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politics

#### Biden PC gets BBB back on track.

Nichols ’1/2 [Hans; 1/2/22; writer for Axios News; "Scoop: Manchin returns to Build Back Better negotiations with demands," https://www.axios.com/scoop-manchin-new-play-2cb59ff0-1577-44bf-81a4-a0d72b7e9be2.html]

Sen. Joe Manchin (D-W.Va.) is open to reengaging on the climate and child care provisions in President Biden's Build Back Better agenda if the White House removes the enhanced child tax credit from the $1.75 trillion package — or dramatically lowers the income caps for eligible families, people familiar with the matter tell Axios.

Why it matters: The holdback senator's engagement on specifics indicates negotiations between him and the White House could get back on track, even after Manchin declared he was a “no” on the package on Dec. 19.

The senator’s concerns with the size and the scope of the package remain.

His belief that it could cost more than $4 trillion over 10 years extends beyond the CTC issue, and he continues to tell colleagues he’s concerned about the inflationary effects of so much government spending, Axios is told.

The Bureau of Labor Statistics will release its next Consumer Price Index on Jan. 12. Last month's reading put inflation at 6.8% for the year — fueling Manchin's opposition.

The big picture: Manchin and top White House aides traded recriminations after their negotiations fell apart — but President Biden and the senator subsequently spoke by phone late in the evening of Dec. 19.

They agreed to continue to talk, and Manchin stayed in touch with senior White House officials over the holidays.

The week before Christmas, reports emerged about how close he and Biden were on a potential deal.

The details included a $1.8 trillion offer from Manchin that contained money for universal preschool and green tax credits but nothing for the child tax credit, which provides families up to $3,600 per child per year.

Families who make up to $400,000 had been receiving some CTC payments under the program that ended Jan. 1.

Between the lines: One possible solution to the stalemate would be to remove the CTC from the Build Back Better legislation, which the Senate plans to pass with only Democratic votes.

The chamber could then have a separate, focused debate during a midterm year about making the tax credits permanent.

Some Republicans, like Sen. Mitt Romney (R-Utah), are supportive of the CTC, but it’s unclear if Democrats could find all 10 Republicans needed to clear the 60-vote threshold for passing major legislation.

#### Antitrust requires PC. Knocks 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.

#### Prevents existential climate disaster.

Moncrief ’21 [Aliki; 11/11/21; executive director of Florida Conservation Voters; Orlando Sentinel, “Build Back Better Act would help in climate crisis,” https://www.orlandosentinel.com/opinion/guest-commentary/os-op-climate-change-congress-act-now-20211111-44u6bgyn5fdvnp3eqievkebqpe-story.html]

Last week, Congress passed the Infrastructure Investment and Jobs Act. This bipartisan bill will address upgrades to things like our transportation system, rural broadband, public transit, and clean-water infrastructure. These are badly needed, overdue investments that will make our communities more resilient to the climate impacts we are already seeing. But we know much more is needed.

It’s not enough to just respond to extreme weather — we need to cut the pollution driving it in the first place. That’s why Congress must also pass the Build Back Better Act, the most transformational climate and jobs legislation in our nation’s history. By investing in clean energy and things like electric vehicles and more energy-efficient homes and businesses, we can stop making the problem worse and avoid a growing disaster. We don’t have time for half measures, and Floridians know it — more than 75% of registered voters in the state support bold congressional action on climate change.

The Build Back Better Act takes bold steps to dramatically reduce climate pollution for everyone. But it also centers those who have been disproportionately impacted by this crisis by taking steps to address the decades of unchecked environmental injustice, ensuring at least 40% of the benefits of this bill go to those communities hardest hit by pollution and climate change.

Building a clean energy economy is an investment that will pay dividends for families today and for generations to come. Preventing the most catastrophic hurricanes, floods and heat waves will help ensure that we still bring people from all over the world to our beaches, the Everglades, and every amazing destination across our state that supports our multi-billion dollar tourism industry.

And the robust clean-energy investments in the Build Back Better Act will create millions of good-paying jobs for Floridians in every corner of our state. Florida already ranks fourth in the nation for clean-energy employment, and this legislation would help this industry grow exponentially by tapping into the Sunshine State’s solar power potential.

Orlando has some great members of Congress who understand that climate change is an existential threat to our state and they ran on being a part of the solution to this crisis. Now, we are counting on them to take bold action and pass the Build Back Better Act. This is a win-win-win that creates jobs, lowers energy bills for Floridians, and begins to address the climate crisis at the same time.

## off

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.

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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.

## off

Adv CP

#### 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.

#### replace welfare programs with universal basic income for all residents in the United States.

#### Increase funding for R&D

#### 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.

## off

T per-se

#### ‘Prohibiting’ a practice requires per se illegality.

Lee Mendelsohn 6, Director at Edward Nathan, “KIPA Conduct Amounts to Price Fixing”, Business Day (South Africa), 6/12/2006, Lexis

The first step in any competition law analysis is to define the relevant market. There are two components to an analysis of the relevant market, namely the relevant product market and the geographic market.

The relevant product market consists of those products and services that operate as a competitive constraint on the behaviour of the suppliers of those products and/or services.

The relevant product market is determined by ascertaining whether a small but significant non-transient increase in pricing of the product in question would cause buyers to substitute the product with another product or would cause suppliers of other products to begin producing the product in question.

The relevant geographic market is determined by ascertaining whether a small but significant non-transient increase in pricing of the product in question would cause buyers to purchase the product from other geographic areas, alternatively suppliers of the product in other geographic areas to supply those products into the area in question.

For the purposes of this case study, we are instructed to accept that each medical speciality constitutes a relevant product market and that the relevant geographic market for each of them is Kleindorpie.

The Competition Act provides that "an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if … it involves … directly or indirectly fixing a purchase or selling price or any other trading condition".

An "agreement" is defined as including a contract, arrangement or understanding, whether or not legally enforceable. The term agreement is very widely defined. A "horizontal relationship" is defined as a "relationship between competitors".

The prohibition on the fixing of a purchase or selling price or any other trading condition is one of the so-called "per se" prohibitions which are included in our Competition Act. The prohibition is automatic and absolute and the fixing of prices or other trading condition cannot be justified on the basis of any technological, efficiency or other procompetitive gains that could outweigh the potential anticompetitive effect of the fixing of the price or trading condition. If the capitation plan of KIPA falls within the restrictive horizontal practice prohibiting price fixing and the fixing of other trading conditions, such practice will be a contravention of the act.

Limits---many standards, requiring distinct answers, make the topic unmanageable.

Ground---fringe standards dodge links and allow bidirectional permissiveness.

## 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

#### 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.

#### 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.

### 1NC – AT: Small Firms/Kronos

#### 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.

### 1nc at: ai

#### 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.

### 1nc at: 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 at: inequality

#### 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. I

n 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.

#### No LIO impact

G. John **Ikenberry 18**. Albert G. Milbank Professor of Politics and International Affairs at Princeton University in the Department of Politics and the Woodrow Wilson School of Public and International Affairs, also a Global Eminence Scholar at Kyung Hee University in Seoul. 2018. “Why the Liberal World Order Will Survive.” Ethics & International Affairs, vol. 32, no. 01, pp. 17–29.

In this essay I look at the evolving encounters between rising states and the post-war Western international order. My starting point is the classic “power transition” perspective. Power transition theories see a tight link between international order—its emergence, stability, and decline—and the rise and fall of great powers. It is a perspective that sees history as a sequence of cycles in which powerful or hegemonic states rise up and build order and dominate the global system until their power declines, leading to a new cycle of crisis and order building. In contrast, I offer a more evolutionary perspective, emphasizing the lineages and continuities in modern international order. More specifically, I argue that although America’s hegemonic position may be declining, the liberal international characteristics of order—openness, rules, multilateral cooperation—are deeply rooted and likely to persist. This is true even though the orientation and actions of the Trump administration have raised serious questions about the U.S. commitment to liberal internationalism. Just as importantly, rising states (led by China) are not engaged in a frontal attack on the American-led order. While struggles do exist over orientations, agendas, and leadership, the non-Western developing countries remain tied to the architecture and principles of a liberal-oriented global order. And even as China seeks in various ways to build rival regional institutions, there are stubborn limits on what it can do. Power Transitions and International Order There is wide agreement that the world is witnessing a long-term global power transition. Wealth and power is diffusing, spreading outward and away from Europe and the United States. The rapid growth that marked the non-Western rising states in the last decade may have ended, and even China’s rapid economic ascendency has slowed. But the overall pattern of change remains: the “rest” are gaining ground on the “West.” While there is wide agreement that the world is witnessing a global power transition, there is less agreement on the consequences of power shifts for international order. The classic view is advanced by realist scholars, such as E. H. Carr, Robert Gilpin, Paul Kennedy, and William Wohlforth, who make sweeping arguments about power and order. These hegemonic realists argue that international order is a by-product of the concentration of power. Order is created by a powerful state, and when that state declines and power diffuses, international order weakens or breaks apart. Out of these dynamic circumstances, a rising state emerges as the new dominant state, and it seeks to reorganize the international system to suit its own purposes. In this view, world politics from ancient times to the modern era can be seen as a series of repeated cycles of rise and decline. War, protectionism, depression, political upheaval—various sorts of crises and disruptions may push the cycle forward. This narrative of hegemonic rise and decline draws on the European and, more broadly, Western experience. Since the early modern era, Europe has been organized and reorganized by a succession of leading states and would-be hegemons: the Spanish Hapsburgs, France of Louis XIV and Napoleon, and post-Bismarck Germany. The logic of hegemonic order comes even more clearly into view with Pax Britannica, the nineteenth-century hegemonic order based on British naval and mercantile dominance. The decline of Britain was followed by decades of war and economic instability, which ended only with the rise of Pax Americana. For hegemonic realists, the debate today is about where the world is along this cyclical pathway of rise and decline. Has the United States finally lost the ability or willingness to underwrite and lead the post-war order? Are we in the midst of a hegemonic crisis and the breakdown of the old order? And are rising states, led by China, beginning to step forward in efforts to establish their own hegemonic dominance of their regions and the world? These are the lurking questions of the power transition perspective. But does this vision of power transition truly illuminate the struggles going on today over international order? Some might argue no—that the United States is still in a position, despite its travails, to provide hegemonic leadership. Here one would note that there is a durable infrastructure (or what Susan Strange has called “structural power”) that undergirds the existing American-led order. Far-flung security alliances, market relations, liberal democratic solidarity, deeply rooted geopolitical alignments—there are many possible sources of American hegemonic power that remain intact. But there may be even deeper sources of continuity in the existing system. This would be true if the existence of a liberal-oriented international order does not in fact require hegemonic domination. It might be that the power transition theory is wrong: the stability and persistence of the existing post-war international order does not depend on the concentration of American power. In fact, international order is not simply an artifact of concentrations of power. The rules and institutions that make up international order have a more complex and contingent relationship

