# 1NC

## States

#### The fifty states and relevant subnational entities ought to unilaterally

#### recognize protection of competition as the purpose of antitrust law for the private sector and favor structural remedies, including blocking mergers and instituting breakups, over conduct remedies.

#### Increase funding for NAAG

#### State coordination solves---multistate litigation and enforcement bureaus overcome deficits.

Arteaga ’21 [Juan and Jordan Ludwig; January 28; former Deputy Assistant Attorney General for the U.S. Department of Justice’s Antitrust Division, J.D. from Columbia Law School; partner in the Antitrust and Competition Group at Crowell and Moring firm, J.D. from Loyola Law School; Global Competition Review, “The Role of US State Antitrust Enforcement,” <https://globalcompetitionreview.com/guide/private-litigation-guide/second-edition/article/the-role-of-us-state-antitrust-enforcement>]

In the United States, competition laws have been implemented and enforced through a dual system where the state and federal governments play distinct, yet complementary, roles in regulating the competitive process. While the Department of Justice (DOJ) Antitrust Division and Federal Trade Commission (FTC) are widely viewed as the stewards of US antitrust laws, state attorneys general have long played an important, albeit varying, role within the United States’ antitrust enforcement regime. This has been especially true during the past 30 years because state attorneys general have become much more effective at coordinating their antitrust enforcement efforts to ensure that they have a meaningful seat at the table in any actions brought jointly with their federal counterparts or are able to bring their own actions when the DOJ and FTC decide not to do so.

Prior to the enactment of the first federal antitrust law – the Sherman Act – in 1890, state antitrust enforcement was quite robust in the United States because at least 26 states had already enacted some form of antitrust prohibition.[[2]](https://globalcompetitionreview.com/guide/private-litigation-guide/second-edition/article/the-role-of-us-state-antitrust-enforcement#footnote-126) In addition, state enforcers had often used general corporation law and common law restraint of trade principles to regulate anticompetitive business practices and transactions.[[3]](https://globalcompetitionreview.com/guide/private-litigation-guide/second-edition/article/the-role-of-us-state-antitrust-enforcement#footnote-125) This well-established state antitrust enforcement infrastructure – coupled with the fact that the Antitrust Division and FTC had only recently been created – permitted state attorneys general to continue playing a leading enforcement role for the first 30 years after the Sherman Act’s passage.[[4]](https://globalcompetitionreview.com/guide/private-litigation-guide/second-edition/article/the-role-of-us-state-antitrust-enforcement#footnote-124) Indeed, state attorneys general successfully prosecuted a number of the most consequential antitrust enforcement actions during this period.[[5]](https://globalcompetitionreview.com/guide/private-litigation-guide/second-edition/article/the-role-of-us-state-antitrust-enforcement#footnote-123)

In the early 1920s, however, state antitrust enforcers began playing a less prominent role because ‘the national dimension of the most important trusts, . . . as well as their ability to restructure in order to evade problematic state laws’, made clear that the federal government needed to step forward in order to adequately protect consumers and the competitive process.[[6]](https://globalcompetitionreview.com/guide/private-litigation-guide/second-edition/article/the-role-of-us-state-antitrust-enforcement#footnote-122) As a result, the DOJ and FTC – whose national jurisdiction and greater resources enabled them to tackle the most pressing competition issues of the time – displaced state attorneys general as the primary source of government antitrust enforcement within the United States.[[7]](https://globalcompetitionreview.com/guide/private-litigation-guide/second-edition/article/the-role-of-us-state-antitrust-enforcement#footnote-121) This largely remained true until the mid-1970s when Congress, in response to the DOJ and FTC’s perceived inactivity, passed two laws that expanded the authority of state attorneys general to enforce the federal antitrust laws and provided them with financial resources to do so.[[8]](https://globalcompetitionreview.com/guide/private-litigation-guide/second-edition/article/the-role-of-us-state-antitrust-enforcement#footnote-120)

In 1976, Congress passed the Hart-Scott-Rodino Antitrust Improvement Act, which, among other things, authorised state attorneys general to bring parens patriae suits (i.e., legal actions brought on behalf of natural persons residing within their states) seeking monetary (treble damages) and injunctive relief for Sherman Act violations.[[9]](https://globalcompetitionreview.com/guide/private-litigation-guide/second-edition/article/the-role-of-us-state-antitrust-enforcement#footnote-119) Congress also passed the Crime Control Act of 1976, which, among other things, provided state attorneys general with tens of millions in federal grants as ‘seed money’ for the creation of antitrust bureaus within their offices.[[10]](https://globalcompetitionreview.com/guide/private-litigation-guide/second-edition/article/the-role-of-us-state-antitrust-enforcement#footnote-118) These laws had their intended effect of reinvigorating state antitrust enforcement.

During the 1980s, for example, state attorneys general once again emerged as vigorous antitrust enforcers, especially with respect to the prosecution of resale price maintenance practices and other vertical restraints.[[11]](https://globalcompetitionreview.com/guide/private-litigation-guide/second-edition/article/the-role-of-us-state-antitrust-enforcement#footnote-117) The rise in the level and prominence of state antitrust enforcement during this period was largely due to a perceived enforcement void at the federal level, where the DOJ and FTC had mostly limited their focus to ‘prohibiting cartels and large horizontal mergers’.[[12]](https://globalcompetitionreview.com/guide/private-litigation-guide/second-edition/article/the-role-of-us-state-antitrust-enforcement#footnote-116) No longer content with ceding antitrust enforcement to federal enforcers, state attorneys general expanded their antitrust dockets from prosecuting purely ‘local matters, such as bid-rigging on state contracts’, to actively investigating and litigating matters with multistate and national implications.[[13]](https://globalcompetitionreview.com/guide/private-litigation-guide/second-edition/article/the-role-of-us-state-antitrust-enforcement#footnote-115) To help ensure that they had a larger seat at the antitrust enforcement table, state attorneys general also increased the coordination of their enforcement efforts and competition advocacy through organisations such as the National Association of Attorneys General (NAAG), which created a Multistate Antitrust Task Force and issued state Vertical Restraints and Horizontal Merger Guidelines during this period.[[14]](https://globalcompetitionreview.com/guide/private-litigation-guide/second-edition/article/the-role-of-us-state-antitrust-enforcement#footnote-114)

## Politics

politics

#### Biden’s on track to pass both bills but can’t lose a single vote.

Foran et al. ‘10/28 [Clare; 10/28/21; congressional reporter for CNN Politics; et al.; "House Democrats again delay infrastructure vote amid party divisions," https://www.cnn.com/2021/10/28/politics/biden-agenda-deal-democrats/index.html]

Notably, however, Manchin signaled support for a $1.75 trillion top line for the package.

Asked by CNN if that price was too high, he said, "No," adding, "That was negotiated."

This is the first public indication that Manchin will accept a price tag higher than $1.5 trillion, which he had previously said was the figure he was willing to settle on.

And despite the scrapped infrastructure vote, the White House expressed optimism that both bills would eventually pass. "Legislative text is starting to become public, and the road to passing both critical parts of the President's plan to make our economy deliver for middle class families—not just the wealthy—is clearer than ever," White House press secretary Jen Psaki said in a statement Thursday evening.

'We are going to pass both bills'

As she left the final House vote of the night, Rep. Pramila Jayapal -- the chair of the Congressional Progressive Caucus, who has said that just having a framework on the larger spending plan is not enough -- told reporters, "We are going to pass both bills."

"The President said he believes he's got 50 votes in the Senate and I think it's a lot for him to say that," the Washington state Democrat said. She has made clear, though, that progressives want a vote on both bills in the House at the same time.

Earlier in the day, after a separate meeting with House progressives, she had said, "Everyone in the room enthusiastically endorsed a resolution that approves in principle the framework the President laid out today."

"We intend to vote for both bills when the Build Back Better Act is ready," she said, referring to the larger climate and economic package. But, she added, "we do need the vote on both bills in the House at the same time."

"We have 96, 98% of the caucus on the same page," Democratic Rep. Alexandria Ocasio-Cortez of New York said. "We just need to figure out what these two folks are willing to commit to and once we get real clarity on that, on what is a yes, then I think we'll be able to move forward," she said of Manchin and Sinema.

Senate Democrats cannot afford to lose a single vote to pass the bill under a process they plan to use known as budget reconciliation.

#### Antitrust requires PC, knocking out competing domestic initiatives.

Carstensen ’21 [Peter; February 2021; Fred W. & Vi Miller Chair in Law Emeritus at the University of Wisconsin Law School; Concurrences, “The ‘Ought’ and ‘Is Likely’ of Biden Antitrust,” <https://www.concurrences.com/en/review/issues/no-1-2021/on-topic/the-new-us-antitrust-administration-en#carstensen>]

14. Similarly, despite bipartisan murmurs about competitive issues, the potential in a closely divided Congress that any major initiatives will survive is limited at best. In part the challenge here is how the Biden administration will rank its commitments. If it were to make reform of competition law a major and primary commitment, it would have to trade off other goals, which might include health care reform or increases in the minimum wage. It is likely in this circumstance the new administration, like the Obama administration’s abandonment of the pro-competitive rules proposed under the PSA, would elect to give up stricter competition rules in order to achieve other legislative priorities.

15. Another key to a robust commitment to workable competition is the choice of cabinet and other key administrative positions. Here as well, the early signs are not entirely encouraging. In selecting Tom Vilsack to return as secretary of agriculture, the president has embraced a friend of the large corporate interests dominating agriculture who has spent the last four years in a highly lucrative position advancing their interests. Given the desperate need for pro-competitive rules to implement the PSA and control exploitation of dairy farmers through milk-market orders, the return of Vilsack is not good news. Who will head the FTC and who will be the attorney general and assistant attorney general for antitrust is still unknown, but if those picks are also centrists with strong links to corporate America the hope for robust enforcement of competition law will further attenuate!

16. In sum, this is a pessimistic prognostication for the likely Biden antitrust enforcement agenda. There is much that ought to be done. But this requires a willingness to take major enforcement risks, to invest significant political capital in the legislative process, and to select leaders who are committed to advancing the public interest in fair, efficient and dynamically competitive markets. The early signs are that the new administration will be no more committed to robust competition policy than the Obama administration. Events may force a more vigorous policy—I will cling to that hope as the Biden administration takes shape.

#### Quickly secures the vulnerable grid.

Carney ’21 [Chris, August 6; Senior Policy Advisor at Nossaman LLC, former US Representative, Former Professor of Political Science at Penn State University; JD Supra, “The US Senate Infrastructure Bill: Securing Our Electrical Grid Through P3s and Grants,” https://www.jdsupra.com/legalnews/the-us-senate-infrastructure-bill-4989100/]

As we begin to better understand the main components of the Infrastructure Investment and Jobs Act that the US Senate is working to pass this week, it is clear that public-private partnerships ("P3s") are a favored funding mechanism of lawmakers to help offset high costs associated with major infrastructure projects in communities. And while past infrastructure bills have used P3s for more conventional projects, the current bill also calls for P3s to help pay for protecting the US electric grid from cyberattacks. Responding to the increasing number of cyberattacks on our nation’s infrastructure, and given the fragile physical condition of our electrical grid, the Senate included provisions to help state, local and tribal entities harden electrical grids for which they are responsible.

Section 40121, Enhancing Grid Security Through Public-Private Partnerships, calls for not only physical protections of electrical grids, but also for enhancing cyber-resilience. This section seeks to encourage the various federal, state and local regulatory authorities, as well as industry participants to engage in a program that audits and assesses the physical security and cybersecurity of utilities, conducts threat assessments to identify and mitigate vulnerabilities, and provides cybersecurity training to utilities. Further, the section calls for strengthening supply chain security, protecting “defense critical” electrical infrastructure and buttressing against a constant barrage of cyberattacks on the grid. In determining the nature of the partnership arrangement, the size of the utility and the area served will be considered, with priority going to utilities with fewer available resources.

Section 40122 compliments the previous section as it seeks to incentivize testing of cybersecurity products meant to be used in the energy sector, including SCADA systems, and to find ways to mitigate any vulnerabilities identified by the testing. Intended as a voluntary program, utilities would be offered technical assistance and databases of vulnerabilities and best practices would be created. Section 40123 incentivizes investment in advanced cybersecurity technology to strengthen the security and resiliency of grid systems through rate adjustments that would be studied and approved by the Secretary of Energy and other relevant Commissions, Councils and Associations.

Lastly, Section 40124, a long sought-after package of cybersecurity grants for state, local and tribal entities is included in the bill. This section adds language that would enable state, local and tribal bodies to apply for funds to upgrade aging computer equipment and software, particularly related to utilities, as they face growing threats of ransomware, denial of service and other cyberattacks. However, under Section 40126, cybersecurity grants may be tied to meeting various security standards established by the Secretary of Homeland Security, and/or submission of a cybersecurity plan by a grant applicant that shows “maturity” in understanding the cyber threat they face and a sophisticated approach to utilizing the grant.

While the final outcome of the Infrastructure Investment and Jobs Act may still be weeks or months away, inclusion of these provisions not only demonstrates a positive step forward for the application of federal P3s and grants generally, they also show that Congress recognizes the seriousness of the cyber threats our electrical grids face. Hopefully, through judicious application of both public-private partnerships and grants, the nation can quickly secure its infrastructure from cyberattacks.

#### Grid vulnerabilities spark nuclear war.

Klare ’19 [Michael; November; Professor Emeritus of Peace and World Security Studies at Hampshire College; Arms Control Association, “Cyber Battles, Nuclear Outcomes? Dangerous New Pathways to Escalation,” https://www.armscontrol.org/act/2019-11/features/cyber-battles-nuclear-outcomes-dangerous-new-pathways-escalation]

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

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

## FTC

FTC Tradeoff

#### The FTC will enforce ‘right to repair’ now---it spurs growth and innovation, particularly in agriculture.

Minter ’21 [Adam; July 11; Columnist and author; Bloomberg, “Americans Must Reclaim Their Right to Repair,” <https://www.bloomberg.com/opinion/articles/2021-07-11/americans-must-reclaim-their-right-to-repair>]

When the Apple II personal computer was shipped in 1977, it came with a [detailed manual](https://archive.org/details/Apple_II_Mini_Manual/page/n49/mode/2up) for upgrading and repairing the device. Parts were readily available from Apple Inc. (and, later, other manufacturers), and if Apple owners didn’t want to fix or upgrade at home, they could find plenty of small, competitive repair businesses to do the work for them.

That was then. These days, Apple’s products arrive sealed shut, often with [proprietary screws](https://www.ifixit.com/News/9905/bit-history-the-pentalobe). Service manuals, circuit-board schematics and repair parts are [reserved](https://www.ifixit.com/News/43179/apple-endangers-our-business-model-gets-a-repairability-point-for-it) for Apple’s technicians, shops and a handful of “authorized” partners. With no access to parts, manuals or indie repair shops, consumers pay much more to keep their devices running.

President Joe Biden’s new executive order to promote competition encourages the Federal Trade Commission to end such anti-competitive repair monopolies. It’s a contentious move. Apple and the makers of other technological products from farm tractors to [35mm cameras](https://www.ifixit.com/News/1349/how-nikon-is-killing-camera-repair) argue that their repair monopolies are good for consumers. But as these monopolies have grown, their toll on consumers, the environment and American productivity and innovation has risen. Biden’s recognition of a “right to repair” can help lower these costs and, at the same time, spur new kinds of growth across the economy.

Repair has always been a part of American life. The first prairie farmers had no option but to repair their own carts and plows. When mechanization came along, farmers became expert technicians — so skilled that companies often consulted them on tractor designs. During the past 15 years, as computers have been integrated into expensive farm equipment, that relationship has broken down. The handful of remaining implement manufacturers make sure that only dealerships, with specialized software tools, can diagnose problems. Those same tools are often also needed to install parts and authorize repairs.

The costs to farmers can be significant. Paying a Deere & Co dealership to plug in a computer to clear an error code on a tractor or combine can cost [hundreds of dollars](https://www.vice.com/en/article/xykkkd/why-american-farmers-are-hacking-their-tractors-with-ukrainian-firmware) — not including transporting the tractor to the dealership. Worse, by limiting access to crucial diagnostic and repair tools, manufacturers cause significant delays during harvest, planting and other busy periods. At certain times, a piece of equipment immobilized for even a few hours can cost a farmer thousands of dollars.

As farmers lose money, farm manufacturers with parts and service businesses [profit handsomely](https://uspirg.org/feature/usp/deere-headlights). From 2013 to 2019, Deere & Co annual sales of new equipment declined 19%, to $23.7 billion, while sales of parts increased 22%, to $6.7 billion. Harvester manufacturers aren’t the only ones who’ve spotted a growth market in restricting access to repair. In 2019, Apple’s Tim Cook [conceded](https://www.apple.com/newsroom/2019/01/letter-from-tim-cook-to-apple-investors/) that lower-cost iPhone battery replacements had negatively impacted new iPhone sales. More expensive repairs, on the other hand, lead customers to think they may as well buy a new phone.

That’s bad for the buyers of Apple’s expensive new phones and even worse for lower-income consumers who rely on secondhand devices. Lack of competition in repair markets raises the cost of owning older devices, and ultimately accelerates their untimely, wasteful disposal.

The first calls to roll back manufacturer restrictions on repair, in the early 2010s, were focused on cars. But the problem now encompasses everything from phones to farm equipment. Since 2014, [32 states](https://www.repair.org/legislation) have considered so-called Fair Repair bills. Earlier this year, the New York legislature became the [first](https://states.repair.org/states/newyork/) to pass one.

But manufacturers have pushed hard to defeat such legislation. In 2017, Apple warned Nebraska lawmakers that Fair Repair “would make it very easy for hackers to relocate to Nebraska.” [TechNet](http://technet.org/), a trade group that represents Apple, Amazon Inc. and Google, has [warned](https://www.bloomberg.com/news/articles/2021-05-20/microsoft-and-apple-wage-war-on-gadget-right-to-repair-laws) several states that Fair Repair legislation would somehow jeopardize the safety of devices. (TechNet did not respond to requests for examples of such consumer safety threats.)

The federal government has not bought these arguments. In May, the Federal Trade Commission [reported](https://www.ftc.gov/news-events/blogs/business-blog/2021/05/nixing-fix-report-explores-consumer-repair-issues) that “many of the explanations manufacturers gave for repair restrictions aren’t well-founded.” Biden’s executive order now encourages the FTC to “limit powerful equipment manufacturers from restricting people’s ability to use independent repair shops or do DIY repairs.”

#### The plan trades off.

Nylen ’20 [Leah; December 10; Antitrust journalist; Politico, “FTC suffering a cash crunch as it prepares to battle Facebook,” <https://www.politico.com/news/2020/12/10/ftc-cash-facebook-lawsuit-444468>]

The agency that just launched a landmark antitrust suit to break up Facebook is so strapped for cash that its leaders have discussed shrinking their staff and warned against taking on more cases.

In a series of emails to all Federal Trade Commission staff, obtained by POLITICO, Executive Director David Robbins said the agency would face a period of “belt tightening” to cut costs — and that filing fewer cases and trimming litigation expenses must be on the table.

“[W]e will either need to bring fewer expert intensive cases or significantly decrease our litigation costs (e.g. experts, transcripts, litigation support contractors, etc.),” Robbins said in an Oct. 29 email.

The emails offer an increasingly dire portrait of the money woes facing the FTC, which has launched a record amount of litigation in the past year even as the pandemic has caused a sharp reduction in the corporate merger filing fees that normally supply about half its budget. The crunch also raises the possibility that the FTC may not have the cash it needs to win its case against Facebook, which is gearing up for an expensive fight, or to take on additional companies like Amazon.

#### Extinction.

Castellaw ’18 [John; March 14; Lieutenant General in the United States Marine Corps, member of the Center for Climate and Security’s Advisory Board, teaching fellow in the College of Business and Global Affairs at the University of Tennessee; Senate Committee on Foreign Relations, “Why Food Security Matters,” <https://www.foreign.senate.gov/imo/media/doc/031418_Castellaw_Testimony.pdf>]

Food Security Is Critical to Our National Security

The United States faces many threats to our National Security. These threats include continuing wars with extremist elements such as ISIS and potential wars with rogue state North Korea or regional nuclear power Iran. The heated economic and diplomatic competition with Russia and a surging China could spiral out of control. Concurrently, we face threats to our future security posed by growing civil strife, famine, and refugee and migration challenges which create incubators for extremist and anti-American government factions. Our response cannot be one dimensional but instead must be nuanced and comprehensive, employing “hard” as well as “soft” power in a National Security Strategy combining all elements of National Power, including a Food Security Strategy.

An American Food Security Strategy is an imperative factor in reducing the multiple threats impacting our National wellbeing. Recent history has shown that reliable food supplies and stable prices produce more stable and secure countries. Conversely, food insecurity, particularly in poorer countries, can lead to instability, unrest, and violence. Food insecurity drives mass migration around the world from the Middle East, to Africa, to Southeast Asia, destabilizing neighboring populations, generating conflicts, and threatening our own security by disrupting our economic, military, and diplomatic relationships. Food system shocks from extreme food-price volatility can be correlated with protests and riots. Food price related protests toppled governments in Haiti and Madagascar in 2007 and 2008. In 2010 and in 2011, food prices and grievances related to food policy were one of the major drivers of the Arab Spring uprisings.

These conclusions are based on my decades of experience while serving as a Marine around the world and from a lifetime as a steward of the soil on my family farm in Tennessee. I see food security strategy in military terms as either being “defensive” or “offensive”. “Defensive” includes those actions we take to protect our agricultural infrastructure including crops, livestock and the food chain here in the United States. Conversely, the “Offensive” side of food security takes the initiative to deal with food security issues overseas and this is where I will spend most of my time today.

There is a good reason for our success on the “defensive” here at home in ensuring our own food security. As my good friend and former Tennessee Deputy Agriculture Commissioner Louis Buck points out to me, American agriculture has always been about public/private enterprise. The Morrill Act of 1862 – showing our Country’s foresight and confidence in the future even in the dark days of our Civil War – created our Land Grant University model of teaching, research and extension. And equally importantly, we have a private sector that values individual initiative, unleashing an unparalleled vitality. With that vitality driving innovation, our farmers and ranchers leverage the expertise and information from the public sector to manage risks and seek profits from deployed capital. But above all, American farmers and ranchers are our “citizen soldiers” on the front lines here at home fighting to guarantee our food security.

America is also blessed with fertile soil, water availability, moderate climate, and the advanced technology to successfully utilize our abundance. Whether I walk the corn fields of Indiana or the cotton fields of Tennessee, I see agricultural technology in use that is amazing. Soon after I retired from the Marines and came home to the family farm, I climbed into the cab of a self-propelled sprayer. Settling into the seat was like strapping into the cockpit of one of the aircraft I flew, except the sprayer had more computing power and better data links. All these factors, public and private, natural and manmade, hard work and innovation, combine to provide the American people with the widest choices in the world of wholesome foods to eat and clothes to wear.

## BizCon

Biz Con

#### Growth will rebound due to self-sustaining corporate performance.

Van der Welle ’21 [Peter; July 7; Strategist within the Global Macro team, M.A. in Economics from Tilburg University; Robeco, “How capex holds the key to a self-sustaining economic recovery,” <https://www.robeco.com/latam/en/insights/2021/07/how-capex-holds-the-key-to-a-self-sustaining-economic-recovery.html>]

Title:

How capex holds the key to a self-sustaining economic recovery.

Capital expenditure to fix supply shortages and meet burgeoning demand is seen figuring strongly in the post-Covid recovery.

[Author and summary omitted].

Companies are expected to invest heavily in new equipment and capacity as they seek to meet the pent-up demand released from economic reopening.

“The world is emerging from the pandemic, and much of the focus has been on the release of huge pent-up demand for goods and services that have been inaccessible for much of the past year,” says Peter Van der Welle, strategist with Robeco’s multi-asset team.

“But there is a bigger issue regarding the ability of companies to supply these goods and services, due to the supply side constraints that have emerged through economic reopening. We believe this is powering a resurgence in capital expenditure by companies, and those which are investing in new equipment to meet greater demand will be the more sought after stocks.”

Capex intentions

Van der Welle says this trend can already be seen in the US Federal Reserve’s Capex Intentions Index, which shows that steep year-on-year increases in capital expenditures are planned.

“So, that's promising for a near-term rebound in the capex cycle,” he says. “The market has already picked up on that theme because you can see a clear outperformance of capex-intensive stocks compared to the broader market year to date.”

