everyone, keep in mind that the FTC has indicated it will beef up privacy law penalties and will ask for more notification to injured consumers.

#### Antitrust enforcement saps up FTC resources and personnel, which are finite

Tara L. Reinhart, et al. 21. \*\*Head of Skadden, Arps, Slate, Meagher & Flom LLP’s Antitrust/Competition Group. \*\*Steven C. Sunshine, Co-head of Skadden, Arps, Slat, Meagher & Flom LLP’s Antitrust/Competition Group. \*\*David P. Whales, antitrust lawyer with over 25 years of experience in both private and public sectors. \*\*Julia Y. York, partner at Skadden, Arps, Slat, Meagher & Flom LLP. \*\*Bre Jordan, associate at Skadden, Arps, Slat, Meagher & Flom LLP focusing on antitrust law. “Lina Khan’s Appointment as FTC Chair Reflects Biden Administration’s Aggressive Stance on Antitrust Enforcement.” 6/18/21. https://www.skadden.com/insights/publications/2021/06/lina-khans-appointment-as-ftc-chair

Second, like all antitrust enforcers, Ms. Khan and the FTC will face resource constraints. Bringing antitrust litigation is an expensive and laborious process, often requiring millions of dollars for expert fees and a large army of FTC staff attorneys and taking many months or even years to accomplish. Typically, the FTC can only litigate a handful of antitrust matters at a time. It seems likely that Congress will provide more funding to the FTC in the current environment, but even with these extra resources, the FTC will still have to pick its cases carefully and cannot challenge every deal or every instance of alleged unlawful conduct.

#### That trades off with the necessary resources for privacy enforcement

John O. McGinnis\* and Linda Sun\*\* 20. \*George C. Dix Professor, Northwestern University, and Associate-Designate, Wilmer Pickering Hale & Dorr LLP. “Unifying Antitrust Enforcement for the Digital Age.” Northwestern Public Law Research Paper No. 20-20. https://papers.ssrn.com/sol3/papers.cfm?abstract\_id=3669087

The FTC needs more resources to adequately address the nation’s growing privacy concerns. Currently, the FTC oversees both consumer protection—encompassing privacy—and antitrust,249 making the FTC the chief federal agency on privacy policy and enforcement250 and the nation’s de-facto privacy agency.251 The agency has long-standing experience in enforcing privacy statutes252 and also has special privacy assets, such as an internet lab capable of high-quality tech forensics to track invasions of privacy.253 The FTC, however, has failed to keep pace with the massive growth of privacy concerns—a phenomenon also driven by modern technology. Very few Americans feel conﬁdent in the privacy of their information in the digital age.254 According to a 2019 study, over 80% of Americans feel that they have little to no control over the data collected on them by companies and the government.255 To adequately address privacy concerns, the FTC needs more resources.256 The agency has been explicit that it needs more manpower to police tech companies. In requesting increased funding from Congress, FTC Director Joseph Simons said the money would allow the agency to hire additional staff and bring more privacy cases.257 A former director of the FTC’s Bureau of Consumer Protection, which houses the privacy unit, has called the FTC “woefully understaffed.”258 As of the spring of 2019, the FTC had only forty employees dedicated to privacy and data security, compared to 500 and 110 employees at comparable agencies in the UK. and Ireland, respectively.259 Without more lawyers, investigators, and technologists, the FTC will be forced to conduct privacy investigations less thoroughly, and in some cases, forgo them altogether.260 Currently, the FT C’s resources are spread thin across multiple missions, to the detriment of its privacy efforts. Removing the agency’s antitrust responsibilities would reallocate resources from the antitrust department to its privacy unit and other areas of consumer protection. Further, it would free up the scarce time of the commissioners to oversee this essential effort.261

#### Unchecked algorithmic bias risks massive inequality and extinction

Mike Thomas 20. Quoting AI experts including MIT Physics Professors, Senior Features Writer for BuiltIn. THE FUTURE OF ARTIFICIAL INTELLIGENCE: 7 ways AI can change the world for better ... or worse, Updated: April 20, 2020, <https://builtin.com/artificial-intelligence/artificial-intelligence-future>

Klabjan also puts little stock in extreme scenarios — the type involving, say, murderous cyborgs that turn the earth into a smoldering hellscape. He’s much more concerned with machines — war robots, for instance — being fed faulty “incentives” by nefarious humans. As MIT physics professors and leading AI researcher Max Tegmark put it in a 2018 TED Talk, “The real threat from AI isn’t malice, like in silly Hollywood movies, but competence — AI accomplishing goals that just aren’t aligned with ours.” That’s Laird’s take, too. “I definitely don’t see the scenario where something wakes up and decides it wants to take over the world,” he says. “I think that’s science fiction and not the way it’s going to play out.” What Laird worries most about isn’t evil AI, per se, but “evil humans using AI as a sort of false force multiplier” for things like bank robbery and credit card fraud, among many other crimes. And so, while he’s often frustrated with the pace of progress, AI’s slow burn may actually be a blessing. “Time to understand what we’re creating and how we’re going to incorporate it into society,” Laird says, “might be exactly what we need.” But no one knows for sure. “There are several major breakthroughs that have to occur, and those could come very quickly,” Russell said during his Westminster talk. Referencing the rapid transformational effect of nuclear fission (atom splitting) by British physicist Ernest Rutherford in 1917, he added, “It’s very, very hard to predict when these conceptual breakthroughs are going to happen.” But whenever they do, if they do, he emphasized the importance of preparation. That means starting or continuing discussions about the ethical use of A.G.I. and whether it should be regulated. That means working to eliminate data bias, which has a corrupting effect on algorithms and is currently a fat fly in the AI ointment. That means working to invent and augment security measures capable of keeping the technology in check. And it means having the humility to realize that just because we can doesn’t mean we should. “Our situation with technology is complicated, but the big picture is rather simple,” Tegmark said during his TED Talk. “Most AGI researchers expect AGI within decades, and if we just bumble into this unprepared, it will probably be the biggest mistake in human history. It could enable brutal global dictatorship with unprecedented inequality, surveillance, suffering and maybe even human extinction. But if we steer carefully, we could end up in a fantastic future where everybody’s better off—the poor are richer, the rich are richer, everybody’s healthy and free to live out their dreams.”

### AT FTC Cred---1NC

#### FTC credibility high now.

David McLaughlin 2/14/22. Journalist at Bloomberg News. “FTC’s Khan Lands 2-0 Winning Streak With Lockheed Deal Collapse.” https://news.bloomberglaw.com/antitrust/ftcs-khan-lands-2-0-winning-streak-with-lockheed-deal-collapse

U.S. Federal Trade Commission Chair Lina Khan just notched her second major merger win in the span of a week -- all without stepping foot into court.

Lockheed Martin Corp.’s announcement Sunday that it’s abandoning its proposed acquisition of Aerojet Rocketdyne Holdings Inc. came a week after chipmaker Nvidia Corp. walked away from its bid to buy Arm Ltd. from SoftBank Group Corp.

Khan’s FTC had voted unanimously to file lawsuits to stop both acquisitions. The termination of the deals means the agency doesn’t have to spend the time and money on winning court orders to prohibit the transactions.

The head of the FTC competition bureau, Holly Vedova, celebrated the Nvidia collapse Monday, saying it will “preserve competition for key technologies and safeguard future innovation.” The agency didn’t respond to a request for comment about Lockheed’s decision

# 2NC

## T-CWS

#### Not conclusive and in a wildly different context [Emory = Blue]

William R. 2AC Johnson 89, Judge on the New Hampshire Supreme Court, Appeal of Rehabilitation Assocs., 131 N.H. 560, 565-566, 556 A.2d 1183, 1187, 1989 N.H. LEXIS 22, \*11-13 (N.H. April 7, 1989), 4/7/1989, Lexis

The board, however, refused to approve the change in site from Allenstown to Concord without first having an opportunity to review the final plan, because of its belief that such a change could constitute a change in scope. The board was particularly concerned that the change in site might affect various financial variables. Although the administrative interpretation of a statute is entitled to deference, it is not ordinarily controlling. N.H. Dept. of Rev. Administration v. Public Emp. Lab. Rel. Bd., 117 N.H. 976, 977, 380 A.2d 1085, 1086 (1977). With regard to CONS, the board was given the authority by statute to determine what information must be included in an initial application; the statute, however, expressly [\*\*\*12] designated when an applicant who has submitted a completed application or a holder of a CON had to go back to the board for approval. The interpretation of the word "scope" to some extent defines the board's authority. The board's interpretation of the "scope" of the project to include a change in the site without a [\*566] change in the service area, or a change in a financial variable without a substantial change in the total expected capital expenditure, does not comport with the ordinary meaning of that term, and serves to expand the board's authority beyond its statutory limits. See Social Security Board v. Nierotko, 327 U.S. 358, 369 (1946); see also Hamby v. Adams, 117 N.H. 606, 609, 376 A.2d 519, 521 (1977) (even longstanding administrative interpretation of statute not controlling if contrary to express statutory language). We hold that a change in the site of a facility without a change in a factor affecting the "scope" of the project, as defined here, does not require prior board approval. Our decision is not intended to prevent the board from requiring the filing of a "change of scope" in accordance with RSA 151-C:12, [\*\*\*13] IV-a (Supp. 1988), effective June 1988, if any documents or materials submitted to it indicate that the change in site has changed the "location", "nature" or "scope" of the project as those terms must be understood.