with the rise and fall of state power. This is true in two respects. First, international order itself is complex: multilayered, multifaceted, and not simply a political formation imposed by the leading state. International order is not “one thing” that states either join or resist. It is an aggregation of various sorts of ordering rules and institutions. There are the deep rules and norms of sovereignty. There are governing institutions, starting with the United Nations. There is a sprawling array of international institutions, regimes, treaties, agreements, protocols, and so forth. These governing arrangements cut across diverse realms, including security and arms control, the world economy, the environment and global commons, human rights, and political relations. Some of these domains of governance may have rules and institutions that narrowly reflect the interests of the hegemonic state, but most reflect negotiated outcomes based on a much broader set of interests. As rising states continue to rise, they do not simply confront an American-led order; they face a wider conglomeration of ordering rules, institutions, and arrangements; many of which they have long embraced. By separating “American hegemony” from “the existing international order,” we can see a more complex set of relationships. The United States does not embody the international order; it has a relationship with it, as do rising states. The United States embraces many of the core global rules and institutions, such as the United Nations, International Monetary Fund (IMF), World Bank, and World Trade Organization. But it also has resisted ratification of the Law of the Sea Convention and the Convention on the Rights of the Child (it being the only country not to have ratified the latter) as well as various arms control and disarmament agreements. China also embraces many of the same global rules and institutions, and resists ratification of others. Generally speaking, the more fundamental or core the norms and institutions are—beginning with the Westphalian norms of sovereignty and the United Nations system—the more agreement there is between the United States and China as well as other states. Disagreements are most salient where human rights and political principles are in play, such as in the Responsibility to Protect. Second, there is also diversity in what rising states “want” from the international order. The struggles over international order take many different forms. In some instances, what rising states want is more influence and control of territory and geopolitical space beyond their borders. One can see this in China’s efforts to expand its maritime and political influence in the South China Sea and other neighboring areas. This is an age-old type of struggle captured in realist accounts of security competition and geopolitical rivalry. Another type of struggle is over the norms and values that are enshrined in global governance rules and institutions. These may be about how open and rule-based the system should be. They may also be about the way human rights and political principles are defined and brought to bear in relations among states. Finally, the struggles over international order may be focused on the distribution of authority. That is, rising states may seek a greater role in the governance of existing institutions. This is a struggle over the position of states within the global political hierarchy: voting shares, leadership rights, and authority relations. These observations cut against the realist hegemonic perspective and cyclical theories of power transition. Rising states do not confront a single, coherent, hegemonic order. The international order offers a buffet of options and choices. They can embrace some rules and institutions and not others. Moreover, stepping back, the international orders that rising states have faced in different historical eras have not all been the same order. The British-led order that Germany faced at the turn of the twentieth century is different from the international order that China faces today. The contemporary international order is much more complex and wide-ranging than past orders. It has a much denser array of rules, institutions, and governance realms. There are also both regional and global domains of governance. This makes it hard to imagine an epic moment when the international order goes into crisis and rising states step forward—either China alone or rising states as a bloc—to reorganize and reshape its rules and institutions. Rather than a cyclical dynamic of rise and decline, change in the existing American-led order might best be captured by terms such as continuity, evolution, adaptation, and negotiation. The struggles over international order today are growing, but it is not a drama best told in terms of the rise and decline of American hegemony. Sources of Continuity in Liberal International Order If the liberal international order endures, it will be because it is based on more than American hegemonic order. To be sure, the United States did give shape to a distinctive post-war liberal hegemonic system, and many of its features— including the American-led alliance system and multilateral economic governance arrangements—are themselves quite durable. But the broader features of the modern international order are the result of centuries of struggle over its organizing principles and institutions. Rising states face an international order that is long in the making, one that presents these non-Western developing states with opportunities as well as constraints. The struggles over the existing international order will reshape the rules and institutions in the existing system in various ways. But rising states are not simply or primarily “revisionist” states seeking to overturn the order; rather, they are seeking greater access and authority over its operation. Indeed, the order creates as many safeguards and protections for rising states as it creates obstacles and constraints. For example, the World Trade Organization provides rules and mechanisms for rising states to dispute trade discrimination and protect access to markets. After all, more generally, it was this liberal-oriented international order—its openness and rules—that provided the conditions for China and other rising states to rise. Indeed, if the liberal international order survives, it will be in large part due to the fact that the constituencies for such an order that stretch across the Western and the non-Western worlds are larger than the constituencies that oppose it. We can look more closely at these sources of continuity and constituency.

#### Just because the aff makes the US slightly better in international coop doesn’t mean that it fixes all US international coop---conflicts with china and trade outweigh anything thee aff tries to do

# 2NC

## Adv CP

#### Even including the word “antitrust” undermines regulation, ensures sector creep, and is likely to cause more panic than the CP alone

Singer 21 [Hal Singer, managing director of Econ One and an adjunct professor at Georgetown’s McDonough School of Business, “Fixing a Broken Antitrust Regime,” May 26, 2021, https://promarket.org/2021/05/26/amy-klobuchar-antitrust-monopoly-ovation-review/]

Antitrust Isn’t The Only Tool in the Competition Toolkit

The book concludes with a Top-25 list of things Congress and the White House can do to solve America’s monopoly problem. The first 18 prescriptions track her latest legislative proposal, and fall under the domain of antitrust. There are many good ideas here, as well as some important omissions, as noted by Eric Posner, including the failure to overturn Supreme Court cases that established limitations on antitrust liability and enforcement. To her credit, Klobuchar also calls for policies outside of antitrust, such as protecting workers by restricting the use of non-competes agreements and forced arbitration clauses.

Klobuchar’s 24th suggestion, my personal favorite, is to “stop using the word antitrust and start calling it competition policy.” Alas, she only spends one paragraph on this proposal. It would have been an ideal place to note that sector-specific regulation can complement antitrust in hard-to-reach areas, where antitrust can’t easily recognize the (non-price) harm, or where antitrust can’t provide relief in time to spare innovation at the edges of the platforms. The book repeatedly calls for the restoration of net neutrality rules, an admission that antitrust isn’t the only tool in the competition toolkit.

#### The CP’s regs are flexible, which avoids their solvency deficit---BUT they have no ev antitrust is better than regulation at dealing with externalities/spillover

Cappai 20 [Marco Cappai is a Research Fellow in EU Competition Law at University of Roma Tre and in Markets, Regulation and Law at LUISS, Italy, earned a Ph.D. in Economic and Consumer Law at University of Roma Tre, AND Giuseppe Colangelo is a Jean Monnet Professor of European Innovation Policy and Associate Professor of Law and Economics at University of Basilicata, Italy, also Adjunct Professor of Markets, Regulation and Law, and of Legal Issues in Marketing at LUISS and Bocconi University, Italy, “Navigating the Platform Age: the ‘More Regulatory Approach’ to Antitrust Law in the EU and the U.S.,” TTLF Working Papers No. 55, 2020]

Aside from debated questions concerning the ultimate goals of antitrust, competition is commonly accepted as the best regulator, meaning that an effective antitrust policy reduces the need for regulation. Indeed, it has been empirically observed that effective competition leads to lower prices, better quality (for existing products and services) and innovation (in new products and services).24 To this end, antitrust addresses the problem of market power through a flexible and horizontal system of proscriptions typically enforced with a backward looking procedure. In this sense, antitrust performs a prophylactic function by safeguarding the competitive process, instead of dictating market outcomes.