Fiscal dominance

Van der Welle says five elements support the multi-asset team’s view that capex will rise from here onwards. “The first is the overarching macroeconomic picture in that we are increasingly moving towards an environment of fiscal dominance and away from one that has been monetary-led via quantitative easing,” he says.

“Central banks have pursued very easy monetary policies, but they have hit the nominal lower bounds with regard to policy rates.”

“This is a hard constraint because real rates are difficult for central banks to push even lower than they are nowadays, given the strong consensus among both central bankers and market participants that inflation is transitory.”

Big spending plans

For stimulus, fiscal policy is better suited to address the negative supply shock that Covid-19 has posed. Fiscal dominance can be seen in the huge infrastructure spending planned in the US, with the USD 1.9 trillion American Rescue Plan already in motion, and the USD 2 trillion American Jobs Plan going through Congress. In Europe, the disbursement of the EUR 750 billion EU Recovery Fund is due to start later in July.

“An era of fiscal dominance is able to say goodbye to the secular stagnation thesis, which holds that the economy is suffering from under-investment,” says Van der Welle. “Under-investment due to insufficient demand, which was the biggest problem after the global financial crisis, has become less likely.”

“We saw very subdued consumption growth both in the US and elsewhere between 2009 and 2019. That story is reversing in the US. Households’ income has been supported by fiscal policy during the Covid-19 recession, while burgeoning consumer demand in the reopening phase could prove to be more sticky as employment prospects continue to improve in the medium term.”

Tobin’s Q looks good

A third reason to expect higher capex is driven by ‘Tobin’s Q’ – the market value of a company divided by its assets' replacement cost. If this ratio is above one, then corporates have an incentive to invest directly in the underlying assets rather than buying another company at market value to acquire the same assets.

The Tobin’s Q ratio is currently at 1.7 for the US. “So it's very expensive to do M&A, and it is wiser for corporates to invest in the underlying capital goods themselves,” Van der Welle says.

“We should therefore expect a gradual move away from M&A activity towards companies making direct investments in capital goods.”

Supply-side constraints

The fourth element is the severe supply-side constraints seen in the global economy, as capacity shut down during the pandemic.

“This is reflected in the ISM Prices Paid Index, which reached an all-time high in June in reflection of rampant shortages of raw materials and labor,” says Van der Welle.

“Clearly the issue today following the pandemic is not demand related, but supply related. This will also trigger more awareness to push the productivity frontier and incentivize capital expenditure.”

Less reliance on labor

The fifth element is the partial substitution from labor to capital in the US against the backdrop of lingering labor shortages.

“A decline in the labor force participation rate shows that people are not quickly returning to the labor force, as they have been disincentivized by the subsidies and pay checks they have gained from the stimulus plans, and/or structural changes in their work/life balance due to the pandemic,” says Van der Welle.

“When the cost of labor becomes more expensive, substituting labor with capital becomes more attractive for employers. Typically, the inflection point for capex intentions becoming positive is when unit labor costs rise by more than 2% year on year, which is the case today.”

Capex will lengthen the earnings cycle

Regarding earnings, there is a significant relationship between capex intentions and productivity, though the lag from intending to invest to actually getting a realized productivity gain is quite long – up to several years.

Higher capex that eventually brings higher productivity growth will sustain the earnings cycle, Van der Welle says. Higher productivity gives corporates more pricing power because they suppress unit labor costs, and that means profit margins can stay elevated for longer.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### Extinction---recovery caps numerous geopolitical crises.

Baird ’20 [Zoe; October 2020; C.E.O. and President of the Markle Foundation, Member of the Aspen Strategy Group and former Trustee at the Council on Foreign Relations, J.D. and A.B. from the University of California at Berkeley; Domestic and International (Dis)order: A Strategic Response, “Equitable Economic Recovery is a National Security Imperative,” Ch. 13]

A strong and inclusive economy is essential for American national security and global leadership. As the nation seeks to return from a historic economic crisis, the national security community should support an equitable recovery that helps every worker adapt to the seismic shifts underway in our economy.

Broadly shared economic prosperity is a bedrock of America’s economic and political strength—both domestically and in the international arena. A strong and equitable recovery from the economic crisis created by COVID-19 would be a powerful testament to the resilience of the American system and its ability to create prosperity at a time of seismic change and persistent global crisis. Such a recovery could attack the profound economic inequities that have developed over the past several decades. Without bold action to help all workers access good jobs as the economy returns, the United States risks undermining the legitimacy of its institutions and its international standing. The outcome will be a key determinant of America’s national security for years to come.

An equitable recovery requires a national commitment to help all workers obtain good jobs—particularly the two-thirds of adults without a bachelor’s degree and people of color who have been most affected by the crisis and were denied opportunity before it. As the nation engages in a historic debate about how to accelerate economic recovery, ambitious public investment is necessary to put Americans back to work with dignity and opportunity. We need an intentional effort to make sure that the jobs that come back are good jobs with decent wages, benefits, and mobility and to empower workers to access these opportunities in a profoundly changed labor market.

To achieve these goals, American policy makers need to establish job growth strategies that address urgent public needs through major programs in green energy, infrastructure, and health. Alongside these job growth strategies, we need to recognize and develop the talents of workers by creating an adult learning system that meets workers’ needs and develops skills for the digital economy. The national security community must lend its support to this cause. And as it does so, it can bring home the lessons from the advances made in these areas in other countries, particularly our European allies, and consider this a realm of international cooperation and international engagement.

Shared Economic Prosperity Is a National Security Asset

A strong economy is essential to America’s security and diplomatic strategy. Economic strength increases our influence on the global stage, expands markets, and funds a strong and agile military and national defense. Yet it is not enough for America’s economy to be strong for some—prosperity must be broadly shared. Widespread belief in the ability of the American economic system to create economic security and mobility for all—the American Dream— creates credibility and legitimacy for America’s values, governance, and alliances around the world.

After World War II, the United States grew the middle class to historic size and strength. This achievement made America the model of the free world—setting the stage for decades of American political and economic leadership. Domestically, broad participation in the economy is core to the legitimacy of our democracy and the strength of our political institutions. A belief that the economic system works for millions is an important part of creating trust in a democratic government’s ability to meet the needs of the people.

The COVID-19 Crisis Puts Millions of American Workers at Risk

For the last several decades, the American Dream has been on the wane. Opportunity has been increasingly concentrated in the hands of a small share of workers able to access the knowledge economy. Too many Americans, particularly those without four-year degrees, experienced stagnant wages, less stability, and fewer opportunities for advancement.

Since COVID-19 hit, millions have lost their jobs or income and are struggling to meet their basic needs—including food, housing, and medical care.1 The crisis has impacted sectors like hospitality, leisure, and retail, which employ a large share of America’s most economically vulnerable workers, resulting in alarming disparities in unemployment rates along education and racial lines. In August, the unemployment rate for those with a high school degree or less was more than double the rate for those with a bachelor’s degree.2 Black and Hispanic Americans are experiencing disproportionately high unemployment, with the gulf widening as the crisis continues.3

The experience of the Great Recession shows that without intentional effort to drive an inclusive recovery, inequality may get worse: while workers with a high school education or less experienced the majority of job losses, nearly all new jobs went to workers with postsecondary education. Inequalities across racial lines also increased as workers of color worked in the hardest-hit sectors and were slower to recover earnings and income than White workers.4

The Case for an Inclusive Recovery

A recovery that promotes broad economic participation, renewed opportunity, and equity will strengthen American moral and political authority around the world. It will send a strong message about the strength and resilience of democratic government and the American people’s ability to adapt to a changing global economic landscape. An inclusive recovery will reaffirm American leadership as core to the success of our most critical international alliances, which are rooted in the notion of shared destiny and interdependence. For example, NATO, which has been a cornerstone of U.S. foreign policy and a force of global stability for decades, has suffered from American disengagement in recent years. A strong American recovery—coupled with a renewed openness to international collaboration—is core to NATO’s ability to solve shared geopolitical and security challenges. A renewed partnership with our European allies from a position of economic strength will enable us to address global crises such as climate change, global pandemics, and refugees. Together, the United States and Europe can pursue a commitment to investing in workers for shared economic competitiveness, innovation, and long-term prosperity.

The U.S. has unique advantages that give it the tools to emerge from the crisis with tremendous economic strength— including an entrepreneurial spirit and the technological and scientific infrastructure to lead global efforts in developing industries like green energy and biosciences that will shape the international economy for decades to come.

## Adv CP

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#### The United States federal government should pass the Artificial Intelligence Development Act, creating an agency tasked with certifying the safety of AI systems and a liability system under which the designers, manufacturers, and sellers of AI programs would be subject to limited tort liability. The United States federal government should replace welfare programs with universal basic income for all residents in the United States.

#### Universal basic income solves their inequality advantage

Santens 17 [Scott, is a founding member of the Economic Security Project, an adviser to the Universal Income Project, Bachelor of Science in Psychology, “Why we should all have a basic income,” Jan 15, 2017, World Economic forum, https://www.weforum.org/agenda/2017/01/why-we-should-all-have-a-basic-income]

“Basic income” would be an amount sufficient to secure basic needs as a permanent earnings floor no one could fall beneath, and would replace many of today’s temporary benefits, which are given only in case of emergency, and/or only to those who successfully pass the applied qualification tests. UBI would be a promise of equal opportunity, not equal outcome, a new starting line set above the poverty line. It may surprise you to learn that a partial UBI has already existed in Alaska since 1982, and that a version of basic income was experimentally tested in the United States in the 1970s. The same is true in Canada, where the town of Dauphin managed to eliminate poverty for five years. Full UBI experiments have been done more recently in places such as Namibia, India and Brazil. Other countries are following suit: Finland, the Netherlands and Canada are carrying out government-funded experiments to compare against existing programmes. Organizations like Y Combinator and GiveDirectly have launched privately funded experiments in the US and East Africa respectively. I know what you’re thinking. It’s the same thing most people think when they’re new to the idea. Giving money to everyone for doing nothing? That sounds both incredibly expensive and a great way to encourage people to do nothing. Well, it may sound counter-intuitive, but the exact opposite is true on both accounts. What’s incredibly expensive is not having basic income, and what really motivates people to work is, on one hand, not taking money away from them for working, and on the other hand, not actually about money at all. Basic income in numbers What tends to go unrealized about the idea of basic income, and this is true even of many economists – but not all – is that it represents a net transfer. In the same way it does not cost $20 to give someone $20 in exchange for $10, it does not cost $3 trillion to give every adult citizen $12,000 and every child $4,000, when every household will be paying varying amounts of taxes in exchange for their UBI. Instead it will cost around 30% of that, or about $900 billion, and that’s before the full or partial consolidation of other programmes and tax credits immediately made redundant by the new transfer. In other words, for someone whose taxes go up $4,000 to pay for $12,000 in UBI, the cost to give that person UBI is $8,000, not $12,000, and it’s coming from someone else whose taxes went up $20,000 to pay for their own $12,000. However, even that’s not entirely accurate, because the consolidation of the safety net and tax code UBI allows could drive the total price even lower. Now, this idea of replacing existing programmes can scare some just as it appeals to others, but the choice is not all or nothing: partial consolidation is possible. As an example of partial consolidation, because most seniors already effectively have a basic income through social security, they could either choose between the two, or a percentage of their social security could be converted into basic income. Either way, no senior would earn a penny less than now in total, and yet the UBI price tag could be reduced by about $220 billion. Meanwhile, just a few examples of existing revenue that could and arguably should be fully consolidated into UBI would likely be food and nutrition assistance ($108 billion), wage subsidies ($72 billion), child tax credits ($56 billion), temporary assistance for needy families ($17 billion), and the home mortgage interest deduction (which mostly benefits the wealthy anyway, at a cost of at least $70 billion per year). That’s $543 billion spent on UBI instead of all the above, which represents only a fraction of the full list, none of which need be healthcare or education. So what’s the true cost? The true net cost of UBI in the US is therefore closer to an additional tax revenue requirement of a few hundred billion dollars – or less – depending on the many design choices made, and there exists a variety of ideas out there for crossing such a funding gap in a way that many people might prefer, that would also treat citizens like the shareholders they are (virtually all basic research is taxpayer funded), and that could even reduce taxes on labour by focusing more on capital, consumption, and externalities instead of wages and salaries. Additionally, we could eliminate the $540 billion in tax expenditures currently being provided disproportionately to the wealthiest, and also some of the $850 billion spent on defence. Universal basic income is thus entirely affordable and essentially Milton Friedman’s negative income tax in net outcome (and he himself knew this), where those earning below a certain point are given additional income, and those earning above a certain point are taxed additional income. UBI does not exist outside the tax system unless it’s provided through pure monetary expansion or extra-governmental means. In other words, yes, Bill Gates will get $12,000 too but as one of the world’s wealthiest billionaires he will pay far more than $12,000 in new taxes to pay for it. That however is not similarly true for the bottom 80% of all US households, who will pay the same or less in total taxes. To some, this may sound wasteful. Why give someone money they don’t need, and then tax their other income? Think of it this way: is it wasteful to put seat belts in every car instead of only in the cars of those who have gotten into accidents thus demonstrating their need for seat belts? Good drivers never get into accidents, right? So it might seem wasteful. But it’s not because we recognize the absurd costs of determining who would and wouldn’t need seat belts, and the immeasurable costs of being wrong. We also recognize that accidents don’t only happen to “bad” drivers. They can happen to anyone, at any time, purely due to random chance. As a result, seat belts for everyone. The truth is that the costs of people having insufficient incomes are many and collectively massive. It burdens the healthcare system. It burdens the criminal justice system. It burdens the education system. It burdens would-be entrepreneurs, it burdens both productivity and consumer buying power and therefore entire economies. The total cost of all of these burdens well exceeds $1 trillion annually, and so the few hundred billion net additional cost of UBI pays for itself many times over. That’s the big-picture maths. The real effects on motivation But what about people then choosing not to work? Isn’t that a huge burden too? Well that’s where things get really interesting. For one, conditional welfare assistance creates a disincentive to work through removal of benefits in response to paid work. If accepting any amount of paid work will leave someone on welfare barely better off, or even worse off, what’s the point? With basic income, all income from paid work (after taxes) is earned as additional income so that everyone is always better off in terms of total income through any amount of employment – whether full time, part time or gig. Thus, basic income does not introduce a disincentive to work. It removes the existing disincentive to work that conditional welfare creates.

#### The counterplan’s AI agency leverages the strengths of both agencies and courts to create responsive AI policy without the need for broad deference

**Scherer 16** [Matthew U. Scherer, Attorney, Buchanan Angeli Altschul & Sullivan LLP, “REGULATING ARTIFICIAL INTELLIGENCE SYSTEMS: RISKS, CHALLENGES, COMPETENCIES, AND STRATEGIES,” Spring, 2016, Harvard Journal of Law & Technology, 29 Harv. J. Law & Tec 353]

Part IV sets forth a proposed regulatory regime for AI. The purpose of this proposal is not to provide a complete blueprint for an AI regulatory regime, but rather to start a conversation on how best to manage the public risks associated with AI without stifling innovation. To that end, the scheme outlined below proposes legislation, the Artificial Intelligence Development Act ("AIDA"), that would create an agency tasked with certifying the safety of AI systems. Instead of giving the new agency FDA-like powers to ban products it believes to be unsafe, AIDA would create a liability system under which the designers, manufacturers, and sellers of agency-certified AI programs would be subject to limited tort liability, while uncertified programs that are offered for commercial sale or use would be subject to strict joint and several liability.

AIDA leverages the respective institutional strengths of legislatures, agencies, and courts, as discussed in Part III, while taking account of the unique aspects of AI research that make it particularly difficult to regulate, as discussed in Part II. It takes advantage of legislatures' democratic legitimacy by assigning legislators the task of setting forth the goals and purposes that guide AI regulation. It delegates the substantive task of assessing the safety of AI systems to an independent agency staffed by specialists, thus insulating decisions about the safety of specific AI systems from the pressures exerted by electoral politics. This critical task is assigned to agencies because those institutions are better equipped than courts to assess the safety of individual AI systems, largely due to the misaligned incentives of the court system. Decisions regarding the safety of an emerging technology should not be informed primarily by testimony from hired guns chosen by litigants, particularly because individual court cases rarely reflect the overall risks and benefits associated with any technology. n146 Finally, AIDA leverages courts' experience in adjudicating individual disputes by assigning courts the tasks of determining whether an AI system falls within the scope of an agency-certified design and allocating responsibility when the interaction between multiple components of an AI system give rise to tortious harm.

This strong tort-based system would compel designers and manufacturers to internalize the costs associated with AI-caused harm -- ensuring compensation for victims and forcing AI designers, programmers, and manufacturers to examine the safety of their systems -- without the innovation-stifling effects of an agency empowered to ban certain AI systems outright.

## Tech Leadership

Tech Leadership DA

#### **America's maintaining tech leadership now, but antitrust expansion cedes tech dominance.**

Abbott et al. '21 [Alden; 3/10/21; Senior Research Fellow, formerly served on the Federal Trade Commission’s General Counsel, J.D. from Harvard Law School, M.A. in Economics from Georgetown University; "Aligning Intellectual Property, Antitrust, and National Security Policy," https://regproject.org/wp-content/uploads/Paper-Aligning-Intellectual-Property-Antitrust-and-National-Security-Policy.pdf/]

The U.S. government has recognized that “5G is a critical strategic technology [such that] nations that master advanced communications technologies and ubiquitous connectivity will have a long-term economic and military advantage.”8 The U.S. has had a substantial technological edge over our military and intelligence rivals in foundational R&D for 5G and other next-generation technologies. U.S. companies have long been leaders in the development of previous generations of core mobile standards (2G, 3G, 4G, and LTE). This technological leadership has made it possible for U.S. companies to ensure the security and integrity of the hardware and software products that make up the backbone of the U.S. telecommunication systems. This leadership must continue for the U.S. government to more effectively anticipate potential security risks and take the necessary steps to protect national security.9

Despite this history of clear technological leadership, there are causes for concern. First, a very small number of U.S. companies have made the investments in the overwhelming majority of the R&D necessary to develop 5G.10 Historically, U.S. companies have heavily invested in R&D, which has propelled the U.S. into leadership positions in critical standard development organizations working on foundational next-generation technologies like 5G.11 U.S. companies like Qualcomm play a significant and important role in this process through innovation, patenting, and standard setting, but they are not alone in the global community of high-tech companies.12 Backed by their nations’ leadership, Chinese and Korean companies have also invested heavily in developing the core technologies for 5G.13

The willingness of U.S. companies to invest in R&D is threatened, however. The development of 5G is a bit like a race, with the companies who develop the best technology coming out ahead. While U.S. companies are savvy and talented competitors in this race, aggressive and unwarranted use of antitrust law by U.S. regulators, as well as by foreign antitrust authorities, threatens to put obstacles in these companies’ paths and hinder their ability to lead.

III. Overly Aggressive Antitrust Enforcement Hinders American Technological Leadership and Threatens National Security

As companies from around the world develop the technology and standards for 5G mobile devices and networks, American companies are under threat by aggressive antitrust enforcement that ultimately redounds to the benefit of these foreign companies, which are economic competitors in countries that are also military competitors of the U.S. Over the past five years, foreign governments, particularly in Asia, have subjected U.S. companies to antitrust investigations that failed to follow basic norms of the rule of law, such as providing basic due process protections.14 These antitrust investigations were a thinly-disguised effort by these countries to force the transfer of U.S. patented technology to their own domestic companies, or to insulate their domestic companies from American competition. In recent years, Chinese, Korean, and Taiwanese antitrust authorities have brought nearly 30 investigations against 60 foreign companies across a range of industries, including manufacturing, life sciences, and technology.15

Antitrust challenges undermine intellectual property rights by forcing companies to license their products on non-market-based terms. One prominent example in U.S. history is when the Department of Justice wrung a concession from AT&T to license royalty-free the entire portfolio of 8,600 patents held by Bell Labs in a 1956 antitrust consent decree with the company.16 Today, the White House Office of Trade and Manufacturing Policy has observed that “China uses the Antimonopoly Law of the People’s Republic of China not just to foster competition but also to force foreign companies to make concessions such as reduced prices and below-market royalty rates for licensed technology.”17 Companies have also complained about poor policy guidance and procedural protections under China’s competition laws.18 Others have complained about China’s use of its competition laws to promote policy objectives rather than protect competition and advance consumer welfare.19 In one example, companies raised concerns with Article 7 of China’s State Administration of Industry Commerce (SAIC) 2015 Rules on the Prohibition of Conduct Eliminating or Restricting Competition by Abusing Intellectual Property Rights.20 Under this provision, intellectual property constitutes an “essential facility,” which could allow parties to raise abuse of intellectual property rights claims against patent owners for a unilateral refusal to license their patents.21

Predatory antitrust enforcement actions threaten the ability of U.S. companies to continue to be leaders in 5G technological development. China and other nations with similarly restrictive regulatory frameworks can weaken the ability of the United States to compete in global markets by exacting high monetary penalties from U.S. intellectual property owners or forcing the transfer of their intellectual property to domestic commercial rivals. As a penalty for violations of its competition laws, China can impose exorbitant fines that range up to 10% of a foreign company’s entire revenue in the prior year.22 This is not a legal rule observed in the breach; it has already resulted in fines just shy of $1 billion.23

Another way in which courts in China and other foreign countries are harming U.S. companies is through the use of anti-suit injunctions. One example of this is in the recent patent infringement lawsuit brought by InterDigital, an American high-tech company that has developed key technologies in wireless telecommunication, against Chinese company Xiaomi. In June 2020, Xiaomi filed a lawsuit in the Wuhan Intermediate Court in China requesting that the court set global licensing rates for InterDigital’s patents on standardized technologies. In July 2020, InterDigital sued Xiaomi in India for infringement of InterDigital’s Indian patents. The Wuhan Intermediate Court then ordered InterDigital to stop its lawsuit with its request for an injunction in India. The Chinese court further prohibited InterDigital from suing Xiaomi and requesting an injunction or damages in the form of reasonable licensing rates, or even to enforce a previously-issued injunction, in any other country. If InterDigital does not comply with this worldwide injunction against pursuing legal relief for the violation of its patents in any other country, the company faces a significant fine in China. The type of judicial order issued by the Wuhan court is known as an anti-suit injunction and its purpose is to force an intellectual property dispute to play out solely in a Chinese court at the behest of the Chinese government. These court orders demonstrate China’s desire to become the source of 5G innovation and to dictate the licensing terms of the technology, and the anti-suit injunctions hamstring U.S. companies like InterDigital from enforcing their intellectual property rights anywhere in the world.

The unfair use of antitrust enforcement and related legal actions like anti-suit injunctions to weaken U.S. intellectual property rights around the world risks diminishing U.S. global competitiveness in critical technologies like 5G, and further empowers China and others to expand their influence over the evolving 5G technological ecosystem. To the extent the U.S. cedes its dominance in 5G standards development, China will continue its focused efforts to fill that void. Huawei, a China-based company, has increased its R&D spending while growing its share of patents on the standardized technologies comprising 5G.24 The President’s Council on Science and Technology issued a report concluding that Chinese actions in the semiconductor industry, which include a range of policies backed by over $100 billion in government funds, threaten U.S. leadership in the industry and present risks to U.S. national security.25 China’s “Made in China 2025” plan called for China to become a leader in 5G technology, including in the development of the standards for the technology, by 2020.26 The plan expressly favors Chinese domestic producers, calling for raising the domestic content of core components in high-tech industries like 5G to 70% by 2025.27

This issue, however, extends far beyond simply the ability and willingness of U.S. companies to engage in the requisite R&D to participate in the 5G race. Reduced U.S. influence on 5G standard-setting would force the U.S. government to rely on untrusted foreign companies for its 5G product supply. The Department of the Treasury has expressed concern about the “well-known” U.S. national security risks posed by Huawei and other Chinese telecommunications companies.28

#### Flipping burden of proof delays innovation, stops procompetitive behavior, and causes excessive enforcement.

Kim ’19 [Karen; 7/8/19; J.D. Candidate at Columbia Law School; "Why Misinformed Assumptions About Digital Markets Matter," https://www.project-disco.org/competition/070819-why-misinformed-assumptions-about-digital-markets-matter/]

To correct the alleged build-up of market power among tech companies, the Stigler Report recommends many drastic policy options, one of which is overhauling the burden of proof standard under U.S. antitrust law. Under a monopolization claim pursuant to Section 2 of the Sherman Act, the government has the burden of proof to demonstrate that the defendant possesses “monopoly power” and engaged in “exclusionary conduct.” This allocation of burden is rooted in the long-standing Chicago school of thought that the over-deterrence of welfare-enhancing activities is more harmful to competition than false acquittals. Given the harm arising from letting some monopolies off the hook, the Report recommends that anticompetitive harm be presumed on the basis of preliminary showings and that the burden of exculpation be shifted to the defendant.