#### Topic is aff-leaning

Fiona M. Scott Morton 19. Theodore Nierenberg Professor of Economics at the Yale University School of Management. Previous deputy assistant attorney general for economics at the Antitrust Division of the U.S. Department of Justice. B.A. in economics from Yale University and Ph.D. in economics from the Massachusetts Institute of Technology. "Modern U.S. antitrust theory and evidence amid rising concerns of market power and its effects," Equitable Growth, https://equitablegrowth.org/research-paper/modern-u-s-antitrust-theory-and-evidence-amid-rising-concerns-of-market-power-and-its-effects/?longform=true

The experiment of enforcing the antitrust laws a little bit less each year has run for 40 years, and scholars are now in a position to assess the evidence. The accompanying interactive database of research papers for the first time assembles in one place the most recent economic literature bearing on antitrust enforcement in the United States. The review is restricted to work published since the year 2000 in order to limit its size and emphasize work using the most recent data-driven empirical techniques. The papers in the interactive database are organized by enforcement topic, with each of these topics addressed in a short overview of what the literature demonstrates over the past 19 years. These topics are: Horizontal mergers—mergers and acquisitions involving direct competitors Coordinated effects—the study of conditions under which competitors in an industry tacitly collude Vertical mergers—mergers and acquisitions where a company acquires another company to which it sells goods or services or from which it buys goods or services Exclusionary conduct—actions in the marketplace that deny a competitor access to either suppliers or customers Loyalty rebates—a type of conduct that occurs when a company gives a discount to a buyer for limiting its purchases from the company’s competitors Most Favored Nation clause—this clause requires a seller to give a specific buyer the best terms offered to other (often competing) buyers Predation—the strategy of taking losses in the short run in order to drive out a competitor and retain or gain a monopoly position, permitting prices the later exercise of market power Common ownership—the impact on competition when mutual funds and other types of institutional investors are the largest owners of product market competitors Monopsony power—the anticompetitive exercise of market power by employers (firms) in the labor market for workers Macroeconomics and market power—the impact of competition issues on the larger economy

**---DATA BASE OMITTED---**

The bulk of the research featured in our interactive database on these key topics in competition enforcement in the United States finds evidence of significant problems of underenforcement of antitrust law. The research that addresses economic theory qualifies or rejects assumptions long made by U.S. courts that have limited the scope of antitrust law. And the empirical work finds evidence of the exercise of undue market power in many dimensions, among them price, quality, innovation, and marketplace exclusion. Overall, the picture is one of a divergence between judicial opinions on the one hand, and the rigorous use of modern economics to advance consumer welfare on the other.

#### 2. Only accessible literature base.

Commissioner Noah J. Phillips 18. Before the Federal Trade Commission. “Competition and Consumer Protection in the 21st Century”. https://www.ftc.gov/system/files/documents/public\_events/1415284/ftc\_hearings\_session\_5\_transcript\_11-1-18\_0.pdf

So, today, we take on the very modest task of looking both at vertical mergers and the consumer welfare standard. Both have made headlines of late, which is not always true in the antitrust world. The Department of Justice’s ongoing litigation regarding the mergers of AT&T and Time Warner has drawn a great bit of attention, in particular, to vertical merger law and the economic theories surrounding it.

And we have heard a great deal, almost every week, on op-ed pages, on television and so forth, regarding the consumer welfare standard. So this is an important time, it is an appropriate time for the FTC to be convening a hearing on these two topics.

#### 3. No link---it strikes a middle ground with both sides’ offense. Tons of proposals and disad scenarios.

Ariel Ezrachi 18. Slaughter and May Professor of Competition Law, The University of Oxford. Director, Oxford University Centre for Competition Law and Policy. EU Competition Law Goals and The Digital Economy. “Ezrachi - Goals and the digital economy - Working paper.pdf” https://d1wqtxts1xzle7.cloudfront.net/57115872/Ezrachi\_-\_Goals\_-\_Aug\_2018-with-cover-page-v2.pdf?Expires=1638214770&Signature=Mpj92d9khmpS0HyzF3CslPfb5dW85lbsqJCFgU7D3GFTj70U5Gmz8RSwdhVHuxhj9i9BowILCRURtQhqIJ7K04JEI63btRTbEl8KxIr46OUPivr09yML6cP3LePcVM91a6QIQCxZHlvD-CWrhFPrhKwhltMKdr2MAeQwKl~C8BcVvhWta42~SbQV5rolyiYlJSdi-Ud4-RMCW6ezyaWhgw3yaulQnnIBg7BvfT04pXgG9Ljo9ZfYx1Y1rJA8B7S~WqSCszmjSrZUoQSPjD8sxw9RuBoJVxBWrXAYIYyF9Fa-df-uhBY24PMlRIMzpOK~xHfcyxo7AQ1pGVd-3rg8QA\_\_&Key-Pair-Id=APKAJLOHF5GGSLRBV4ZA

In this respect, it is interesting to consider the enforcement approach in the US and its relevance to EU competition regime. This is particularly so in light on current debate in the US on the need and desirability of changing the benchmark for antitrust assessment, the efficacy of US antitrust law, and its ability to deal with increased concentration and market power.145 That debate stems from the evolution of US antitrust law which has seen it being narrowed in scope over the years,146 and the rise of voices which argue in favour of widening the notion of consumer welfare and the realm of US antitrust. The alleged decline in competitiveness of US markets has led to an array of proposals (which range from moderate intervention to condemnation of bigness) and to numerous counter arguments.147

---FOOTNOTE 147 STARTS---

147 On the US debate on ‘Hipster Antitrust’ (or ‘New Brandeis Movement’) see for example: Carl Shapiro ‘Antitrust in a Time of Populism’ [2018] International Journal of Industrial Organization (forthcoming); Lina Khan ‘The New Brandeis Movement: America’s Antimonopoly Debate’ [2018] Journal of European Competition Law & Practice 131; Daniel A Crane, ‘Four questions for the neo-brandeisians’ [2018] CPI Antitrust Chronicle 63; Harry First ‘Woodstock antitrust’ [2018] CPI Antitrust Chronicle 57 ; Philip Marsden ‘Who should trust-bust? Hippocrates, not hipsters’ [2018] CPI Antitrust Chronicle 34; Howard A Shelanski, ‘Information, Innovation, and Competition Policy for the Internet [2013] U Pa LRev 1663; Herbert Hovenkamp ‘Whatever Did Happen to the Antitrust Movement?’ [2018] Notre Dame LRev (forthcoming).

---FOOTNOTE 147 ENDS---

## Adv CP

#### 3rd plank PICs out of expanding scope---budgetary reforms and the MAB are sufficient to restore cred [Emory = Blue]

Drew 1AC Stanko 21, JD Candidate at St. John's University School of Law, BS in Economics from Villanova University, “Recent Developments and the Need for Nuance”, Journal of Civil Rights & Economic Development, 4/8/2021, https://www.jcred.org/shortreads/efforts-to-modernize-antitrust

Accordingly, while Senator Klobuchar's proposal is certainly "well-intentioned," the budgetary reforms and creation of the Market Analysis Bureau should be separated from and passed without the proposed Sherman and Clayton Act amendments included in the legislation. The newly-appointed experts in the Biden Administration should be afforded the requisite resources to capitalize on the promise of New School antitrust jurisprudence and the development of Antitrust 3.0. By providing these resources, those leading antitrust modernization efforts will be equipped with the tools needed to create nuanced legal frameworks that reflect modern critiques and ensure consistent enforcement practices.

#### Solves both naval power and city-based innovation [Emory = Blue]

Ganesh 1AC Sitaraman 20, Professor of Law at Vanderbilt University, JD from Harvard Law School, MPhil from the University of Cambridge, AB from Harvard College, “The National Security Case for Breaking Up Big Tech”, The Knight First Amendment Institute at Columbia University, 1/30/2020, https://knightcolumbia.org/content/the-national-security-case-for-breaking-up-big-tech

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.

#### Decentralized blockchains incorporates elements that are incompatible with the permissioned blockchain of the CP.

Ryan C. Thomas & Peter Julian 20. Partner in the Washington, DC office of Jones Day. \*\*Associate in Jones Day’s San Francisco office. “BLOCKCHAIN TECHNOLOGY: A FUTURE ANTITRUST TARGET?” The Journal of the Antitrust, UCL and Privacy Section of the California Lawyers Association. Fall 2020. https://www.jonesday.com/-/media/files/publications/2020/09/blockchain-technology-a-future-antitrust-threat/competition--blockchain-technology--final-proof.pdf

In a “permissioned” (or private) blockchain, an administrator decides which nodes can join the network—the blockchain can be “open” to the public or only to the nodes that have the administrator’s permission.49 Private blockchains are likely to have fewer participants, greater potential for information sharing among participants, and less visibility into transactions from outside the blockchain.50 As a consequence, they are the architecture that large companies may most often use to interact with suppliers, customers, or other partners.51 In this respect, private blockchains lose many of the hallmarks of the original form of the blockchain technology, namely a radically open system in which any user can make verifiable pseudonymous transactions and see a history of all past transactions.52 Private blockchain networks in particular can spawn antitrust concerns, given the potential lack of transparency around competitor interactions. Unlike public blockchains, private distributed ledgers:53 • Have an owner who controls or delegates membership, mining rights and rewards, and maintains the shared ledger, including potentially the right to override, edit, or delete the entries on the blockchain. • Have an owner or designated participants who are responsible for resolving discrepancies, often outside of a proof-of-work system. For example, the consensus mechanism to validate transactions may be “proof of stake” in which a node’s power to validate a transaction depends on its economic “stake” in the particular blockchain network. The idea is that with a larger stake the node will not approve transactions that would undermine the ledger’s integrity. • Have a limited membership, often without user anonymity, in which participants can match user identifiers to real-world entities. • Host data that are not readable or writable by the public; consequently the information exchanged cannot be reviewed by nonmembers who lack access. These attributes often make private blockchains more attractive for business applications. Private blockchains also can scale significantly better than public blockchains because they can use less computationally intensive consensus mechanisms. Likewise, private blockchains are often better suited for regulated industries that must follow mandated processes, such as “Know Your Customer” anti-money laundering and antiterrorism regulations that require customers to prove their identity.54

#### Blockchains must have oversight and regulation to ensure proper functionality

Primavera De Filippi et al. 20. \*Researcher at the National Center of Scientific Research in Paris, and Faculty Associate at the Berkman-Klein Center for Internet & Society at Harvard. She is the founder and coordinator of the Internet Governance Forum's dynamic coalitions on Blockchain Technology (COALA). Morshed Mannan is a PhD candidate at the Company Law Department of Leiden University. Wessel Reijers is a Max Weber Fellow, European University Institute, and a Visiting Researcher, WZB Berlin Social Science Center. “Blockchain as a confidence machine: The problem of trust & challenges of governance.” Technology in Society. Volume 62. 2020. https://www.sciencedirect.com/science/article/pii/S0160791X20303067