Conversely, regulation is prescriptive in nature. It favours forward-looking intervention based on a rigid set of (normally, sector-specific) clear-cut rules where the conduct required is identified from the outset. Hence, regulation ensures higher technical specialization and is more effective in addressing competition problems that result from structural market imperfections.

Furthermore, regulation has a wider scope than antitrust because it copes with a larger number of market defects and also pursues social aims. Indeed, in addition to the problem of market power, economic regulation deals with aspects such as externalities or spill-overs; information asymmetry; buyers’ inability to take care of their interests or to implement the exchange on their own; unfair allocation of resources and welfare.25

Considering their partial overlap in addressing market power, antitrust and economic regulation are often referred to as part of the same broad family.26 It follows that the choice between antitrust and regulation depends to a great extent on the trade-offs in the specific case concerned.27 Notably, it requires assessment of whether ex ante regulatory intervention in the market furnishes significant incremental benefits with respect to existing ex post antitrust policies of general applicability. This approach has, for instance, recently fuelled the debate on net neutrality regulation in the U.S.28 Indeed, according to a proportionality test, in a perfect scenario economic regulation should leave as much room as possible for competition law.29 Moreover, not only does the proportionality principle condition the choice between economic regulation and antitrust, but, once the former has been favoured, it also affects how regulation can impact on the market. Therefore, regulation should refrain from introducing artificial barriers to entry, such as excessive compliance and administrative costs; it should be transitory in time and in scope; and it should be as flexible as possible, especially when dynamic markets are involved.30

### A2 UBI bad

#### UBI solves inequality and poverty

Surowiecki 16 [James, has been a staff writer at The New Yorker since 2000, “The Case for Free Money,” The New Yorker, June 20, 2016, http://www.newyorker.com/magazine/2016/06/20/why-dont-we-have-universal-basic-income/]

In the mid-nineteen-seventies, the Canadian province of Manitoba ran an unusual experiment: it started just handing out money to some of its citizens. The town of Dauphin, for instance, sent checks to thousands of residents every month, in order to guarantee that all of them received a basic income. The goal of the project, called Mincome, was to see what happened. Did people stop working? Did poor people spend foolishly and stay in poverty? But, after a Conservative government ended the project, in 1979, Mincome was buried. Decades later, Evelyn Forget, an economist at the University of Manitoba, dug up the numbers. And what she found was that life in Dauphin improved markedly. Hospitalization rates fell. More teen-agers stayed in school. And researchers who looked at Mincome’s impact on work rates discovered that they had barely dropped at all. The program had worked about as well as anyone could have hoped. Mincome was a prototype of an idea that came to the fore in the sixties, and that is now popular again among economists and policy folks: a basic income guarantee. There are many versions of the idea, but the most interesting is what’s called a universal basic income: every year, every adult citizen in the U.S. would receive a stipend—ten thousand dollars is a number often mentioned. (Children would receive a smaller allowance.) One striking thing about guaranteeing a basic income is that it’s always had support both on the left and on the right—albeit for different reasons. Martin Luther King embraced the idea, but so did the right-wing economist Milton Friedman, while the Nixon Administration even tried to get a basic-income guarantee through Congress. These days, among younger thinkers on the left, the U.B.I. is seen as a means to ending poverty, combatting rising inequality, and liberating workers from the burden of crappy jobs. For thinkers on the right, the U.B.I. seems like a simpler, and more libertarian, alternative to the thicket of anti-poverty and social-welfare programs. There are signs that the U.B.I. may be an idea whose time has come. Switzerland held a referendum on a basic income last week (though it lost badly); Finland is going to run a U.B.I. experiment next year; and Y-Combinator, a Silicon Valley incubator firm, is sponsoring a similar test in Oakland. Why now? In the U.S., the new interest in the U.B.I. is driven in part by anxiety about how automation will affect workers. Bhaskar Sunkara, the publisher of the socialist magazine Jacobin, told me, “People are fearful of becoming redundant, and there’s this sense that the economy can’t be built to provide jobs for everyone.” In the short run, concerns about robots taking all our jobs are probably overstated. But the appeal of a basic income—a kind of Social Security for everyone—is easy to understand. It’s easy to administer; it avoids the paternalism of social-welfare programs that tell people what they can and cannot buy with the money they’re given; and, if it’s truly universal, it could help destigmatize government assistance. As Sunkara puts it, “Universal programs build social solidarity, and they become politically easier to defend.” The U.B.I. is often framed as a tool for fighting poverty, but it would have other important benefits. By providing an income cushion, it would increase workers’ bargaining power, potentially driving up wages. It would make it easier for people to take risks with their job choices, and to invest in education. In the U.S. in the seventies, there were small-scale experiments with basic-income guarantees, and they showed that young people with a basic income were more likely to stay in school; in New Jersey, kids’ chances of graduating from high school increased by twenty-five per cent.

#### Solves inequality---creates high quality jobs

Sodha 17 (Sonia Sodha is the chief leader writer at the Observer, University of Oxford MA in Politics, Philosophy and Economics, “Is Finland’s basic universal income a solution to automation, fewer jobs and lower wages?,” The Guardian, Feb 19, 2017, https://www.theguardian.com/society/2017/feb/19/basic-income-finland-low-wages-fewer-jobs]

An idea whose time has come? There is now a growing band of politicians, entrepreneurs and policy strategists who argue that a basic income could potentially hold the solution to some of the big problems of our time. Some of these new converts have alighted upon the basic income as an answer to our fragmenting welfare state. They point to the increasingly precarious nature of today’s labour market for those in low-paid, low-skilled work: growing wage inequality, an increasing number of part-time and temporary jobs, and rogue employers routinely getting away with exploitative practices. This grim reality collides with an increasingly punitive welfare state. Our welfare system was originally designed as a contributory system of unemployment insurance, in which workers put in during the good times, and took out during temporary periods of unemployment. But a big chunk of welfare spending now goes on permanently supporting people in jobs that don’t pay enough to support their families. As the contributory principle has been eroded, politicians have sought to create a new sense of legitimacy by loading the system with sanctions that dock jobseeker benefits for minor transgressions. Anthony Painter, a director at the RSA think tank, paints a picture that will be familiar to viewers of Ken Loach’s film, I, Daniel Blake. “You are late for a job centre appointment – so you get a sanction. You’re on a college course the job centre doesn’t think appropriate, so you get a sanction. Your benefits are paid late, so you face debt, rent arrears and the food bank. That’s the reality for millions on low or no pay – they are surrounded by tripwires with little chance of escape.” Painter thinks a universal basic income of just under £4,000 a year could change all that. By itself, it wouldn’t be enough to take someone out of poverty, but it could give them the flexibility to retrain or the breathing room to wait to take a job that has prospects rather than being forced into taking the first vacancy that comes along. The Finnish government shares Painter’s thinking. “The social security system has become complex over time, and needs simplification,” Pirkko Mattila, the minister for social affairs and health, tells me. She hopes participants in the Finnish pilot will find it easier to take short-term jobs and start their own businesses.

#### Increased R&D spending boosts innovation

Musick 17 (Nathan Musick, covers spending and political issues for the CBO. “How Might Changes in Federal Policies Boost Innovation and Productivity?”, <https://www.cbo.gov/publication/52464>, SRatakonda)

Economic studies have shown that federal support for R&D—particularly early-stage research—has for many years been very important in promoting innovation. Total federal spending for R&D was $132 billion in 2015, more than double its 1962 value after being adjusted for inflation. Of that amount, $71 billion went to defense-related R&D (for example, to develop weapon systems) and $61 billion to nondefense R&D (about half of which was for health and medical research).

As a share of gross domestic product, federal spending for R&D has declined by roughly half since 1962 (although spending for early-stage research has increased slightly). The decline in the federal share of total spending for R&D is largely attributable to the expansion of private R&D and to the contraction of federal R&D associated with the end of the Cold War and the space race. Increases in federal R&D spending would be expected to boost innovation by increasing total spending for R&D, although the prospects for federal support for new products that are closer to commercialization are at best mixed.

Devoting additional resources to efforts to transfer government technology to the private sector would help private innovators better utilize the specialized equipment and expertise available at federal laboratories.