Estimating the potential cost of any erroneous policy decision is no easy task. How to best minimize the sum of both Type 1 and Type 2 errors in an antitrust enforcement action should be a subject of further economic research. But the Stigler Report goes too far when there is no legitimate justification to “rebalance” the scales. Presuming anticompetitive harm would hinder pro-competitive mergers, delay welfare-enhancing innovations, and increase litigation costs. Altering the default baseline would incentivize companies to challenge pro-competitive behavior by their rivals. Companies may avoid vertical mergers or other pro-competitive deals out of fear of growing “too big” and facing antitrust enforcement. Forgoing the economies of scale and growth in business could delay the launch of products and slow innovation. The original rationale behind the U.S. jurisprudence on the antitrust burden of proof still remains relevant to multi-sided platforms.

Lowering the evidentiary burden for agencies poses other problems too. Professor Thomas Lambert from University of Missouri School of Law, who participated in the 14th session of the FTC’s hearings on Competition and Consumer Protection in the 21st Century (which DisCo covered), raised the public choice problem with antitrust authorities. In theory, regardless of who has the burden of proof, federal agencies with antitrust expertise would come to a sound decision, informed by well-established economic principles in antitrust analysis. However, Professor Lambert cautioned that the expertise could breed “hubris” and over-confidence. He reminded that government officials are also rational, self-interest maximizers. Overseeing a big antitrust case could bolster one’s resume; the personal incentives could lead even a well-equipped federal agency to push towards excessive antitrust enforcement. This is yet another reason in favor of the traditional requirements for the government building an antitrust case. Facts must be rigorously examined before companies are proven guilty of anticompetitive behavior, not the other way around.

#### Causes extinction---uncontrolled risks from emerging tech cause rapid shifts in strategic stability and misuse---American dominance is key.

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

The system must also be adapted to deal with new issues that were not envisioned when the existing order was designed. Foremost among these issues is emerging and disruptive technology, including AI, additive manufacturing (or 3D printing), quantum computing, genetic engineering, robotics, directed energy, the Internet of things (IOT), 5G, space, cyber, and many others. Like other disruptive technologies before them, these innovations promise great benefits, but also carry serious downside risks. For example, AI is already resulting in massive efficiencies and cost savings in the private sector. Routine tasks and other more complicated jobs, such as radiology, are already being automated. In the future, autonomous weapons systems may go to war against each other as human soldiers remain out of harm’s way.

Yet, AI is also transforming economies and societies, and generating new security challenges. Automation will lead to widespread unemployment. The final realization of driverless cars, for example, will put out of work millions of taxi, Uber, and long-haul truck drivers. Populist movements in the West have been driven by those disaffected by globalization and technology, and mass unemployment caused by automation will further grow those ranks and provide new fuel to grievance politics. Moreover, some fear that autonomous weapons systems will become “killer robots” that select and engage targets without human input, and could eventually turn on their creators, resulting in human extinction. The other technologies on this lisgt similarly balance great potential upside with great downside risk. 3D printing, for example, can be used to “make anything anywhere,” reducing costs for a wide range of manufactured goods and encouraging a return of local manufacturing industries.61 At the same time, advanced 3D printers can also be used by revisionist and rogue states to print component parts for advanced weapons systems or even WMD programs, spurring arms races and weapons proliferation.62 Genetic engineering can wipe out entire classes of disease through improved medicine, or wipe out entire classes of people through genetically engineered superbugs. Directed-energy missile defenses may defend against incoming missile attacks, while also undermining global strategic stability.

Perhaps the greatest risk to global strategic stability from new technology, however, comes from the risk that revisionist autocracies may win the new tech arms race. Throughout history, states that have dominated the commanding heights of technological progress have also dominated international relations. The United States has been the world’s innovation leader from Edison’s light bulb to nuclear weapons and the Internet. Accordingly, stability has been maintained in Europe and Asia for decades because the United States and its democratic allies possessed a favorable economic and military balance of power in those key regions. Many believe, however, that China may now have the lead in the new technologies of the twenty-first century, including AI, quantum, 5G, hypersonic missiles, and others. If China succeeds in mastering the technologies of the future before the democratic core, then this could lead to a drastic and rapid shift in the balance of power, upsetting global strategic stability, and the call for a democratic- led, rules-based system outlined in these pages.63

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

## Solvency

### CWS good

#### The plan’s alt to CWS is arbitrary---ensures rampant disregard of the law and the erosion of legitimacy---turns the whole case

**Malamed 20** [A. Douglas Malamed, Professor of Law at Stanford, “Antitrust Law and its Critics,” 83 ANTITRUST L.J. (2020), https://lisboncouncil.net/wp-content/uploads/2020/11/MELAMED-Antitrust-Law-and-Its-Critics.pdf]

Perhaps more important, the institutions of antitrust law are not well suited to address multiple and often conflicting objectives. Antitrust law is enforced on a case-by-case basis. Were antitrust law to serve multiple objectives, it would need criteria to guide decisions in the many instances when those objectives would conflict. There is, however, no algorithm for weighting inequality or political power, on the one hand, against economic welfare, on the other.86 There is not even a common metric for measuring them. Absent such a metric or algorithm, antitrust decisions would necessarily be arbitrary and perceived as arbitrary.

That would have three serious costs. First, if antitrust decisions are perceived as arbitrary, the widespread legitimacy of antitrust law would erode. The antitrust laws were first passed in 1890, and the most important statutory provisions are more than one hundred years old. It is not an accident that populist critics have expressed their concerns largely in antitrust terms. The perpetuation of that legitimacy cannot be taken for granted.

Second, if antitrust decisions are perceived as being arbitrary, they will be more easily subject to regulatory capture because there will not be seemingly principled bases to cabin antitrust decision making. The beneficiaries of a regime susceptible to capture are likely to be the powerful, not the powerless. Ironically, therefore, adding equality and dispersion of economic and political power to the objectives of the antitrust laws could prove detrimental to those very objectives.

The third and perhaps most important cost is rooted in the general application and decentralized enforcement of antitrust law.87 Antitrust law applies to almost all businesses, and it can be enforced by at least 52 government entities and any entity that has been harmed by an antitrust violation. Antitrust law thus has a widespread effect on business conduct throughout the economy. Its principal value is found, not in the big litigated cases, but in the multitude of anticompetitive actions that do not occur because they are deterred by the antitrust laws, and in the multitude of efficiency-enhancing actions that are not deterred by an overbroad or ambiguous antitrust law.

If antitrust law is perceived as being arbitrary, it will provide a far less certain guide to business conduct. The effect might be disregard of antitrust law in circumstances in which it seems unpredictable. More likely, the effect will be excessive caution by businesses uncertain about the consequences of aggressive or novel forms of competition. The effectiveness of antitrust law in promoting competition and economic welfare will be seriously impaired.

#### Moving beyond consumer welfare undermines US economic strength

Wright et al. 19 [Joshua D. Wright, University Professor and Executive Director, Global Antitrust Institute at Scalia Law School, Elyse Dorsey is the Attorney Advisor to Commissioner Noah Joshua Phillips, United States Federal Trade Commission, Jonathan Klick is a Professor of Law at the University of Pennsylvania, and Jan M. Rybnicek is Counsel in the antitrust, competition, and trade practice of Freshfields, Bruckahus Deringer LLP, “REQUIEM FOR A PARADOX: The Dubious Rise and Inevitable Fall of Hipster Antitrust,” 51 Ariz. St. L.J. 293, 323-369, Spring 2019, lexis]

III. BENEFITS OF THE CONSUMER WELFARE STANDARD

The adoption of the consumer welfare standard as antitrust's lodestar has come with numerous benefits that have reoriented antitrust jurisprudence over the last fifty years to more effectively protect competition. At its core, the consumer welfare standard provides a coherent, workable, and objective framework to replace the multiple, and often contradictory, vague social and political goals that governed antitrust prior to the modern era. By providing a disciplined framework for antitrust analysis, unified under a singular objective, the consumer welfare model fosters the rule of law and helps prevent arbitrary or politically motivated enforcement decisions. Similarly, promoting the use of the consumer welfare approach by competition authorities worldwide reduces the opportunity for enforcers to use their domestic competition laws to pursue non-economic objectives, including a protectionist agenda that targets U.S. and other foreign businesses. 238

But if clarity and consistency were the only virtues offered by the consumer welfare standard we could identify any number of plausible alternatives. The most significant feature of the consumer welfare standard thus is that it tethers competition analysis, and therefore the outcome in any particular antitrust case, to modern economic learning and evidence. In doing so, the consumer welfare approach rejects the simplistic focus on market structure and concentration as a proxy for identifying anticompetitive effects. Indeed, courts and enforcers today use a broad set of economic tools to examine a variety of factors in assessing whether a specific transaction or business arrangement is likely to harm consumers. Despite claims by opponents to the contrary, consumer welfare analysis is robust and scrutinizes market factors beyond just a narrow focus on short-term [\*352] price effects, including quality and innovation. The consumer welfare model also has the added benefit of allowing antitrust analysis to evolve alongside developments in economics to address new types of business models and emerging industries. As our understanding of the economics of a business arrangement improves, so too does the antitrust analysis.

By realigning antitrust under a singular objective grounded in economics,

the consumer welfare standard heralded the advent of the modern antitrust revolution that squarely rejects populist desires to balance multiple non-economic factors in favor of a consistent and coherent framework focused on the straightforward, but elegant, question of whether a transaction or commercial arrangement makes consumers better off. The virtues that originally motivated the adoption of the consumer welfare standard remain its most salient features and the reason why it continues to be the best model for antitrust analysis.

A. Creating a Coherent and Consistent Framework for Antitrust Law

It is widely acknowledged by commentators across the political spectrum that prior to the antitrust revolution, antitrust jurisprudence was an incoherent and unpredictable body of law that frequently showed hostility to business. 239 Before the adoption of the consumer welfare standard, courts would attempt to weigh an array of social and political goals that often were at odds with one another and also with modern economics. 240 This paradoxical approach weaponized the antitrust laws against the competitive process and, as a result, antitrust doctrine was internally inconsistent and counterproductive. Antitrust not only failed to promote competition, but it [\*353] actively dissuaded competitors from becoming more efficient and bringing consumers lower prices, greater innovation, and other benefits.

The consumer welfare standard offered antitrust a way out of this quagmire. Today, the consumer welfare standard provides antitrust jurisprudence a disciplined method of analyzing competition that starts and ends with the straightforward question: "Is the challenged conduct likely to make consumers better or worse off?" Rather than issuing decisions that may hinge upon any number of socio-political goals, courts today predictably answer--and their analyses turns solely upon--this question in every antitrust case. This singular focus avoids the internal inconsistencies of the socio-political approach to antitrust, within which various courts would condemn both procompetitive and anticompetitive conduct depending upon the discrete social or political end the court sought to foster in a given case and not based upon whether the conduct actually promoted competition.

## Innovation

### 1NC

#### Concentration breeds productivity with no negative effects.

Peltzman ’18 [Sam; May 10; Economics Professor at the University of Chicago; SSRN, “Productivity and Prices in Manufacturing During an Era of Rising Concentration,” https://papers.ssrn.com/sol3/papers.cfm?abstract\_id=3168877]

Cross tabulations in Table 2 give a rough first cut of the relevant co-movements. The three panels classify data by HHI change, HHI level and combination of these two respectively. The columns give results for two productivity measures and prices. The consideration of both the change and level of concentration is motivated by antitrust policy and ambiguity in some of the motivating stories outlined above.27 The last line in each panel or sub-panel gives the mean difference (DIFF) and its t-ratio in each outcome for the different market structures under consideration.

The outcomes are annual averages over the entire sample period. These long periods probably capture best the more permanent relationships we are interested in. They are long enough to make plausible a working hypothesis of long-run constant cost supply conditions in typical manufacturing markets. Collaterally, constant costs would be changed point-for-point by MFP and input price changes. Also, as a practical matter, the higher frequency outcome data within sample periods are noisy in potentially misleading ways.28

It is best to begin with the last triplet of columns (9-11) in Table 2, which focus on prices. The differences here range on both sides of zero, and there is no clear pattern. For example, in panel I increasing concentration seems to raise prices in the NAICS period but not in the SIC sample; on the other side, large increases in concentration have no greater (possibly a lesser) effect than small increases (line 4c). Similarly, panel III, which incorporates the Merger Guidelines focus on both change and level, shows little consistency. Within the more concentrated industries, prices do rise more when concentration increases, but only for the NAICS period (line 3, panel III). And, within the NAICS period, the price increases associated with rising concentration are about the same for the less concentrated industries than for the more concentrated industries. The lack of any pattern in the simple correlation of concentration and price changes, let alone one consistent with the specific concerns of the Merger Guidelines, will be a consistent feature of these data.

The productivity data in columns (3) through (8) show a more consistent pattern consistent with a benign effect of concentration. With the conspicuous exception of MFP growth in the SIC period, the relevant differences are well bounded away from zero in the benign direction. That is, high and rising concentration tend to be associated with greater productivity growth. There is no consistent overall effect from changes (line 3, panel I), but industries with large increases in concentration (line 4c, panel I) as well as highly concentrated industries (line 3, panel II) tend to have superior productivity growth.

The contrast between the productivity and price effects hints at another feature of subsequent data. Productivity growth implies lower costs. So if there are benign productivity effects from concentration but no price effects, the implication is that the cost effects are offset by rising margins. This is the possible dilemma for antitrust enforcement raised a long time ago by Oliver Williamson (1968).

Subsequent tables refine these cross-tabs by allowing the level and change in concentration to be continuous rather than dichotomous and by taking account of some industry background conditions. 29 Table 3 summarizes the connection between productivity and concentration. Specifically, the dependent variables are average annual growth rates of multi-factor productivity and labor productivity. The independent variables are the level and change of concentration. For this and subsequent tables, concentration is measured as the square root of HHI. This transformation removes most of the extreme skewness in both the level and change of the HHI.30 Summary statistics for the transformed variables are on lines 7 and 8 of table 1.

Each triplet of regressions begins with an analogue to the cross-tabs that includes only the HHI level and change on the right. The second regression adds sector (SIC 2 digit or NAICS 3 digit industry) fixed effects, and the third adds interaction between high and rising concentration. The fixed effects are meant to capture background conditions affecting productivity and concentration over broad groups of industries (e.g., food products), so the regressions then capture the correlations across the industries within these groups (i.e., across dog and cat food, confectionary products, etc.). The separation of concentration changes between high and low levels of concentration addresses the distinction central to the Merger Guidelines.

The results in Table 3 reinforce the cross-tabs. Again with the exception of MFP growth in the SIC sample, both the level and change of concentration tend to be positively correlated with productivity growth. This is true across the whole sample and within industry sectors. There is no meaningful difference between effects of changes in more or less concentrated markets. The implied magnitudes can be substantial. For example, consider a NAICS industry that begins the period with concentration one standard deviation below the mean and ends with concentration one standard deviation above the mean. The NAICS regression (2) coefficients would imply an improvement in MFP growth of .37 standard deviations, which exceeds the mean slowdown of MFP growth between the two sample periods.31

The next two tables (4A and 4B) explore the interaction of prices, productivity and concentration. The dependent variable here is the average annual log percentage change in the price of shipments. Aside from sector fixed effects, there is only one plausibly exogenous control. This is the average annual change in an input cost index, which is a weighted average of labor, material and capital good prices. Details are in the note to Table 1. The weights are cost shares at the beginning of each sample period, so they are unaffected by (possibly endogenous) within-period changes in cost shares. Also, to avoid issues about (also possibly endogenous) division of value added between labor and capital, I use sector wide rather than industry specific labor costs.32 This exogenous cost shifter is always important empirically with coefficients often around the benchmark of +1 implied by constant cost competition.

Table 4A is in two parts. The first three regressions show concentration effects controlling only for input costs. These concentration effects are uniformly weak statistically (and economically, but I defer discussion of magnitudes until later). Again, there is nothing exceptional about more concentrated industries. The last four regressions (columns (4) through (7) ) add productivity growth controls. These have the expected negative coefficients, and their inclusion changes the concentration effects. The change in concentration (but not the level) now has a significantly positive partial effect on price in both samples and with either MFP or labor productivity growth as controls. Once more, there is no support for the Merger Guidelines concern about highly concentrated industries (regression (5) or (7)). The regressions say that once the change in the level of costs is comprehensively controlled – the upward shift due to input prices and the offsetting downward shift due to productivity growth33 – the margin of price over cost has widened where concentration has increased. The hitch in this interpretation is that, as we have seen, the level of costs may not be independent of the concentration increase.

This hitch also creates a potential estimation issue. In principle a point of MFP growth shifts costs down as much as a point of input cost growth shifts costs up. This implies equal and opposite signed coefficients on the two in regression (4) or (5). Instead we find somewhat smaller MFP effects and (t-test not shown) we can comfortably reject the null. To see if results might be sensitive to the disparity in the size of the two coefficients I imposed equality on them, with results show in Table 4B. The first two regressions in this table impose a benchmark of textbook constant cost competition – i.e., prices completely determined by the level of costs in the long run, which implies coefficients of +1 and - 1 on the input cost and MFP changes respectively. The last two regressions impose the looser constraint that the two coefficients should be equal and opposite signed, as might be implied by, say, imperfect competition.34 The constrained regressions yield the same pattern of results (and similar magnitudes) as the previous table – i.e., significant concentration change effects when holding changes in input costs and productivity constant. 5. Summary and Implications

Industrial concentration has been increasing over the entire period since the promulgation of the Merger Guidelines in 1982. It is unclear whether this trend has yet run its course. There is concern about weaker competition as a result of these trends as evidenced, e.g., by higher prices in the wake of many mergers. There is also concern about the possibly reinforcing interplay between rising concentration and declining business dynamism and productivity (e.g., Council of Economic Advisers, 2016). I have tried to inform these concerns by describing salient trends in one sector – US manufacturing – over the long period since the first Merger Guidelines.

Specifically, instead of looking only at mergers in a few industries, I ask whether more concentration however arrived at is usually associated with higher prices across many manufacturing industries. I also ask about the productivity-concentration nexus. Have the newly concentrated industries been more or less productive than other industries? And how does the answer fit with the previous one about prices? The answers are meant to put the discussion of concentration into empirical perspective, not to settle questions of whether concentration is cause, effect or common symptom of any association with prices and productivity. For example, we are going to worry more about lax merger enforcement if increased concentration is more often found alongside rising prices and falling productivity than the reverse.

That is not the kind of world we have been in for the last 30 or so years, at least in the manufacturing industries whose data I have summarized. There is no systematic pattern in prices – they are about as likely to rise as fall in more concentrated industries. This seems to be the resultant of opposing tendencies that roughly cancel: the more concentrated industries seem to be more productive but firms in these industries also seem to retain most of the resulting efficiency gain in higher margins.

There is variety in the underlying results depending on sample periods, definitions of productivity and the like. But if we put the variety to one side and look at the point estimates a fairly consistent empirical story emerges. This is summarized in table 5, which walks through two scenarios - one involving an increase in concentration and the other comparing industries with different levels of concentration. Table 5 does this separately for each 15 year sample period, using results from the previous tables, as indicated in column (1), as the steps in this walk. In panel I, I work through the case of a one standard deviation increase in the change of concentration (which translates into around 90 extra HHI points in either period), and in panel II I compare industries with average and one SD above average concentration (a difference that works out to around 700 HHI points). To keep things simple I’ll focus on the results involving MFP growth and measure everything in SD units.

Panel I starts with the productivity effect of increased concentration (A.1): +.161 SD extra MFP growth in the NAICS period. The relevant price regression implies a .085 SD price reduction (panel I, B.1) from this much MFP growth. Then I add back the markup effect (i.e., price effect holding productivity and input costs constant) of .108 SD (panel I, C. 1). The net implied effect (-.085+.108) is the .023 shown on line a) of panel 1, D. a). The pattern of extra productivity and extra markup netting out to a small price increase (.046 SD) holds for the SIC regressions. For comparison I also show results for the “reduced form” regression of price on productivity (panel I, D .c).

Panel II does the same exercise for the level of concentration. Here we get consistently favorable productivity effects and inconsistent price effects that sum to small price reductions in both periods (-.077 SD and -.052 SD; panel II, D. a). The table does not include the interaction between the two concentration effects (rising concentration also increases the average level), which would reduce or essentially eliminate the already small positive price effects in panel I.

In short, the exercise tells of trivial net price effects arising from sometimes more sizeable productivity and markup effects that roughly offset each other. This pattern has been in place for 30 years or more. If it hasn’t run its course by now, there are at least two important implications. One is for the sources of increased concentration. Perhaps relaxed antitrust enforcement is part of the story, but it is not the whole story. Operating at large scale seems to have become a lower cost way of doing business, and increased concentration is a way of achieving large scale. This is a broad generalization with, no doubt, numerous exceptions. But it seems true enough in many industries to dominate the data. The efficiency advantages stimulating concentration are enhanced if, as also seems more true than not, higher concentration entails margin expansion.

The other implication is for antitrust merger policy. I find no evidence here consistent with the central tenet of that policy, which is that more concentration is only worrisome in already concentrated industries. Yet, ironically or paradoxically, neither is there is support for change, if current policy is read as more relaxed than alternatives. Calls for a revival of tough enforcement appear premature, since this runs the risk of reducing productivity without helping consumers.

#### Concentration is NOT an issue now

Werden ’18 [Gregory J. Werden and Luke M. Froeb; Economics PhD at the University of Wisconsin-Madison, 42-year Economic Counsel of the Department of Justice’s Antitrust Division; Entrepreneurship and Free Enterprise at Vanderbilt University, Deputy Assistant Attorney General of the Department of Justice’s Antitrust Division; Vanderbilt Owen Graduate School of Management Research Paper, “Don’t Panic: A Guide to Claims of increasing Concentration,” No. 3156912]

Excessive Aggregation Makes Observed Concentration Trends Meaningless

Simple thought experiments prove that concentration trends for market aggregates are not informative of concentration trends in the underlying markets.16 We posit particular compositions for 1998 and 2018 of NAICS 3-digit subsectors, on which some academics have focused in identifying concentration trends.17 In our experiment, each subsector spans ten markets, and each market had ten firms in 1998. The far left panel in Figure 4 is a representation of each 1998 subsector, with the ten columns representing the ten distinct markets and each cell representing a firm. The areas of the cells reflect firm size, e.g., sales. We posit that each subsector has ten equal-sized firms in 2018. The other panels in Figure 4 depict two very different ten-firm subsector configurations for 2018.

Figure 4. Aggregation Can Completely Mask Market Concentration Trends, omitted.

The middle panel in Figure 4 depicts the result of one firm in each market acquiring every other firm in its market. The ten cells in each column are merged in 2018 A to reflect merger to monopoly in each market: Each market has an HHI of 10,000, which is a huge increase in concentration from HHI of 1,000 in 1998. The panel on the far right in Figure 4 depicts the result of non-horizontal mergers, with each firm in one market acquiring a firm in every other market in the subsector: Each market in 2018 B has an HHI of 1,000, just as it did in 1998. Although horizontal and non-horizontal mergers have completely different effects on market concentration, here they have exactly the same effect on the concentration of NAICS 3-digit subsectors. And they can have exactly the same effect on NAICS 6-digit industries, especially if markets are local.

Excessive aggregation also leads to fallacies associated with averaging. To see this, change the experiment so that, in 1998, half of the markets in each subsector had 5 equal-sized firms and half had 10 equal-sized firms, and assume that the former firms were twice the size of the latter, so all markets were of equal size. Each subsector is represented by the left-hand panel in Figure 5. In 1998 the HHIs were 2,000 for half of the markets and 1,000 for half of them, while the subsector HHI was 150.

Figure 5. Market Growth Affects Aggregations of Markets, omitted.

Suppose now that there were no mergers since 1998, and that no market shares changed but the 5-firm markets all grew twice as fast as the 10-firm markets. The 2018 situation is depicted in the right-hand panel of Figure 5. The subsector HHIs have increased to 200, but the market HHIs have remained just as they were in 1998. Changes in composition of the economy easily can lead to changes in subsector concentration without corresponding changes in market concentration.