In short, blockchain-based systems are socio-technological assem- blages [72] which are made up not only of code, but also of a large variety of actors, including miners, validators, programmers, crypto- currency and token holders, end-users, and, to a lesser extent, regula- tors. Having confidence in the system ultimately means trusting the whole assemblage of actors associated with that network [20]. Block- chain technology will reduce the need to trust any one of these indi- vidual actors. However, as demonstrated above, it does not eradicate the need for trust altogether [61]. Rather, the technology displaces trust in the technological artifacts that underpin a blockchain-based system, and shifts it towards the network of actors that contribute to operating and maintaining the system. Accordingly, despite the decentralized nature of a blockchain-based system, some level of oversight is nonetheless necessary in order to ensure the proper functioning of the network [20]. The following sections illustrate how trust is required from at least four different types of actors involved in the operations and maintenance of a blockchain-based network. First, a few economic players—such as the largest mining pools and mining farms, as well as the most popular online exchanges and block- chain explorers—have become centralized points of failure and control in the governance of many blockchain networks.18 These actors have significant influence over the operations of the network, and are likely to leverage that power to further their own economic interests, either directly or indirectly—including by furthering the interests of the overall system.19 Second, core developers and open source contributors have the power to influence the evolution of the blockchain-based network, by lobbying for or against the introduction of specific features into the technical design of the platform. While most blockchain-based networks are open source (meaning that anyone is free to contribute code to the project), actual production and maintenance of code is generally done in a considerably centralized and hierarchical way, with only a few core developers having the power to decide which contributions will be accepted or rejected into the core repository. These decisions may appear to be purely technical in nature but they are also political choices, given the implications they have on the identity of the system and potential economic repercussions. It is unlikely that the average cryptocurrency holder, for instance, expects core developers to make political decisions that will affect the value of the cryptocurrencies they hold, yet the decision to upgrade the protocol in one way or another will necessarily affect the way the cryptocurrency will be perceived by the public at large, thereby positively or negatively impacting its overall value.20 Third, cryptocurrency and token holders, as well as users more generally (albeit to a lesser extent) might also have a voice in dictating the type of changes they would like to see in a blockchain-based network.21 Yet, insofar as many of these players have conflicting in- terests, maintaining the operation of the network might give rise to complex governance problems when it comes to deciding upon a particular protocol change—as we have already seen in the context of Bitcoin [73] and Ethereum [74]. Fourth, regulators might also intervene by either approving or dis- approving the use of a blockchain-based system. If legitimacy is a pre- requisite for mainstream adoption, regulators have the power to significantly affect the adoption of a particular blockchain network by creating regulation that will make it easier or harder for the network to be employed by existing institutions, consequently impacting the trust that people might place in the technology.22 With the above in mind, the denomination of a blockchain-based system as “trustless” or “trust-free” technology is largely misleading. To paraphrase Lustig & Nardi [20]; algorithms draw their authority from both the confidence one has in its proper functioning as well as the trust one has in the socio-technical actors that develop and mediate these algorithms. Yet, trust is never absolute [75], and neither is con- fidence—both depend on external contingencies in which a given system operates. In the context of a blockchain-based system, to the extent that there are people at the extremities of the system, trust can never be completely eliminated, it is partially displaced to the developers and maintainers of the network [41]. Hence, while the blockchain protocol might contribute to increasing the confidence in the manner in which transactions will be processed, such a degree of confidence is only possible to the extent that one can trust the network of miners and validators, cryptocurrency exchanges and holders, as well as the core developers to act in a way that does not undermine the security, reli- ability and predictability of the blockchain-based system. It is because of this invariable need for trust at the interstices of any blockchain-based system, and the implications that any breach of trust could have on the overall confidence in the system, that governance questions arise. The following section explains the unique challenges related to the governance of a blockchain-based system, and considers whether solutions derived from constitutional and polycentric gover- nance theory may account for these particularities.

#### Solves nuclear security – states will only cooperate on permissioned chains.

Lyndon Burford 21. Visiting Research Associate at the Centre for Science and Security Studies at King’s College London and a member of the New Technologies for Peace working group, a part of the Vatican’s COVID-19 Commission. “Could blockchain technology help advance nuclear disarmament?” 2/19/21. https://medium.com/international-affairs-blog/could-blockchain-technology-help-advance-nuclear-disarmament-6efaab35e277

Blockchain is a de-centralized, digital record-keeping technology. It combines cryptography and social/economic incentives to build a shared, permanent, and virtually un-hackable record of events, without needing to trust a third party authority to manage the data. Unlike Bitcoin, which is a ‘public’ network that allows anyone to interact with it, a private blockchain creates a ‘permissioned’ network of participants who collectively store and manage data in a way that allows them to maintain extremely high confidence in the integrity of the data. The result is a shared, digital record of events — a blockchain — that is practically immutable, establishing a single, collective, and irrefutable ‘truth’ about the nature and sequence of events within the network. In a post-truth world, blockchain thus offers an invaluable technical foundation for cooperation among parties that have a limited basis to trust each other, leading to its nickname, ‘the trust machine’. Blockchain as a disarmament mechanism At present, extremely low levels of international trust hamper efforts to advance nuclear disarmament. The ongoing development of new nuclear weapons, warheads and increasingly capable ballistic missile defences are undermining the theories and practices of deterrence, and point to the resurgence of a spiral of mistrust that characterized the Cold War nuclear arms race. Developing robust, multilateral verification tools and processes could help to mitigate the trust deficit. It would enable countries to pursue their shared interests in nuclear disarmament — reduced costs, less chance of escalation and nuclear use, greater scope to cooperate on global threats like climate change and pandemics — by increasing confidence that other countries are fulfilling their disarmament commitments in good faith. One way to strengthen verification would be to use a private blockchain to manage and store the data that a disarmament process creates.

#### A permissioned, public blockchain resolves impediments to trust in new technology

Primavera De Filippi et al. 20. \*Researcher at the National Center of Scientific Research in Paris, and Faculty Associate at the Berkman-Klein Center for Internet & Society at Harvard. She is the founder and coordinator of the Internet Governance Forum's dynamic coalitions on Blockchain Technology (COALA). Morshed Mannan is a PhD candidate at the Company Law Department of Leiden University. Wessel Reijers is a Max Weber Fellow, European University Institute, and a Visiting Researcher, WZB Berlin Social Science Center. “Blockchain as a confidence machine: The problem of trust & challenges of governance.” Technology in Society. Volume 62. 2020. https://www.sciencedirect.com/science/article/pii/S0160791X20303067

The past decade has seen a reinvigorated interest in the concept of trust, primarily driven by the onset of the global financial crisis in 2008, which has been commonly attributed to the failure of trusted institutions such as banks and other financial institutions [1]; p. 786–787). More recently, abuses of information and communication technologies for surveillance, dissemination of disinformation, and public coercion have come to light, leading to a growing loss of trust in governmental authorities—even in democracies such as the United States following the Snowden revelations—as well as in large online platforms such as Facebook, Google and Twitter, who have been complicit in such abuses [2,3]; Cadwalladr & Graham-Harrison 2014; [4].1 These developments have triggered a new attitude towards sociotechnical systems, whereby the requirement to trust third parties—whether they be corporations or governments—is considered to be more of a hindrance than a help. (see Table 1, Fig. 1) Blockchain technology, in particular, has emerged as a potential solution to the erosion of trust in traditional institutions and online in- termediaries more generally, as it allegedly eliminates the need for trust between parties. The underlying premise of blockchain technology and its various applications is that users subject themselves to the authority of a technological system that they are confident is immutable, rather than to the authority of centralized institutions which are deemed un- trustworthy. Regardless of the end to which a public blockchain is used, when properly functioning, it mitigates principal-agent problems (e.g. moral hazard, shirking) that characterizes trusted relationships. This has led to many describing blockchain as a ‘trustless’ or ‘trust-free’ tech- nology [5,6]. However, the academic discussion only considers this central property of blockchain technology from a negative perspective: blockchain technology does not need trust to operate. There has been relatively little interrogation of the positive perspective that is implied, namely what blockchain technology produces in order to operate. To fill this gap, this article embeds the discussion about trust in blockchain technology in the wider sociological and philosophical discussions on trust and confidence. It engages with the argument that blockchain technology reconfigures trust in society, by contending that the tech- nology does not qualify as a ‘trust machine’ (e.g. Ref. [7] but rather as a ‘confidence machine’. The paper asks the question: to what extent is blockchain technology trustless, and if it is ‘without’ trust in a certain sense, what replaces trust as a fundamental aspect of its governance? There are numerous sociological and philosophical discussions on trust (e.g. Ref. [8–10], trust in governments (e.g. Ref. [11,12], levels of trust in and across societies (e.g. Ref. [13,14] and trust in technology (e. g. Ref. [15–19], including trust in algorithmic authority2 [20]. However, only a small segment of the voluminous trust literature has been dedi- cated to the analysis of the related, but distinct, concept of confidence. Moreover, only few authors have questioned the impact of blockchain technology on trust, arguing that blockchain technology relies on a new model or a new architecture of trust [21]; p. 50 [22]; p. 3). This article presents a three-fold argument. First, it argues that trust and confidence are distinct phenomena: trust depends on personal vulnerability and risk-taking, whereas confidence depends on internal- ised expectations deriving from knowledge or past experiences. Second, the article claims that blockchain technology should be regarded not so much as a “trustless technology” but rather as a “confidence machine”, because it creates shared expectations with regard to the manner in which it operates, and the procedural correctness of its operations. The arguments presented here focus on public and permissionless block- chains such as Bitcoin and Ethereum rather than private or permissioned blockchains such as Hyperledger and Amazon’s QLDB—as the latter are not considered to be “trustless” due to the dominant role of one or more organizations in maintaining those ledgers [23]. Third, the article argues that even public and permissionless blockchains rely on a particular type of “distributed trust”. Indeed, although there is no centralized “trusted authority”, a low-level of trust is required in relation to a large number of—often unknown—actors (such as miners) in charge of maintaining and securing the network. Hence, the increased confidence that the technology provides ultimately depends on a variety of factors, including the collective management of the network by a large number of distributed actors (e.g. miners, validators) who—although they do not have the power to unilaterally influence the network—nonetheless need to be trusted not to collude in order to further their own interests, at the expense of the overall network. The article comprises three sections. The first section examines both general sociological and philosophical discussions on the distinction between trust and confidence,3 including specific discussions on trust in technological systems, in order to provide a conceptual framework for distinguishing trust and confidence. The second section provides a concise overview of the nascent literature on the impact of blockchain technology in reconfiguring trust, before developing the argument that the blockchain is a confidence machine that tries to displace trust in favor of confidence. The third section explores the limitations of such a view, by showing how the underlying governance of blockchain-based systems might impinge its operations, thereby reducing the confidence in these systems, in particular (but not exclusively) during states of ex- ceptions. Finally, the paper draws upon legal, constitutional and poly- centric governance theory in order to explore the governance challenges of blockchain-based systems in light of this tension between trust and confidence.