#### No protectionist anti-trust – it backfires on domestic industries and it’s too cumbersome to enforce

Bradford ’12 [Anu H. Bradford; 2012; Henry L. Moses Distinguished Professor of Law and International Organization at the Columbia Law School; Research handbook on the economics of antitrust law; "Antitrust Law in Global Markets," https://scholarship.law.columbia.edu/cgi/viewcontent.cgi?article=2977&context=faculty\_scholarship]

Other authors have questioned that trade fl ows could lead to biased antitrust enforcement. Einer Elhauge and Damien Gerardin note that the effects doctrine compromises states’ ability to engage in systematic underenforcement or overenforcement.135 If a net- exporting country were to enact overly lax antitrust laws, its producers would still be subject to the antitrust laws of the importing jurisdiction, assuming their activities have an eff ect on that market.136 The prospect of a concurrent jurisdiction by importing jurisdictions renders net- exporting countries’ underenforcement irrelevant, steering them towards optimal regulation.137 Elhauge and Geradin point out that the importing jurisdiction also has optimal incentives to regulate as long as it embraces the consumer welfare standard.138

Michael Trebilcock and Edward Iacobucci question whether trade defi cits or surpluses would ever determine countries’ preferred level of antitrust regulation, given that trade imbalances usually constitute only a small percentage of any nation’s GDP.139 John McGinnis notes that tr ade fl ows have a tendency to fl uctuate, and doubts that countries amend their antitrust laws in response to their changing trade balances.140 McGinnis further argues that trade- flow bias would be infeasible to apply in practice, considering that it is often difficult to categorize a multinational corporation as ‘domestic’ or ‘foreign’. Hence, exercising bias against a ‘foreign’ corporation may have the unintended eff ect of harming the corporation’s many domestic shareholders and employees.141 Anu Bradford points out that biased policies may have similar unintended consequences on domestic industries that rely on intermediate goods, since such goods comprise approximately 50% of the total imports in developed countries.142 Thus, if a country is a net- importer, predisposed to adopt overly strict antitrust laws, those strict antitrust laws would not only target the foreign producers attempting to penetrate the market but also domestic firms that depend on imported goods as inputs or raw materials.143 This criticism, if accepted, suggests that trade flows have, at best, only a marginal effect on countries’ level of antitrust regulation.

## Solvency

#### Startups are actually increasing --- at worst there’s no correlation between tech consolidation and startup growth

Atkinson 21 [Robert D. Atkinson (@RobAtkinsonITIF) is the founder and president of ITIF, PHD UNC-Chapel Hill, March 10, 2021, “How Progressives Have Spun Dubious Theories and Faulty Research Into a Harmful New Antitrust Doctrine,” https://itif.org/publications/2021/03/10/how-progressives-have-spun-dubious-theories-and-faulty-research-harmful-new]

Myth 4: Market Concentration Has Caused the Number of Start-Ups to Fall20

Neo-Brandeisians have argued that market concentration has grown, and that this has caused a precipitous decline in the number of business start-ups. In this narrative, “monopoly” is a sclerotic scourge, robbing the economy of its traditional dynamism—which is largely wrong.

This claim is based on correlation. Concentration has increased while the number of start-ups has fallen; therefore, they argue, concentration caused the decline. In fact, there is no statistical relationship between changes in concentration and changes in new firm formation. Moreover, all the net decline in new firm formation is in one major sector—retail—wherein the results of increasing retail firm size have been superior productivity growth, higher wages for workers in larger stores, and significant consumer benefit in the form of lower prices and broader selection. (See figure 3.)

And when it comes to the most important kind of start-ups—potentially high-growth start-ups, especially in technology sectors—there has been no decline. When MIT professors Jorge Guzman and Scott Stern looked at trends in high-growth entrepreneurship for 15 large states from 1988 to 2014, they found that even after controlling for the size of the U.S. economy, the second-highest rate of high-growth entrepreneurship occurred in 2014.21

### CWS Good – turns case

#### Abandoning CWS turns econ and innovation

Atkinson 21 [Robert D. Atkinson (@RobAtkinsonITIF) is the founder and president of ITIF, PHD UNC-Chapel Hill, March 10, 2021, “How Progressives Have Spun Dubious Theories and Faulty Research Into a Harmful New Antitrust Doctrine,” https://itif.org/publications/2021/03/10/how-progressives-have-spun-dubious-theories-and-faulty-research-harmful-new]

CONCLUSION

Getting antitrust right—which means focusing on the consumer welfare and innovation incentives, not presuming that large firms are bad, and focusing more on policing anticompetitive conduct than on structural remedies—is critical to ensuring U.S. economic growth and competitiveness.

While the current antitrust system can always be improved, such as increasing funding for enforcement agencies, any attempt to shift the Overton window away from the current system to the neo-Brandeisian one would likely mean a reduction of U.S. innovation and growth.

It is crucial that case-by-case analysis—wherein economic arguments are balanced out in order to avoid both false positives and false negatives—remains the fundamental standard of antitrust analysis. Antitrust liability can, and must be, engaged whenever anticompetitive conduct is duly evidenced and the costs are greater than the expected gains from such practice. Absent this necessary evidence, it is the rule of law, the Supreme Court’s ability to review administrative decisions, and the rise of discretionary power that are at stake—and could be jettisoned.

#### Empirics agree---upending existing standards results in inconsistent and subjective application.

Dorsey et al. ‘19 [Elyse; 4/15/19; Adjunct Professor at the Antonin Scalia Law School at George Mason University, J.D. from George Mason University; et al.; "Consumer Welfare & the Rule of Law: The Case Against the New Populist Antitrust Movement," https://regproject.org/wp-content/uploads/RTP-Antitrust-and-Consumer-Protection-Populist-Antitrust.pdf/]

The populist antitrust movement of the last few years has struck a powerful chord that continues to resonate today. It purportedly identifies an array of dire problems and offers a simple and long-overlooked solution to them all: antitrust law. But analysis of these claims and purported solutions demonstrates systemic, fatal shortcomings. The trends which populist supporters allegedly identify are not supported by strong (or any) evidence. The connection between antitrust enforcement and the alleged problems is similarly weak, at best.

And these calls to dramatically upend antitrust law ignore our nation’s experience of attempting to enforce antitrust laws in a regime remarkably similar to what populists today desire. This regime was internally inconsistent and allowed regulators to enforce (or not) based upon their subjective weighing of numerous, vague goals—and resulted in higher prices, less innovation, and lower quality. This regime not only undermined the rule of law, but also fostered a regime where enforcers were exceptionally prone to rent-seeking and capture.

We have learned a tremendous amount about how to effectively enforce antitrust laws over the last several decades. This includes acknowledging its limitations and focusing upon on its strengths. Competition laws are powerful tools when properly targeted. But when improperly targeted, they tend not only to undermine competition itself, but also to fail to achieve other offsetting goals. Resisting populist calls to ignore this experience and to embrace politicized antitrust is critical to the continued viability of our competition efforts.

#### Ensures manipulation – inevitable rent-seeking obliterates clarity and enforcement.

Wright et. al ’19 [Joshua D., Elyse Dorsey, Jonathan Klick, and Jan M. Rybnicek; University Professor and Executive Director, Global Antitrust Institute at Scalia Law School; Attorney Advisor to Commissioner Noah Joshua Phillips, United States Federal Trade Commission; Professor of Law, University of Pennsylvania; Counsel in the antitrust, competition, and trade practice of Freshfields, Bruckahus Deringer LLP; Arizona State Law Review, “REQUIEM FOR A PARADOX: The Dubious Rise and Inevitable Fall of Hipster Antitrust,” vol. 51; KP]

B. Encouraging Corporate Welfare, Rent Seeking, and Political Influence

Replacing the well-defined consumer welfare model with a vague, new standard that has no unifying objective based in objective economic evidence would dramatically increase the ability and likelihood of interested industry participants to engage in rent seeking when appearing before the federal antitrust authorities.274 Today, the well-established definitions and boundaries of the consumer welfare standard allow courts to hold enforcers (and private parties) accountable and prevent misuse of the antitrust laws and political influence in antitrust enforcement decisions. Unlike sister agencies prone to capture, the FTC and DOJ are relatively well insulated from such influence by the need to apply objective economic principles to a clearly articulate consumer welfare standard.

A new “public interest” or “citizen interest” standard would take years to deploy and even longer before meaningful guidance could be issued similar to that which the consumer welfare standard offers today. In the meantime, firms could use the new standard as leverage over the Antitrust Agencies— something that is not possible today because the consumer welfare standard offers a well-defined framework. By substituting in a vague new standard, Hipster Antitrust proponents ironically would grant large, powerful corporations with the ability to exert undue influence over the Antitrust Agencies’ decision-making process. Moreover, once allowed to influence agency enforcement practices during the initial period when no framework exists, it will be difficult to establish guidelines that do not leave room for such manipulation to continue.

Calls to abandon the consumer welfare framework thus would exacerbate concerns about corporate influence by providing firms with a new ill-defined standard to manipulate. As a result, contrary to the purported objectives of consumer welfare critics, abandoning the consumer welfare model would revert the antitrust laws to a rent-seeking regime that increases—rather than reduces—corporate welfare.