Figure 6. Market and Sector Concentration Can Move in Opposite Directions, omitted.

Subsector concentration also can increase even if the concentration of every market in a subsector decreases. To see this, suppose everything is the same as in the second thought experiment except that every market experienced entry, with the 5-firm markets ending up with 6 equal-sized firms, and the 10-firm markets ending up with 12 equalsized firms. In Figure 6, the left-hand panel is exactly the same as in Figure 5, and the right-hand panel is the same as that in Figure 5 but for the new firms. Every market in the economy is now less concentrated than in 1998; the market HHIs are 1,667 and 833 rather than 2,000 and 1,000. But the change in composition causes every subsector to be more concentrated; the HHI for every subsector increased from 150 to 167.

What Do We Know about Trends in Market Concentration?

Data suitable for investigating trends in market concentration are not available for most of the U.S. economy. A few industries, however, are particularly rich in data because they are regulated in some way by the federal government. For three such industries, useful information on concentration trends has been compiled.

The airline industry experienced great change since deregulation in the late 1970s, including many mergers, but examinations of market concentration—at the route level— have not found systematic increases. Over the period 1984–90, the weighted average route-level HHI on domestic U.S. routes decreased slightly.18 During 1995–2009, the HHIs “for the largest 1000 short-, medium- and long-haul routes revealed a general downward trend in concentration.”19 And for 2007–12, “a slight reduction in concentration in the highest-traveled markets” was observed.20

Since 1980 the U.S. banking industry experienced more than 10,000 mergers, yet economists at the Federal Reserve System’s Board of Governors found that local market concentration, measured by the HHI, did not increase.21 One study reported that “average local market concentration measures . . . hardly budged throughout 1980–98.”22 Another study found that “average local market concentration decreased” from 2000 to 2010, although the decrease was slight.23

The Federal Communications Commission (FCC) tracks concentration in local wireless telecommunications markets.24 The FCC reported that the population-weighted average HHI increased from 2423 in 2004 to 3111 in 2015.25 In the Economist’s analysis, this industry stood out as the only one with high revenues, high concentration, and a large increase in concentration. It is notable that major mergers that would have caused substantial additional increases in concentration were remedied or blocked. The Justice Department secured divestitures in 2004 and 2005 that prevented increases in market concentration from the acquisition of AT&T Wireless by Cingular26 and from the acquisition of Western Wireless by ALLTEL.27 The proposed acquisition of T-Mobile by AT&T was abandoned in 2011 when the Department filed suit to block it,28 and the 2017 merger or Sprint and T-Mobile was called off in the face of antitrust opposition.

How Concerned Should We Be about Increases in Market Concentration?

No evidence we have uncovered substantiates a broad upward trend in the market concentration in the United States, but market concentration undoubtedly has increased significantly in some sectors, such as wireless telephony. Such increases in concentration, however, do not warrant alarm or imply a failure of antitrust.

Increases in market concentration are not a concern of competition policy when concentration remains low, yet low levels of concentration are being cited by those alarmed about increasing concentration. The Economist’s analysis mentioned above deemed an industry concentrated if the CR4 exceeded 1/3, yet a CR4 of 1/3 implies an HHI of at most 1,111, and the federal antitrust enforcement agencies consider a market unconcentrated as long as its HHI is below 1500. An essay from the Brookings Institution decrying increasing concentration also cited HHIs in the unconcentrated range.29 In the 1960s, merger enforcement in the United States was directed largely at unconcentrated markets, but most of those merger challenges would be rejected by courts today.

Moreover, no new merger legislation could prevent increases in market concentration. Prohibiting mergers does not alter the natural evolution of industry structure in which some firms thrive and grow while others languish or fail. An old literature in industrial organization economics explains that, when success and failure are random events, markets become concentrated over time.30

More importantly, market concentration naturally results from the growth of firms that are more innovative and efficient than their peers.31 A group of academics reporting increased industry concentration cite the rise of “superstar firms” as the cause of increasing concentration and as a major force reshaping the economy.32 But if superior skill and industry account for the spectacular success of these firms, both the competitive process and antitrust law are working as intended.

Digital media dramatically increased the speed of information dissemination even if it is unreliable. Without careful review of the claims or the underlying data, questionable claims of increasing concentration have become policy axioms.33 The evidence does not show increasing *market* concentration, so DON’T PANIC. However, the wisdom of existing antitrust law and policy always should be subject to continuous re-evaluation.

#### Innovation critiques of the CWS are wrong---the plan causes inconsistent application and ignores current rapid pace of innovation.

Abbott ’21 [Alden; 4/2/21; Senior Research Fellow at the Mercatus Center, J.D. from Harvard Law School, former General Council for the FTC; Tracy Miller; Ph.D. in Economics from the University of Chicago, Senior Policy Research Editor at the Mercatus Center; "Antitrust Should Stay Focused on Consumer Welfare," https://www.nationalreview.com/2021/04/antitrust-should-stay-focused-on-consumer-welfare/]

Politicians and policy analysts have expressed concern about the growing size and impact of large digital-platform companies such as Google, Facebook, Amazon, and Apple. Some are advocating more aggressive antitrust enforcement or major changes to the law. Although competition policy can be improved, promoting consumer welfare should continue to guide antitrust enforcement in the United States.

Critics claim that antitrust law, which is intended to condemn business practices that undermine competition or maintain monopolies, is being neglected as competition weakens across the economy. They claim that the failure to enforce antitrust law allows unchecked abuses — not just by digital platforms, but by powerful firms in other market segments as well.

Critics also attribute this monopoly-abuse problem to antitrust law’s emphasis on the goal of promoting consumer welfare. They argue that the consumer-welfare standard should be ditched in favor of broader policy goals in order to “revitalize” antitrust as a powerful interventionist tool.

Before the 1970s, Supreme Court antitrust decisions generally reflected a “big is bad” philosophy. Those opinions often viewed antitrust as a means of protecting smaller companies. Many poorly understood business practices were condemned with no inquiry into their actual economic effects. Mergers fared particularly badly in court. As Supreme Court Justice Potter Stewart lamented in 1966, the only consistency in government merger challenges was that “the Government always wins.”

In the late 1970s, we started to see the rise of the consumer welfare standard as courts changed their approach to antitrust in response to economic and legal scholarship revealing that large business size and market share often manifested wealth-creating efficiency, rather than poor economic performance. While continuing to summarily condemn hard-core cartel activity, courts began to apply case-specific economic analysis. This involved weighing the potential benefits resulting from a firm’s conduct against its harmful effects.

In 1979 the Supreme Court underscored the new approach in its Reiter v. Sonotone opinion, stating that “Congress designed the Sherman Act as a ‘consumer welfare prescription.’” Subsequent judicial decisions enunciated legal standards that seek to preserve incentives for business conduct that benefits consumers. These decisions have also granted dominant firms greater leeway to engage in aggressive competition to better satisfy consumers.

In parallel with judicial developments by the mid-1990s, Democratic and Republican enforcers adopted a bipartisan approach to federal antitrust enforcement that emphasized consumer-welfare promotion.

Over the past few years, however, the consumer-welfare standard has come under siege. Critics of current antitrust policy cite the growing size and market share of dominant firms as signs of ineffective antitrust enforcement. These concerns were highlighted in 2020 studies by the House Subcommittee on Antitrust, Commercial, and Administrative Law and by the Washington Center for Equitable Growth. They endorse digital platform regulation, new Federal Trade Commission rulemaking, and legislation to tighten antitrust laws, with a greater emphasis on condemning dominant firm behavior out of hand, without regard for consumer welfare. They would also pursue a broader range of objectives, such as promoting fairness, protecting labor rights, and limiting monopoly as measured by firm size and market share.

In February 2021, Senator Amy Klobuchar (D., Minn.) introduced legislation that would toughen the standard for evaluating mergers (preventing many out of hand, based on the size of the acquiring firm). Her proposal would also lower the bar for convicting a firm of illegal monopolization. Other expansive antitrust-reform proposals, including possible regulation or structural breakups of big platforms, may be considered in Congress. Recent antitrust-reform hearings in both the Senate and House have featured condemnations of the consumer-welfare standard.

Yet these critiques of consumer welfare miss the mark. Abandoning this approach in favor of broad-based interventionist antitrust policies would prove harmful.

Proposed reforms such as breaking up dominant firms or prohibiting most mergers and acquisitions are likely to make consumers worse off, sacrificing the cost reductions that result from one firm producing a growing share of output and integrating many complementary services.

Considering a broader range of conduct to be in violation of antitrust law would likely increase uncertainty for firms as they endeavor to compete to attract additional customers. Moreover, having to assign weights to ill-defined objectives of labor rights and fairness (among other new goals) would create confusion. The resulting decisions could be arbitrary and inconsistent with the rule of law.

Furthermore, oft-cited studies claiming that competition is weakening are based on questionable evidence. The 2020 Economic Report of the President showed that those studies rely on overbroad market definitions that tell us nothing about competition in specific markets, let alone across the entire economy.

What’s more, while leading digital platforms often have large market shares, they still face competitive pressure from existing firms and startups to develop innovative new products and services. Indeed, market-leading platforms that fail to innovate can be displaced — just ask Yahoo and MySpace.

Finally, the benefits that consumers derive from participating in some digital platforms will grow as the platforms expand their membership. Antitrust attacks aimed at “cutting monopoly platforms down to size” could undermine these benefits, harming consumers.

The antitrust consumer-welfare standard has served consumers well. Competitive forces have yielded a bounty of highly affordable and greatly enhanced digital products and services. The pace of innovation has been breathtaking. The last thing we should do is quickly impose new and amorphous antitrust restrictions that threaten this success story.

#### No empirical support – concentration doesn’t increase profit or harm consumers and expanded regulation doesn’t solve

Manne 18 [Geoffrey A. Manne is the president and founder of the International Center for Law and Economics (ICLE), a nonprofit, nonpartisan research center based in Portland, Oregon. He is also a distinguished fellow at Northwestern University Center on Law, Business, and Economics. In April 2017 he was appointed by FCC Chairman Ajit Pai to the FCC’s Broadband Deployment Advisory Committee, and he recently served for two years on the FCC’s Consumer Advisory Committee. Mr. Manne earned his JD and AB degrees from the University of Chicago and is an expert in the economic analysis of law, specializing in competition, telecommunications, consumer protection, intellectual property, and technology policy. "Why US Antitrust Law Should Not Emulate European Competition Policy." https://www.judiciary.senate.gov/imo/media/doc/Manne%20Testimony.pdf]

Despite numerous assertions to the contrary, there is, in fact, no rigorous economic support for claims that high concentration levels are a strong indicator of harm to competition or that they should trigger a presumption of such harm in antitrust analysis.77 As it stands, there is no empirical foundation on which to conclude that monopoly power is rising. To the extent that markups are increasing, other studies show that output has increased and that quality-adjusted prices have remained stable. Claims that concentration has increased at least find somewhat consistent empirical support, although the extent of those changes are up for debate. There is no reliable empirical basis, however, to support the inference that the United States economy has experienced a systematic increase in market power.78

By the same token, there is little evidence that the application of law or regulation to more vigorously prohibit, shrink, or break up large companies will correct these asserted problems.79 This is not surprising. As Henry Manne noted in his testimony on the IRA:

[T]he studies done to date strongly indicate that there is little or no significant correlation between industrial concentration and corporate profits. To be sure, if one selects a particular year with peculiar characteristics, the figures can be made to appear otherwise, but in general, over a significant period of time, this lack of correlation seems well substantiated....

The studies referred to [] indicate that there is no causal relationship between concentration on the one hand and monopoly profit on the other. We are, it appears, as apt to find companies earning a higher than market rate of return in nonconcentrated industries as in concentrated ones.

Indeed, one thing on which there is unequivocal agreement among economists… is that monopoly rates of return are realized regularly in some of the least-concentrated industries imaginable: those for personal services…. In the industrial sector on the other hand, where remedies for unproved problems abound, monopoly rates of return, when they do occur, seem unlikely to persist for a significant period of time.80

### 1NC – AT: Small Firms/Kronos

#### Kronos effect is good---it creates a cultivation zone that enhances innovation.

Huddleston ’20 [Jennifer; 7/30/21; Director of Technology and Innovation Policy at the American Action Forum, J.D. from the University of Alabama; "Continuing a Principled Approach to Antitrust," <https://www.americanactionforum.org/insight/continuing-a-principled-approach-to-antitrust/>]

Yet this hearing did not clearly indicate that policymakers’ concerns are properly considered a competition-related issue. While concerns about potentially anticompetitive behavior may exist, any enforcement efforts should focus on competition related issues and apply the objective consumer welfare standard rather than seeking to politicize antitrust or use it for policy goals to which it is ill-suited.

Analyzing Antitrust Arguments Against Big Tech

While many of the questions focused on issues unrelated to competition policy, some members of the committee did express various concerns about potential anticompetitive behavior particularly around acquisitions by the companies and their alleged dominance in certain markets—issues that are squarely within the purview of antitrust law. When examining such concerns, policymakers should take a principled approach to carefully consider if alleged consumer harm is occurring and to fully understand the market. These considerations provide useful context for concerns about the largest tech companies.

The largest technology companies operate in complicated and rapidly shifting markets, many times competing each other. As NetChoice’s Chris Marchese illustrates in a recent white paper, the emergence of an online ad market has lured new players, including Amazon, and lowered the overall prices for advertising in a way that benefits those advertisers. Market definition will be a critical point of debate in any antitrust analysis and will also need to show the dominance and unfair use of that dominance by a company. In many cases, an assessment of this dominance may be overly narrow, such that it misses competitors on a global or national level, or overly broad, such that it misses the hyper-local nature of competition for a service.

In some cases, these allegations of dominance or anticompetitive behavior may miss the competitive benefits of new markets. For example, the explosion of smartphones and mobile apps has brought with it an entirely new and dynamic market in which app stores attempt to improve consumers access to these products. Developers can now create products for a range of platforms that often compete with one another. App stores have helped facilitate this rapid growth, as a study from ACT (The App Association) and Deloitte found that app stores had reduced transaction costs and barriers to entry and improved competition.

Similarly, some members of Congress also raised concerns that tech giants might have created a “kill zone” in which companies acquire potential competitors to choke out new competitors before they can challenge their dominance. The reasons for such acquisitions are often complicated, and some startups see their ultimate goal as to be acquired. The Center for Growth and Opportunity’s Will Rinehart argues that acquisitions by large tech companies are far from a “kill zone” and actually present a “cultivation zone” by providing more exit strategies in the innovation and startup lifecycle in ways that can encourage improvements, investment, and continue the lifecycle of innovation.

When examining the alleged antitrust behaviors of successful firms, policymakers should take an objective approach considering if these actions are actually harming consumers or abusing market power within a clearly defined market. To merely presume “big is bad” would mean a return to an earlier era of antitrust enforcement that could deter success and create uncertainty, particularly in dynamic markets.

#### Empowering small firms weakens consumers and turns case, but antitrust doesn’t solve

Kennedy 18 [Joe Kennedy is a senior fellow at the Information Technology and Innovation Foundation. Dr. Kennedy previously served as the chief economist for the U.S. Department of Commerce where he oversaw a staff of 15 economists and regularly briefed the secretary of commerce on economic issues including the financial crisis and immigration reform. He has held numerous other positions in government, serving on committees in both houses of Congress and in the executive branch. As senior counsel for the Senate Permanent Subcommittee on Investigations, he helped oversee investigations of the credit counseling industry, music downloading, and the United Nations Oil for Food Program. As senior economist for the Joint Economic Committee, he authored papers on telecommunications policy and nanotechnology. "Why the Consumer Welfare Standard Should Remain the Bedrock of Antitrust Policy." https://www2.itif.org/2018-consumer-welfare-standard.pdf]

In two main areas, neo-Brandeisians seek to attain goals that would demonstrably reduce living standards. The harms they complain of, particularly lost jobs from increased efficiency and reduced market share or even bankruptcy by business competitors, are the inevitable outcomes of the creative destruction that allows better products, better processes, and better value to displace the status quo no matter how uncomfortable it may be for those affected. This process has resulted in steady improvements to living standards. Sheltering firms and workers from this process, rather than increasing support for workers negatively affected, would reduce living standards for all Americans.

Protecting Businesses From Competitors

Aside from their concerns about bigness, neo-Brandeisians seem to have a romantic attachment to small businesses. Carl Bogus, in discussing the 228 companies the United States Steel Corporation purchased while Woodrow Wilson was president, laments: Those companies had previously been located in 127 cities and towns. They had been important not only to the local economies but also to the social and cultural fabric of their communities. Their top executives … understood that the prosperity of their companies was tied to the well-being of their communities, and they often acted as city fathers urging elected officials to do the right thing. When local firms were ripped from their roots and headquartered somewhere else, communities were impoverished.78

Brandeis shared this belief. He wrote that “[p]ractically every trust created has destroyed the financial independence of some communities.”79 As Supreme Court Justice William O. Douglas put it: [T]here is the effect on the community when independents are swallowed up by the trusts and entrepreneurs become employees of absentee owners. Then there is a serious loss in citizenship. Local leadership is diluted. He who was a leader in the village becomes dependent on outsiders for his action and policy. Clerks responsible to a superior in a distant place take the place of resident proprietors beholden to no one. These are the prices which the nation pays for the almost ceaseless growth in bigness on the part of industry. 80

But this sentiment is largely misguided. It is true that the ability to start and own your own business is foundational to the American ethos. But the purpose of antitrust laws, and economic policy in general, should not be to protect small companies from legitimate competition. There is no reason to favor small producers over individual consumers, especially when the latter are far more numerous. Nor does the decline of some small firms represent a failure of competition. Rather, the instance of a large firm charging lower prices or offering a superior product, even if it gains a dominant market position, should be seen as the result of competition rather than a failure of the competitive process.81

Some, like Herbert Hovencamp, argue that Congress’s chief concern in writing some of the original laws was to protect small business “even though the result of such protection would be lower total output and higher consumer prices.”82 But others supported antitrust legislation to ensure fairer competition, not to prevent the inevitable industry consolidation that industrialization made possible and even required. In 1905, “trust-buster” Teddy Roosevelt told Congress, “I am in no sense hostile to corporations. This is an age of combination, and any effort to prevent combination will not only be useless, but in the end, vicious…”83

Moreover, society and the economy have changed dramatically since then. The beauty of those original laws is they allowed antitrust policy to evolve to fit the modern day. If voters ever want to return to more localized control and lower living standards, it should be the result of Congressional legislation that reflects the will of the majority, not the regulatory actions of a few people with an old theory.

Protecting Workers From Layoffs

Neo-Brandeisians frequently claim mergers and increased concentration lead to job loss as companies get more productive. Some extend this concern by arguing that mergers resulting in layoffs should be rejected.

For example, Marshall Steinbaum and colleagues bemoan the fact that firms sometimes cut workers when they merge: “In 2009, pharmaceutical giant Pfizer acquired Wyeth and announced it would cut 20,000 jobs worldwide; after combining in 2015, Kraft-Heinz announced plans to cut 5 percent of its workforce; most recently, rumors swirled about cuts to Whole Foods’s workforce following its sale to Amazon.”84

Job losses like these should not be surprising. Considerable research has found that many mergers allow firms to eliminate redundancies, gain greater economies of scale, and improve efficiencies. For example, a report by the U.S. Bureau of Labor Statistics noted: “Mergers are found to have a positive impact upon TFP [total factor productivity] growth, accounting for 0.36 percentage points of total factor productivity growth between census years.”85

Although understandable, the worry about job displacement from higher efficiency (as opposed to uncompetitive behavior, poor macroeconomic policy, or overregulation) should not concern us, especially when both unemployment and productivity are so low. The often-forgotten truth is that in the long run, the quantity of jobs is set by factors such as demographics and cultural expectations. The quality of the jobs—particularly how much they pay—is determined by productivity. Inhibiting productivity improvements in order to save jobs in the short term will lower living standards in the long term. Rather than limit productivity-enhancing mergers, we should channel our concern over displaced workers into better income support, training, and reemployment programs86.

#### AI Impact is wrong

**Pinker 18** (Stephen, professor of psychology at Harvard, “Enlightenment Now: The Case for Reason, Science, Humanism, and Progress, EM)

Prominent among the existential risks that supposedly threaten the future of humanity is a 21st-century version of the Y2K bug. This is the danger that we will be subjugated, intentionally or accidentally, by artificial intelligence (AI), a disaster sometimes called the Robopocalypse and commonly illustrated with stills from the Terminator movies. As with Y2K, some smart people take it seriously. Elon Musk, whose company makes artificially intelligent self-driving cars, called the technology “more dangerous than nukes.” Stephen Hawking, speaking through his artificially intelligent synthesizer, warned that it could “spell the end of the human race.”19 But among the smart people who aren’t losing sleep are most experts in artificial intelligence and most experts in human intelligence. The Robopocalypse is based on a muzzy conception of intelligence that owes more to the Great Chain of Being and a Nietzschean will to power than to a modern scientific understanding.21 In this conception, intelligence is an all-powerful, wish-granting potion that agents possess in different amounts. Humans have more of it than animals, and an artificially intelligent computer or robot of the future (“an AI,” in the new count-noun usage) will have more of it than humans. Since we humans have used our moderate endowment to domesticate or exterminate less well-endowed animals (and since technologically advanced societies have enslaved or annihilated technologically primitive ones), it follows that a supersmart AI would do the same to us. Since an AI will think millions of times faster than we do, and use its superintelligence to recursively improve its superintelligence (a scenario sometimes called “foom,” after the comic-book sound effect), from the instant it is turned on we will be powerless to stop it.22 But the scenario makes about as much sense as the worry that since jet planes have surpassed the flying ability of eagles, someday they will swoop out of the sky and seize our cattle. The first fallacy is a confusion of intelligence with motivation—of beliefs with desires, inferences with goals, thinking with wanting. Even if we did invent superhumanly intelligent robots, why would they want to enslave their masters or take over the world? Intelligence is the ability to deploy novel means to attain a goal. But the goals are extraneous to the intelligence: being smart is not the same as wanting something. It just so happens that the intelligence in one system, Homo sapiens, is a product of Darwinian natural selection, an inherently competitive process. In the brains of that species, reasoning comes bundled (to varying degrees in different specimens) with goals such as dominating rivals and amassing resources. But it’s a mistake to confuse a circuit in the limbic brain of a certain species of primate with the very nature of intelligence. An artificially intelligent system that was designed rather than evolved could just as easily think like shmoos, the blobby altruists in Al Capp’s comic strip Li’l Abner, who deploy their considerable ingenuity to barbecue themselves for the benefit of human eaters. There is no law of complex systems that says that intelligent agents must turn into ruthless conquistadors. Indeed, we know of one highly advanced form of intelligence that evolved without this defect. They’re called women. The second fallacy is to think of intelligence as a boundless continuum of potency, a miraculous elixir with the power to solve any problem, attain any goal.23 The fallacy leads to nonsensical questions like when an AI will “exceed human-level intelligence,” and to the image of an ultimate “Artificial General Intelligence” (AGI) with God-like omniscience and omnipotence. Intelligence is a contraption of gadgets: software modules that acquire, or are programmed with, knowledge of how to pursue various goals in various domains.24 People are equipped to find food, win friends and influence people, charm prospective mates, bring up children, move around in the world, and pursue other human obsessions and pastimes. Computers may be programmed to take on some of these problems (like recognizing faces), not to bother with others (like charming mates), and to take on still other problems that humans can’t solve (like simulating the climate or sorting millions of accounting records). The problems are different, and the kinds of knowledge needed to solve them are different. Unlike Laplace’s demon, the mythical being that knows the location and momentum of every particle in the universe and feeds them into equations for physical laws to calculate the state of everything at any time in the future, a real-life knower has to acquire information about the messy world of objects and people by engaging with it one domain at a time. Understanding does not obey Moore’s Law: knowledge is acquired by formulating explanations and testing them against reality, not by running an algorithm faster and faster.25 Devouring the information on the Internet will not confer omniscience either: big data is still finite data, and the universe of knowledge is infinite. For these reasons, many AI researchers are annoyed by the latest round of hype (the perennial bane of AI) which has misled observers into thinking that Artificial General Intelligence is just around the corner.26 As far as I know, there are no projects to build an AGI, not just because it would be commercially dubious but because the concept is barely coherent. The 2010s have, to be sure, brought us systems that can drive cars, caption photographs, recognize speech, and beat humans at Jeopardy!, Go, and Atari computer games. But the advances have not come from a better understanding of the workings of intelligence but from the brute-force power of faster chips and bigger data, which allow the programs to be trained on millions of examples and generalize to similar new ones. Each system is an idiot savant, with little ability to leap to problems it was not set up to solve, and a brittle mastery of those it was. A photo-captioning program labels an impending plane crash “An airplane is parked on the tarmac”; a game-playing program is flummoxed by the slightest change in the scoring rules.27 Though the programs will surely get better, there are no signs of foom. Nor have any of these programs made a move toward taking over the lab or enslaving their programmers. Even if an AGI tried to exercise a will to power, without the cooperation of humans it would remain an impotent brain in a vat. The computer scientist Ramez Naam deflates the bubbles surrounding foom, a technological Singularity, and exponential self-improvement: Imagine that you are a superintelligent AI running on some sort of microprocessor (or perhaps, millions of such microprocessors). In an instant, you come up with a design for an even faster, more powerful microprocessor you can run on. Now . . . drat! You have to actually manufacture those microprocessors. And those fabs [fabrication plants] take tremendous energy, they take the input of materials imported from all around the world, they take highly controlled internal environments which require airlocks, filters, and all sorts of specialized equipment to maintain, and so on. All of this takes time and energy to acquire, transport, integrate, build housing for, build power plants for, test, and manufacture. The real world has gotten in the way of your upward spiral of self-transcendence.28 The real world gets in the way of many digital apocalypses. When HAL gets uppity, Dave disables it with a screwdriver, leaving it pathetically singing “A Bicycle Built for Two” to itself. Of course, one can always imagine a Doomsday Computer that is malevolent, universally empowered, always on, and tamperproof. The way to deal with this threat is straightforward: don’t build one. As the prospect of evil robots started to seem too kitschy to take seriously, a new digital apocalypse was spotted by the existential guardians. This storyline is based not on Frankenstein or the Golem but on the Genie granting us three wishes, the third of which is needed to undo the first two, and on King Midas ruing his ability to turn everything he touched into gold, including his food and his family. The danger, sometimes called the Value Alignment Problem, is that we might give an AI a goal and then helplessly stand by as it relentlessly and literal-mindedly implemented its interpretation of that goal, the rest of our interests be damned. If we gave an AI the goal of maintaining the water level behind a dam, it might flood a town, not caring about the people who drowned. If we gave it the goal of making paper clips, it might turn all the matter in the reachable universe into paper clips, including our possessions and bodies. If we asked it to maximize human happiness, it might implant us all with intravenous dopamine drips, or rewire our brains so we were happiest sitting in jars, or, if it had been trained on the concept of happiness with pictures of smiling faces, tile the galaxy with trillions of nanoscopic pictures of smiley-faces.29 I am not making these up. These are the scenarios that supposedly illustrate the existential threat to the human species of advanced artificial intelligence. They are, fortunately, self-refuting.30 They depend on the premises that (1) humans are so gifted that they can design an omniscient and omnipotent AI, yet so moronic that they would give it control of the universe without testing how it works, and (2) the AI would be so brilliant that it could figure out how to transmute elements and rewire brains, yet so imbecilic that it would wreak havoc based on elementary blunders of misunderstanding. The ability to choose an action that best satisfies conflicting goals is not an add-on to intelligence that engineers might slap themselves in the forehead for forgetting to install; it is intelligence. So is the ability to interpret the intentions of a language user in context. Only in a television comedy like Get Smart does a robot respond to “Grab the waiter” by hefting the maître d’ over his head, or “Kill the light” by pulling out a pistol and shooting it. When we put aside fantasies like foom, digital megalomania, instant omniscience, and perfect control of every molecule in the universe, artificial intelligence is like any other technology. It is developed incrementally, designed to satisfy multiple conditions, tested before it is implemented, and constantly tweaked for efficacy and safety (chapter 12). As the AI expert Stuart Russell puts it, “No one in civil engineering talks about ‘building bridges that don’t fall down.’ They just call it ‘building bridges.’” Likewise, he notes, AI that is beneficial rather than dangerous is simply AI.