## Blockchain Adv

#### 3. Encryption key destruction and botched discovery

Catalini & Tucker 18. Christian Catalini: MIT Sloan School of Management, MIT Cryptoeconomics Lab and NBER; Catherine Tucker: MIT Sloan School of Management, MIT Cryptoeconomics Lab and NBER. “Antitrust and Costless Verification: An Optimistic and a Pessimistic View of the Implications of Blockchain Technology.” MIT Initiative on the Digital Economy, June 19, 2018. https://ide.mit.edu/sites/default/files/publications/SSRN-id3199453.pdf

We end by noting two more traditional ways that deviations from the premise of a permissionless blockchain could lead to more traditional market power concerns. Permissioned blockchains have much in common with traditional databases. The major difference is that, unlike in a database controlled by a single entity, a blockchain-based ledger may have accurate historical records of all changes made to a piece of information replicated across multiple entities. For example, a financial blockchain could span multiple banks or financial institutions operating in the same market. In theory, of course, better transaction record-keeping may make electronic discovery easier for antitrust (and other) authorities. However, the current state of the rules surrounding electronic discovery and the format in which such data is delivered in the legal system is one of disarray, often making it expensive to extract critical information in a cost effective manner. The effect of blockchain on ediscovery is therefore not clear and may involve transition costs (Miller and Tucker, 2012), and in the case of encrypted data could lead to situations where antitrust authorities have no way of recovering the original information, for example if the encryption keys have been destroyed. It is also important to highlight that permissioned blockchains are not necessarily immutable, and key participants could technically collude to rewrite the log of transactions before discovery takes place. Furthermore, under the guise of the need to protect confidential information or privacy, participants in a permissioned system could tightly control which participants receive access to different pieces of information, leading to entrenchment of market power. The risk of collusion is also present when industry-based consortia are formed to develop a shared blockchain solution. 40 consortia have been formed over the past six months9, the majority of which are focused on financial services. As ever, when competing firms work together, there is the potential that this repeated contact could facilitate collusion. This possibility was discussed in detail by Cong and He (2018), who argue that a potential solution is to regulate for separation of consensus record-keepers from users. Furthermore, a distributed ledger could be used in theory to allow for better monitoring of collusive price arrangements, as participants could design it in a way that allows them to deanonymize the transactions of competitors or at least observe aggregate transaction patterns. This could be enhanced by the use of smart contracts and artificial intelligence to automatically respond to changes in the marketplace or actions by participants, further obfuscating collusive actions and facilitating the implementation of price or quantity setting arrangements.

## FTC Adv

#### 2. ‘Street cred’ is way up

Ben Brody 2/2/22. Senior reporter at Protocol focusing on how Congress, courts and agencies affect the online world we live in. “Microsoft, be warned: Lina Khan’s ready to fight.” https://www.protocol.com/newsletters/policy/microsoft-khan-ftc?rebelltitem=1#rebelltitem1

Freedom, as the hippies told us, is just another word for nothing left to lose. If so, Lina Khan seems to feel the FTC is mighty free — and that should make Microsoft (and the rest of tech) nervous about the antitrust fights to come.

The conventional reason for the FTC, which will be probing Microsoft’s acquisition of Activision Blizzard, to not file lawsuits goes like this:

Litigation is expensive, so government agencies should only use tax dollars to start a fight they can actually win.

Plus, losses in court don’t just mess up a particular enforcement action; they create precedent that can spoil a whole line of potential future cases.

Khan doesn’t buy that logic. She would say it’s not going to court that’s the real danger — a “you lose all the shots you don't take” approach, as Khan herself put it in her recent CNBC interview.

“Taking action is still worth it even if it's not a slam-dunk case,” Khan said in her interview, lamenting “severe costs” to restraint. “You might win.”

Sure, this is a little about street cred and making sure companies don’t just see the FTC as a nuisance that can’t back up its threats.

But a lot of it goes back to precedent: Courts have spent at least four decades narrowing the broad terms of antitrust law, even as business models changed drastically.

Khan and her ilk feel that the only option they have left is to bring new theories about new markets and new practices to court. They’re hoping to set new precedents that will govern the new ways things work.

Either they’ll win when traditionalists said they couldn’t, or Congress will see the U.S. needs new laws.

This approach already seems to be working: One of the few tests so far was the FTC’s incorporation of privacy into its antitrust case against Meta, which was actually pretty positive for the side favoring innovation in litigation.

#### 3. Meta motion

Ben Brody 1/26/22. Senior reporter at Protocol focusing on how Congress, courts and agencies affect the online world we live in “The FTC's antitrust case against Meta could be great for privacy.” https://www.protocol.com/policy/ftc-meta-privacy-antitrust

In a judge’s recent ruling in the competition case, though, the FTC may have found a surprising lever to get a handle on Big Tech’s data practices.

On Jan. 11, Judge James Boasberg denied Meta’s motion to dismiss the suit, essentially finding that if everything in the FTC’s complaint turns out to be true, the commission has put together a legally sound case. It’s an admittedly plaintiff-friendly standard, and proving all the claims are indeed true may well still be a “tall task” for the FTC once Meta can present its own evidence and arguments, Boasberg wrote. Still, at least as far as he was concerned, the FTC wasn’t invoking absurd or discredited legal theories.

That’s where privacy comes in: While the FTC alleges that Meta's acquisitions of Instagram and WhatsApp were anticompetitive, the commission also contends that the company’s shoddy privacy record arose because it faces no meaningful competition from rivals that might offer better data protections.

Other antitrust cases have looked at data as an asset, or complained that privacy protections are a pretext for anticompetitive behavior. In the lead-up to the FTC’s filing of the case in 2020, though, antitrust traditionalists and even some sympathetic experts essentially dismissed the novel notion that an enforcer could invoke privacy as a casualty of tech consolidation. They said it was academic at best — and at worst, a harebrained effort to cram the two main objections to Big Tech into one case.

Since the 1980s, judges in antitrust cases have looked for plaintiffs to focus on measurable price increases to consumers or, occasionally, to quantifiably decreased output. Privacy is neither, traditionalists pointed out, though it could be theoretically possible to analyze privacy as a type of product quality, and plaintiffs do sometimes invoke worse offerings to show harm. But even then, traditionalists said courts haven’t liked substituting their judgments about product quality for consumers’ opinions.

Jim Tierney, who had previously spent a decade overseeing tech-sector antitrust enforcement at the Justice Department, said at the time that a lawsuit “based on a data privacy theory of harm is not in the cards.” (Tierney was in private practice, and his law firm, Orrick Herrington & Sutcliffe, did work for Facebook, though he said he in particular didn’t.)

The FTC didn’t listen to the naysayers. In its original complaint, which was filed by a Republican-led commission during the Trump administration, the FTC cited potential benefits of more competition, including a boost in the “availability, quality, and variety of data protection privacy options for users, including, but not limited to, options regarding data gathering and data usage practices.”

Boasberg eventually dismissed that complaint, though he let the FTC try again and expressed no concerns about the claims regarding data protection. In the meantime, Lina Khan, a well-known critic of tech companies — and of the bipartisan focus, dating to the Reagan era, on prices in antitrust cases — had taken over the commission as chair.

Khan made clear in her academic writing, before joining the FTC, that she sees a nexus between privacy and competition. In fact, academics in general had been interested in the link between competition and privacy. Even some Republican enforcers — like Makan Delrahim, head of the DOJ Antitrust Division during the Trump administration — floated similar notions, which found their way into the antitrust complaint he filed against Google.

The revised FTC complaint, which Khan led, landed last summer and zeroed in on these issues, detailing how Facebook allegedly worsened privacy among other, more traditional harms.

“Facebook has also engaged in other activities that have degraded the user experience, including the misusing or mishandling of user data,” the revised complaint said, citing both the FTC’s 2011 privacy order and the 2019 mega-fine. “Facebook’s ability to harm users by decreasing product quality, without losing significant user engagement, indicates that Facebook has market power.”

‘Consumers care’

Despite the academic interest, and prosecutors’ claims in their lawsuits, there isn’t much modern precedent in the U.S. directly justifying Khan’s move. Even in the EU, where antitrust enforcement is relatively stronger, especially against tech, the question is fraught.

Meta wasn’t shy about pointing out the lack of prior rulings. “No court has ever endorsed the theory the FTC espouses here: that the amount of ‘privacy’ on a service can demonstrate monopoly power,” the company wrote when asking to have the new complaint dismissed. Indeed, Meta suggested, privacy can’t even be measured, and consumers have proven they like the status quo of free, ad-powered services.

That’s the motion that failed earlier this month when Boasberg said the FTC’s case could continue.

#### Alt causes to credibility stretch [Emory = Blue]

Jessica 1AC Rich 21, Of Counsel at Kelley Drye & Warren LLP, Former Director of the Federal Trade Commission’s (FTC) Bureau of Consumer Protection (BCP), JD from the New York University School of Law, AB from Harvard College, Former Distinguished Fellow at Georgetown University’s Institute for Technology Law and Policy, “How Lina Khan’s FTC Does Business – What We’ve Learned So Far”, JD Supra, 11/9/2021, https://www.jdsupra.com/legalnews/how-lina-khan-s-ftc-does-business-what-3596839/

Since taking over at the FTC, Khan has quickly begun to remodel it. Some of these changes look like technical internal reforms, while others are major policy statements. Almost all have been fiercely opposed by Republicans and the business community.

In the past few weeks, Khan has begun holding commission meetings in public - something Democrats say makes the commission more open to scrutiny, but which the two Republican commissioners say makes it harder for them to negotiate compromises.

She has banned staff from making public appearances such as conference panel sessions, saying the commission has too much work to do. She has passed a rule which allows FTC staff greater leeway to pursue investigations in certain priority areas, giving them the power to issue their own subpoenas for documents and testimony.

Khan is also promising to help rewrite the US merger guidelines, a complex set of documents laying out what kinds of evidence regulators look for when deciding whether a merger is illegal.

And, in a pair of crucial decisions, she and her fellow Democratic commissioners voted to rescind two key FTC policy statements.

The first was written in 1995 during Bill Clinton's first term as president, and deemed that companies that had previously proposed unlawful mergers no longer had to notify the FTC before completing future transactions in the same market.