## Innovation

#### Empirics are decisive in favor of de-escalation

Taylor 14 Brendan – Head of the Strategic and Defence Studies Centre at the Australian and PhD – National Australian University, “The South China Sea is Not a Flashpoint,” The Washington Quarterly, Spring 2014, Volume 34, Issue 1, Taylor & Francis

Finally, the capacity of Beijing and Washington to navigate crises in their bilateral relationship further suggests that the South China Sea is not a flashpoint. Over the past two or more decades, the United States and China **have gone to great lengths** to manage bilateral tensions and prevent them from spiraling out of control. A recent example occurred in May 2012, when the two arrived at a mutually acceptable solution after the blind Chinese activist Chen Guangcheng sought refuge at the U.S. embassy in Beijing.48 In the South China Sea, two major, modern Sino–U.S. crises have been successfully managed. The first occurred in April 2001, when a U.S. EP-3 conducting routine surveillance in airspace above the South China Sea collided with a Chinese J-8 jet fighter and was forced to make an emergency landing on Hainan Island. To be sure, efforts to address this crisis did not initially proceed particularly smoothly, as Chinese officials refused to answer incoming calls from the U.S. Embassy. Ultimately, however, those most intimately involved in the crisis—such as then-Commander of the U.S. Pacific Command, Admiral Dennis Blair—have written subsequently how top U.S. officials “**made every effort to exercise** prudence and **restraint** while they collected more information about the nature of the incident.” They have also acknowledged that their Chinese counterparts “made a series of grudging concessions that ultimately resulted in success…after they decided that **it was important to overall Sino–U.S. relations to solve the incident**.”49 Again in March 2009, while diplomatic tensions between Beijing and Washington heightened in the immediate aftermath of an incident involving the harassment of the USNS Impeccable by five Chinese vessels, good sense also prevailed as senior U.S. and Chinese officials issued statements maintaining that such incidents would not become the norm and pledging deeper cooperation to ensure so.50 Added to these examples of effective crisis management, it is also worth noting that Washington reportedly facilitated a compromise to the April 2012 Scarborough Shoal standoff.51

#### Doesn’t go nuclear

Dennis C. Blair 18. 12-11-18. Dennis Cutler Blair is the former United States Director of National Intelligence and is a retired United States Navy admiral who was the commander of U.S. forces in the Pacific region. “Would China Go Nuclear?” [https://www.foreignaffairs.com/articles/2018-12-11/would-china-go-nuclear //](https://www.foreignaffairs.com/articles/2018-12-11/would-china-go-nuclear%20//) BBM

I read with interest Caitlin Talmadge’s article “Beijing’s Nuclear Option” (November/December 2018), in which she quotes me estimating in 2015 that the odds of a U.S.-Chinese nuclear exchange were “somewhere between nil and zero.” She then goes on to make a case against remaining complacent in the face of the risk of escalation, with no discussion of what is in fact a very high nuclear threshold in a U.S.-Chinese confrontation or conflict. I continue to believe that the chances of nuclear use are very small. Talmadge’s basic argument is that in any conflict with China, the United States will immediately launch a full-scale air and missile assault against military targets in mainland China and against Chinese attack submarines at sea. In so doing, she argues, the United States will inadvertently hit either China’s ballistic missile submarines or its mobile nuclear missiles. That, in turn, will present Chinese leaders with a “use it or lose it” dilemma concerning their nuclear arsenal, and they may well decide to launch a nuclear attack against the United States. Such a scenario is extremely unlikely; indeed, I would say the odds are somewhere between nil and zero. A U.S.-Chinese conflict would be a maritime campaign in which the two sides tried to conquer or defend islands. Attacks on land targets beyond the contested islands and the waters around them, whether carried out by the United States against Chinese territory or by China against U.S. overseas bases, would be aimed at military installations and systems that supported the maritime campaign—ports, air bases, and command-and-control centers. The intercontinental nuclear deterrent forces of both countries are physically separate from these facilities. In addition, U.S. planners are very mindful of the danger of attacking any state’s nuclear arsenal and take extraordinary precautions to avoid doing so. Although there is always a chance for an isolated mistake, it is in fact possible to distinguish nuclear-armed submarines from conventional ones. Likewise, it is possible to distinguish the shorter-range, dual-use missiles that threaten Taiwan, China’s neighbors, and U.S. bases in the Pacific from the intercontinental missiles that threaten the United States. If by mistake a U.S. strike destroyed a land-based medium-range nuclear missile or sank a ballistic missile submarine, China would be greatly concerned, but it is highly unlikely that Beijing would respond by reflexively launching a nuclear attack against the United States. Rather, before even considering violating their long-held “no first use” doctrine, Chinese leaders would wait to see if a concerted, sustained U.S. campaign against their nuclear arsenal was under way. The United States has no incentive to attempt such a campaign and in fact would take every precaution to avoid it. The real danger of escalation in these conflicts would be when a Chinese attempt to capture a disputed island—Taiwan, one of the Diaoyu/Senkaku Islands, or an island in the South China Sea—was failing. A failed attempt to regain territory that the Chinese government has claimed as its own would undermine the legitimacy of the Chinese Communist Party and could make Beijing desperate enough to threaten the use of nuclear weapons. Again, U.S. planners are aware of that danger and would seek to manage the end of a maritime conflict with China in a way that minimized the incentives for escalation.

## Inequality

#### Including rental and self-income data shows inequality hasn’t changed in nine decades.

Atkinson ‘21 [Robert; 3/10/21; Founder and President of the Information Technology and Innovation Foundation, Ph.D. in City and Regional Planning from the University of North Carolina; "How Progressives Have Spun Dubious Theories and Faulty Research Into a Harmful New Antitrust Doctrine," https://itif.org/publications/2021/03/10/how-progressives-have-spun-dubious-theories-and-faulty-research-harmful-new]

Myth 7: Market Concentration Has Caused Labor’s Share of Income to Fall26

Neo-Brandeisians have argued that increased market concentration has reduced the share of national income going to labor. The idea is that as companies gain more market power, they take an increased share of economic output, with workers getting less.

But according to the U.S. Bureau of Economic Analysis, virtually none of labor’s lost share of income goes to increased profits, as a theory of market power might predict. Rather, the gains are almost totally from increases in both rental income—imputed rent (the value an owner would get from renting the home they occupy at market rates) homeowners receive and actual rent renters pay—and to some extent the mismeasurement of self-employment income. And when looking at the change in combined worker, rental, and self-employment income as a share of net national income, versus combined profits and net interest income, the former ratio is essentially unchanged over the last 90 years. (See figure 4.) In other words, the declining share of labor income has almost nothing do with monopoly power.

#### It's overwhelmingly resilient

**Mousseau 19** Michael James Mousseau, Political Science Professor at the Univeristy of Central Florida, focuses on the link between economics and conflict, PhD at Binghamton University. [The End of War: How a Robust Marketplace and Liberal Hegemony Are Leading to Perpetual World Peace, 44(1), Summer 2019, ProjectMUSE]//BPS

Reports of the demise of the liberal order, however, are greatly exaggerated. First, Hungary and Poland are newly contractualist states. The sociological nature of economic norms theory means that contractualist values should be more firmly rooted in older contractualist societies than in newer ones. This is corroborated with the natural experiment of Germany: in 1962 West Germany embraced contractualism (see table 1), but it was only after 1991 that East [End Page 191] Germany could have become contractualist, when massive investments from the Federal Republic caused incomes in the marketplace to become higher than incomes obtainable from status relationships. Today, Germany's populist movement is concentrated in the eastern part of the country and is largely nonexistent in the western part,83 which corroborates the expectation that some newly contractualist societies retain some of their status values even after a generation of robust opportunity in the marketplace. Deeper changes in values may not occur until generational cohorts initially socialized into status or axial economies have passed on. Second, the electorates in most of the thirty-five contractualist states listed in table 1 in 2010 have not experienced substantial increases in populist sentiment. Italy's Five Star movement is often called populist but largely because of its anti-immigrant stance. Although an embrace of immigrants would seem consistent with contractualist values, opposition to large numbers of immigrants is arguably a rational response to what is essentially a huge external shock that has intensified in recent years. Britons voted to leave the European Union, but largely because they believed they were being treated unfairly in it. The rejection of unfair terms of trade, whether perceived correctly or not, is consistent with contractualist values. Third, the strength of institutions far exceeds that of any one person, including the president of the United States. Liberal values and institutions are rooted in contractualist economic norms and will not disappear simply because some leaders choose not to abide by them. For instance, although Trump may want the United States to withdraw from the North Atlantic alliance, this is not a view shared by Congress and the American people. Even members of Trump's administration have often restrained him in ways consistent with contractualist values and institutions.84 In economic norms theory, the only way the United States' contractualist values could shift to status or axial values would be through radical economic change. As mentioned above, economics is ultimately at the mercy of politics, as an influential coalition of rent-seekers could potentially collapse a contractualist economy by failing to sustain the highly inclusive marketplace or uphold the state's credibility in enforcing of contracts. In recent years, the U.S. economy has begun tilting toward rent-seekers, given the growing role of private money in electoral campaigns and the increasing sophistication of rent-seekers [End Page 192] in masking their activities though the manipulation of public opinion, including through their concentrated ownership of media outlets. Such rentierism could precipitate a change in U.S. values if it results in a retraction of the market substantial enough that newer generations began to obtain higher wages in newfound status networks than in the marketplace. In this way, the Trump phenomenon may reflect a pathology in U.S. governing institutions; but at least so far, it arguably has not extended to the American people. Most of Trump's supporters seem to be drawn to him not for his expressions of status values, but for his pledges to fight a "rigged" system and create well-paying jobs. Whether or not Trump means what he says, many of his supporters saw a vote for him as an act of protest against the increasing corruption occurring in the United States, a clear contractualist expression.85 Although a collapse of the U.S. economy and transition to an axial or a status economy is always possible, the feedback loop of popular insistence on economic growth and a highly inclusive marketplace makes this unlikely. Aside from an external shock (such as nuclear war or climate devastation), such a transition could happen only if the rentiers somehow manage to remain in power long enough to institutionalize a permanently underemployed underclass. Fourth, even if the U.S. economy were to collapse and the United States became an axial or a status power, the combined economic might of all the other contractualist countries in the world is nearly twice that of the United States. The soft power of the United States in world politics lies not in its power to persuade, but in it being the largest of the contractualist states, and in its willingness to provide the public good of global security since the collapse of the pound sterling in late 1946. If the United States withdrew from its leadership role, the remaining contractualist powers would fill the vacuum. None of them has an economy relatively large enough to enable it to act as a natural leader and principal provider of global security, but it is the temperament of these states that they can easily form an international organization to coordinate and act on their shared security interests, even if some may choose to free ride. Fifth, current events need to be viewed within a larger context. Fernand Braudel pinpoints the rise of the modern world economy as starting around the year 1450 in northwestern Europe.86 The first contractualist economy emerged more than two centuries ago. Since then, contractualist states have [End Page 193] confronted numerous shocks and threats to their systems, including the American Civil War, the Great Depression, two world wars, and the Cold War. The present populist mini-wave and pathologies in U.S. democracy are mere trifling episodes in a larger historical frame.