### No impact to china war

#### No China war

**Shifrinson 2/8**/19 [Joshua Shifrinson is an assistant professor of international relations at Boston University. The ‘new Cold War’ with China is way overblown. Here’s why. February 8, 2019. https://www.washingtonpost.com/news/monkey-cage/wp/2019/02/08/there-isnt-a-new-cold-war-with-china-for-these-4-reasons/?noredirect=on&utm\_term=.f8ca8195c4e4]

Is a new Cold War looming — or already present — between the United States and China? Many analysts argue that a combination of geopolitics, ideology and competing visions of “global order” are driving the two countries toward emulating the Soviet-U.S. rivalry that dominated world politics from 1947 through 1990. But such concerns are overblown. Here are four big reasons why. 1. The historical backdrops of the two relationships are very different When the Cold War began, the U.S.-Soviet relationship was fragile and tenuous. Bilateral diplomatic relations were barely a decade old, U.S. intervention in the Russian Revolution was a recent memory, and the Soviet Union had called for the overthrow of capitalist governments into the 1940s. Despite their Grand Alliance against Nazi Germany, the two countries shared few meaningful diplomatic, economic or institutional links. In 2019, the situation between the United States and China is very different. Since the 1970s, diplomatic interactions, institutional ties and economic flows have all exploded. Although each side has criticized the other for domestic interference (such as U.S. demands for journalist access to Tibet and China’s espionage against U.S. corporations), these issues did not prevent cooperation on a host of other issues. Yes, there were tensions over the past decade, but these occurred against a generally cooperative backdrop. 2. Geography and powers’ nuclear postures suggest East Asia is more stable than Cold War-era Europe The Cold War was shaped by an intense arms race, nuclear posturing and crises, especially in continental Europe. Given Europe’s political geography, the United States feared a “bolt from the blue” attack would allow the Soviet Union to conquer the continent. Accordingly, the United States prepared to defend Europe with conventional forces, and to deter Soviet aggrandizement using nuclear weapons. Unsurprisingly, the Soviet Union also feared that the United States might attack and wanted to deter U.S. adventurism. Concerns that the other superpower might use force and that crises could quickly escalate colored Cold War politics. Today, the United States and China spend proportionally far less on their militaries than the United States and the Soviet Union did. Though an arms race may be emerging, U.S. and Chinese nuclear postures are not nearly as large or threatening: Arsenals remain far below the size and scope witnessed in the Cold War, and are kept at a lower state of alert.

As for geography, East Asia is not primed for tensions akin to those in Cold War Europe. China can threaten to coerce its neighbors, but the water barriers separating China from most of Asia’s strategically important states make outright conquest significantly harder. Of course, as scholars such as Caitlin Talmadge and Avery Goldstein note, crises may still erupt, and each side may face pressures to escalate. Unlike the Cold War, however, U.S.-Chinese confrontations occur at sea with relatively limited forces and without clear territorial boundaries. This suggests there are countervailing factors that may give the two sides room to negotiate — and limit the speed with which a crisis unfolds.

## Inequality

### 1NC

#### No inequality crisis and antitrust makes it worse – prefer studies on consumption instead of capital

Wright et al 19 [Joshua D. Wright is University Professor and the Executive Director of the Global Antitrust Institute at Scalia Law School at George Mason University. Professor Wright also holds a courtesy appointment in the Department of Economics. In 2013, the Senate unanimously confirmed Professor Wright as a member of the Federal Trade Commission (FTC), following his nomination by President Obama. He rejoined Scalia Law School as a full-time faculty member in Fall 2015. "Consumer Welfare & the Rule of Law: The Case Against the New Populist Antitrust Movement." https://regproject.org/paper/consumer-welfare-the-rule-of-law-the-case-against-the-new-populist-antitrust-movement/]

Another assertion populist antitrust supporters regularly make is that prices have increased and output has decreased. Again, the evidence here is mixed at best.

The movement’s proponents claim increased monopoly power economy-wide has led to increased prices for consumers. One study by De Loecker and Eeckhout, for instance, purports to demonstrate an increase in markups since 1980, which they argue indicates market power has increased over this period.68 This study utilizes Compustat-compiled input and output data for firms across the U.S. economy to calculate firm-level markups, examining measures of sales, input expenditure, capital stock information, industry activity classifications, and accounting data measuring profitability and stock market performance.

While this study purports to demonstrate an increase in markups and, therefore, an increase in market power, there are several problems with this methodology and reasoning. Fundamentally, industrial organization economics literature has clearly established that profit margins, alone, are not reliable evidence of market power.69 Additionally, it is clear that increased markups, alone, are not reliable evidence of price increases. To understand whether higher markups translated to higher prices, we would need to understand additional factors, such as whether marginal costs have changed.70 If, for example, marginal costs decreased, markups could increase even if prices remained the same; indeed, depending upon how much marginal costs decreased, margins could increase even while prices decreased. Moreover, a trend toward higher markups does not necessarily indicate firm profits are likewise trending higher, as De Loecker and Eeckhout acknowledge. As they explain, a technological change that reduces variable, but increases, fixed costs might result in increased markups but not increased profits.

In addition, higher markups might simply reflect a shift in the composition of firms within the economy. Today, high-tech (and other) firms with low marginal costs but substantial R&D costs comprise a more significant percentage of the economy than they have historically. Consider, for instance, a software company that spends a tremendous amount developing an innovative new software that consumers download on their personal devices. While the marginal cost of selling each new unit of software would be miniscule, the company—to stay in business—would need to charge a price that helped it recoup the costs incurred to create its innovative product. The more firms within the economy employing this business model, the more we would expect to see higher markups, and so the less we could assume, based upon the existence of higher markups, alone, that those markups derive from increased market power.

Aside from the methodological issues with these studies, there is the added complication that other work finds conflicting results. Robert E. Hall, for instance, finds “no evidence that mega-firm-intensive sectors have higher price/marginal cost markups.”71 Notably, while he finds no real evidence of increasing markups in less regulated sectors like Manufacturing or Transportation and Warehousing, he does find a fairly strong trend of increasing markups in heavily regulated sectors like Finance and Insurance, and Health Care and Social Assistance—which is consistent with something other than concentration driving increased markups.72

Others examining the effect of concentration upon prices likewise find results that conflict with the populist antitrust movement’s claims. James Traina, for example, analyzes this same question, attempting to correct for another flaw in De Loecker and Eeckhout’s methodology: namely, De Loecker and Eeckhout focus only on the “cost of goods sold” (COGS) facet of firms’ operating expenses, omitting the “selling, general, and administrative expenses” (SGA) facet. Traina argues that SGA is an increasingly significant share of variable costs for firms in the U.S. economy, and demonstrates that once SGA is incorporated into De Loecker and Eeckhout’s measure of cost, markups actually remain flat (or decline).73

Similarly, Ganapati examines data from 1972-2012, and finds concentration issues do not lead to higher prices

, but in fact correspond with increased output.74 He concludes that the concentrated industries he analyzes are concentrated not due to anticompetitive behavior, but “likely due to technical innovation or scale economies.”75 His findings are consistent with other work that finds that the trends in concentration populists condemn may, in fact, be related to changes in economies of scale and to their corresponding productivity improvements.76

Other studies upon which populist antitrust proponents rely purport to identify higher prices using different metrics. One such regularly-cited study is John Kwoka’s meta-analysis of retrospective studies of mergers, joint ventures, and other horizontal arrangements.77 Here, Kowka compiles data covering more than 3,000 mergers and concludes the average price effect for the studied mergers is a 7.22% increase.78 His findings have, however, been called into serious question. Experienced economists in the FTC’s Bureau of Economics, Michael Vita and David Osinski, identify several objections to Kwoka’s methodology and, accordingly, his findings. They explain why various methodological failings—including not using standard meta-analytic techniques to compute average price effects and standard errors, not weighting observations by their estimated variances (meaning all price estimates are treated the same regardless of their certainty), and omitting standard errors from his report—undermine Kwoka’s fundamental findings regarding price effects.79

The evidence upon which populist antitrust supporters rely in asserting that prices have increased is, accordingly, mixed at best. The studies they cite often attempt to examine very important—but also difficult to measure—questions. The limits of these studies must be acknowledged in any serious debate regarding the state of antitrust enforcement today. While many of these studies offer good initial insights, they mostly identify areas for further research. And in no case do they clearly identify systemic shortcomings in current antitrust enforcement efforts.

In addition to questionable empirical premises, the argument that we must abandon the consumer welfare standard because prices are higher and output is lower under this standard is in serious tension with remedies the populist antitrust movement proposes. Each of the proposed remedies would, as described above, diminish consumer welfare. If, for instance, we adopted a public interest standard, prices and output might be one concern—but employment, democracy, the environment, and inequality might be competing concerns. And lower prices, higher output, and product improvements would not have the trump card in the analysis they do today. Similarly, if we decided to ban vertical mergers or prohibit any transactions over a certain size, we would be preventing at least some transactions that would lower prices and increase output. This would appear to be particularly likely in the case of banning vertical mergers, a move which empirical evidence indicates has anticompetitive outcomes—i.e., higher prices or lower output—result only rarely.80 And it would lead to the perverse result of antitrust law deliberately fostering higher prices or lower output, meaning consumers would be less able to purchase products or services they desire.

Accordingly, even if prices and output have, in fact, trended in directions harmful to consumers, the better question to be asking is whether this is because enforcement under the consumer welfare standard is not at the optimal level. The consumer welfare standard focuses on just such factors—along with innovation, quality, and other consumer concerns. If the goal is to lower prices and increase output, it is difficult to see what better standard could be adopted than one that makes these consumer concerns its sole focus.

C. Increasing Antitrust Enforcement Would Reduce Inequality

Populist antitrust supporters further note that income inequality in the United States has increased dramatically in recent decades, and proffer that lax antitrust enforcement is (to varying degrees) to blame.81 The general intuition here is fairly easily stated: lenient antitrust enforcement allows firms to obtain market power, which allows them to reduce output, raise prices, and generate monopoly profits—all of which enriches shareholders. Shareholders are, by and large, in the top percentage of wealth and income distribution, so these increasing returns increase the wealth of the wealthiest and, thus, inequality.82

Imbedded in this theory are a couple key assumptions, both of which can be empirically tested. First, that inequality is increasing. The evidence here suggests inequality is likely increasing, though the magnitude of this increase is probably overstated. Second, that increasing antitrust enforcement would reverse this trend. On the proffered causal link between antitrust enforcement and inequality, there is, so far, a notable dearth of empirical support or development.

First, consider the evidence on inequality trends. Populist claims regarding increasing inequality largely rely upon analysis of the Gini coefficient for US incomes over the last 50 years, which appears to show a steep increase in inequality. Examining the ratio of the share of US income among the 5th quintile of income-earning households to the share among the 1st quintile of households likewise seems to show increasing inequality.83

While these data points offer interesting insights, it is again important to understand their limitations. As Robert Kaestner and Darren Lubotsky emphasize, for example, failing to account for government transfers and employee benefits—that presumably substitute, in part, for cash income—can meaningfully affect these kinds of inequality measures.84 One important example they explore is that of healthcare benefits. As healthcare costs have rapidly increased in recent years, omitting a measure of health insurance benefits (provided by employers or by the government) could significantly affect ultimate inequality findings. Kaestner and Lubotsky, in fact, analyze inequality measures accounting for this omission, and find that including health insurance benefits substantially lessens the difference between high-end and low-end incomes.85 They find the ratio of income between households at the 90th percentile and the 10th percentile to be approximately 5 in 1995, 5.2 in 2004, and 5.6 in 2012.86 So while their findings support the notion that inequality is increasing, they also suggest that the trend is significantly smaller than reported.

Examining household consumption trends tells a similar story. Scholars have argued that consumption might be a superior measure of welfare, given a “closer link between consumption and well-being.”87 Consumption trends would also seem to be relevant when considering antitrust enforcement efforts, as they offer more information regarding economic effects than isolated income or wealth measurements. Examining household consumption over the last couple decades indicates that inequality is increasing but at a muted rate.

Accordingly, the evidence does seem to indicate inequality is increasing by some amount. Potentially more-accurate measures of income and welfare, however, suggest this trend is not as significant as populists claim. So, the first assumption in this particular populist theory appears to be valid, if often overstated. That leads us to the second—and for this discussion, the critical—assumption that antitrust enforcement is driving the apparent inequality trend.

Second, consider the empirical evidence supporting a causal link between antitrust enforcement and inequality. This proffered link remains, thus far, largely theoretical and undeveloped empirically. Populist papers advocating for increased antitrust as a salve for increasing inequality do not offer empirical support for their preferred course of treatment. But other authors have begun to explore empirically the proposed tie between antitrust enforcement and inequality. Wright et al., for instance, present time series regressions relating measures of inequality to antitrust enforcement measures.88 While the authors acknowledge the standard reasons that these analyses cannot isolate, with confidence, causation, their work provides a useful foray into the empirical basis for the notion that antitrust enforcement and inequality are causally linked. The authors examine data from DOJ investigations between 1984 and 2016, focusing first on merger investigations, given the populist emphasis on merger activity, and then broadly examine all DOJ investigations for a more general enforcement measure. Their results do not offer “much empirical evidence to substantiate the proposed correlation between antitrust enforcement activity and inequality.”89

Populist claims that increased antitrust enforcement is necessary to combat a severe trend of increasing inequality thus appear to be overstated. While inequality appears to be increasing, the rate is likely more modest than the populist movement implies. And there is, as of yet, no empirical support for the underlying proposition that increasing antitrust enforcement levels would slow, stop, or reverse this trend.

#### Inequality has zero effect on war

Gal Ariely 15, senior lecturer in the Department of Politics & Government, Ben-Gurion University of the Negev, PhD from the University of Haifa’s School of Political Sciences, “Does National Identification Always Lead to Chauvinism? A Cross-national Analysis of Contextual Explanations,” Globalizations, 2015, https://s3.amazonaws.com/academia.edu.documents/43980028/Ariely\_Globalizations\_2015.pdf?AWSAccessKeyId=AKIAIWOWYYGZ2Y53UL3A&Expires=1515397197&Signature=78lnbbHNRVjhLgOKyRPKm%2BK8M1o%3D&response-content-disposition=inline%3B%20filename%3DDoes\_National\_Identification\_Always\_Lead.pdf

With respect to internal explanations, the effects of income inequality and ethnic diversity are presented in Table 3. Models 3.1 and 3.2 indicate that neither directly affects chauvinism. H4 is therefore not supported. The results suggest, however, that both have a negative effect on the national-identification slopes. Contrary to our expectations, countries with higher levels of economic and ethnic division appear to exhibit a weaker relation between national identification and chauvinism. While these findings might seem to contradict H5, the pattern was caused by outliers. After excluding South Africa—the most unequal and ethnic diverse country in our sample—the effect of ethnic diversity is not even of borderline significance. After excluding Chile—the most unequal country in our sample—the interaction effects for economic inequality were also far from significant.

The results, therefore, do not support H5.21¶ Conclusions¶ During the historic phone call between President Obama and Iranian President Sheikh Hasan Rouhani in September 2013, the latter stated that his country’s nuclear program ‘represents Iran’s national dignity’.22 This declaration reflects the common perception that Iran’s nuclear program mobilizes Iranians in support of resisting further national humiliation at the hands of foreigners (Moshirzadeh, 2007). This reflects the important role national feelings play in the contemporary international arena. Evidence from other examples—such as the Israeli-Palestine conflict—indicates that national identity serves as a key factor in conflict resolution. The prominence of national feelings is not limited to the Middle East, their effect on public attitudes towards international issues, and conflicts also being manifest in the West (Billig, 1995; Kinder & Kam, 2010).¶ It is thus hardly surprising that scholars seeking to develop a better understanding of conflicts adopt a social-psychology perspective, replacing the deterministic view that identification with one’s in-group necessarily leads to antagonism towards out-groups with an examination of the broader social context. In line with this approach, the present paper focuses on the way in which political and social contexts encourage chauvinistic views towards the international arena and how they affect the relation between national identification and chauvinism.¶ Integrating various social and psychological theories, we investigated two external contextual explanations (globalization and conflict) and an internal explanation (social division). Employing cross-national survey data, we examined the relation between national identification and chauvinism across 33 countries. The findings indicate that a positive relationship exists between national identification and chauvinism across most of the countries, although the level differs from country to country. Using a multilevel regression analysis, we tested to see whether globalization, conflict, and social division correlate with this variation. The results indicate that social and political contexts are related to chauvinism and the ways national identifi- cation and chauvinism are linked. Although a closer relation exists between national identification and chauvinism in more globalized countries, globalization failed to explain the variation in chauvinism itself. These findings support the notion that globalization highlights the importance of national identity (Calhoun, 2007; Castells, 2011). While those sections of globalized societies that are attached to their country also tend to resist international cooperation and endorse hostile views, the complexity of the phenomenon—as evinced by the divergent findings of previous studies (e.g. Jung, 2008; Norris & Inglehart, 2009)—calls for further research of this interpretation. The fact that the current study is cross-sectional must also be taken into account, the findings adducing the relation but not the causal relations between the variables. In contrast to experimental studies, the present design is similarly limited in its ability to offer a robust control for alternative explanations.¶ Another external factor found to be relevant—to a certain degree—was conflict. Countries that suffered large numbers of deaths in conflicts and mobilized resources and personnel exhibited higher levels of chauvinism. When other indices for conflict were used, however, these results were not replicated. A possible explanation for this finding lies in the inherent limitation in the way in which conflicts are measured across various countries. Measuring international conflicts is a challenging task (Anderton & Carter, 2011). While the ways of measuring conflict were chosen because they reflect different dimensions of conflict in order to be representative of a wide range of countries, the problem of comparability cannot be ignored. An alternative explanation may derive from the fact that only deaths from conflict and resources/personnel mobilization are sufficiently significant to contribute to chauvinism. The limitations of our measurements of conflict and research design mean that this idea must remain speculative, however. In addition, it is important to emphasize that the sample of countries is also limited as many countries are not involved in conflict and there is also limited variation in the types of conflicts.¶ Contrary to what the divisionary theory of national mobilization would lead us to expect, neither economic inequality nor ethnic diversity were related to chauvinism or affected the relation between national identification and chauvinism. This finding might also be explained by the limitation of the current research design. The number of countries included in the ISSP 2003 National Identity Module being relatively small and the sample only covering countries with available survey data, the results relate solely to this specific sample of countries. Across another set of countries, social division might play a far more significant role. Another explanation might be the meaning given to national identification and chauvinism across the countries. While evidence exists for the comparability of the scales across most of the countries, the divergent meaning probably attributed to them in Germany, the United States, and Israel might form an additional limitation.

# 2NC

## States CP

#### State action sends a clear signal.

Arteaga ’21 [Juan and Jordan Ludwig; January 28; former Deputy Assistant Attorney General for the U.S. Department of Justice’s Antitrust Division, J.D. from Columbia Law School; partner in the Antitrust and Competition Group at Crowell and Moring firm, J.D. from Loyola Law School; Global Competition Review, “The Role of US State Antitrust Enforcement,” https://globalcompetitionreview.com/guide/private-litigation-guide/second-edition/article/the-role-of-us-state-antitrust-enforcement]

Another high profile non-cartel conduct case brought by a state attorney general is California’s case against Sutter Health (Sutter Health Litigation). Interestingly, this case followed two private class actions: one brought in the California state court and one brought in the federal court.[116] In the Sutter Health Litigation, the California Attorney General alleged that Sutter Health ‘unreasonably restrained trade through a variety of anticompetitive [contractual] terms’ that fall into three buckets: all-or-nothing terms, which require health plans that offer services at a Sutter Health hospital or related health care provider to also offer the services at every other Sutter Health hospital or related health care provider;[117] anti-incentive terms, which forbid or penalise health plans that use tiered networks or other incentives to incentivise enrollees for choosing a cheaper competing hospital or provider over a more expensive one;[118] and price-secrecy terms, which prohibit health plans from disclosing the prices that Sutter Health negotiated for services offered through the health plan.[119]

Based on these contractual terms, the California State Attorney alleged three violations of California’s antitrust statute, the Cartwright Act. The first cause of action was for price tampering, the second for tying and the third for conspiracy to monopolise. The court denied Sutter Health’s motion for summary judgment,[120] and subsequently held that, with one potential exception, the state’s claims would be adjudicated under the rule of reason.[121] On the eve of trial, Sutter Health settled the actions brought by the California State Attorney General and private plaintiffs, agreeing to pay $575 million to resolve the class damages claims and agreeing to ‘comprehensive injunctive relief that will enjoin . . . Sutter’s alleged restrictions on the ability of health plans to steer patients away from higher cost providers’.[122]

The terms of the settlement will in many ways determine the importance and impact of the Sutter Health Litigation but commentators have already noted that this litigation represents a ‘landmark case’, as it ‘is really important for other big health systems and is a clear signal that the state enforcers are looking out for [the challenged business practices] and recognising this as anticompetitive behavior’.[123] If nothing else, ‘it reflects a potential expansion of antitrust enforcement from state attorneys general where federal enforcers may be reluctant to intervene.’[124] Commentators have also noted that the private plaintiffs received a significant lift when the California Attorney General decided to join the litigation and adopt their theories of harm because it gave ‘them more weight than they might otherwise have if brought solely by private plaintiffs’.[125]

#### State courts will set national policy---BUT that only happens through dynamic application of subnational standards---the federal judiciary is cumbersome and fails.