By undoing that policy, Khan said she hoped to stop companies simply trying again and again to complete a merger even after it had been rejected by regulators. The second statement was written in 2015 during the Obama administration and set down limits on when the FTC would prosecute a company for socalled "unfair methods of competition".

"These changes are going to make dealmakers think about things differently," says one senior Democrat working for the commission. "They are not filing an application, we are investigating as to whether there is a violation of the law. That is a fundamentally different way of thinking about things."

Meanwhile, the White House has given the FTC the even bigger task of helping rewrite the rules that underpin the American economy. Under the terms of a sweeping order signed by Biden last month, the commission has been asked to devise rules which would ban companies from stopping employees moving to rivals, and prevent pharmaceutical companies from paying generic rivals not to enter a certain market for a period of time.

The moves have delighted progressives, who say Khan's willingness to push through reform quickly shows she is serious about putting the commission back at the heart of Washington rulemaking and enforcement.

"The commission has been lazy," says Matt Stoller, director of research at the American Economic Liberties Project and a former colleague of Khan at the Open Markets Institute. "It has been a place where you send political cronies who don't have to do any work if they don't want to.

"This is such a different form of politics from the normal bullshit."

Republican concerns But if the reforms have pleased Khan's supporters, they have worried conservatives who say the commission lacks both the legal authority and the institutional capacity to do what is being asked of it.

For example, Khan says she wants to renew the commission's appetite for bringing cases against companies for "unfair methods of competition" - a vague category of corporate behaviour which allows the FTC to act even when there is no merger in question or when a company is not large enough to be a monopoly. She and fellow progressives argue that by not pursuing such cases the FTC has taken away one of its most powerful weapons.

Such behaviour is often very hard to prove, however. When the FTC charged Abbott Labs in 1994 with trying to rig a bid to supply the Puerto Rico government with infant formula, for example, it alleged the company's choice not to bid in one of the rounds provided evidence of collusion with rivals. Abbott Labs' lawyers, however, successfully used game theory to explain why a "no bid" could in fact have made rational economic sense.

More controversial is the idea that the commission is going to start writing wide-ranging new rules of its own, as envisioned in Biden's competition order. This would test the limits of the FTC's powers in both court and on Capitol Hill, critics say, and could end in Congress clipping its wings as it did in 1980 when the FTC was forced to subject its rules to Congressional review.

Sean Heather, senior vice-president for antitrust at the US Chamber of Commerce, says: "The FTC is writing its own rules and acting as prosecutor, judge and jury. This is deeply concerning for a regulatory agency with broad powers."

Christine Wilson says: "I believe competition rulemaking is institutional suicide."

If Khan wanted an indication of how courts might view her approach, she got one within weeks of taking over the commission. In June, a federal judge dismissed the commission's complaint against Facebook, its most high-profile in years.

The commission had argued the social media company had engaged in anti-competitive conduct for years, including by buying up potential rivals such as WhatsApp and Instagram. In June, however, a federal judge ruled the commission had failed to prove that Facebook had monopoly power.

Khan's critics worry that if the commission loses a series of high-profile court cases it will fatally undermine its authority. "If you lose enough cases your credibility evaporates," says William Kovacic, a former Republican chair of the commission. "You can lose it all - not right away, but you can lose it all."

For Khan's supporters, however, this criticism borders on the absurd. "Don't you think the FTC is already seen as weak?" says Rohit Chopra, a Democratic commissioner.

Progressives argue the FTC has for years only enforced competition rules against large companies in a fraction of the cases it should have. "Do you think there are only 10 anti-competitive mergers a year?" says Chopra. "I'm not sure it can get any worse."

"The FTC can put together legal teams that can match the best in the bar, punch for punch, in a major case," says Kovacic. "But the number of those teams is a couple, it is not 10."

For years the commission's budget and staffing levels have been chipped away. It now has roughly 50 per cent of the staff it had in 1980 and is currently trying to review a record number of mergers. In the first nine months of this fiscal year, the FTC received 2,573 notifications ahead of a large merger - already 50 per cent more than were received in the whole of last year.

Last week, the commission published a statement warning that it would not be able to review all mergers within 30 days of a notification being made, as required by law. Instead, the FTC said, if it had not had time to review a merger before it took place, it would reserve the right to take action even after it had been completed.

The commission is also facing an uphill battle to retain staff. Some people say they feel demoralised by the pace of change and irritated they have not yet met their new chair - something Khan's allies say is an unfortunate result of the pandemic. "There are only so many times you can hear that your institution has failed for years before you start to doubt your place in it," says one staff member.

#### 1. Recent FTC suit thumps defense industry breakups and solves credibility.

Joe Gould 2/3. Senior Pentagon reporter for Defense News. “Why the FTC’s lawsuit could chill the market for defense deals.” 2/3/22. https://www.defensenews.com/industry/2022/02/02/why-the-ftcs-lawsuit-could-chill-the-market-for-defense-deals/

WASHINGTON ― The federal government’s move to block Lockheed Martin’s planned $4.4 billion purchase of Aerojet Rocketdyne could have a chilling effect on future mergers and acquisitions among large defense firms, according to experts.

With the Federal Trade Commission’s lawsuit last week to stop the deal, it rejected a proposed behavioral remedy that would require Aerojet continue to supply missile components to Lockheed’s competitors. That’s being interpreted as a sign regulators will more heavily scrutinize vertical acquisitions

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, in which a company acquires a supplier.

“Anybody doing a sizable vertical deal has to look at this precedent and recognize, if there’s a real vertical issue, the [FTC’s] predilection may be not to do a remedy, which means it’s an up or down decision,” said Jeff Bialos, an antitrust attorney and former deputy undersecretary of defense for industrial affairs.

In its announcement of its opposition, the FTC argued that if the acquisition between Lockheed, “the world’s largest defense contractor,” and Aerojet, the “last independent U.S. missile propulsion provider” were to take place, “Lockheed will use its control of Aerojet to harm rival defense contractors and further consolidate multiple markets critical to national security and defense.”

Some view the FTC’s tough language as a clear signal to the defense industry.

“It’s hard not to read the complaint any way other than that big vertical transactions will be viewed very skeptically by the FTC, and it seems like it’s pretty clear,” said Jerry McGinn, a Pentagon manufacturing and industrial base policy official in the Obama and Trump administrations.

Brett Lambert, who served as a deputy assistant secretary of defense for manufacturing and industrial base policy in the Obama administration, predicted the decision would reverberate through the board rooms of every prime contractor in the defense sector. Lambert was Northrop Grumman’s vice president for corporate strategy when the company made a similar acquisition.

“Their position is quite clear, and how industry reacts and whether that’s in the best interest of the warfighter and the taxpayer is still unclear,” said Lambert, now the managing director of the Densmore Group, a national security and intelligence consultancy.

#### Structural factors means naval power’s locked-in

International Strategic Analysis, 3/7/2017. World leader in the fields of country intelligence, economic forecasting and international market analysis. “How Long Will the US Navy Rule the Seas?” <http://tinyurl.com/kco8za3>. Accessed 3/28/2017.

Of all of the measures of military power in which the United States is the world’s leading country, it is in the field of naval power in which the US has perhaps its greatest lead over all other countries. In terms of land power, the US has the world’s most powerful land forces, but the gap between it and rivals such as China and Russia is not as great on land as it is in the air or the sea. In terms of air power, the US has a formidable array of planes and systems designed to give the US air superiority in any potential conflict, but even here, its power advantage is not as great as it is at sea. At sea, the US navy currently has no rival and is able to both dominate the open seas and to control most of the world’s most important shipping lanes. Since the United States gained control of the seas during the Second World War, its lead in terms of naval power over rival navies has continued to expand. Moreover, even as other countries such as China and India invest heavily in their naval forces, the US’ massive lead in this area is set to remain in place for a very long time. Nevertheless, internal and external threats could emerge that could weaken the US’ dominance of the seas over the longer term.

It is easy to understate the level of dominance that the United States possesses at sea. Its naval budget alone exceeds that of all of its major rivals’ combined naval expenditures, and its fleet of aircraft carriers, cruisers, destroyers, submarines and other naval vessels not only dwarfs its rivals in terms of numbers, but also in terms of firepower and technology. One example of this is the fact that the United States has ten of the world’s 20 active aircraft carriers, with each individual US carrier having the firepower of three or four of its rivals. In addition, the US Navy possesses 75 [percent] % of the world’s cruisers, 50 [percent] % of the world’s nuclear submarines and 30 [percent] % of the world’s destroyers. Add to this array of weaponry a favorable geographic position that gives the US open access to all of the world’s oceans and it is clear that the US is operating from a position of overwhelming strength at sea. In addition, its main rivals suffer from distinct geographical disadvantages, such as China’s location behind multiple series of island chains and Russia’s lack of warm water ports, further enhancing the US’ naval advantages.

#### Alt causes [Emory = Blue]

Greg 1AC Clark 21, Group Advisor for Future Cities at the HSBC Group, Former Research Scholar at the London School of Economics and Political Science, Degree from the University of Cambridge, Former Harkness Fellow at Columbia University, “Global Cities Desperately Need New Leadership Models”, 12/8/2021 https://hbr.org/sponsored/2021/12/global-cities-desperately-need-new-leadership-models

The world’s population centers are the critical places for the future of our planet. Where people settle and how they coexist with the planet will define the endgame in the story of human life. Will we spoil our habitat or remake it?

Whether we think of such cities as consumption markets, infrastructure hubs, innovation ecosystems, decision-making centers, sharing platforms, or visitor destinations does not really matter. They are all these things—and much more. We have come to call them “cities” because they serve and seek to empower citizens, but this word is now so overused and sometimes so contentious that it may just be better to think of them as population centers—places where people are concentrated. In the quest to avoid human extinction, such places are ontologically important.

On this planet, there are some 10,000 cities where we humans make our home, according to Cities in the World, the European Commission, and the Organisation for Economic Co-operation and Development.

Meanwhile, the United Nations World Population Prospects says we are on the road to 9 billion city dwellers by 2080. Currently, about 600 cities drive our global economy and fuel our national treasuries, 200 cities are the centers of national policy and lawmaking, and 100 cities are the hubs of corporate enterprise.

Anyone who wants to argue against the idea of an urban world needs to articulate the alternative. How would you distribute and serve 9 billion souls without using cities as the primary platforms? What are the environmental and social consequences of alternative models?