# FTC DA

### Top

#### 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).

### Right to repair fails

#### 2. Monopolization---it’ll crush revenue and crop growth---only ‘right to repair’ solves.

O’Reilly ’21 [Kevin; February 2021; Director of the Campaign for the Right to Repair at the United States Public Interest Group, B.S. and B.A. from the University of San Diego; U.S. PIRG, “Deere in the Headlights,” p. 3-19]

Executive Summary

On the farm, the fields must be plowed, planted or harvested whether or not your tractor or combine harvester is running. When their equipment does break down, generations of farmers have found a way to fix their equipment and get the job done. But now, equipment manufacturers refuse to give farmers all of the tools that they need to fix their stuff—especially the software tools to install replacement electronics— leading to delays of hours to weeks while the farmer waits for the dealership to make the repair.

Farm equipment, much like all of the devices and gadgets in our lives, is increasingly driven by software. While this software has increased the efficiency of some tasks, it has also allowed manufacturers to take increasing control of the repair process.1

The sensors and control systems that feed this software with data have been integrated into most of the functions of modern combine harvesters, tractors and other farm equipment.2 In cases where a mechanical issue engages safety or emissions control systems, or some part of those systems fail, the immobilizer is activated. 3 This sends the machine into “limp mode,” which disables most of the equipment’s functionality and only allows the machine to “limp” out of the way of other work until it is repaired and the error codes are cleared.4

Without the software tools needed to diagnose problems, install replacement parts and authorize repairs, the engagement or failure of any sensor or control system forces a farmer to either haul their machine into the nearest dealership or wait for a field technician to arrive to complete the repair.5

Farmers’ inability to repair software-connected systems without proprietary software is a glaring example of how farm equipment is engineered to be dependent on dealership support. Our research shows how prevalent this practice has become: U.S. PIRG Education Fund found as many as 125 sensors in a single combine. Each sensor is connected to a controller network. A problem with any one of those controller networks will require diagnostic tools not available to farmers, sending them back to the dealer for a repair. According to agricultural equipment experts, these sensors and their associated controller networks are now the highest point of failure on the product.6

When repair options are limited by software or other restrictions, it can create a de-facto repair service monopoly. Manufacturers’ monopoly on repair has a real impact on farmers’ livelihoods. Without independent repair shops or the ability to fix their own stuff, they are exposed to high repair costs and long wait times. This report describes some of these delays and the associated difficulties and expenses.

Manufacturers defend these behaviors by claiming that providing farmers with the repair resources available to dealerships would lead to illegal modifications that could override safety and environmental controls, 7 claims that this report shows are false. There is, however, a strong financial incentive to capture repair business. John Deere company filings pointed to trends that services and repair have been as much as three to six times as profitable as new equipment sales for John Deere and its dealerships. 8

There are many examples that demonstrate how farmers are frustrated by the challenges in maintaining equipment. Some are paying unprecedented prices for older tractors—like the 1980 John Deere 4440 that sold for $43,500 in Lake City, MN in April 20199—because they are actually fixable. Others, like Nebraska farmer Kyle Schwarting, 10 are hacking their tractors with versions of John Deere Service Advisor cracked and made available on torrent websites based in Eastern Europe. 11

Farmer organizations are increasingly supporting policy solutions to eliminate repair hurdles. The American Farm Bureau Federation, the National Corn Growers Association and the National Farmers Union submitted a public comment to the U.S. Copyright Office requesting, “exemption for agricultural vehicle owners to diagnose, repair, and lawfully modify the computer programs contained in and controlling the functioning of their mechanized agricultural vehicles,”12 in 2018 as a part of the triennial rulemaking process laid out by section 1201 of the Digital Millennium Copyright Act. Right to Repair legislation—which would provide farmers with access to the parts as well as the physical and software tools used to diagnose, calibrate and otherwise authorize repairs—is also gaining popularity amongst farmers. Over 30 states have considered these reforms, 13 the American Farm Bureau Federation adopted a pro-Right to Repair policy in 2020,14 and the Montana Farmers Union indicated a 2021 bill in its state is a top priority.15

This report outlines why farmers need the right to repair their equipment. Absent these reforms, farmers are reliant on dealerships for many fixes and are exposed to high costs and long wait times that cut into already thin profit margins. 16 Despite industry claims, Right to Repair legislation would not provide farmers with the ability to bypass safety or environmental controls, nor would it expose manufacturers to potential loss of intellectual property. It would, however, provide farmers with what they need to get back to work when their equipment goes down.

#### 3. Authentic ‘right to repair’ is key---laundry list.

O’Reilly ’21 [Kevin; February 2021; Director of the Campaign for the Right to Repair at the United States Public Interest Group, B.S. and B.A. from the University of San Diego; U.S. PIRG, “Deere in the Headlights,” p. 3-19]

Conclusion

Farmers Need Access to Tools Necessary to Repair Their Tractors Themselves

As shown by this report and our analysis, the increased presence of software in agricultural equipment has allowed manufacturers like John Deere to take control of the repair process at the expense of the equipment owner. The creation of software locks and keys required to authorize repair severely limits farmers and independent repair shops’ ability to fix broken farm equipment themselves.

Groups like AEM and EDA have responded to calls for the Right to Repair by rolling out their own preemptive compromise measures, called R2R Solutions. 87 In their statement of principles, they commit to providing access to things like manuals, onboard diagnostics and more for, “tractors and combines put into service on or after January 1, 2021.”88

But their proposal falls short in a few key ways. First, there is no guarantee that the tools that are provided will be made available at an affordable price. Manufacturers in other industries like medical equipment have offered trainings required to get access to service information for as much as 80% of the original price of the device. 89 That would be a hefty price to pay on combines that can cost up to $500,000 and may need to be replaced in as soon as one to three years for bigger farmers.90 Sheer cost can effectively prevent the independent repair access promised by AEM and EDA.

The AEM/EDA outline also refuses to permit consumers to reset an immobilizer system or security-related controls. 91 Without those capabilities, farmers will still be beholden to manufacturers and their affiliated dealerships to authorize repairs and get back to work. Again, a farmer’s right to repair is withheld.

A third issue is that tractors and combines put into use before 2021 are not a part of the manufacturers’ commitment. This creates an orphaned fleet of farm equipment whose owners still cannot repair their own tractors. Smaller farmers, who can use their combines for 15 to 20 years, are the most likely to get hurt in the process.

Finally, while AEM and EDA members have pledged to meet the standards they set for themselves, there is no guarantee that they will follow through and no opportunity for farmer recourse should they fail to live up to their promise.

#### 4. It covers agriculture now.

Stumpf ’21 [Rob; July 6; Journalist, citing White House Press Secretary Jen Psaki and the Department of Agriculture; The Drive, “Biden to Sign Order Protecting Farmers’ Right to Repair Tractors,” <https://www.thedrive.com/news/41427/biden-to-sign-order-protecting-farmers-right-to-repair-tractors>]

"This is great news for farmers, and it’s great news for everyone concerned with repair monopolies," Proctor added.

The impending action from Biden would mark the first time a U.S. president has weighed in on the right to repair. While this specific action is aimed at farming equipment, it opens the door for a myriad of other industries that are currently battling similar restrictions on the ability to legally and easily repair their own privately purchased property.

### Cws fails

#### Adding a single case takes up fifty percent of resources---there’s minimal slack now and Congress will deny requests.

Kantrowitz ’20 [Alex; September 17; Author and reporter, B.A. from Cornell University; Medium, “‘It’s Ridiculous’: Underfunded U.S. Regulators Can’t Keep Fighting the Tech Giants Like This,” <https://onezero.medium.com/its-ridiculous-underfunded-u-s-regulators-can-t-keep-fighting-the-tech-giants-like-this-3b57487b4d63>]

“When I was there, the privacy wing had maybe 50 people, and that’s probably generous. That’s lawyers, support staff, everyone,” Justin Brookman, the former policy director at the FTC’s office of technology research and investigation, told Big Technology. “If they were to bring a case, that would tie up half the resources of the group. And they had two litigations ongoing and that took up most of everyone’s time.” The agency’s budget has barely increased since Brookman left in 2017, while the tech giants have added trillions of dollars to their market caps.