HLR ’20 [Harvard Law Review; June 10; Legal journal published by the Harvard Law Review Association at Harvard University, ranked number one in law journal citations; Harvard Law Review, “Antitrust Federalism, Preemption, and Judge-Made Law,” vol. 133]

Of course, state judiciaries often play a role in molding antitrust policy, and one could argue that there would be no problem with federal judge-made law preempting state judge-made law. Key to the benefit of states as laboratories of democracy is the states’ ability to experiment legislatively. To say that states can “experiment[]” and act as “scientific policymakers”127 or “innovate” through a collective “evolutionary process”128 makes most sense if we are actually referring to state legislatures and agencies. So what is the issue with overriding state courts?

For one thing, much (although not all) of what state judiciaries do in the antitrust arena is actually decided by state legislatures. Some state legislatures, for example, have explicitly directed their courts to apply federal case law to corresponding state statutes.129 Moreover, most state judiciaries are elected.130 As noted above, sensitivity to the electorate is key to the values-based part of policymaking, so state courts may actually be better policymakers than federal courts are.

Even if all state antitrust law were formed by unelected state judges, there would still be a basic sovereignty rationale for preferring state court decisions to federal court decisions. Congress should recognize that the federal judiciary is a poor policymaking body, but whether the states believe their judiciaries are up to the policymaking challenge is for the states to decide. Consider the secondary holding of Erie Railroad Co. v. Tompkins. 131 Of course, Justice Brandeis famously and primarily held that the concept of a “transcendental body of law” was a “fallacy” and that, therefore, the federal courts should not create a general federal common law.132 But, secondarily and more relevant here, Justice Brandeis did not prevent the states from continuing to hand down common law from on high: “[W]hether the law of the State shall be declared by its Legislature in a statute or by its highest court in a decision is not a matter of federal concern.”133 Justice Brandeis’s willingness to critique common law’s “fallacy” and yet still allow the states to embrace it came from a concern with state sovereignty, an understanding that the states have the right to structure themselves in a manner that the federal government, a separate sovereign, opposes.134 That same sovereignty rationale should allow states to decide that their judiciaries are sufficiently good at policymaking, even if the federal government should realize that its judiciary is not.

#### Courts will consistently apply the statutory guidelines.

Dameron ’16 [Charles; 2016; J.D. from Yale University; Yale Law Journal, “Present at Antitrust’s Creation: Consumer Welfare in the Sherman Act’s State Statutory Forerunners,” <https://www.yalelawjournal.org/note/present-at-antitrusts-creation-consumer-welfare-in-the-sherman-acts-state-statutory-forerunners>]

Notwithstanding occasional invocations of the judiciary’s “common law” authority over the Sherman Act, federal courts have, since the Act’s earliest days, expended great energy attempting to divine the legislative purpose behind it.5If the Sherman Act were truly a blanket grant of common law-making authority to federal courts, they would hardly need to undertake such searching inquiries. The Supreme Court’s and lower courts’ close attention to the Sherman Act’s language and legislative history indicates that they have sought to abide by their constitutional role as interpreters of federal statutes.6

It is therefore more precise to say that the judiciary enjoys an especially wide authority to fill statutory gaps when interpreting the Sherman Act due to the Act’s ambiguous language, its constancy over time, and the fact—peculiar in light of many modern regulatory regimes—that Congress did not assign rulemaking authority to an administrative agency. These traits do not imply that federal courts may pursue whatever antitrust policy they find most desirable or wise; courts are obliged to follow the statute’s contours to the extent that they can perceive those contours.7

#### Litigation will be coordinated through multistate task forces – that solves.

Arteaga ’21 [Juan and Jordan Ludwig; January 28; former Deputy Assistant Attorney General for the U.S. Department of Justice’s Antitrust Division, J.D. from Columbia Law School; partner in the Antitrust and Competition Group at Crowell and Moring firm, J.D. from Loyola Law School; Global Competition Review, “The Role of US State Antitrust Enforcement,” https://globalcompetitionreview.com/guide/private-litigation-guide/second-edition/article/the-role-of-us-state-antitrust-enforcement]

Coordination in multistate investigations and litigation

Coordination among state antitrust enforcers

State attorneys general often coordinate their investigation and prosecution of antitrust matters with their counterparts in other states.[66] To help ensure that these coordinated efforts are conducted in an efficient and effective manner, the NAAG has created an Antitrust Committee, which ‘is responsible for all matters relating to antitrust policy’.[67] This committee is comprised of 12 state attorneys general [68] and is responsible for promoting effective state antitrust enforcement by developing the NAAG’s antitrust policy positions and by facilitating communications among state enforcers regarding investigations, litigation, legislative matters and competition advocacy initiatives, among other things.[69]

In 1983, the NAAG established a Multistate Antitrust Task Force that is ‘comprised of state staff attorneys responsible for antitrust enforcement in their states’.[70] This task force ‘recommends policy and other matters for consideration by the Antitrust Committee, organizes training seminars and conferences, and coordinates multistate investigations and litigation’.[71] The task force is chaired by a person appointed by the head of the NAAG’s Antitrust Committee[72] and has a representative from each NAAG member state.[73] The chair of the task force serves as ‘the principal spokesperson for the states on antitrust enforcement’.[74]

The NAAG’s Multistate Antitrust Task Force does not handle actual investigations or litigation. Instead, such coordination usually occurs through working groups established by the states involved in an investigation or litigation. In most multistate investigations, the working group will designate a state responsible for leading the investigation. The lead state is often a state that has the most relevant experience and can dedicate the appropriate level of resources to the investigation, and has a sufficient interest in ensuring that the investigation is handled in an effective and efficient manner (i.e., the transaction or business practice in question could potentially impact a significant number of consumers or commerce within its state). (If an investigation is sufficiently large or complex, such as a mega-merger involving numerous markets, the states may create an executive committee that oversees the working group as well as designate multiple lead states.)

## FTC

#### Link alone turns case, zeroing enforcement and encouraging anticompetitive behavior.

Baker et al. ’20 [Jonathan, Bill Baer, Michael Kades, Fiona Morton, Nancy Rose, Carl Shapiro, Tim Wu; November 19; Professor of Law at American University, former Director of the Bureau of Economics at the Federal Trade Commission, Ph.D. in Economics from Stanford University, J.D. from Harvard University; Visiting Fellow in Governance Studies, former Assistant Attorney General for Antitrust at the U.S. Department of Justice and Director of the Bureau of Competition at the Federal Trade Commission, J.D. from Stanford University; Director of Markets and Competition Policy at the Equitable Growth Foundation, J.D. from the University of Wisconsin; Professor of Economics at ale University, Ph.D. in Economics from the Massachusetts Institute of Technology; Professor of Applied Economics, Ph.D. in Economics from the Massachusetts Institute of Technology; Professor of Business Strategy at the University of California, Berkeley; Special Assistant to the President for Technology and Competition Policy in the National Economic Council, J.D. from Harvard Law School; Washington Center for Equitable Growth, “Restoring competition in the United States,” <https://equitablegrowth.org/research-paper/restoring-competition-in-the-united-states/>]

The need for more resources

The agencies lack the resources to fulfill their mission after a decade in which they have seen their budgets largely frozen. Increasing resources alone will not solve today’s manifest market power problems, but substantially increasing resources is an important part of the solution.

The agencies require a significant increase in appropriations to begin the process of more effectively deterring anticompetitive conduct and mergers. Agencies strapped for resources are less likely to investigate complex cases and more willing to accept flawed settlements. Corporations are more likely to pursue questionable mergers or undertake potentially anticompetitive conduct if they think the agencies have little or no capacity to bring additional enforcement actions.

#### It’s the most likely scenario for war---sparks nuke escalation in Asia and the Middle East.

Cribb ’19 [Julian; October 3; Principal of Julian Cribb & Associates, Fellow of the Australian Academy of Technological Sciences and Engineering, former Director of National Awareness at the Commonwealth Scientific and Industrial Research Organisation; Food or War, “Food as an Existential Risk,” Ch. 6]

Weapons of Mass Destruction

Detonating just 50–100 out of the global arsenal of nearly 15,000 nuclear weapons would suffice to end civilisation in a nuclear winter, causing worldwide famine and economic collapse affecting even distant nations, as we saw in the previous chapter in the section dealing with South Asia. Eight nations now have the power to terminate civilisation should they desire to do so – and two have the power to extinguish the human species. According to the nuclear monitoring group Ploughshares, this arsenal is distributed as follows:

– Russia, 6600 warheads (2500 classified as ‘retired’)

– America, 6450 warheads (2550 classified as ‘retired’)

– France, 300 warheads

– China, 270 warheads

– UK, 215 warheads

– Pakistan, 130 warheads

– India, 120 warheads

– Israel, 80 warheads

– North Korea, 15–20 warheads.11

Although actual numbers of warheads have continued to fall from its peak of 70,000 weapons in the mid 1980s, scientists argue the danger of nuclear conflict in fact increased in the first two decades of the twenty-first century. This was due to the modernisation of existing stockpiles, the adoption of dangerous new technologies such as robot delivery systems, hypersonic missiles, artificial intelligence and electronic warfare, and the continuing leakage of nuclear materials and knowhow to nonnuclear nations and potential terrorist organisations.

In early 2018 the hands of the ‘Doomsday Clock’, maintained by the Bulletin of the Atomic Scientists, were re-set at two minutes to midnight, the highest risk to humanity that it has ever shown since the clock was introduced in 1953. This was due not only to the state of the world’s nuclear arsenal, but also to irresponsible language by world leaders, the growing use of social media to destabilise rival regimes, and to the rising threat of uncontrolled climate change (see below).12

In an historic moment on 17 July 2017, 122 nations voted in the UN for the first time ever in favour of a treaty banning all nuclear weapons. This called for comprehensive prohibition of “a full range of nuclear-weapon-related activities, such as undertaking to develop, test, produce, manufacture, acquire, possess or stockpile nuclear weapons or other nuclear explosive devices, as well as the use or threat of use of these weapons.”13 However, 71 other countries – including all the nuclear states – either opposed the ban, abstained or declined to vote. The Treaty vote was nonetheless interpreted by some as a promising first step towards abolishing the nuclear nightmare that hangs over the entire human species.

In contrast, 192 countries had signed up to the Chemical Weapons Convention to ban the use of chemical weapons, and 180 to the Biological Weapons Convention. As of 2018, 96 per cent of previous world stocks of chemical weapons had been destroyed – but their continued use in the Syrian conflict and in alleged assassination attempts by Russia indicated the world remains at risk.14

As things stand, the only entities that can afford to own nuclear weapons are nations – and if humanity is to be wiped out, it will most likely be as a result of an atomic conflict between nations. It follows from this that, if the world is to be made safe from such a fate it will need to get rid of nations as a structure of human self-organisation and replace them with wiser, less aggressive forms of self-governance. After all, the nation state really only began in the early nineteenth century and is by no means a permanent feature of self-governance, any more than monarchies, feudal systems or priest states. Although many people still tend to assume it is. Between them, nations have butchered more than 200 million people in the past 150 years and it is increasingly clear the world would be a far safer, more peaceable place without either nations or nationalism. The question is what to replace them with.

Although there may at first glance appear to be no close linkage between weapons of mass destruction and food, in the twenty-first century with world resources of food, land and water under growing stress, nothing can be ruled out. Indeed, chemical weapons have frequently been deployed in the Syrian civil war, which had drought, agricultural failure and hunger among its early drivers. And nuclear conflict remains a distinct possibility in South Asia and the Middle East, especially, as these regions are already stressed in terms of food, land and water, and their nuclear firepower or access to nuclear materials is multiplying.

It remains an open question whether panicking regimes in Russia, the USA or even France would be ruthless enough to deploy atomic weapons in an attempt to quell invasion by tens of millions of desperate refugees, fleeing famine and climate chaos in their own homelands – but the possibility ought not to be ignored.

That nuclear war is at least a possible outcome of food and climate crises was first flagged in the report The Age of Consequences by Kurt Campbell and the US-based Centre for Strategic and International Studies, which stated ‘it is clear that even nuclear war cannot be excluded as a political consequence of global warming’. 15 Food insecurity is therefore a driver in the preconditions for the use of nuclear weapons, whether limited or unlimited.

A global famine is a likely outcome of limited use of nuclear weapons by any country or countries – and would be unavoidable in the event of an unlimited nuclear war between America and Russia, making it unwinnable for either. And that, as the mute hands of the ‘Doomsday Clock’ so eloquently admonish, is also the most likely scenario for the premature termination of the human species.

Such a grim scenario can be alleviated by two measures: the voluntary banning by the whole of humanity of nuclear weapons, their technology, materials and stocks – and by a global effort to secure food against future insecurity by diverting the funds now wasted on nuclear armaments into building the sustainable food and water systems of the future (see Chapters 8 and 9).

#### Biden is all talk---actual policy signals deference to corporate consolidation in every sector.

Stoller ’21 [Matt; April 29; Research Director of the American Economic Liberties Project, author; Substack, “Is Biden Accidentally Giving the Green Light to Mega-Mergers?” <https://mattstoller.substack.com/p/is-biden-accidentally-giving-the>]

Today I’m going to write about the Biden administration’s first major antitrust move, a clearance of a giant pharmaceutical merger which signaled to Wall Street that Biden hasn’t made antitrust a priority. It’s not the worst news, but it’s not good news.

Before that, a little house-keeping. First, Brian Barrett at Wired wrote [a good piece](https://www.wired.com/story/logitech-harmony-smart-remote-lost-its-way/) on how Logitech’s Harmony monopoly killed the universal remote control industry, going into more detail than I did a [few weeks ago](https://mattstoller.substack.com/p/why-logitech-just-killed-the-universal) on the same subject. Second, last year I [wrote up a board game monopoly roll-up](https://mattstoller.substack.com/p/weird-monopolies-and-roll-ups-horse) by a firm called Asmodee, which owns Settlers of Catan. Paul Tullis at Bloomberg [did a more thorough job](https://www.bloomberg.com/news/articles/2021-04-13/board-game-maker-asmodee-behind-catan-pandemic-ticket-to-ride-corners-market?sref=q0qR8k34) last week on how they’ve done through the pandemic.

And now…

Mega-Merger Mania

A number of sources have told me that the merger space is the busiest they’ve ever seen, which is probably a result of being able to borrow a lot of money cheaply (courtesy of the Federal Reserve). Wall Street knows it. “It’s the busiest I’ve ever known it,” Farah O’Brien, a private equity and M&A partner at Latham & Watkins [told](https://www.ft.com/content/bacdf86f-e786-4439-966e-f5958adb1c59) the Financial Times. “There’s a ton of capital that is desperately trying to find a home. I wouldn’t say there’s caution in the market at all.”

It’s happening in every sector, from lithium mining to electric utilities to [semiconductors](https://www.wsj.com/articles/u-k-starts-national-security-probe-of-nvidia-s-40-billion-deal-to-buy-arm-11618837683) to pharmaceuticals. Mergers tend to lead to layoffs, higher prices, less innovation and research, and a more brittle supply chain, and they amplify the control monopolies have over our society. There are even weird new ways of self-dealing via mergers, like the trend of private equity funds [selling their](https://www.institutionalinvestor.com/article/b1r14ljp32b2ly/Private-Equity-Firms-Used-to-Sell-Half-Their-Companies-to-Their-Competitors-Now-They-re-Selling-Them-Back-to-Themselves) own portfolio companies to themselves, and the new cheating special of 2021, the special-purpose acquisition companies, or SPAC. The details of how are not particularly important, suffice to say that what is happening is a massive transfer of wealth and power to a small group, far beyond the inequality we’ve known.

#### ‘Right to repair’ is top-of-the-docket---especially in agriculture AND resource allocation.

Kavi ’21 [Aishvarya; July 21; Reporter in the Washington Bureau, graduate of George Washington University; New York Times, “The F.T.C. votes to use its leverage to make it easier for consumers to repair their phones,” <https://www.nytimes.com/2021/07/21/us/politics/phones-right-to-repair-FTC.html>]

The Federal Trade Commission voted unanimously on Wednesday to push harder for the right of consumers to repair devices like smartphones, home appliances, cars and even farm equipment, arguing that large corporations have cost consumers by making such products harder to fix.

All five commissioners — two Republicans and three Democrats — voted to back a policy statement that promises to explore whether companies that make it harder for consumers to repair products are breaking antitrust or consumer protection laws, and to step up enforcement of the laws against violators.

“These types of restrictions can significantly raise costs for consumers, stifle innovation, close off business opportunity for independent repair shops, create unnecessary electronic waste, delay timely repairs and undermine resiliency,” said [Lina Khan](https://www.nytimes.com/2021/06/16/technology/lina-khan-big-tech.html), the commission’s chairwoman. “The F.T.C. has a range of tools it can use to root out unlawful repair restrictions, and today’s policy statement would commit us to move forward on this issue with new vigor.”

The commission’s vote on Wednesday falls in line with President Biden’s policies to prioritize initiatives to increase competition between large corporations and to limit their power. In an [executive order](https://www.whitehouse.gov/briefing-room/presidential-actions/2021/07/09/executive-order-on-promoting-competition-in-the-american-economy/) this month, Mr. Biden encouraged the commission to crack down on companies that make it harder for consumers to get equipment or electronics repaired by third-party shops. It singled out manufacturers of farming equipment — the tractor manufacturer John Deere, for example — that use [license agreements](https://www.deere.com/assets/pdfs/common/privacy-and-data/docs/agreement_pdfs/english/2016-10-28-Embedded-Software-EULA.pdf) that block farmers from repairing their tractors on their own.

Wednesday’s vote was a victory for the “right to repair” movement, which has long been pushing for repair-friendly policies at the federal, state and local levels. Nathan Proctor, the senior director of the United States Public Interest Research Group’s Right to Repair campaign, celebrated the agency’s decision in a statement.

“They have pledged to assist states in making right to repair improvements, and to tackle illegal behavior from manufacturers,” Mr. Proctor said. “The F.T.C. is no longer on the sidelines.”

#### Congress will ‘say no’ to budget requests AND demand downsizing in response to the plan.

Kantrowitz ’20 [Robert; November 19; Author and reporter, B.A. from Cornell University; Substack, “‘A Breathtaking Constraint on Capacity’: Internal FTC Memo Announces Major Cuts Ahead of Tech Giant Action,” <https://bigtechnology.substack.com/p/a-breathtaking-constraint-on-capacity>]

In addition to decreasing case costs, the FTC will freeze hiring; decrease spending on consumer education, including call centers, which log complaints about fraudulent and unfair business practices; lower spending on services such as training; delay and possibly cancel staffers’ year-end bonuses; encourage leave without pay; and cut IT spending. The agency is doing just about everything it can to cut costs, outside of layoffs.

The FTC’s “belt-tightening,” as Robbins put it in the email, is a win for Facebook and Amazon. With a divided Congress uninterested in working together on legislation, regulators like the FTC are the government’s last meaningful check on tech giants’ power. The FTC’s annual budget is less than what these companies make in a few days — approximately $330 million a year vs. $18 billion in a quarter, in Facebook’s case alone — and its ability to stand up to anticompetitive behavior is slipping away with these new funding constraints. The agency imposed the cuts when it couldn’t keep up with minimal annual spending increases, like cost of living adjustments.

“If I were a prospective defendant I'd be heartened by this,” Kovacic said.

Congress has made a show of hauling big tech executives before their committees, but its members disdain the idea of funding the regulators who restrain the abuses they decry. When Kovacic floated the idea of tripling FTC funding to $1 billion per year in a hearing this September, Sen. Maria Cantwell mocked him.

Sen. Josh Hawley, one of tech’s most strident critics, was put off Tuesday by the suggestion he support more funding to the agency. “I’ve repeatedly said I will NOT vote to shovel more money at the FTC when it has utterly failed to hold tech accountable,” Hawley[tweeted](https://twitter.com/HawleyMO/status/1328838538490765313).

#### Turns growth.

Castellaw ’18 [John; March 14; Lieutenant General in the United States Marine Corps, member of the Center for Climate and Security’s Advisory Board, teaching fellow in the College of Business and Global Affairs at the University of Tennessee; Senate Committee on Foreign Relations, “Why Food Security Matters,” <https://www.foreign.senate.gov/imo/media/doc/031418_Castellaw_Testimony.pdf>]

Food Security Advances America’s Economic Interests

Food security is critical to reducing conflict, but it is also vital to establishing economic security. Almost no country – from South Korea to India to the United States – has achieved rapid economic development without first investing in agricultural development. And we know from our experience that smallholder farmers can become productive and escape poverty once they gain access to education, markets, and technologies.

That is also my personal story—in my family’s history this step enabled my grandparents and parents to rise from a lineage of small-acreage subsistence farmers to the American Middle Class, to feed and educate our family, and to live with dignity. American and world efforts to tackle global poverty have been successful. Since 1990, global extreme poverty has been more than halved with over a billion people lifted out of poverty.

These efforts pay dividends for the U.S economy. Today, 11 of our top 15 export markets, including Germany, Japan and South Korea, are former recipients of U.S. foreign assistance, as well as being among our staunchest allies. Many of the fastest growing economies reside in the developing world and those markets comprise almost 60 percent of global GDP, a threefold increase since 1990. These developing countries also account for more than half of all U.S. agricultural exports.

In 2016, the U.S. exported nearly $135 billion of agricultural products supporting 1.1 million full-time American jobs, making these developing markets an important source of our jobs and economic growth. When our economy is strong, it amplifies the awesome power of our military might while deterring our enemies from undermining America’s national security and economic interests abroad.

#### It sparks terrorism and resource wars in Egypt and Syria.

Castellaw ’18 [John; March 14; Lieutenant General in the United States Marine Corps, member of the Center for Climate and Security’s Advisory Board, teaching fellow in the College of Business and Global Affairs at the University of Tennessee; Senate Committee on Foreign Relations, “Why Food Security Matters,” <https://www.foreign.senate.gov/imo/media/doc/031418_Castellaw_Testimony.pdf>]

Senators, during my military career I have seen those looks of hopelessness and despair in the faces of men and women scavenging in piles of garbage to find food for their families. These daily personal struggles to survive do create the incubators for terrorists and their supporters. According to the Office of the Director of National Intelligence (ODNI), “the overall risk of food insecurity in many countries of strategic importance to the United States will increase during the next 10 years… In some countries, declining food security will almost certainly contribute to social disruptions and political instability.”

It was not that long ago, in our own country, that we had armed clashes over grazing rights and competition for water between crop and livestock communities. In fragile and conflict affected states, access to water, pasture, and agricultural land is often the spark that ignites conflicts between ethnic groups, tribes and clans. The lack of farming income, in turn, forces young men off the land and into urban slums, where their alienation makes them willing recruits for extremist organizations. Food insecurity is also a lever for those same extremist groups to exert control over the population and gain financial advantage from their control of food resources. I saw this in the early 90s during the conflict in Bosnia where groups with guns exercised power by seizing food supplies and controlling the distribution to the population.

We can see this in play today in such places as the Lake Chad Basin where a growing conflict between cattle herders, farmers, and fishermen competing for ever decreasing water resources brought on by climate change and misuse of water sources is providing openings for Boko Haram to establish themselves. I recently flew over Lake Chad and the decrease in lake’s area from the last time I visited is more than alarming.