We know, from all the amassed science of success, that leadership is critical to how countries and companies survive and thrive. We read books about national heroes and about great corporate leaders. But we focus less frequently on how population centers are led and guided by wise people and what the leadership imperative is for a place that is not a nation and not a business venture. The leadership of cities is a niche discussion.

In our post-pandemic, climate-alarmed world, being a city leader is just about to become the most important job on the planet. The next 50 years will be a great reckoning, and it has already started. Can we equip our cities to avoid the extinction of our species?

Three ideas should drive our quest:

Cities are seriously underpowered. Most of our cities are subjected to an inadequate version of democratic government that leaves them with the wrong municipal geographies, insufficient financial resources, weak policy frameworks, short-term mandates, and overly dominant national governments that do not understand the interactions of different forces locally in a given place. National governments recognize the opportunity of a century of urbanization but are largely unwilling to couple it with the decentralization of power it requires. So cities are orphaned by nation-states.

Place leadership is a collective task. Public bodies, civic groups, asset owners, investors, and businesses must work together with citizens to shape choices and frame change. Cities are both a means to optimize the interplay of different changes, such as in energy, transport, environment, and public health, and also a platform for collective behavior change among citizens and businesses. Cities can motivate and inspire the changes we need, because they enable and require sharing of the same place for multiple purposes by large numbers of people. Place-based leadership can induce innovation.

Soft power is therefore essential for cities to succeed. Cities need to be convening platforms for innovation and joint endeavor. They cannot achieve the changes required without building and driving coalitions. The more collaboration, the more easily the big reforms that build greater formal competence are acquired. Well-orchestrated soft power leads to reforms that generate hard power.

We can already see a new generation of city leadership platform types beginning to emerge in multiple locations.

Over the past 20 years, Manchester, U.K., has steadily built a grand coalition of nine neighboring municipalities working together with universities, investors, and businesses committed to a place-leadership agenda that has enabled the delegation of new authority, the acquisition of new financial powers, and the creation of new leadership structures in a “combined authority” for the city region.

The Greater Sydney Commission is a new kind of city regional leadership platform where civic leaders are selected for their expertise to shape a long-term agenda beyond the short-term mandates and political cycles, but are accountable to and influential upon them.

Barcelona Global has been established as a coalition of corporations, institutions, entrepreneurs, academics, skilled migrants, and investors who want to help shape the Barcelona of 2050. The coalition is working at the spaces within and between the formal levels of governance: municipal, state, national, and European Union.

In China, the emergence of the great city clusters in the megaregions of the Greater Bay Area, the Yangtze River Delta, and the Jing-Jin-Ji region shows a new scale for subnational leaders to oversee and coordinate networks of interdependent cities.

In Colombia, we observe proactive citizen leadership in Medellín and civic-minded business leadership in Bogotá, fostering new tools and platforms for place leadership to emerge.

As we emerge from a global pandemic, the quest for effective city leadership is more important than ever. New models of shared leadership are finally arriving, but is it too late? We need these models, as well as other innovative ideas and approaches, to become the fabric of our global urban infrastructure in order to have successful cities. Our collective future depends on it.

# 1NR

## Blockchain Adv

#### Dollar hegemony solves a laundry list of impacts---overall US heg, international conflicts, climate change, healthcare.

Joshua P. Zoffer 20, J.D. candidate, Yale Law School, 2/3/20, “To End Forever War, Keep the Dollar Globally Dominant,” https://newrepublic.com/article/156417/end-forever-war-keep-dollar-globally-dominant

Yet in their recent article in The New Republic, David Adler and Daniel Bessner argue the U.S. should abandon these advantages. In their view, the dollar’s role has encouraged American militarism and should be relinquished to curb such behavior. Dollar hegemony is not without cost, but to renounce it would be a profound mistake. Adler and Bessner’s view neglects the sizable economic benefits the dollar’s role confers on the U.S., as well as its possible use as an antidote to military adventurism. It ignores the enormous good that can be done with deficit spending, much of which has gone to the American military but could instead fund progressive programs. And it elides the inability of the U.S. and its global trading partners to shift away from dollar dominance without creating worldwide financial distress. Adler and Bessner are right that the U.S. has misused its privilege, but Washington should not abandon it; rather, American leaders should seek to transform it. Generations of American policymakers have been right to protect the dollar’s key currency role for economic reasons. Most notably, dollar hegemony affords the U.S. the ability to run large and prolonged budget and balance-of-payments deficits. The dollar represents 62 percent of allocated foreign exchange reserves, is used to invoice and settle roughly half of world trade, and accounts for 42 percent of global payments. Because governments, banks, and businesses worldwide need lots of dollars, the world market always stands ready to absorb new U.S.-dollar-denominated debt without charging higher interest rates. Adler and Bessner correctly point out that the rest of the world considers the dollar’s role as the world’s reserve currency to be an “exorbitant privilege,” a term coined in the 1960s by then French Finance Minister Valéry Giscard D’Estaing. The ability to spend beyond its means has enabled the U.S. to fund its impressive military might, whether one views that power as the fountainhead of Pax Americana or the source of illegitimate military adventurism. But these economic benefits go beyond just deficits. The demand for dollars also pushes up the dollar’s value against other currencies, enhancing American purchasing power and offering consumers access to imports on the cheap. The dollar’s role also means American firms rarely need to do business in foreign currencies, reducing transaction costs and exchange-rate risks. More broadly, America’s central economic role gives it outsize influence at crucial moments. At the height of the financial crisis that began in 2008, the Federal Reserve was able to inject vital liquidity into the global financial system by selectively offering dollar swap lines to trusted foreign central banks. Dollar hegemony enabled the U.S. to act swiftly, effectively, and on its own terms. In addition, the dollar’s role offers a potent alternative to kinetic military action as a means of pursuing foreign policy objectives. The dollar’s broad use means access to dollar liquidity—which in turn requires access to the U.S. financial system—is essential for foreign governments and businesses. For foreign banks, especially, being cut off from dollar access is essentially a death sentence. That makes sanctions that do so a powerful tool in the international arena. In 2005, for example, the U.S. used the dollar to strike a devastating blow against North Korea without firing a single shot or even formally enacting sanctions. Using authority provided by Section 311 of the Patriot Act, the Department of the Treasury crippled Banco Delta Asia, a bank accused of facilitating illegal activity by the North Korean government, by merely threatening to cut off its access to the American financial system. Deposit outflows began within days; within weeks the bank was placed under government administration to avoid a full collapse. Pyongyang was hit hard, as other banks ceased their business with it to avoid meeting the same fate. Similarly, though the Trump administration has worked hard to undo it, the Joint Comprehensive Plan of Action with Iran to limit the development of nuclear weapons was made possible, in part, by painful dollar sanctions that brought Iran to the table. Far from being a proximate cause of military conflict, the dollar’s central global role has often been used to contain adversaries without military intervention. Still, skeptics are right to point out that the dollar’s role has indirectly funded American interventionism and that dollar sanctions have been overused, provoking the ire of American allies. But these facts suggest we should use our dollar power to forge a more progressive U.S. order, not abandon the advantage altogether. America’s exorbitant privilege need not fund warships and missiles: The same low-interest borrowing could be used to fund a new universal health care system, expand access to higher education, or pursue any number of large-scale social policy objectives, including financing global public goods that no other country or consortium of countries is prepared to fund, such as climate change mitigation.

#### Turns naval power---The US dollar’s status as the global reserve currency is a bulwark against threats.

Carlsson-Szlezak et al. 21. Managing director and partner in BCG’s New York office and the firm’s global chief economist. Paul Swartz is a director and senior economist at BCG Henderson Institute in New York. Paul Hsiao is an economist at BCG Henderson Institute in New York. 10-7-2021. "Commentary: The dollar’s dominance is far from done." Fortune. <https://fortune.com/2021/10/07/dollar-hegemony-reserve-currency-threats-to-dominance/>

Sources of resilience Today, the dollar’s resilience is most visible in its “risk-off” properties. The currency rallies in times of crisis, as last seen when COVID-19 hit. Can the dollar retain its hegemony? There are many ingredients in reserve currency status, of which we highlight a few. First, take the economic size of the reserve currency issuer. The global economic footprint provides a gravitational pull on economic and financial activity towards its currency. The U.S. will retain its global heft, even if it is set to cede the top spot to China in due course. But if reserve currency status were exclusively or predominantly a matter of economic size the Chinese renminbi would have a much bigger share of global reserves. Instead, at about 2%, the renminbi has about the same share as the Canadian dollar. In fact, the role of deep and open markets is equally important. The ability to transact and invest easily and with confidence—particularly in moments of crisis—is essential for the reserve provider. Without sizable, liquid, transparent, and open markets, a currency stands little chance of establishing itself as the key reserve currency. Here, the U.S. will remain dominant with little substantial competition for the foreseeable future—even if a more unified debt structure is emerging in Europe. Next, the credibility of institutions matters. Confidence in reserve assets is indispensable for those managing central bank reserves—they need to know that the policymakers and polity that creates, facilitates movement, and stores reserve assets will not undermine them. A solid track record of predictability dispels the risk of the assets being undermined either quickly by policy shocks or slowly through large inflation. U.S. policy credibility remains unrivaled today, and building such credibility takes time. Geopolitics plays a role too. Reserve allocations are materially influenced by politics—specifically the geopolitics of military alliance. Allies, particularly ones actively defended by the reserve issuer, wish to support that order while adversaries are reluctant to empower it. Russia’s move away from the dollar or Saudi’s allocation to it are illustrations of this. The U.S. enjoys a significant advantage here as its alliances are particularly intricate with large, advanced economies.

#### Current blockchain centralization and ability for government regulation prevents rival currencies from gaining influence – the plan ends that.