Inside the FTC and DOJ, employees are aware of the tech giants’ ability to fight, and the corporations’ budgets tend to live inside their heads. “Facebook will have the ability to raise every single issue, if they want to,” Kades said. “It doesn’t have to be a winner, doesn’t have to be close to winner. If they wanted to take this position in litigation, they can make every procedural maneuver difficult, they can not cooperate on discovery, they can fight on scheduling, they don’t have to win even half of those, but it would just suck up resources.” The ability to do this, not even the action itself, can impact regulators’ thinking.

Agency staffers are typically mission-driven and knowingly work for salaries below private-sector rates, but the resource-rich tech giants are now poaching directly from agencies at a rate remarkable even for Washington’s revolving door between the private and public sector.

Kate Patchen, a DOJ antitrust chief, went directly to Facebook in 2018. Bryson Bachman, a high-ranking attorney in the DOJ’s antitrust division, became a senior counsel at Amazon in 2018. Scott Fitzgerald, who worked in the DOJ’s antitrust division for nearly 13 years, became a corporate counsel working on regulation for Amazon this May. At the FTC, senior attorney Laura Berger moved to Microsoft in 2018 to become a privacy director for LinkedIn. And Nithan Sannappa, a well-regarded attorney in the agency’s division of privacy and identity protection left for Twitter in 2017 and is now a lawyer for Google.

The FTC declined to comment. The DOJ did not respond to an inquiry.

Hiring this type of talent gives the tech giants a major advantage in their effort to fend off regulation. Ashkan Soltani, a former chief technologist at the FTC, recalled agency lawyers hugging a former colleague who was working for the tech giants as an outside counsel as they prepared to face off in court. “They would have a really personal relationship with staff, which is kind of awkward,” he said. “And they’d know, in detail, all of the cases that the agency has currently and would be able to advise their clients whether to push hard on an issue or not.”

Ultimately, Congress is responsible for funding these agencies, and its lack of action in this regard makes its hearings and tough questioning of tech giant CEOs a little hollow. Getting Bezos to sweat in a made-for-YouTube interrogation pales in comparison to Congress’s responsibility to properly fund the regulators. None of five members of Congress contacted for this story, including some of the most theatrical in the hearings, agreed to comment.

#### Undermining the CWS obliterates checks on politicized lawsuits---opens the floodgates to expensive litigation.

Dorsey et al. ’19 [Elyse, Geoffrey Manne, Jan Rybnicek, Kristian Stout, and Joshua Wright; April 15; Adjunct Professor at Antonin Scalia Law School at George Mason University; President and Founder of the International Center for Law and Economics, J.D. from the University of Chicago; Adjunct Professor and Senior Fellow at the Global Antitrust Institute at the Antonin Scalia Law School at George Mason University, legal counsel at Freshfields; Director of Innovation Policy at the International Center for Law and Economics; former FTC Commissioners, Executive Director of the Global Antitrust Institute, Professor at Antonin Scalia Law School at George Mason University; Regulatory Transparency Project, “Consumer Welfare and the Rule of Law: The Case Against the New Populist Antitrust Movement,” <https://regproject.org/wp-content/uploads/RTP-Antitrust-and-Consumer-Protection-Populist-Antitrust.pdf>]

Today, the consumer welfare standard offers a rigorous, objective, and evidence-based framework for antitrust analysis. It leverages developments in modern economics more reliably to predict when conduct is likely to harm consumers as a result of harm to competition. It offers a tractable test that is broad enough to contemplate a variety of evidence related to consumer welfare but also sufficiently objective and clear to cabin discretion and honor the principle of the rule of law. Perhaps most significantly, it is inherently an economic approach to antitrust that benefits from new economic learning and is capable of evaluating an evolving set of commercial practices and business models. These virtues are precisely the target of the new populist antitrust movement, which seeks to reject economics in favor of mere supposition.

Antitrust is an attractive regulatory tool. The vague, terse language of the Sherman Act readily lends itself to interpretation, imbuing it with virtually limitless scope. Indeed, the urge to treat antitrust as a legal Swiss Army knife capable of correcting all manner of social and economic ills is apparently difficult to resist—as calls to do so resurface every few decades. Conflating size with market power, and market power with political power, the populist antitrust movement advocates for dramatically expanding industry regulation in nominally antitrust terms and would place vast political discretion in the hands of enforcers.

But that attraction is precisely why we should care about the scope, process, and economics of antitrust and the extent of its politicization. Antitrust in the US has largely resisted the relentless effort toward politicization. Endorsing the populist antitrust approach would prioritize political expediency over the rule of law. It would open the floodgates of antitrust litigation and facilitate deleterious tendencies, such as rent-seeking, regulatory capture, and politically motivated enforcement. It would thus unlock a veritable Pandora’s box of concerns that are currently kept in check. Chief among them is the use of antitrust laws to evade democratically and judicially established rules and legal precedent.

This paper makes the case in support of the current consumer welfare standard and against a sweeping set of unsupported populist antitrust reforms. There is significant room for debate within the consumer welfare model for what types of conduct should face antitrust scrutiny, what evidence is relevant, and where liability standards should be drawn. Such debate is healthy and to the benefit of antitrust enforcement. But it does not require abandoning decades of experience and economic learning that would turn back the hands of time and return us to an era where antitrust enforcement was incoherent and deleterious.

### A2: Can’t regulate – resources

#### The FTC is maximizing resources---the ‘full range’ of tools will be available.

Fung ’21 [Brian; July 22; Technology reporter; CNN, “The FTC vows to 'root out' illegal repair restrictions on phones, fridges, tractors and more,” <https://www.cnn.com/2021/07/22/tech/ftc-right-to-repair/index.html>]

US regulators are vowing to make it easier for consumers and independent service shops to repair commercial products like smartphones without having to rely on those products' manufacturers, effectively backing a principle known as "right to repair."

On Wednesday, the Federal Trade Commission led by Chair Lina Khan voted unanimously to condemn restrictions imposed by manufacturers on products that make them more difficult to repair independently. The decision commits the FTC to investigating restrictions that may be illegal under both the nation's antitrust laws as well as a key consumer protection law governing product warranties, the Magnuson-Moss Warranty Act.

In a statement, FTC Chair Lina Khan vowed to use the agency's full range of tools to "root out" illegal repair restrictions.

The move is a shot across the bow of companies like Apple ([AAPL](https://money.cnn.com/quote/quote.html?symb=AAPL&source=story_quote_link)), which for years has been criticized by [right-to-repair advocates](https://www.ifixit.com/News/43179/apple-endangers-our-business-model-gets-a-repairability-point-for-it) for shipping products with unremovable memory or batteries, or sealing devices with special glue. Apple didn't immediately respond to a request for comment on the vote.

Beyond the use of adhesives that make it harder to access the insides of a device, the policy statement calls out restrictions that limit the availability of spare parts only to a manufacturer's preferred servicers. It zeroes in on "software locks" and copy-protection technology as well as restrictive user licensing language. And it blasts "unlawful, overbroad" patent and trademark lawsuits that have allegedly been weaponized to restrict independent repairs.

"Restricting consumers and businesses from choosing how they repair products can substantially increase the total cost of repairs, generate harmful electronic waste, and unnecessarily increase wait times for repairs," the FTC's new [policy statement](https://www.ftc.gov/system/files/documents/public_statements/1592330/p194400repairrestrictionspolicystatement.pdf) said. "In contrast, providing more choice in repairs can lead to lower costs, reduce e-waste by extending the useful lifespan of products, enable more timely repairs, and provide economic opportunities for entrepreneurs and local businesses."

Wednesday's vote doesn't just place more pressure on the tech industry. Makers of everything from tractors to hospital equipment have been accused of similar tactics.

In remarks ahead of the vote, FTC Commissioner Rohit Chopra said the agency had received reports of hospitals that were prevented from fixing ventilators during the pandemic as a result of manufacturer restrictions, making the right-to-repair issue a matter of life and death.

"The nation started this school year with a vast laptop shortage; we were reportedly five million short at one point," Chopra said in [prepared remarks](https://www.ftc.gov/system/files/documents/public_statements/1592354/final_chopra_prepared_remarks_on_right_to_repair.pdf). "The start to remote learning, already so astoundingly difficult, was worsened by unnecessary repair restrictions on refurbishing computers, leaving those students without computer access unable to learn."

The vote follows [an FTC report](https://www.ftc.gov/system/files/documents/reports/nixing-fix-ftc-report-congress-repair-restrictions/nixing_the_fix_report_final_5521_630pm-508_002.pdf) published in May that addressed the right-to-repair issue, finding that most of the justifications put forward by manufacturers for repair restrictions are "not supported by the record." Companies defending repair restrictions have cited the need to protect their intellectual property, promote safety and cybersecurity, and provide better quality of service.