Executives surveyed at the World Economic Forum highlighted in their 2016 Global Risk Assessment the likely impact of climate change on food security and noted that the “simmering tensions between social groups are more likely to boil over into community violence. Armed non-state actors, including insurgencies and terrorist groups, will be able to leverage this new source of insecurity (stresses on water and food) as an additional grievance on which to build their narratives, finding new recruits among those made destitute.”

This is an especially serious issue in the Middle East and North Africa. The Center for Climate and Security, a non-partisan think tank of national security and military experts – where I serve as a member of its Advisory Board – identified a significant connection among climate change, drought, natural resource mismanagement, food security and conflict in the region in its seminal “Arab Spring and Climate Change” report. In that region, a “Catch 22” phenomenon is occurring. Egypt, for example - heavily dependent on the global wheat market - is highly vulnerable to bread price spikes that result from countries like China panic-buying in the wake of their wheat harvests being devastated by extreme weather events (and countries like Russia cutting off wheat exports for the same reasons). Other nations in the region, like Syria under Assad before the outbreak of civil war, have tried to grow wheat locally and unsustainably, to avoid Egypt’s dilemma. But that hasn’t worked.

Coupled with climate change-exacerbated extreme drought from 2007-2010, Syria’s agricultural practices (and malpractices) decimated the country’s water table, left millions of Syrians “extremely food insecure,” and displaced around 1.5 million farmers and herders, heightening the likelihood of tension and conflict in the country.

## Solvency

## Innovation

#### Innovation critiques of the CWS are wrong---the plan causes inconsistent application and ignores current rapid pace of innovation.

Abbott ’21 [Alden; 4/2/21; Senior Research Fellow at the Mercatus Center, J.D. from Harvard Law School, former General Council for the FTC; Tracy Miller; Ph.D. in Economics from the University of Chicago, Senior Policy Research Editor at the Mercatus Center; "Antitrust Should Stay Focused on Consumer Welfare," https://www.nationalreview.com/2021/04/antitrust-should-stay-focused-on-consumer-welfare/]

Politicians and policy analysts have expressed concern about the growing size and impact of large digital-platform companies such as Google, Facebook, Amazon, and Apple. Some are advocating more aggressive antitrust enforcement or major changes to the law. Although competition policy can be improved, promoting consumer welfare should continue to guide antitrust enforcement in the United States.

Critics claim that antitrust law, which is intended to condemn business practices that undermine competition or maintain monopolies, is being neglected as competition weakens across the economy. They claim that the failure to enforce antitrust law allows unchecked abuses — not just by digital platforms, but by powerful firms in other market segments as well.

Critics also attribute this monopoly-abuse problem to antitrust law’s emphasis on the goal of promoting consumer welfare. They argue that the consumer-welfare standard should be ditched in favor of broader policy goals in order to “revitalize” antitrust as a powerful interventionist tool.

Before the 1970s, Supreme Court antitrust decisions generally reflected a “big is bad” philosophy. Those opinions often viewed antitrust as a means of protecting smaller companies. Many poorly understood business practices were condemned with no inquiry into their actual economic effects. Mergers fared particularly badly in court. As Supreme Court Justice Potter Stewart lamented in 1966, the only consistency in government merger challenges was that “the Government always wins.”

In the late 1970s, we started to see the rise of the consumer welfare standard as courts changed their approach to antitrust in response to economic and legal scholarship revealing that large business size and market share often manifested wealth-creating efficiency, rather than poor economic performance. While continuing to summarily condemn hard-core cartel activity, courts began to apply case-specific economic analysis. This involved weighing the potential benefits resulting from a firm’s conduct against its harmful effects.

In 1979 the Supreme Court underscored the new approach in its Reiter v. Sonotone opinion, stating that “Congress designed the Sherman Act as a ‘consumer welfare prescription.’” Subsequent judicial decisions enunciated legal standards that seek to preserve incentives for business conduct that benefits consumers. These decisions have also granted dominant firms greater leeway to engage in aggressive competition to better satisfy consumers.

In parallel with judicial developments by the mid-1990s, Democratic and Republican enforcers adopted a bipartisan approach to federal antitrust enforcement that emphasized consumer-welfare promotion.

Over the past few years, however, the consumer-welfare standard has come under siege. Critics of current antitrust policy cite the growing size and market share of dominant firms as signs of ineffective antitrust enforcement. These concerns were highlighted in 2020 studies by the House Subcommittee on Antitrust, Commercial, and Administrative Law and by the Washington Center for Equitable Growth. They endorse digital platform regulation, new Federal Trade Commission rulemaking, and legislation to tighten antitrust laws, with a greater emphasis on condemning dominant firm behavior out of hand, without regard for consumer welfare. They would also pursue a broader range of objectives, such as promoting fairness, protecting labor rights, and limiting monopoly as measured by firm size and market share.

In February 2021, Senator Amy Klobuchar (D., Minn.) introduced legislation that would toughen the standard for evaluating mergers (preventing many out of hand, based on the size of the acquiring firm). Her proposal would also lower the bar for convicting a firm of illegal monopolization. Other expansive antitrust-reform proposals, including possible regulation or structural breakups of big platforms, may be considered in Congress. Recent antitrust-reform hearings in both the Senate and House have featured condemnations of the consumer-welfare standard.

Yet these critiques of consumer welfare miss the mark. Abandoning this approach in favor of broad-based interventionist antitrust policies would prove harmful.

Proposed reforms such as breaking up dominant firms or prohibiting most mergers and acquisitions are likely to make consumers worse off, sacrificing the cost reductions that result from one firm producing a growing share of output and integrating many complementary services.

Considering a broader range of conduct to be in violation of antitrust law would likely increase uncertainty for firms as they endeavor to compete to attract additional customers. Moreover, having to assign weights to ill-defined objectives of labor rights and fairness (among other new goals) would create confusion. The resulting decisions could be arbitrary and inconsistent w

ith the rule of law.

Furthermore, oft-cited studies claiming that competition is weakening are based on questionable evidence. The 2020 Economic Report of the President showed that those studies rely on overbroad market definitions that tell us nothing about competition in specific markets, let alone across the entire economy.

What’s more, while leading digital platforms often have large market shares, they still face competitive pressure from existing firms and startups to develop innovative new products and services. Indeed, market-leading platforms that fail to innovate can be displaced — just ask Yahoo and MySpace.

Finally, the benefits that consumers derive from participating in some digital platforms will grow as the platforms expand their membership. Antitrust attacks aimed at “cutting monopoly platforms down to size” could undermine these benefits, harming consumers.

The antitrust consumer-welfare standard has served consumers well. Competitive forces have yielded a bounty of highly affordable and greatly enhanced digital products and services. The pace of innovation has been breathtaking. The last thing we should do is quickly impose new and amorphous antitrust restrictions that threaten this success story.

## Inequality

# 1NR

## Adv CP

#### Ag monopolies and vertical integration are necessary to an efficient food system.

Nordhaus '21 - founder and executive director of the Breakthrough Institute  
[Ted and Dan Blaustein-Rejto; Apr 18; "Big Agriculture Is Best;" https://foreignpolicy.com/2021/04/18/big-agriculture-is-best/]

Much of the criticism of big agriculture focuses on the monopolistic power of food processors like Archer-Daniels-Midland and Tyson Foods. But the bigger problem is arguably that there is too little vertical integration of food processors with food producers and landowners. Today, big food processors are able to take an outsized share of the profits from the food system while pushing the economic risk onto those further down the supply chain. Many large farmers, meanwhile, lease rather than own much of the land they farm, with much of America’s farmland owned by absentee landowners.

The resulting economic arrangements are rife with what economists call principal-agent problems. Many farmers don’t have incentives to invest in the long-term productivity of the land they farm because they don’t own it nor do they have the means to invest in cutting-edge capital equipment and technology.

These problems are exacerbated by the fact that many farms are family-owned but have no prospect for generational succession, as children continue to choose to pursue greener non-pastures off the farm. So for farmers who don’t own the land they farm, don’t have heirs to pass the farm on to, or both, investing time and money in technology and practices to improve land productivity over the long term does not make sense.

The prospect that a few large corporations could ultimately not only process but own much of America’s farmland and grow much of its food will strike many as fundamentally wrong. But it is likely where we are heading one way or another, as farming has always been a tough business to stay in, much less get into, and fewer and fewer Americans have any interest in doing so.

Vertical integration might bring significant benefits. Big agricultural corporations would have significantly greater incentive to invest resources into the long-term improvement of the land they own and farm, implement evidence-based farming practices, and spend on capital-intensive technology.

Large companies are also, counterintuitively, more responsive to demands for social responsibility, not less so. It is large, multinational corporations, not smaller regional operators, for instance, that have been willing to make zero-deforestation commitments in places like Brazil. That’s because, even though they can leverage their size and economic power to thwart reform, they are also easier to target, pressure, and regulate than more decentralized industries.

For these reasons, a food system that is bigger, more consolidated, and more vertically integrated might actually deliver better social and environmental outcomes than the one we have today. Either way, big farms and big agriculture are here to stay. They are a fundamental feature of global modernity, not a conspiracy by capitalists and corporations to poison people or the land.

Ultimately, improving the U.S. food system will require, first, appreciating it for the social, economic, and technological marvel that it is. It feeds 330 million Americans and many millions more around the world. It has liberated almost all of us from lives of hard agricultural labor and deep agrarian poverty. It has allowed forests to return across much of the United States while also sparing forests in many other parts of the world. It does all this while being extraordinarily efficient environmentally. A better food system will build on these blessings, not abandon them.

#### Only intensification can prevent zoonotic disease outbreaks and preserve biodiversity.

Smith '20 - Food and Ag Analyst @ Breakthrough   
[Alex; Apr 13; "To Combat Pandemics, Intensify Agriculture;" https://thebreakthrough.org/issues/food/zoonosis]

A number of activists and opinion writers have recently argued that SARS-CoV-2, the virus that causes COVID-19, can be traced back to “industrial” and “intensive” agriculture. In a Sierra Magazine piece titled “Blame It on the Farm Too,” Ashia Ajani points a finger at “Western-influenced farming practices” as a main cause of our current zoonotic outbreak and possible further outbreaks.

But these claims offer no explicit argument for how a different form of agriculture — outside of calls to completely eliminate meat consumption — would reduce risk, and they often conflate intensive animal agriculture with intensive agriculture writ large. More fundamentally, these claims point in the wrong direction. If anything, intensification is the solution to reducing the risk of zoonotic disease, not the problem, mainly because it addresses the real underlying causes of zoonosis: land-use change and food insecurity.

First, we should put to rest the argument that COVID-19 has direct ties to factory farming. As most of us know, SARS-CoV-2 has been connected to a wet market in Wuhan, China where wildlife like pangolins, civets, and more were sold alongside butchered meat and other foods. Like SARS before it, the novel coronavirus is assumed to have its origins in bats, but was spread from bats to an intermediary host — potentially a pangolin — before infecting humans.

Intensification is the solution to reducing the risk of zoonotic disease, not the problem, mainly because it addresses the real underlying causes of zoonosis.

Many point to the conditions of the wildlife at the wet market — cages of live animals stacked on top of other live animals — as a perfect storm for zoonotic disease outbreaks, but the underlying cause is the consumption of wildlife. And as Elizabeth Maruma Mrema, the acting executive secretary of the UN Convention on Biological Diversity, explained to The Guardian, the hunger — often literally starvation — that drives consumption of wildlife ought to be cut off at the source, and until we can provide alternatives to wildlife trade and consumption, the problem will persist.

For some, the practice of wildlife consumption in China has direct links to the rise of industrial agriculture in the last quarter of the twentieth century. But the consumption of wildlife and exotic animals in China is historically rooted in food insecurity and, in fact, a failure to industrialize agriculture. According to journalist Brian Barth, Chinese consumption of wildlife stems from the 1970s decision to conclude the Maoist collective farming experiment — an experiment that saw severe famine and food shortages over the previous decades. The goal, instead, was to industrialize agriculture, but a lack of resources and funding meant that the state could not supply rural farmers with the means to industrialize and take advantage of economies of scale. Instead, those farmers who could not benefit from agricultural industrialization took up exotic animal farming as a new source of income.

As Chinese agriculture intensified throughout the following decades, exotic animals remained a part of certain regional diets. Up until the outbreak of the novel coronavirus, these animals were eaten both because of their cultural significance for traditional Chinese medicine, and as a means of demonstrating upward mobility and wealth.

The most important factor in the development of new zoonotic diseases is land-use change.

There is broad agreement in the epidemiological and virological studies of zoonoses that the most important factor in the development of new zoonotic diseases is land-use change. The development of wild lands, whether caused by agricultural extensification, mining, or other factors, simultaneously shrinks the habitat of wildlife and brings that wildlife in close proximity to human settlements. The combination of shrinking habitats, human-wildlife interactions, and food insecurity is a recipe for zoonosis. In West Africa, these three factors combined were responsible for HIV/AIDS and the slew of recent Ebola outbreaks.

Even when food insecurity and the consumption of wildlife are taken out of the equation, land-use change is a powerful driver of zoonotic disease, and has resulted in outbreaks of zoonotic diseases like malaria, yellow fever, dengue fever, Nipah virus, West Nile virus, Zika virus, and Lyme disease. Often, these diseases are transmitted from animals to humans through an intermediary, sometimes an insect (mosquitoes or ticks) and sometimes through livestock that live too close to wildlife populations, as was the case with Nipah.

Because the biggest driver of land-use change is agriculture, “intensive” high-yield agriculture often takes the blame, but the alternative — extensive, low-yield farming — would be worse. To prevent further pandemics, we must do as much as we can to stop land-use change while improving food security. We must, in other words, improve agricultural yields, allowing us to grow more food on less land. So, contrary to what many have asserted, a vital lever for limiting land-use change and providing cheap food for all is not to abandon intensive agriculture, but to intensify it further, especially in the developing world where food insecurity is greatest and where growing populations means rising food demand.

It is thanks to rising yields that farmers, globally, produce about three times the amount of crops while only using 13% more land than in 1950. For example, if yields from cereal production hadn’t increased since 1961, the global agricultural footprint would be 24% larger than it is today — increasing from roughly 50% at current levels to 62% of total habitable land — and would likely have resulted in even deadlier zoonotic outbreaks.

Figure 1, Our World In Data - “Crop Yields”

Alongside reducing deforestation and land-use change and improving food access and security, sustainably intensifying agriculture across the globe would benefit biodiversity by protecting habitats and keeping them from agricultural development. While monoculture means less biodiversity on farmland, the productivity gains of monocropping — and other intensive agricultural practices — allow for the sparing of far greater land that can be used as habitat for wild flora and fauna. Certainly, agricultural intensification alone is not enough to maximize land-sparing benefits, as improved conservation and land policy is needed to minimize rebound effects. But greater productivity is likely the longest lever for achieving ambitious conservation goals.

The spread of intensive agriculture has come with rising nitrogen run-off, methane emissions, and other environmental impacts. These are real problems, but their solution is the continued improvement of intensive systems. In fact, we are already seeing reductions in many environmental impacts from agriculture in countries where intensive agriculture is prevalent, such as the US.

In addition to intensifying agriculture generally, we must manage the risk from animal agriculture in particular. Activists and scientists are correct that reducing animal agriculture, or even eliminating it, would drastically reduce risk of zoonoses. But because the likelihood of a global switch to a plant-based diet is low and would in fact harm the hundreds of millions of smallholder farmers reliant on animal agriculture, we must seek out ways to both intensify animal agriculture and make it safer.

Worries about increased virulence of influenza strains and antibiotic resistance due to poorly managed low-dose usage of antibiotics on intensive animal agriculture are well-founded and downright scary. Alternatively, and potentially more importantly, animal agriculture, even the most intensive forms, requires huge amounts of land for either grazing animals or growing feed. In fact, beef production may be the largest driver of Amazonian deforestation. And, when animal agriculture encroaches on previously unmanaged wildlands, the risk of zoonotic diseases drastically increases as viruses can jump from wild to domesticated animals.

Technology has already helped improve the efficiency, sanitation, and health of cattle, pork, and chicken in the United States — for example, advances in veterinary and farm engineering have greatly reduced disease rates among american pigs — but there are many stones left unturned. Increased R&D, improved regulatory practices, and greater transparency are all clearly needed to ensure global meat production can be efficient, sustainable, and biosecure.

With our global population set to increase by close to 3 billion by 2050, we must strive to construct a world that can provide food, shelter, and livelihoods to all 10 billion people, while reducing risk of pandemics akin to what we see today. Simply, the only way forward is forward. We must continue to develop agricultural innovations that can allow for increased intensification, and we must give these innovations global reach. It does not work to just intensify agricultural production in developed countries, given the dual role of land-use change and food insecurity. To combat the main drivers of zoonotic diseases, we must sustainably intensify our food system, not pine for a romanticized and inefficient production system that brings people and wild animals in closer contact.

#### Reducing the amount of land needed for farming is necessary to prevent extinction.

Lynas ‘16 - visiting fellow at Cornell University’s College of Agriculture and Life Sciences   
[Mark, "Peak farmland is an ecological imperative," Dec 18, https://thebreakthrough.org/index.php/issues/the-future-of-food/responses-is-precision-agriculture-the-way-to-peak-cropland/peak-farmland-is-an-ecological-imperative]

Along with rapidly reducing greenhouse gas emissions, reaching 'peak farmland' is probably the world's most important environmental objective. However, it is far less well-known, and is not advocated as a target to my knowledge by any major environmental organization. The reason for this is doubtless because most of the agricultural policies long advocated by the green movement would serve to take us further away from peak farmland rather than towards it. It should be fairly obvious why peaking farmland expansion is important. Biodiversity loss ranks alongside climate change as an existential threat to the Earth's ecological systems, and conversion of land to agriculture and the resultant loss of habitat is in turn the greatest single threat to biodiversity. There is no prospect of sparing large areas of wilderness from the curse of the plough without halting the conversion of nature to human-oriented agriculture. It's either peak farmland or zero rainforest: our choice. And it is not just biodiversity on the line. When a team of scientists led by Johan Rockstrom in 2009 proposed a set of 'planetary boundaries' for avoiding damaging interference in the operations of the Earth system, they noted that majority of these proposed boundaries were significantly affected by farming: biodiversity, climate, nitrogen, water use, and so on. Making farming sustainable is therefore critical for planetary health in a wider sense than just climate or wildlife. Unfortunately, ideology—most clearly in the religion of organic and the cult of the 'natural'—serves mainly to obscure what needs to be done to achieve peak farmland. Organic farming has some direct soil and ecological benefits, but these are far outweighed by the fact that yields are significantly lower than in conventional systems: more farmland must therefore be brought into cultivation to produce the same overall harvest of food. There is a robust scientific consensus about this finding, which is supported by numerous meta-reviews. One recent innovation might have served to make organic agriculture viable—the harnessing of the power of biology, via crop genetics, as a disruptive technology to replace external inputs from agrochemicals. However, organic believers at an early stage decided that genetic engineering was an 'unnatural' technological innovation and therefore should be ruled out a priori. Ever since, various organic enthusiasts have tried to stop any cultivation of genetically modified crops elsewhere on the supposed basis that these crops might 'contaminate' their supposedly pure and natural (but lower-yielding) harvest. Genetic engineering can be thought of as biological precision agriculture. A single DNA sequence can be added to the genome of a crop to confer resistance to insect pests or fungal infections. This means, all other things remaining equal, that the insecticides or fungicides that would otherwise have been sprayed to protect the crop are no longer necessary. Drought tolerance as a trait can reduce the need for irrigation, while nitrogen efficiency can reduce fertilizer inputs. It was an epochal mistake for the organic movement to reject this technology. In a rational world, GMOs and organic would have made perfect bedfellows. In a 2010 paper in the journal PNAS, Jennifer Burney and colleagues calculated the greenhouse gas savings achieved by modern farming by comparing emissions with a counterfactual low-yield scenario that held technology constant at 1961 levels. They concluded that "the net effect of higher yields has avoided emissions of up to 161 gigatons of carbon since 1961". This is an enormous saving, equivalent to a third of the entire stock of human carbon emissions put into the atmosphere since the industrial revolution. And the land savings were equally stunning, equivalent to 1.7 billion hectares of cropland, an area twice the size of the contiguous United States. Genetic modification in its 'GMO' sense has only contributed a small latter portion to this improving picture—most of the gains were achieved through the earlier Green Revolution and the steady yield additions achieved thereafter. The challenge now is to build on this to both shrink the yield gaps that still bedevil developing countries, keeping them trapped in rural poverty, and to make conventional farming more sustainable in terms of soil conservation, reducing inputs and direct emissions and so on. This means dropping the romantic fantasies so beloved of urban foodies. Instead, in the words of Mark Watney in the movie The Martian, we need to "science the shit out of this".

## Politics

#### Vote ready next week---delay lowered the threshold for passage.

Lillis ‘10/29 [Mike; 10/29/21; Senior Politics Reporter for the Hill; "Progressives see infrastructure vote next week," https://thehill.com/homenews/house/579179-progressives-see-infrastructure-vote-next-week/]

The progressives who bucked their president to block an infrastructure vote this week also lowered the bar for moving an even larger social benefits package at the heart of Joe Biden's domestic policy agenda.

It's a two-step dance that's rankled party leaders in the near-term, but simultaneously paved the way for quicker action on both proposals — perhaps as early as next week.

“I don't think it'll take that long,” Rep. Pramila Jayapal (D-Wash.), chair of the Congressional Progressive Caucus, said as lawmakers headed home this week without a deal.

The timeline will hinge on the resolution of a series of outstanding issues still under negotiation within the “family” benefits package, as well as the drafting of the legislative language reflecting those lingering decisions. But with much of the text already released — and with the Progressive Caucus already endorsing that legislative framework — the liberals say both bills could be on the floor in a matter of days.

“We have the text; that's what we needed,” said Jayapal.

“I am renewedly optimistic,” said Rep. Don Beyer (D-Va.), a fellow progressive who leads the Joint Economic Committee, which makes recommendations on how to improve the U.S. economy. Beyer told The Hill on Friday that he expects the House to vote on one package, likely the infrastructure bill, on Tuesday, then take up the $1.75 trillion social and climate spending package later in the week.

“I feel really good about next week,” added a third House progressive, who like Jayapal, had been holding the line in opposing the infrastructure bill.

The burst of optimism follows shortly on the heels of an embarrassing setback for Biden and Democratic leaders, who were racing to stage a Thursday vote on a popular $1.2 trillion infrastructure bill, which was passed by the Senate in August.

Biden had visited the Capitol on Thursday morning to rally House Democrats behind both parts of his two-prong economic agenda, touting a newly released “framework” governing the $1.75 trillion social spending piece. And Speaker Nancy Pelosi (D-Calif.) urged lawmakers to support the infrastructure bill in a vote she’d hoped to bring later in the day.

Jayapal had led the successful opposition to that plan, speaking for a host of liberals who want deeper assurances that the larger “family” benefits bill not only passes their muster, in terms of policy specifics, but also has enough Senate support to reach Biden’s desk. Only then will they back the bipartisan infrastructure bill, known informally as the BIF.

"If we vote for the BIF, I think that that's it. I think we lose the other bill,” said Rep. Juan Vargas (D-Calif.). “I don't trust what the senators are going to do.”

At the same time, the progressives rolled back their policy demands and lowered the tactical threshold for winning their votes on infrastructure. While leading liberals had initially insisted that their votes would hinge on Senate passage of the larger benefits package, now some are saying that a spoken commitment from the Senate centrist holdouts — Joe Manchin (D-W.Va.) and Kyrsten Sinema (D-Ariz.) — would be enough to win their backing.

#### Bills are linked and ready to pass---Congress agrees on the framework, and it’s paid for.

Cathey et al. ‘10/28 [Libby; 10/28/21; staff writer for ABC News; et al.; "House delays infrastructure vote as Biden set to land overseas without deal," https://abcnews.go.com/Politics/vote-expected-infrastructure-week/story?id=80832593]

Democratic leaders were eager to put the infrastructure bill on the floor as soon as Thursday, but Pelosi -- who doesn't call for votes unless she knows has the support for passage -- hadn't officially called for one.

House Progressives emerged from a closed-door meeting and commended Biden for framework, but they still insisted they will vote no on the infrastructure bill if it hit the floor until a firm deal is made on the larger spending package.

"There are too many no votes for the BIF to pass today," said Chair of the Congressional Progressive Caucus Pramila Jayapal, D-Wash.

"He did not ask for a vote on the bill today," she said earlier in the day, referring to the Senate-passed bipartisan infrastructure bill. "The speaker did. He did not. He said he wants votes on both bills and said what we do on these two bills is going to be determinative for how the world sees us."