Billy Bambrough 20. Founding editor of Verdict.co.uk and journalist with significant experience covering technology, finance, economics, and business. "The U.S. Just Destroyed A Potential Dollar Rival—Is Bitcoin Next?." Forbes, May 17, 2020. https://www.forbes.com/sites/billybambrough/2020/05/17/the-us-just-destroyed-a-potential-dollar-rival-is-bitcoin-next/?sh=7638e9f878b5

The U.S. Federal Reserve and president Donald Trump are fearful of challengers to the almighty dollar. Bitcoin, a new form of digital money called cryptocurrency that is scarce and exists independently of government, heralded a **wave of technological rivals to the dollar**—with Facebook creating libra and China digitalizing its yuan. This week, the U.S. financial regulator shut down messaging app Telegram's decentralized crypto project—igniting fears the U.S. could again try to destroy bitcoin if it becomes a threat to the dollar's shaky supremacy. Following a long-running battle with the U.S. Securities and Exchange Commission (SEC), Telegram walked away from its blockchain-based Telegram Open Network (TON) and its native cryptocurrency, gram. "Unfortunately, a U.S. court stopped TON from happening," Telegram's founder and chief executive Pavel Durov revealed this week, drawing a line under the embattled two-and-a-half year project. Back in 2018, Telegram, now based in Dubai and boasting 400 million monthly active users, raised a staggering $1.7 billion from almost 200 private investors to fund development of the TON network and gram token. The SEC blocked Telegram's much-hyped public fundraiser just two months later. In October last year, the SEC ordered Telegram to halt the sale of gram tokens, finding it in violation of the Securities Act. This week, the SEC hammered home the final nail in the TON coffin. "The U.S. court declared that grams couldn't be distributed not only in the United States, but globally," Durov wrote. "Why? Because, it said, a U.S. citizen might find some way of accessing the TON platform after it launched. So, to prevent this, grams shouldn’t be allowed to be distributed anywhere in the world—even if every other country on the planet seemed to be perfectly fine with TON." Durov argued the SEC decision "implies other countries don’t have the sovereignty to decide" what's good or bad for their own citizens. "We, the people outside the U.S., can vote for our presidents and elect our parliaments, but we are still dependent on the United States when it comes to finance and technology. The U.S. can use its control over the dollar and the global financial system to shut down any bank or bank account in the world," Durov wrote, adding the U.S. can also force American iPhone-maker Apple and Android developer Google to ban apps. "Unfortunately, we—the 96% of the world’s population living elsewhere—are dependent on decision makers elected by the 4% living in the U.S." The decision maker in question, U.S. president Donald Trump, has made it clear competitors to the dollar are not welcome. "We have only one real currency in the U.S.A. and it is stronger than ever, both dependable and reliable," Trump said last year in an outburst against Facebook's libra, bitcoin and cryptocurrencies. "It is by far the most dominant currency anywhere in the world, and it will always stay that way. It is called the United States dollar!" Trump's tirade was sparked by news Facebook, now counting one third of the world's population among its monthly users, was developing a "global currency" based on bitcoin's blockchain technology. Facebook's crypto project has, however, been severely hobbled by regulators. A digital wallet supporting major currencies is now expected to launch in October. The "global currency" libra will likely never materialize. This heavy-handed approach to digital currencies by governments and regulators has worried some in the bitcoin and cryptocurrency community. "Going forward, **either the project is fully decentralized or it has to be fully regulated**," said blockchain pioneer and managing director of investment management firm Yeoman's Capital David Johnston. Fortunately, highly decentralized cryptocurrencies and blockchains, such as bitcoin and ethereum, are very resistant to censorship and government control. Previous attempts to ban or even "shut down" bitcoin itself have failed. Last year, it was revealed federal prosecutor-turned bitcoin and cryptocurrency expert Katie Haun was asked to look into "shutting down" bitcoin by her boss at the U.S. attorney’s office in 2012—something she said would have been impossible. However, other countries, including China, Russia and Iran, have been able to restrict bitcoin use by cracking down on banks and companies offering crypto services. China outlawed crypto exchanges in 2017 and went on to crack down on many bitcoin mining operations. China is now gearing up to launch a digital version of the yuan—something that itself threatens the dollar's dominance if it doesn't catch up. "The trend for the next few years will likely be national cryptocurrencies, so the American monetary authorities do not need competitors [such as TON and libra] with such a wide audience coverage," said Alex Kuptsikevich, FxPro senior financial analyst, adding the current size of the bitcoin and crypto market "**does not pose a threat to the U.S. monetary power**." "The American regulator could very much complicate the conversion of crypto into fiat. This is not happening just because the market is small. That's why the issue is not on the top of the agenda. Nevertheless, we cannot rule out such a scenario after the official digital dollar appears." Decentralized cryptocurrencies are still reliant on government and company-controlled services and while they can't be shut down they can be stifled. "We are in a vicious circle: you can’t bring more balance to an overly centralized world exactly because it’s so centralized," Durov wrote, underscoring what he sees as the gravity of the situation.

#### No viable alternatives to the dollar except cryptocurrencies, but limited adoption keeps their credibility low in the status quo.

Carlsson-Szlezak et al. 21. Managing director and partner in BCG’s New York office and the firm’s global chief economist. Paul Swartz is a director and senior economist at BCG Henderson Institute in New York. Paul Hsiao is an economist at BCG Henderson Institute in New York. 10-7-2021. "Commentary: The dollar’s dominance is far from done." Fortune. <https://fortune.com/2021/10/07/dollar-hegemony-reserve-currency-threats-to-dominance/>

What currency can do better? Each of the dimensions above matters in its own right and in combination with others. But they matter most relative to what other potential issuers of reserve currency bring to the table. If challengers are bigger, more credible, more open, with more geopolitical clout—it won’t matter if the incumbent has remained strong on those dimensions. So, who could do it? The euro seemingly checks many boxes, and before the Global Financial Crisis was expected by some to one day displace the dollar. Yet its blemishes are substantial, including byzantine debt markets and a rigid banking system. While jointly issued eurozone bonds would increase the pool of highly rated assets for reserve managers to acquire, the plans are modest, and as long as there is the faint but lingering threat of disunion and weakness in the periphery it will be difficult for the euro to usurp the dollar. Next, China’s geopolitical and economic clout has grown rapidly, but Beijing would need to open the capital account and ensure liquidity and investor protection—along with a willingness to absorb the worlds savings which would push up the renminbi and make Chinese exports less competitive. This moves into focus that reserve currency status is both a privilege and a burden and thus requires strategic balance. Whether desirable or not today, the palette of features required to provide the most compelling reserve currency is difficult to see in the renminbi in the foreseeable future. And there are cryptocurrencies that some proponents believe could play the reserve currency role. The creation of alternative currencies that have grown into a sizable market over a decade should not be dismissed lightly. However today their volatility is a problem, their liquidity is a problem, their credibility is a problem, their size is a problem, and their correlations are a problem as the value of cryptocurrencies tend to decline in times of stress.

#### Revisionist powers see decentralized blockchain as the key to dismantling dollar hegemony.

Oscar Jonsson 17. War Studies PhD candidate at King’s College London and was a visiting researcher at UC Berkeley. "Why Cryptocurrencies Could Push The Dollar From World Reserve Currency Status." Forbes, November 7, 2017. https://www.forbes.com/sites/laurashin/2017/11/07/why-cryptocurrencies-could-push-the-dollar-from-world-reserve-currency-status/?sh=274a7b656a9e

This year, blockchain technology has skyrocketed in popularity -- and for good reason. Blockchains have the potential to decentralize how trust is guaranteed in anything that can be stored digitally, which includes money, data, identity and ownership records. It is hard to exaggerate the potential disruption of legacy institutions and business models. In late September, the head of IMF, Christine Lagarde, cautioned that cryptocurrencies can displace central banks, conventional banking and national monies in the long term. What has gotten less attention, however, is how blockchain will impact international politics in general and economic statecraft in particular. A key foundation of the predominance of the West, and particularly the United States, is the reliance on economic power. It is codified in the Bretton-Woods institutions and the role of the U.S. dollar as the world’s reserve currency. Since all financial actors need to function on the U.S. market, the U.S. treasury’s domestic powers are in effect international. If they designate an entity a money-laundering concern or suspect of terrorist activity, the possibility to do business or transfers would vanish. Blockchain-based cryptocurrencies, however, threaten to disrupt this foundation by decentralizing the operation of the financial system outside sovereign states’ control. This ties well into the goals of revisionist states, who long have sought to de-dollarize the world economy. The most noteworthy actor in this regard is Russia, who announced on the 15 October that it will issue a blockchain-based CryptoRuble. A bitcoin token sits next to the image of George Washington on a U.S. one dollar bill in this... [+] arranged photograph in London, U.K., on Wednesday, Jan. 4, 2017. The electronic coin that trades and is regulated like oil and gold surged 79 percent since the start of 2016 to $778, its highest level since early 2014. Photographer: Chris Ratcliffe/Bloomberg A bitcoin token sits next to the image of George Washington on a U.S. one dollar bill in this... [+] Russia has been at the forefront of encouraging a national cryptocurrency as a way to avoid Western sanctions and economic influence. To this goal, Putin has met with Vitalik Buterin, founder of the second largest cryptocurrency Ethereum, and discussed its possible implementation in Russia. The more global cryptocurrencies are used, the less influence can be generated from the role of the US dollar. A key vulnerability in the Russian economy is the access to SWIFT, the standardised network for interbank transactions. After Russia’s invasion of Ukraine, there were many calls to prohibit Russia’s access to SWIFT. Among transfers between Russian banks, only 5-10% went outside the SWIFT system. It has sometimes been called the ‘nuclear option’ of economic warfare to block a state from its access to SWIFT and Prime Minister Medvedev have said that there would be ‘no limits’ to the Russian response if they were de-swifted. Russia is indeed right to be worried; when the EU imposed sanctions Iran’s access to SWIFT, the Iranian’s capability to move money out of Iran was disrupted. Hyperinflation ensued and the rial lost 50% of its value against the dollar and have not rebounded since. When trust is guaranteed by a protocol instead of financial institutions, mostly based in the West, the capability of the West to leverage economic power is reduced, which has been a key component of its grand strategy since the Second World War. Decentralized protocols are impossible for one state to sanction. A successful implementation of a national cryptocurrencies, as pioneered as well in Estonia and Tunisia, or larger implementation of global ones, will mitigate the impact of Western sanctions in general and the option of sanctioning of SWIFT in particular. Using public blockchains, transactions can be made quicker, cheaper and without the involvement of any third parties. Today, an international transfer requires several days and multiple institutions: banks, clearinghouses and SWIFT. Transactions with cryptocurrencies, such as Dash and Litecoin, cost between 1-2 cents and take seconds or minutes. The use of Bitcoin already gives North Korea opportunities to circumvent Western sanctions. According to Recorded Future, a threat intelligence company, North Korea commenced a large-scale Bitcoin-mining operation on 17 May. Similarly, one of Putin’s internet advisors, Dmitry Marinichev, launched a $100 million operation to mine Bitcoin. All these cases offer opportunities for states to diversify value outside the dollar system, as opposed to commodities that are generally traded in dollars. In Venezuela, mining Bitcoin has offered an opportunity for survival. In the midst of a hyperinflation in the bolivar projected to reach 1,600% year to year, many have started mining Bitcoin in order to pay for basic necessities. Since electricity is heavily subsidised, it is one of few commodities that the inhabitants have access to and can convert to Bitcoin with the rest of the economy falling. The core impact of blockchain technologies is a powerful decentralization. For centralized incumbents -- the U.S. dollar as the world’s reserve currency, the financial system, predominantly governed by Western financial institutions -- their leverage is poised to decrease. For revisionist states, cryptocurrencies can be an attractive alternative to speed up this process.