Right-to-repair advocates have made strides globally in recent months, with the European Parliament [voting to back the movement](https://www.zdnet.com/article/eu-takes-a-leap-forward-in-supporting-consumer-right-to-repair-rules/) last year (after the European Commission [introduced a right-to-repair proposal](https://ec.europa.eu/environment/pdf/circular-economy/new_circular_economy_action_plan.pdf) a few months earlier). Even Apple co-founder Steve Wozniak [threw in his support in a recent video](https://www.cnn.com/2021/07/09/tech/apple-steve-wozniak-right-to-repair-intl-hnk/index.html#:~:text=Wozniak%2C%20who%20co%2Dfounded%20Apple,devices%20also%20has%20commercial%20value.&text=%22It's%20time%20to%20start%20doing,right%20to%20repair%20more%20fully.%22) message.

The FTC's vote also comes after the Biden administration issued a sweeping executive order this month on competition. The order specifically addresses right-to-repair and encourages the FTC to limit manufacturers' ability to restrict independent repairs.

"Powerful equipment manufacturers—such as tractor manufacturers—use proprietary repair tools, software, and diagnostics to prevent third-parties from performing repairs," said an accompanying White House [fact sheet](https://www.whitehouse.gov/briefing-room/statements-releases/2021/07/09/fact-sheet-executive-order-on-promoting-competition-in-the-american-economy/). "For example, when certain tractors detect a failure, they cease to operate until a dealer unlocks them. That forcers farmers to pay dealer rates for repairs that they could have made themselves, or that an independent repair shop could have done more cheaply."

For its part, John Deere has said [in a statement](https://www.deere.com/en/our-company/news-and-announcements/newsroom/repair/) that it "supports a customer's right to safely maintain, diagnose and repair their equipment. When customers buy from John Deere, they own the equipment and can choose to personally maintain or repair the product." The company has added that it "does not support the right to modify embedded software due to risks associated with the safe operation of the equipment, emissions compliance and engine performance."

Wednesday's policy statement also commits the FTC to working with states "to advance the goal of open repair markets." Dozens of states are considering so-called right-to-repair legislation, according to the advocacy group US PIRG.

"Manufacturers, be warned: It's time to clean up your act and let people fix their stuff," said Nathan Proctor, senior campaign director for the group's right to repair initiative, in a statement. "With unanimous support from commissioners, there's a new sheriff in town. The FTC is ready to act to stop many of the schemes used to undermine repair, while support is increasing for new legislation to further crack down."

#### They’re gearing up to enforce right to repair and will devote resources to win.

Velazco ’21 [Chris; July 26; Technology writer, B.A. from Rutgers University; Washington Post, “If you had trouble getting products fixed under warranty, the FTC wants to hear your horror story,” <https://www.washingtonpost.com/technology/2021/07/26/ftc-right-to-repair-warranty-violations/>]

What is the ‘Right to Repair’ debate about?

We live in a world of hardware — of steel and silicon — governed as much as software as it is by policy. Most of the time, that hardware, be it a car, a smartphone or a blender, works the way it’s supposed to. When that stuff doesn’t work, our first reaction is usually to seek out the companies who made it for support, repairs or replacements.

The problem lies in cases where those companies essentially restrict people who own their products from finding other ways to service them. You might have heard some of the horror stories: [Some tractors](https://www.bloomberg.com/news/features/2020-03-05/farmers-fight-john-deere-over-who-gets-to-fix-an-800-000-tractor) need specific software and proprietary tools to be repaired, all but ensuring farmers and third-party technicians can’t fix issues on their own. Smartphones rely on highly specialized parts to function, but they’re often glued into place with adhesives, making some repairs needlessly difficult. And at least one camera maker has [stopped the flow of replacement parts](https://www.ifixit.com/News/34241/nikon-is-killing-its-authorized-repair-program) to third-party repair shops, putting their livelihoods at risk.

In the face of all that, “Right to Repair” advocates argue that manufacturers should provide independent technicians and the people who own their products — like you and me — access to the tools, parts and information needed to fix the things we own.

Some argue that forcing companies to abide by “Right of Repair” laws could compromise the very devices advocates are trying to fix.

“Allowing unauthorized third parties with access to sensitive diagnostic information, software, tools, and parts would jeopardize the safety and security of consumers’ computers, tablets, and other devices and put them at risk for fraud and data theft,” wrote Carl Holshouser, a senior vice president at [Technet](http://technet.org/press-release/technets-statement-on-the-ftcs-policy-statement-on-the-secure-and-safe-repair-of-digital-products), an industry trade group composed of tech CEOs and executives.

The debate between both sides is still evolving, and we can’t blame you if you haven’t quite made up your own mind yet.

How can you help?

The FTC says it plans to “devote more enforcement resources” to going after companies that unlawfully restrict repair options, particularly those that violate the Magnuson-Moss Warranty Act. (Translation: The Commission will consider suing companies with demonstrably shady warranty tricks.) And that’s where you come in.

If you’ve ever had a warranty issue that never quite felt right — for instance, a company claiming you voided your computer’s warranty by letting a friend fix it — the FTC wants to know about it.

“People can submit a complaint to the FTC at [reportfraud.ftc.gov](http://reportfraud.ftc.gov/),” said Juliana Gruenwald Henderson, a spokeswoman for the Commission. “And we encourage people to provide as much detail as possible.”

In this case, the FTC wants any information you have about the company you believe imposed an illegal repair restriction, when it happened and whether you paid any money along the way.

Of course, dealing with warranties can feel frustrating even on a good day, so it can be hard to suss out what an illegal repair restriction even looks like. Here’s one example:

Let’s say you own a blender that’s still within its one-year warranty period, and it suddenly stops crushing a perfectly normal amount of ice mid-daiquiri. (How tragic.) When you give the company’s customer support line a call, a too-cheerful representative tells you that a repair shouldn’t be a problem — you just have to bring the blender to an authorized service center and pay a few bucks for their brand name parts, or else you forfeit the rest of your warranty. That, to put it mildly, is not okay.

“What the company can’t do is say ‘Look, we have this part available, you have to pay for it, and if you opt for any other option, we will void your warranty’,” Perzanowski said. The heart of the issue here is that a company can’t require you to pay for official parts or service as a condition of keeping the rest of your product’s warranty intact.

Here’s another example: Your phone’s battery life isn’t quite what it used to be, so you screw up your courage, grab a tiny screwdriver, and discover a few of those pesky “warranty void if removed” stickers inside. Turns out, those aren’t okay either, since they “prevent or discourage consumers from using third-party parts or third-party servicers” as Perzanowski put it.

If any of these situations sound familiar, it’s worth reaching out to the FTC to share your story. With all that said, though, be sure to keep your expectations in check. I hate to say it, but it’s very unlikely that the FTC will resolve your specific issue — even if you wound up shelling out money that you didn’t need to. Still, each complaint submitted should help the Commission figure out what shady practices are still in play, which companies rely on them and how best to fight illicit repair restrictions over the long haul.

Who will the FTC go after?

Apart from companies with questionable approaches to warranties, the FTC said it would dig into companies’ repair restrictions to see if they ran afoul of antitrust laws or bans on “deceptive acts and practices” enshrined in the FTC Act. Put another way, the Commission is gearing up for a lot of behind-the-scenes scrutinizing.

While the FTC hasn’t publicly outlined the companies it plans to keep a closer eye on, there’s no shortage of potential high-profile targets.

### FTC overloaded

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### Structrual rememdie solve

#### The plan causes costly overenforcement.

Dorsey et al. ’19 [Elyse, Geoffrey Manne, Jan Rybnicek, Kristian Stout, and Joshua Wright; April 15; Adjunct Professor at Antonin Scalia Law School at George Mason University; President and Founder of the International Center for Law and Economics, J.D. from the University of Chicago; Adjunct Professor and Senior Fellow at the Global Antitrust Institute at the Antonin Scalia Law School at George Mason University, legal counsel at Freshfields; Director of Innovation Policy at the International Center for Law and Economics; former FTC Commissioners, Executive Director of the Global Antitrust Institute, Professor at Antonin Scalia Law School at George Mason University; Regulatory Transparency Project, “Consumer Welfare and the Rule of Law: The Case Against the New Populist Antitrust Movement,” <https://regproject.org/wp-content/uploads/RTP-Antitrust-and-Consumer-Protection-Populist-Antitrust.pdf>]

IV. The Dangers of the Populist Antitrust Movement

A. Excess Error: The Precautionary Principle Approach

At root, and in large measure because of the clear lack of evidence supporting its claims, the populist antitrust movement is fundamentally a “precautionary” approach. Largely unconcerned with problems that might arise from over-enforcement, the populist approach considers the merest possibility of harm to be a sufficient basis to proscribe uncertain conduct. But in an era of rapid technological innovation and evolving business models impelled by shifting consumer preferences and technological capabilities, such an approach is extremely costly.

The US Supreme Court has repeatedly recognized the limitations the courts face in distinguishing between pro- and anticompetitive conduct in antitrust cases, particularly the risk of false positives in monopolization cases.90

The Court has also expressed concerns, originally laid out in Judge Frank Easterbrook’s seminal article, The Limits of Antitrust, that the cost to consumers arising from type I errors might be greater than those attributable to type II errors because “the economic system corrects monopoly more readily than it corrects judicial errors.”91

The populist antitrust “precautionary principle” approach is the antithesis of this. It is rooted in a belief that markets do not — or, more charitably, are unlikely — to function well in general, and certainly not sufficiently to self-correct in the face of monopolization.