Before his speech, the White House teased Biden's remarks on his domestic agenda ahead his international trip, saying he is "delivering" on his promises to rebuild the middle class.

"After hearing input from all sides and negotiating in good faith with Senators Manchin and Sinema, Congressional Leadership, and a broad swath of Members of Congress, President Biden is announcing a framework for the Build Back Better Act," said a White House statement that notably did not say he had an agreement.

"President Biden is confident this is a framework that can pass both houses of Congress, and he looks forward to signing it into law. He calls on Congress to take up this historic bill – in addition to the Bipartisan Infrastructure Investment and Jobs Act – as quickly as possible," the statement said.

The White House said "the framework will save most American families more than half of their spending on child care, deliver two years of free preschool for every 3- and 4-year-old in America, give more than 35 million families a major tax cut by extending the expanded Child Tax Credit, and expand access to high-quality home care for older Americans and people with disabilities."

The Child Tax Credit expansion, which Biden proposed extending until 2025, would now be only until the end of 2022. Paid family and medical leave, which Biden had originally proposed to be 12 weeks and then scaled back to four weeks, appeared to have been dropped altogether after Manchin objected, despite progressives fighting back. Two free years of community college that Biden had promised is not included.

It also claimed it represents "the largest effort to combat climate change in American history" and "the biggest expansion of affordable health care coverage in a decade," saying it would "reduce premiums for more than 9 million Americans by extending the expanded Premium Tax Credit, deliver health care coverage to up to 4 million uninsured people in states that have locked them out of Medicaid, and help older Americans access affordable hearing care by expanding Medicare."

An expansion of Medicare to cover dental and vision, a top priority of Sen. Bernie Sanders, is not in the framework.

And, the White House said, "it is fully paid for ... by making sure that large, profitable corporations can't zero out their tax bills, no longer rewarding corporations that shift jobs and profits overseas, asking more from millionaires and billionaires, and stopping rich Americans from cheating on their tax bills."

#### Biden’s effectively leveraging capital and everyone’s onboard.

Romm et al. ‘10/28 [Tony; 10/28/21; congressional news reporter at the Washington Post; "Biden unveils revised spending plan, exhorts Democrats to back it," https://www.washingtonpost.com/politics/biden-to-announce-democratic-agreement-on-social-spending-deal/2021/10/28/2781863c-37d3-11ec-91dc-551d44733e2d\_story.html]

President Biden on Thursday unveiled a new $1.75 trillion package to overhaul the country’s health-care, education, climate and tax laws, muscling through a slew of policy disagreements and internecine political feuds that had stalled his economic agenda for months.

The announcement marked a critical moment in Biden’s tenure, prompting the president to pay a visit to Capitol Hill and call on Democrats to adopt the spending along with a second, roughly $1.2 trillion package to improve the country’s roads, bridges, pipes, ports and Internet connections.

“We spent hours and hours and hours over months and months working on this,” Biden said in televised remarks. “No one got everything they wanted, including me, but that’s what compromise is. That’s consensus, and that’s what I ran on.”

Biden’s moves reflected a pivotal decision to assume ownership of the sweeping safety-net proposal in a new way. He is investing enormous political capital in the new plan, following days of intensive, secretive meetings with key lawmakers, and ratcheting up his warnings that gun-shy Democrats risk damaging him and the party if they do not get on board.

“I don’t think it’s hyperbole to say that the [Democratic] House and Senate majorities — and my presidency — will be determined by what happens in the next week,” he told House Democrats in a closed-door meetings, according to one person in the room, who spoke on the condition of anonymity because of the sensitivity of the discussions.

The president added that he expected the framework to gain the Democrats’ support, emphasizing the framework had 50 votes in the Senate and telling reporters, “Everyone’s on board,” as he arrived on Capitol Hill.

The call to action appeared to galvanize some Democrats, and the $1.75 trillion framework soon generated praise — crucially from the party’s moderate and liberal ranks. Even former president Barack Obama, who has largely stayed out of the day-to-day political battles, put out a statement in support of the framework, calling it a “giant leap forward.” One of the longtime holdouts, Sen. Kyrsten Sinema (D-Ariz.), quickly offered positive comments about the deal, but without committing to vote for it.

“After months of productive, good-faith negotiations with President Biden and the White House, we have made significant progress on the proposed budget reconciliation package,” Sinema said in a statement. “I look forward to getting this done, expanding economic opportunities and helping everyday families get ahead.”

Sen. Joe Manchin III (D-W.Va.), the other centrist holdout, similarly offered little comment, saying only, “In the hands of the House” when asked about the new framework in the Capitol on Thursday.

The proposal did contain some longtime Democratic priorities, including universal prekindergarten, new sums to combat climate change and additional taxes on the ultrawealthy. But it jettisoned other items, including a plan to provide paid leave to millions of Americans. The president made the cuts to satisfy Sinema and Manchin, who were concerned about overspending, though some liberal Democrats later said they had not given up fighting for those items.

#### Progressives are on board---votes coming as soon as this week.

Brufke ‘10/28 [Juliegrace; 10/28/21; writer for the New York Post; "House Dems punt infrastructure for 3rd time, pass stop-gap highway bill instead," https://nypost.com/2021/10/28/house-dems-punt-infrastructure-again-pass-stop-gap-highway-bill/]

The far-left flank of the party has asserted that they believe both the hard infrastructure bill and the massive social spending bill should be passed in conjunction with one another

While proponents of acting on the bipartisan bill as a standalone argue that the failure to pass the measure dealt a blow to the president, who has faced dwindling numbers in the polls, liberal lawmakers argued that they could have a deal as soon as next week, with talks expected to continue over the weekend.

Congressional Progressive Caucus Chair Pramila Jayapal (D-Wash.) added that her caucus endorsed the framework, asserting she does not believe the lack of passage makes the president look weak.

“We sent him off with a ringing endorsement of the framework that he presented to the caucus today. I told anybody that would listen, that we did not have the votes for the BIF vote tonight,” she told reporters.

“The president did not ask for this vote today, I just want to be very clear about that. The Speaker did, but the president did not, the president said he wants us to pass both bills and that this coming week was going to be critical for them. We will deliver both these bills to him from the House.”

#### It is set to pass next week

Stanage '10/29 [Niall, "The Memo: Democrats stall out on brink of victory," https://thehill.com/homenews/administration/579042-the-memo-democrats-stall-out-on-brink-of-victory]

“The biggest obstacle that Democrats are facing right now is the lack of progress,” said Tad Devine, a strategist who held a senior role on Sen. Bernie Sanders’s (I-Vt.) 2016 presidential bid. “If they make progress, they can begin to tell a story. The Republicans have a well-developed story, and the Democrats are negotiating something that nobody seems to understand. That’s a loser.”

The expectation on Capitol Hill is that both bills will pass eventually — perhaps sometime next week. And voices across the Democratic spectrum emphasize that such an outcome would be a significant victory.

Many Democrats fairly point out that combined infrastructure and social spending legislation amounting to almost $3 trillion is no minor matter — especially coming on top of a COVID-19 relief bill signed into law in March that was worth almost another $2 trillion.

In addition, even the pared back version of the social spending bill includes universal pre-kindergarten, an extension of a $300 per month child tax credit, an expansion of Medicare to cover hearing issues and more than $500 billion to combat climate change.

Across the party, there is a near desperation to enact the legislation so that voters can feel the benefits — or at least know those benefits are coming — before next year’s midterm elections.

Even on the left, there is an acknowledgement that incremental progress is vital.

#### Political capital is finite and decisive. It passes 5 bills a year.

Cohen ’19 [Jeffrey E; June; Political Science Professor at Fordham University; the President on Capitol Hill: A Theory of Institutional Influence, “Conclusions: Presidential Influence in Congress,” Ch. 11, p. 241-243]

The present study rehabilitates the idea of presidential influence in Congress. Instead of viewing influence as derived from personal characteristics, this study conceptualizes presidential influence in institutional terms. The major finding here is that presidents have a measurable amount of influence. Although presidents do not possess enough influence to dominate Congress, to force the legislature to accede to their every demand, they do possess enough influence to win on a significant number of roll calls that the president's side would otherwise lose. By winning on more roll calls because of this influence, presidents can affect the public policies produced through the legislative process.

This study conducted several types of analyses to estimate the amount of presidential influence. Since it can be hard to isolate causal effects with observational data, this research paired regression with quasi-experimental treatment effects analyses. The treatment effects analysis for the years 1953 to 2012 suggests that when the president takes a roll call position, the president’s side will win an additional 9% of House floor votes, or about five out of the fifty-four roll call positions that presidents take, on average, annually. Although five additional victories may not sound like much, if it leads to five major policy enactments, it may be consequential for the lives of citizens.2

Moreover, five additional pieces of legislation add up over the years—in a four-year term, there might be twenty additional enactments. From another perspective, Ansolabehere, Palmer, and Schneer (2016, 2018) estimate that there are eight or nine major legislative enactments per Congress from 1789 to 2010 and about seventeen from 1953 to 2010. The estimated five additional pieces of legislation presidents receive from position taking is nearly 30% of major enactments in the late modern period, assuming all the additional presidential wins are on major legislation. Through position taking, presidents can have consequential impacts on the nation's policies.

As conceptualized here, presidential influence is rooted in the office and in the surrounding political environment, termed "institutional presidential influence." There is some similarity between this conceptualization of influence and studies that emphasize the importance of contextual and political factors for presidential success (Bond and Fleisher 1990; Edwards 1990). But presidents still must decide whether to apply those institutional and contextual levers of influence; they need to be strategic decision makers, too. Hence, presidential influence is not merely a matter of dumb luck (Rockman 1981). Some presidents may be luckier than others, in that the office and the political environment provide them with greater resources, such as party control, upon which they can draw. But presidents still decide whether, when, how, and with whom they will exert effort, and how much, when trying to influence Congress.

#### Extinction.

Greene ’19 [Sherrell R.; Nuclear Engineering M.S. degrees from the University of Tennessee, recognized subject matter expert in nuclear reactor safety, nuclear fuel cycle technologies, and advanced reactor concept development, worked at the Oak Ridge National Laboratory (ORNL) for over three decades, as Director of Research Reactor Development Programs and Director of Nuclear Technology Programs; “Enhancing Electric Grid, Critical Infrastructure, and Societal Resilience with Resilient Nuclear Power Plants (rNPPs),” Nuclear Technology 205(3), <https://ans.tandfonline.com/doi/pdf/10.1080/00295450.2018.1505357?needAccess=true>, edited for language]

There are a variety of events that could deal crippling blows to a nation’s Grid, Critical Infrastructure, and social fabric. The types of catastrophes under consideration here are “very bad day” scenarios that might result from severe GMDs induced by solar CMEs, HEMP attacks, cyber attacks, etc.5

As briefly discussed in Sec. III.C, the probability of a GMD of the magnitude of the 1859 Carrington Event is now believed to be on the order of 1%/year. The Earth narrowly missed (by only several days) intercepting a CME stream in July 2012 that would have created a GMD equal to or larger than the Carrington Event.41 Lloyd’s, in its 2013 report, “Solar Storm Risk to the North American Electric Grid,” 42 stated the following: “A Carrington-level, extreme geomagnetic storm is almost inevitable in the future…The total U.S. population at risk of extended power outage from a Carrington-level storm is between 20-40 million, with durations of 16 days to 1-2 years…The total economic cost for such a scenario is estimated at $0.6-2.6 trillion USD.” Analyses conducted subsequent to the Lloyd’s assessment indicated the geographical area impacted by the CME would be larger than that estimated in Lloyd’s analysis (extending farther northward along the New England coast of the United States and in the state of Minnesota),43 and that the actual consequences of such an event could actually be greater than estimated by Lloyd’s.

Based on “Report of the Commission to Assess the Threat to the United States from Electromagnetic Pulse (EMP) Attack: Critical National Infrastructures” to Congress in 2008 (Ref. 39), a HEMP attack over the Central U.S. could impact virtually the entire North American continent. The consequences of such an event are difficult to quantify with confidence. Experts affiliated with the aforementioned Commission and others familiar with the details of the Commission’s work have stated in Congressional testimony that such an event could “kill up to 90 percent of the national population through starvation, disease, and societal collapse.” 44,45 Most of these consequences are either direct or indirect impacts of the predicted collapse of virtually the entire U.S. Critical Infrastructure system in the wake of the attack.

Last, recent analyses by both the U.S. Department of Energy46 and the U.S. National Academies of Sciences, Engineering, and Medicine47 have concluded that cyber threats to the U.S. Grid from both state-level and substatelevel entities are likely to grow in number and sophistication in the coming years, posing a growing threat to the U.S. Grid.

These three “very bad day” scenarios are not creations of overzealous science fiction writers. A variety of mitigating actions to reduce both the vulnerability and the consequences of these events has been identified, and some are being implemented. However, the fact remains that events such as those described here have the potential to change life as we know it in the United States and other developed nations in the 21st century, whether the events occur individually, or simultaneously, and with or without coordinated physical attacks on Critical Infrastructure assets.

#### Causes societal collapse.

Monarch ’20 [Benjamin; April 20; University of Kentucky College of Law, J.D. May 2015, LLM in Energy, Natural Resources, and Environmental Law and Policy from the University of Denver Sturm College of Law, Deputy District Attorney at Colorado Judicial Branch, and Term Member at the Council on Foreign Relations; Journal of Energy & Natural Resources Law; “Black Start: The Risk of Grid Failure from a Cyber Attack and the Policies Needed to Prepare for It,” vol. 38, no. 2]

In the industrial world, when a switch is flipped, we take for granted that it will produce light, boot a computer, illuminate a stadium or activate a power plant. We know, of course, that power losses can and do occur. Many of us have lit candles during a thunderstorm or brought out extra blankets when a blizzard takes down transmission lines. As of this writing, the most populated state in the United States, California, is experiencing rolling blackouts.1 Yet even in prolonged power outages, we expect that electricity will be restored and, consequently, life will return to normal. Perhaps we need ask, however, what if power cannot be restored in a timely manner? Concern is growing that in the not-too-distant future our electricity supply could be irreparably compromised by a cyber attack. The issue when considering a systemic grid failure of this nature is twofold: how did we reach a point where something so critical to routine life now presents an existential threat, and what can we do to mitigate the risk of a catastrophic grid attack?

This article posits that the emergence of cyber attacks on industrial control systems, as a means of war or criminal menace, have reached a level of sophistication capable of crippling those systems. This article argues that a new grid security policy paradigm is required to thwart catastrophic grid failure – a paradigm that recognises the inextricable link between commercial power generation and national security. In section 5, seven policy recommendations are outlined that may, in part, mitigate a future where grid attacks pose existential risk to nations and their citizenry. Those recommendations are: first, develop a comprehensive insurance programme to minimise the financial risk of grid disruption; second, train more cybersecurity professionals with particular expertise in industrial control systems; third, institute a federally mandated information-sharing programme that is centralised under United States Cyber Command; fourth, subsidise and/or incentivise cybersecurity protections for small to mid-size utilities; fifth, provide university grants for grid security research; sixth, integrate new technologies with an eye towards securing the grid; and, lastly, formulate clear rules of engagement for a military response to grid disruption.

The purpose of this article is to provide the reader with an introduction to this complex topic. It is the aim of the author to give orientation to this issue and its many branches in the hope that better understanding will animate further curiosity and, ultimately, positive action on the part of the reader. Although many skilled and earnest people work tirelessly to prevent a grid failure scenario, it is essential that more be added to their ranks each day. Advisors, engineers, regulators, private counsel to power generators, and many others who play roles in electric power production are crucial to this subject. So, while this article provides entrée to the topic of grid security, its long-term objective is to spur action by the entire energy-related community. In the end, no one is immune to consequences of grid failure and, therefore, everyone is responsible, in part, for promoting grid integrity.2 In this regard, lawyers who represent various actors in the energy sector are going to be faced with questions and potential legal risks of a magnitude that they have never experienced before.

1.2. Turning the power back on in a powerless world

‘Black start’, not to be confused with the term ‘blackout’, is the name given to the process of restoring an electric grid to operation without relying on the external electric power transmission network to recover from a total or partial shutdown.3 At first glance, this description is unremarkable, but it implies a disturbing catch-22 – how might one restore power if the entire external transmission network is compromised?

If an electric disruption occurs at a household level, some homes may be equipped with a modest gasoline generator to temporarily restore power. If a hospital loses power, it will almost invariably be resupplied by automatic, industrial-scale generators. These micro considerations hardly give anyone pause; they are hiccups on a stormy night or a snowy day. In other words, their ‘black start’ is a quick and effective process for restoring power. But what happens, at a macro level, when an electric grid supplying power to large portions of the United States goes black, or worse, what happens if all of the United States’ electric grids go down simultaneously?4 In that scenario, how might enough non-grid power be harnessed and transmitted to turn the United States’ lights back on? Moreover, how might such a catastrophe occur in the first place? Perhaps the more ominous question is not how, but whether or not we can survive such circumstances if they persist in the long term.

The United States electric grid (‘the grid’) is the ‘largest interconnected machine’ in the world.5 It consists of more than 7000 power plants, 55,000 substations, 160,000 miles of high-voltage transmission lines and millions of low-voltage distribution lines.6 The scale and complexity of the grid in the context of the modern digital world are beyond comprehension because within it are innumerable industrial control systems; incalculable connections to digital networks; millions, if not billions, of analogue or digital sensors; many thousands of human actors; and trillions of lines of programming code.7 Further complexifying the grid is that it is comprised of generations of technologies, stitched together in ways that are not inherently secure in a world of cyber threats.8 The vastness of the grid makes security of it challenging. Likewise, the vastness of the grid makes the opportunities for intrusion seemingly infinite.

By any measure, grid failure will unleash a parade of horrors. Stores would close, food scarcity would follow, communication would cease, garbage would pile up, planes would be grounded, clean water would become a luxury, service stations would yield no fuel, hospitals would eventually go dark, financial transactions would stop, and this is only the tip of the iceberg – in a prolonged grid failure social chaos would reign, once-eradicated diseases would re-emerge and, increasingly, hope of returning to a normal life would fade.9 The notion of complete grid failure, once relegated to science fiction comics or James Bond movies, is now not only possible but also one of the most pressing national security threats today.10

#### Blackouts cascade globally AND it’s irreversible---extinction.

Rees ’18 [Martin; October 16; Astronomer Royal, Founded the Centre for the Study of Existential Risk, Fellow of Trinity College and Emeritus Professor of Cosmology and Astrophysics at the University of Cambridge; On the Future: Prospects for Humanity, “Humanity’s Future on Earth,” Ch. 2, p. 61-119]

2.5. TRULY EXISTENTIAL RISKS?

Our world increasingly depends on elaborate networks: electricity power grids, air traffic control, international finance, globally dispersed manufacturing, and so forth. Unless these networks are highly resilient, their benefits could be outweighed by catastrophic (albeit rare) breakdowns— realworld analogues of what happened in the 2008 global financial crisis. Cities would be ~~paralysed~~ [gridlocked] without electricity— the lights would go out, but that would be far from the most serious consequence. Within a few days our cities would be uninhabitable and anarchic. Air travel can spread a pandemic worldwide within days, wreaking havoc on the disorganised megacities of the developing world. And social media can spread panic and rumour, and economic contagion, literally at the speed of light.

When we realise the power of biotech, robotics, cybertechnology, and AI— and, still more, their potential in the coming decades— we can’t avoid anxieties about how this empowerment could be misused. The historical record reveals episodes when ‘civilisations’ have crumbled and even been extinguished. Our world is so interconnected it’s unlikely a catastrophe could hit any region without its consequences cascading globally. For the first time, we need to contemplate a collapse— societal or ecological— that would be a truly global setback to civilisation. The setback could be temporary. On the other hand, it could be so devastating (and could have entailed so much environmental or genetic degradation) that the survivors could never regenerate a civilisation at the present level.

#### US nuclear doctrine binds the president to nuclear retaliation in response to grid cyberattacks.

Sagan ’21 [Scott D. and Allen S. Weiner; July 9; Political Science Professor at Stanford; Director of the Stanford Program in International and Comparative Law; the Washington Post, “The U.S. says it can answer cyberattacks with nuclear weapons. That’s lunacy,” https://www.washingtonpost.com/outlook/2021/07/09/cyberattack-ransomware-nuclear-war/

Over the July 4 weekend, the Russian-based cybercriminal organization REvil claimed credit for hacking into as many as 1,500 companies in what has been called the largest ransomware attack to date. In May, another cybercriminal group, DarkSide, also apparently located mainly in Russia, shut down most of the operations of Colonial Pipeline, which supplies nearly half the diesel, gasoline and other fuels used on the East Coast — setting off a round of panic buying that ended only when the company handed over a ransom. These incidents were bad enough. But imagine a much worse cyberattack, one that not only disabled pipelines but turned off the power at hundreds of U.S. hospitals, wreaked havoc on air-traffic-control systems and shut down the electrical grid in major cities in the dead of winter. The grisly cost might be counted not just in lost dollars but in the deaths of many thousands of people.

Under current U.S. nuclear doctrine, developed during the Trump administration, the president would be given the military option to launch nuclear weapons at Russia, China or North Korea if that country was determined to be behind such an attack.

That’s because in 2018, the Trump administration expanded the role of nuclear weapons by declaring for the first time that the United States would consider nuclear retaliation in the case of “significant non-nuclear strategic attacks,” including “attacks on the U.S., allied, or partner civilian population or infrastructure.” The same principle could also be used to justify a nuclear response to a devastating biological weapons strike.

But our analysis suggests that using nuclear weapons in response to biological or cyberattacks would be illegal under international law in virtually all circumstances. Threatening an illegal nuclear response weakens deterrence because the threat lacks inherent credibility. Perversely, this policy could also wind up committing a president to a nuclear attack if deterrence fails. While the American public would indeed be likely to want vengeance after a destructive enemy assault, the law of armed conflict requires that some military options be taken off the table. Nuclear retaliation for “significant non-nuclear strategic attacks” is one of them.

#### American blackout goes global---extinction.

Friedemann ’16 [Alice; January 24; Transportation Expert, Founder of EnergySkeptic.com and Author of “When Trucks Stop Running, Energy and the Future of Transportation,” Worked at American Presidential Lines for 22 years; Energy Skeptic, “Electromagnetic Pulse Threat to Infrastructure (U.S. House Hearings),” http://energyskeptic.com/2016/the-scariest-u-s-house-session-ever-electromagnetic-pulse-and-the-fall-of-civilization/]

Modern civilization cannot exist for a protracted period without electricity. Within days of a blackout across the U.S., a blackout that could encompass the entire planet, emergency generators would run out of fuel, telecommunications would cease as would transportation due to gridlock, and eventually no fuel. Cities would have no running water and soon, within a few days, exhaust their food supplies. Police, Fire, Emergency Services and hospitals cannot long operate in a blackout. Government and Industry also need electricity in order to operate. The EMP Commission warns that a natural or nuclear EMP event, given current unpreparedness, would likely result in societal collapse.

#### Pays for itself and boosts growth through efficiency gains.

Glassman ’9-8 [Jim; September 8; Ph.D. in Economics from Northwestern University, Managing Director and Head Economist for Commercial Banking at JP Morgan Chase, former Senior Economist the in Research & Statistics and Monetary Affairs departments at the Federal Reserve Board; JP Morgan, “How a Big Infrastructure Investment Could Pay Off,” https://www.jpmorgan.com/commercial-banking/insights/the-economic-case-for-infrastructure-spending/]

Congestion isn’t just a honking headache. It’s a serious drag on time and resources across the U.S. economy. Updating the nation’s infrastructure so that goods and people can move from point A to point B more efficiently can trigger growth that more than outweighs the cost of the leading infrastructure proposals in Congress.

The transportation data firm INRIX estimates that American commuters lose $88 billion in time annually to traffic congestion.

The American Transportation Research Institute estimates traffic delays cost the trucking industry $74 billion every year.

The White House’s proposed infrastructure deal would put $110 billion toward new highway projects. The time savings from traffic reductions alone would justify that sticker price.

Infrastructure Likely Pays for Itself

Faster growth could easily offset the additional debt from infrastructure spending. With the slow growth of the U.S. working-age population and steadily climbing medical expenses for retirees, investments in infrastructure that accelerate economic growth can improve the presently grim fiscal outlook.

Raising worker productivity and growing the workforce