#### No crisis-induced loss of reserve currency status from any other currencies – empirics.

Carlsson-Szlezak et al. 21. Managing director and partner in BCG’s New York office and the firm’s global chief economist. Paul Swartz is a director and senior economist at BCG Henderson Institute in New York. Paul Hsiao is an economist at BCG Henderson Institute in New York. 10-7-2021. "Commentary: The dollar’s dominance is far from done." Fortune. <https://fortune.com/2021/10/07/dollar-hegemony-reserve-currency-threats-to-dominance/>

Life after death is comfortable The arguments above may not convince those who deeply believe in dollar demise—too much money is printed, the debt too high, the global competition too strong for the greenback to continue its role, they argue—even though on a relative basis these challenges are hardly modest for the dollar’s rivals. But if we can’t let go of fears of death the next best thing is to accept it and contemplate life after death—which is surprisingly comfortable for reserve currencies. Dollar doom typically assumes a big bang collapse and terminal decline. The history of reserve currencies suggests otherwise. First, the idea of a crisis-induced loss of reserve currency status does not square well with history, as the dollar’s de facto displacement of sterling happened gradually over the first half of the 20th century. Second, Britain’s loss of reserve currency status contradicts assumptions of terminal decline. Of course, sterling’s displacement went hand in hand with the decline of the British Empire, but Britain’s wealth has ground inexorably higher in the 100 years since this process started -- and the pound remains a leading international currency. While dollar Cassandras will continue to write obituaries, it’s worth pausing and reflecting on history and what has driven the greenback’s resilience thus far. All this points to longevity though certainly not immortality.

#### The turn comes before AFF solvency---Markets shift quickly once a credible threat to the dollar is perceived.

Jay Clayton 21. American attorney who served as the chairman of the U.S. Securities and Exchange Commission. "America’s Future Depends on the Blockchain." WSJ Opinions, December 16, 2021. https://www.wsj.com/articles/america-future-depends-on-blockchain-crypto-bitcoin-payments-transfers-federal-reserve-11639668586

Bitcoin and other novel “tokenized” assets—so called because ownership is documented as a unique digital token on a ledger such as blockchain—recently reached more than $3 trillion in total value. The race is now on to tokenize all types of assets. Embodying ownership, rights and obligations in blockchain-based tokens is in many ways superior to our legacy financial infrastructure. Tens of billions of dollars of tokenized assets change hands daily on markets that operate seamlessly around the clock. The nascent cryptocurrency market is the tip of the financial-information technology iceberg. Below the water’s surface lie vast, interconnected payment networks and credit and securities markets that exceed hundreds of trillions of dollars in asset value. We all use these markets and depend on them, but they are ripe for functional change. While securities trading and other financial transactions may appear instantaneous, many back-end processes still move at a snail’s pace in rigid sequences set decades ago. A mortgage payment isn’t completed when the funds leave the homeowner’s bank account. Those funds have many hands to go through before they come to rest, days or weeks later. Through tokenization, many of these cumbersome and costly processes can be streamlined with better market information, greater certainty and enhanced security. The potential efficiency improvements to the current system are enormous, including billions of dollars annually in reduced frictions and increased consumer choice. End-to-end tokenization of sovereign currencies, securities, loans, real estate, mortgages, pledges, and related payments and credit is a once-in-a-generation opportunity for both entrepreneurs and nimble incumbents. It is also an existential threat to those who are slow to adapt. What is government’s role? Regulation is essential to our financial markets, and there is no doubt that tokenized financial assets should be regulated to ensure financial stability, promote capital formation, prevent illicit activity, and protect consumers. But there is more the U.S. government must do. Innovators must have assurances that if they follow time-tested regulatory principles, they will be free to pursue the market opportunities provided by better functionality. The government should actively facilitate the adoption of **tech**nology in **core U.S. dollar funding and payments markets**. This is a matter of national security and financial stability. The most important financial market in the world, the U.S. Treasury market, is a government market. Virtually all other financial markets, at home and abroad, have some tie to the U.S. Treasury market, including the cash in our wallets and the entries in our bank accounts. A central bank’s digital currency, or “digital dollar” is the tail of the dog. Financial regulators, in tandem with the private sector, should be focusing on the dog. Dollar primacy and stability are critical to global economic development, financial stability and U.S. national security. In the face of broad technological change, **primacy** of the U.S. dollar **is by no means certain**. China views this technological shift as an opportunity not only to achieve operational efficiencies but to extend the reach and influence of yuan-based payments and lending. Chinese authorities are driving digitization and tokenization in their core payment and credit markets, allowing greater government monitoring and control. And there is no doubt Chinese leadership plans to extend similar practices to international trade and finance, **expanding their influence over global commerce**. The U.S. must recognize the reserve currency race is on, and winning is the only rational objective. We have a head start in both traditional markets and new tokenized markets. More than 95% of stablecoins by value are based on the U.S. dollar. In other words, at the incipient stages of this global shift in financial technology, dollars—actually U.S. Treasury securities—have remained the preferred liquid store of value for new and traditional markets. But stability and leadership can erode quickly in times of technological change. Another nation seizing control of global credit and payment systems would not only affect our global standing but also could destabilize the global financial system. Time is of the essence. Emerging as the standard-setter in any technological shift has great and one-time-only multiplier effects. Investment capital and ingenuity flow quickly to the emerging standard, further enhancing its acceptance and related economies of scale. The U.S. should use its head start to set the standard for tomorrow’s marketplace. One potential path is an open public-private effort to explore the tokenization of the U.S. Treasury market and related funding processes. Imagine the efficiencies and regulatory enhancements provided by real-time trading, clearing and settlement in the U.S. Treasury market. How about the many efficiencies and welfare-enhancing products that could be **built off tokenized interoperability among the Federal Reserve**, regulated financial institutions, other financial services providers, investors, savers and consumers? Imagine the benefits to the U.S. from modernizing current payment markets rather than waiting for new ones to develop. Imagine the **investment and human capital** that would flow in the direction of U.S. ingenuity, virtually immediately, if such an effort were announced. The iceberg, above and below the surface, is much bigger than we saw just a few years ago. It’s time for a public-private partnership to ensure that it floats in the direction of our long-term commitment to free and fair markets, global financial stability and consumer welfare in every country.

#### 2AC ev doesn’t say resiliency---just that displacement is long term---we read yellow:

Dr. Stephen 2AC Kirchner 19, Director of the International Economy Program at the United States Studies Centre at the University of Sydney, Senior Fellow at the Fraser Institute, PhD in Economics from the University of New South Wales, “The ‘Reserve Currency’ Myth: The US Dollar’s Current and Future Role in the World Economy”, United States Studies Centre, 11/11/2019, https://www.ussc.edu.au/analysis/the-reserve-currency-myth-the-us-dollars-current-and-future-role-in-the-world-economy

The US dollar remains the dominant currency for international trade and investment, foreign exchange market turnover and settlements, debt issuance and official foreign exchange reserves. The dominant role of the US dollar in the world economy reflects the unrivalled depth and liquidity of US dollar capital markets, backed by America’s high quality political and economic institutions.

Contrary to popular myth, the US dollar’s role owes very little to its status as a so-called "reserve currency". The fact that the US dollar makes up most of the world’s official foreign currency assets is a symptom, not a cause, of the US dollar’s dominant role. If foreign central banks were to hold less US dollar assets, it would make almost no difference to the US dollar exchange rate or interest rates.Nor does the role of the US dollar depend on a "strong dollar" policy. So long as the US enjoys a floating exchange rate and an independent Federal Reserve continues to target domestic inflation, the US does not have a meaningful or effective dollar policy. While President Trump has shifted US official rhetoric by signalling a preference for a weaker exchange rate to boost US export competitiveness, this preference means little without backing from Federal Reserve policy. The US Treasury, with or without the support of the US Federal Reserve, could intervene in foreign exchange markets with a view to influencing the value of the exchange rate. However, such intervention would have little to no sustained effect on the US dollar exchange rate and would do little to change US export competitiveness. Such intervention would only serve to increase foreign exchange market volatility. For all the talk of "currency wars", exchange rates are difficult to weaponise.

The role of the US dollar also does not depend on its relative strength against other currencies. The US dollar has seen significant cyclical swings in value against other currencies, consistent with the role of a floating exchange rate in intermediating foreign and domestic economic shocks. Perennial predictions of the US dollar’s demise as the dominant international currency have not been borne out because they misunderstand the sources of the US dollar’s role or because they wrongly assume that a decline in the US dollar exchange rate is inconsistent with its role as the world’s dominant currency.

In principle, the US dollar’s role could be supplanted by other currencies. But the US dollar’s nearest potential are beset with problems. The euro is part of a dysfunctional monetary union that has impoverished some member economies, while enriching others, given rise to political and diplomatic tensions that are tearing the European Union apart. China’s RMB is part of a managed exchange rate regime and a system of capital controls and financial repression that is inconsistent with the RMB achieving international status. RMB-denominated assets suffer from poor quality governance, insecure property rights and a non-existent rule of law. Cryptocurrencies may challenge the role of fiat currencies, but are more likely to displace less dominant currencies before displacing the US dollar. The US dollar is likely to remain the principal benchmark against which cryptocurrencies are priced.

The US dollar typically strengthens at times of international economic and political stress, highlighting the relative strength of US political and economic institutions. This remains the case, even as President Trump has unleashed a chaotic trade war against the rest of the world. While there is some evidence that domestic political partisanship undermines the safe-haven appeal of the US dollar,52 the US dollar’s international role is unlikely to be significantly diminished by the Trump administration and could be reinforced, even if for perverse reasons. The policy uncertainty associated with President Trump’s trade war has led to a 12 per cent appreciation in the US dollar in real terms, exacerbating trade tensions.